

Fourth 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

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BLAIKIE, Bill, Hon.	Elmwood	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
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, Hon.	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MARCELINO, Flor, Hon.	Wellington	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PEDERSEN, Blaine	Carman	P.C.
REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SARAN, Mohinder	The Maples	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELBY, Erin	Southdale	N.D.P.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WHITEHEAD, Frank	The Pas	N.D.P.
WIEBE, Matt	Concordia	N.D.P.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 19, 2010

The House met at 1:30 p.m.

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

ROUTINE PROCEEDINGS INTRODUCTION OF BILLS

Bill 23—The Public Schools Amendment Act

Hon. Nancy Allan (Minister of Education): Mr. Speaker, I move, seconded by the Minister of Entrepreneurship, Training and Trade (Mr. Bjornson), that Bill 23, The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques, be now read a first time.

Motion presented.

Ms. Allan: Mr. Speaker, this bill amends The Public Schools Act. It clarifies administrative procedures and scope of the act in certain areas. These changes were made in consultation with our education stakeholders and these changes will clarify roles and responsibilities and streamline administrative procedures.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? *[Agreed]*

PETITIONS

PTH 15—Twinning

Mr. Ron Schuler (Springfield): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

In 2004, the Province of Manitoba made a public commitment to the people of Springfield to twin PTH 15 and the floodway bridge on PTH 15, but then in 2006, the twinning was cancelled.

Injuries resulting from collisions on PTH 15 continue to rise and have doubled from 2007 to 2008.

In August 2008, the Minister of Transportation stated that preliminary analysis of the current and future traffic demands indicate that local twinning will be required.

The current plan to replace the floodway bridge on PTH 15 does not include twinning and therefore does not fulfil the current nor future traffic demands cited by the Minister of Transportation.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Transportation consider the immediate twinning of the PTH 15 floodway bridge for the safety of the citizens of Manitoba.

Signed by R. Harley, D. Leys, A. Sedo and many, many other Manitobans.

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

Ophthalmology Services—Swan River

Mrs. Myrna Driedger (Charleswood): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The Swan Valley region has a high population of seniors and a very high incidence of diabetes. Every year, hundreds of patients from the Swan Valley region must travel to distant communities for cataract surgery and additional pre-operative and post-operative appointments.

These patients, many of whom are sent as far away as Saskatchewan, need to travel with an escort who must take time off work to drive the patient to his or her appointments without any compensation. Patients who cannot endure this expense and hardship are unable to have the necessary treatment.

The community has located an ophthalmologist who would like to practise in Swan River. The local Lions Club has provided funds for the necessary

equipment, and the Swan River Valley hospital has space to accommodate this service.

The Minister of Health has told the Town of Swan River that it has insufficient infrastructure and patient volumes to support a cataract surgery program; however, residents of the region strongly disagree.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Health to consider rethinking her refusal to allow an ophthalmologist to practise in Swan River and to consider working with the community to provide this service without further delay.

This is signed by G. Livingstone, Z. Reich, H. Ellingson and many, many others, Mr. Speaker.

Education Funding

Mr. Cliff Graydon (Emerson): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

Historically, the Province of Manitoba has received funding for education by the assessment of property that generates taxes. This unfair tax is only applied to selected property owners in certain areas and confines, including but not limited to commercial property owners.

Property-based school tax is becoming an ever-increasing burden without acknowledging the commercial property owner's income or the owner's ability to pay.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Education, Citizenship and Youth consider removing the education funding from school tax or property levies from all property in Manitoba, including commercial property.

To request that the Minister of Education, Citizenship and Youth consider finding a more equitable method of funding education, such as general revenue, following the constitutional funding of education by the Province of Manitoba.

And this petition is signed by F. Eugel, W. Palmer and S. Gair and many, many fine Manitobans.

Medical Clinic in Weston and Brooklands Area

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

Walk-in medical clinics provide a valuable health-care service.

The closure of the Westbrook Medical Clinic has left both Weston and Brooklands without a community-based medical clinic.

We petition the Legislative Assembly as follows:

To urge the provincial government to consider how important it is to have a medical clinic located in the Weston-Brooklands area.

Mr. Speaker, this is signed by D. Lévêque, D. Dorge and C. Salangsang and many, many other fine Manitobans. Thank you.

Mount Agassiz Ski Area

Mr. Stuart Briese (Ste. Rose): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

For several decades, the Mount Agassiz Ski area, home to the highest vertical between Thunder Bay and the Rocky Mountains, was a popular skiing and snowboarding destiny for-destination for Manitobans and visitors alike.

The operators-operations of Mount Agassiz Ski area were very important to the local economy, not only creating jobs, but also generating sales of goods and services in area businesses.

In addition, a thriving rural economy generates tax revenues that help pay for core provincial government services and infrastructure which benefits all Manitobans.

Although the ski facility closed in 2000, there remains strong interest in seeing it reopened, and Parks Canada is committed to conducting a feasibility study with respect to the Agassiz site and future opportunities in the area.

We petition the Legislative Assembly of Manitoba as follows:

To request the appropriate ministers of the provincial government to consider outlining to Parks

Canada the importance that a viable recreation facility in the Mount Agassiz area would play in the local and provincial economies.

* (13:40)

And to request that the appropriate ministers of the provincial government consider working with all stakeholders, including Parks Canada, to help develop a plan for a viable multiseason recreation facility in the Mount Agassiz area.

And this petition is signed by J. Hofer, J. Hofer, P. Wollmann and many, many other fine Manitobans.

Booth College—Name Change

Mr. Doug Martindale (Burrows): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Salvation Army operates educational facilities in 108 countries. The Salvation Army William and Catherine Booth College, the college situated in Winnipeg, is the only degree-granting college amongst all of them.

The objective of this petition is to clarify the nature of the college to those students around the world who are or who contemplate studying at a facility operated by the Salvation Army, since the term "college" can mean high school to some people, technical college or university to others.

The insertion of the word "university" in the name of the college would be as an adjective, implying teaching at the university level.

We petition the Legislative Assembly of Manitoba as follows:

That the name of the college be changed to The Salvation Army William and Catherine Booth University College.

And that The College's Act of Incorporation be amended accordingly.

Signed by D. Burke, President of Booth College.

Bipole III

Mr. Blaine Pedersen (Carman): I wish to present the following petition to the Legislative Assembly.

The background of this petition is as follows:

Manitoba Hydro has been forced by the NDP government to construct its next high-voltage direct

transmission line, Bipole III, down the west side of Manitoba, a decision for which the NDP government has not been able to provide any logical justification.

Since this will cost Manitoba ratepayers at least \$640 million more than an east-side route, and given that the Province of Manitoba is facing its largest deficit on record, the burden of this extra cost could not come at a worse time.

Between 2002 and 2009 electricity rates increased by 16 percent, and Manitoba Hydro has filed a request for further rate increases totalling 6 percent over the next two years.

A western Bipole III route will invariably lead to more rate increases.

In addition to being cheaper, an east-side route would be hundreds of kilometres shorter and would be more reliable than a west-side route.

West-side residents have not been adequately consulted and have identified serious concerns with the proposed line.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider proceeding with the cheaper, shorter and more logical east-side route, subject to necessary regulatory approvals, to save ratepayers hundreds of millions of dollars during these challenging economic times.

And this petition is signed by D. Stocks, D. Sherwood and R. Vaillant and many, many other fine Manitobans.

Mr. Leonard Derkach (Russell): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

Manitoba Hydro has been forced by the NDP government to construct its next high-voltage direct transmission line, Bipole III, down the west side of Manitoba, a decision for which the NDP government has not been able to provide any logical justification.

Since it will—this will cost Manitoba ratepayers at least \$640 million more than an east-side route, and given that the Province of Manitoba is facing the largest deficit on record, the burden of this extra cost could not come at a worse time.

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West-side residents have not been able—have not been adequately consulted and have identified serious concerns with the proposed line.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider proceeding with the cheaper, shorter and more logical east-side route, subject to necessary regulatory approvals, to save ratepayers hundreds of millions of dollars during these challenging economic times.

And this petition, Mr. Speaker, is signed by B. Marshall, B. Bauereiss, K. Nerbas and many, many more Manitobans.

Education Funding

Mr. Rick Borotsik (Brandon West): I wish to present the following petition to the Legislative Assembly of Manitoba.

And the background of this petition is as follows:

Historically, the Province of Manitoba has received funding for education by the assessment of property that generates taxes. This unfair tax is only applied to selected property owners in certain areas and confines.

Property-based school tax is becoming an ever-increasing burden without acknowledging the owner's income or owner's ability to pay.

Provincial sales tax was instituted for the purpose of funding education. However, monies that is generated by this tax are being placed in general revenue.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Education, Citizenship and Youth consider removing education

funding by school tax or education levies from all property in Manitoba.

To request that the Minister of Education, Citizenship and Youth consider finding a more equitable method of funding education, such as general revenue, following the constitutional funding of education by the Province of Manitoba.

This petition, Mr. Speaker, is signed by B. Savage, D. Wickstrom and B. Stevenson and many, many other concerned Manitobans.

TABLING OF REPORTS

Hon. Rosann Wowchuk (Minister of Finance): Mr. Speaker, I'd like to table the Supplementary Information for the Department of Finance Expenditure Estimates for 2009—for '10-11, as well as the Supplementary Information for Manitoba Employee Pensions and Other Costs, 2009-2010.

And, Mr. Speaker, I'd also like to table a response to a written question.

Hon. Andrew Swan (Minister of Justice and Attorney General): I'm pleased to table the Manitoba Justice Supplementary Information for Legislative Review, the 2010-2011 Departmental Expenditure Estimates.

Introduction of Guests

Mr. Speaker: Order, please. Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us today, we have the participants of the Legislative Assembly of Manitoba's Third Annual Teachers' Institute on Parliamentary Democracy.

And also in the public gallery we have with us, we have honourable Madeleine Meilleur, the Ontario Minister of Community and Social Services and Minister responsible for Francophone Affairs, who is the guest of the honourable First Minister.

And also in the public gallery we have from Collège Jeanne-Sauvé, we have 101 grade 9 students under the direction of Mr. Cameron Johnson. This school is located in the constituency of the honourable Minister for Health.

On behalf of all honourable members, I welcome you all here today.

ORAL QUESTIONS

Greenhouse Gas Emissions Reduction Strategy

Mr. Hugh McFadyen (Leader of the Official Opposition): It is springtime in Manitoba, Mr. Speaker, and that means that it's time for the NDP government to roll out its annual list of excuses as to why it failed once again to meet its greenhouse gas emission targets.

I want to ask the Premier if he can end the suspense today and advise the House and all Manitobans if he could share with us this year's list of excuses as to why they missed their targets once again.

Hon. Greg Selinger (Premier): Mr. Speaker, I have to acknowledge that there was a 0.2 megatonne increase in greenhouse gas emissions, less than 1 percent in Manitoba. It's also the case that Manitoba produces 3 percent of the greenhouse gas emissions in the country when we have 3.8 percent of the population.

We start from a low base. We make no excuses. We have a good plan to go forward on greenhouse gas emissions, and in my next question, I'll indicate why the things we're doing the member opposes which would help us even go further.

Mr. McFadyen: Mr. Speaker, this is the jurisdiction in Canada that's going up when the rest of the country is going down, and so his minister of environment said that he wants to carry on the momentum when he was last asked about it. Well, the momentum is all in the wrong direction here in Manitoba.

And I want to ask the Premier whether he regrets the fact that as he was jetting off to Copenhagen in December, his then–his environment minister said that the Government of Canada, Mr. Speaker, going into those talks, had a cloud hanging over it because of its position on greenhouse gases.

Will the Premier today acknowledge that the only party and the only jurisdiction with a cloud hanging over it is NDP Manitoba as the Conservatives in Ottawa make progress on greenhouse gas emissions?

Mr. Selinger: As I said earlier, Mr. Speaker, it is true that our greenhouse gases in the reference here went up 0.2 megatonnes, less than 1 percent. It's also true that one of the best natural defences against global warming and a huge storehouse of carbon

dioxide is the east-side boreal forest, and the members want to rip it up. We want to protect it; the members want to rip it up.

* (13:50)

It's also true that the members opposite are opposed—are opposed to our—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Let's have some order, please. Order. Let's have some decorum here.

The honourable First Minister has the floor.

Mr. Selinger: Thank you, Mr. Speaker, and if the members opposite would stop being obstructionists, we could even make further progress.

Another example is on our energy efficiency programs. The member—the Leader of the Opposition is quoted in '07, March 16th, in our most well-circulated newspaper as saying he'd like us to focus on selling power. He doesn't want us to focus on helping Manitobans grow—go green and reduce their consumption of energy. He's opposed to energy efficiency. He's opposed to protecting the boreal forest. And I'll tell you some other things—

Mr. Speaker: Order.

Mr. McFadyen: Mr. Speaker, I'd like him to table the article that he's referring to, because those words never left my mouth. Once again, he's putting false information on the record in this House. Will he table that document?

And just as importantly, Mr. Speaker, as we look at the way his spin was reported on the 12th of December, 2009—the *Free Press* reported: As the Premier flies to Copenhagen today to attend the international Climate Change Conference, Manitoba is on track to meet ambitious greenhouse gas emission targets it set last year, the government contends.

Mr. Speaker, will he today apologize for misleading the *Free Press*, for misleading Manitobans, and also, will he table the phony letter that's he got in his hand right now?

Mr. Selinger: Mr. Speaker, I—my quote was from our local newspaper, not a letter. The member got that wrong.

It is true that he opposes everything we've tried to do to protect the boreal forest. He's not denying that.

That is a huge storehouse of carbon dioxide in this province. It has been valued by the International Institute for Sustainable Development as having a carbon value of between two and three-quarters billion, and up to \$17 billion of value for the peatlands that are protecting carbon dioxide there.

The member wants to rip it up. He wants to plough through it. He doesn't want to support energy efficiency programs. He's not—he's sceptical about the wind power projects we're putting in place in Manitoba, and he was very critical of what we did in removing logging in provincial parks.

When it comes to protecting the environment and reducing carbon emissions in this province, the member's been opposed to everything we do. He knows it, and Manitobans know it.

Mr. Speaker: The honourable Leader of the Opposition, on a new question.

Mr. McFadyen: Mr. Speaker, on a new question.

Everything he said in that response was false, Mr. Speaker. It's hard to have a debate when you have a Premier who comes into the House putting false information on the record and who won't even table the documents that he claims to be referring to.

Well, Mr. Speaker, Stats Canada's numbers have come out. And if he doesn't—if Manitobans can't believe their own NDP leader, they can believe what Stats Canada is saying. What Stats Canada is saying is this: national numbers are going down. The federal Conservative numbers are going down; they're moving in the right direction. The Manitoba NDP numbers are going up; they're going in the wrong direction.

Mr. Speaker, never mind all the falsehoods he's putting on the record. Will he just apologize for not keeping his promise on greenhouse gases?

Mr. Selinger: Mr. Speaker, we have a very aggressive go-forward program to reduce greenhouse gas emissions.

It is true that they went up less than 1 percent, 0.2 megatonnes. We acknowledge that. That only encouraged us and incensed us to redouble our efforts to find the proper way forward on this.

The members opposite—the member opposite says that it's false that I claim he opposes protecting the boreal forest on the east side. If he's reversed his policy on the east side, of having it protected as a

UNESCO World Heritage Site, please get up and declare that today.

He's claiming that my comments are false. I'd like to know if he's flip-flopped on protecting the boreal forest on the east side.

Mr. McFadyen: Mr. Speaker, I strongly favour cutting 50 kilometres less forest by running down the east side of Manitoba. I don't know what it is about his lack of enthusiasm for west-side trees versus east-side trees, but one thing I know for sure is we're going to save 50 kilometres of them, and we're going to do it for the sake of Manitoba.

Mr. Speaker, I want to ask the Premier if he has any intention whatsoever of keeping the promise that was legislated—not just one of the empty promises, like hallway medicine, that they made in a campaign. This is a legislated commitment.

Is he going to keep his word? Is he going to follow the rules that they brought in last year, Mr. Speaker, or is he going to change the rules, break the rules, and make a mockery of every commitment he's ever made?

Mr. Selinger: Mr. Speaker, we intend to move forward with greenhouse gas reductions in this province, which is why when we came back into office, we did something that hadn't been done when the members opposite were in office.

We put an energy efficiency program in place for residential home-owners. There was nothing like that before. We've gone from No. 10 on energy efficiency to No. 1. We have a commitment to protecting the boreal forest. The members until today, at least, were opposed to that. Now their position is not clear.

We believe the east side of Lake Winnipeg is one of the most pristine, intact, boreal forests in the world, and it should be protected. The member wants—the member always tries to reduce the boreal forest to trees. He's the equivalent of Margaret Thatcher: there is no society; there is only trees. There is actually an intact boreal forest on the east side, which is a huge, carbon storage warehouse, and he's opposed to it and every Manitoban knows it.

Mr. Speaker: Order. When members are making reference to other members in this House, it's to be by constituencies that they hold or ministers by portfolios and not by any other use of any other name. So I caution the honourable members to pick and choose your words very carefully. The

honourable Leader of the Official Opposition has the floor.

Mr. McFadyen: Mr. Speaker, the—it's Global Forest Watch that said that the west-side line is wrong; it endangers more intact boreal forest than the east-side line. The facts are the facts around this, Mr. Speaker, and we're going to cut 50 kilometres fewer trees, protect the environment and do the right thing for Manitoba Hydro.

And the fact is, Mr. Speaker, that as they were going off to Copenhagen in December, it was reported in the newspaper that they were going off to hobnob with the likes of President Barack Obama and Prince Charles. They're going to—it was an opportunity for networking and bilateral meetings.

Other than hobnobbing with celebrities and networking in Copenhagen, Mr. Speaker, what tangible progress has he made, will he make, toward reducing greenhouse gases, because the record is that they've got it all wrong; greenhouse gases are going up even as they hobnob with Prince Charles and Barack Obama?

Mr. Selinger: Mr. Speaker, on the first point that he raised. The Farlinger report was very clear. A west-side route would traverse approximately 500 kilometres of forest. An east-side route would traverse 800 kilometres of forest from Henday to Winnipeg River.

The forest areas of the west side are much more intensely developed than on the east side, with roads, rail lines, geotechnical survey lines and transmissions lines, as well as forestry and mining operations. The member just doesn't get it on the east side. It's an intact, pristine boreal forest. It has the ability to be a UNESCO World Heritage Site. It has unique Aboriginal cultures there. This is an asset that will—should be protected for future generations. The members opposite oppose it. They do not recognize that it is a carbon sink. Their position on greenhouse gas emissions is completely cynical and negative. Ours is positive and forward-looking.

Manitoba Hydro Bipole III Environmental Impact

Mr. Rick Borotsik (Brandon West): Mr. Speaker, the hypocrisy continues. Not only is Manitoba incapable of reducing greenhouse gas emissions, this NDP government is continuing on its wrong-headed decision for a west-side bipole transmission line.

The line loss on the west-side line is a minimum of 40 megawatts of continuous, clean, hydro-electric power. This is enough clean energy to shut down a dirty coal-fired plant in Minnesota or Wisconsin. The minister would rather burn dirty coal than use clean hydro-electric power.

Can the minister responsible for Manitoba Hydro please tell us how this is good for the environment?

Hon. Rosann Wowchuk (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, I'll put our record besides theirs on who is putting what [*inaudible*] on record beside your record. When it comes to the reduction of use of coal in this province, it is this government that reduced the amount of coal that is being burnt in this province.

* (14:00)

Mr. Speaker, we were able to shut down Selkirk. That has made a difference to the amount of greenhouse gas in this province. We've made changes at Brandon; the member opposite should be appreciative of that.

Mr. Speaker, this government has moved forward with greening the economy with the reduction of energies and the reduction of use of coal in this province.

Mr. Borotsik: Well, Mr. Speaker, did the minister not just hear the last set of questions? Their greenhouse gas emissions are going up, not going down.

Mr. Speaker, Manitoba Hydro recently announced they will be developing 138 megawatts of clean wind energy, yet is prepared—this government is prepared to waste 40 megawatts of clean hydro energy for nothing more than arrogance. The hypocrisy continues. Manitoba Hydro's—continues to support Power Smart energy programs, yet is fully prepared to waste 40 megawatts of clean hydro energy with their foolish decision with a west-side Bipole III. It's obvious this NDP government would rather burn dirty coal than save clean energy.

Can the minister please tell us how wasting clean energy is good for the environment?

Ms. Wowchuk: You know, I think the member opposite has absolutely no respect for the people that live on the east side of the province. He knows—he knows, Mr. Speaker, that there were many meetings. There was consultations, over 80 meetings talking to

the people on the east side of the province. It is the people of the east side of the province that recognize the value of a boreal forest. It is the people on the east side of the province that recognize the amount of carbon that can be absorbed in that forest.

The members opposite would rather tear up that boreal forest, ruin the chances of getting a UNESCO site in Canada and in Manitoba just for the sake of an argument that one side of the line is longer than the other. The boreal forest is a very important part of—

Mr. Speaker: Order.

Mr. Borotsik: Mr. Speaker, what hypocritical rhetoric. She—this minister has no respect for the people on the west side of the province of Manitoba and no respect for agriculture on the west side of the province of Manitoba.

Mr. Speaker, let me understand: 40 megawatts of clean energy versus dirty coal. It has been confirmed that this NDP government has an appalling record on greenhouse gas emissions. It's been confirmed that this NDP government is prepared to waste 40 megawatts of clean hydro energy. It's also been confirmed that this NDP government does not care about the environment, but is concerned only with misguided NDP ideology.

Why is the minister so consumed with wasting 40 megawatts of clean energy at the expense of reducing greenhouse gas emissions, which you've promised to do, which you've failed to do. Why do you want to waste 40 megawatts of clean energy?

Ms. Wowchuk: Mr. Speaker, it's clear what the members opposite want to do and what they would do.

And our environmentalists around the world should look at what they would want to do, Mr. Speaker, because what they want to do is rip up the boreal forest that is recognized as—around the world—as the one unique spot that's left in a world—in the world—as a—in complete context, a very important boreal forest.

Mr. Speaker, the members opposite can talk about all kinds of things. They say we haven't done our work, Mr. Speaker. I would refer the member opposite to the Farlinger report, which I have just given him a copy of, where it is clearly indicated that there will be more forest cut on the east side of the province than the west side of the province.

Manitoba Hydro Bipole III Woodland Caribou Impact

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, this NDP government's poor track record on the environment also extends to wildlife management. The Premier (Mr. Selinger), as former minister of Hydro, and the Conservation Minister are jeopardizing our woodland caribou by forcing Manitoba Hydro to build a Bipole III transmission line down the west side of Lake Winnipeg.

Mr. Speaker, I'd like to table a map from Manitoba's conservation and recovery strategy for boreal woodland caribou. It shows that an east-side bipole line could go through one caribou range, but it—if it were built on the west-side line it could go through between two and up to five caribou ranges.

Why does the Minister of Conservation agree with his Premier's directive, which targets woodland caribou and their habitat?

Will he recommend Bipole III be redirected to the east side to maximize the protection of our woodland caribou, Mr. Speaker?

Hon. Bill Blaikie (Minister of Conservation): The honourable member acts as if there's no woodland caribou on the east side of Lake Winnipeg. Perhaps I should show him a map of where the woodland caribou are on the east side of Lake Winnipeg.

And the fact of the matter is, Mr. Speaker, we have people working in consultation with First Nations, with environmentalists—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. We need to be able to—order. We need to be able to hear the questions and the answers, and we have a lot of guests here today, so let's maintain a little decorum, please.

The honourable minister has the floor.

Mr. Blaikie: Thank you, Mr. Speaker. I was—just last week I was at a meeting having to do with the preservation of woodland caribou, and I don't remember anyone there advocating that the Bipole III be moved from the west side to the east side. And I think it's regrettable that the honourable member and his party want to politicize the preservation of woodland caribou in this way by making an issue having to do with the location of the bipole when they don't have any other good reason for their position. They're desperate now.

Mr. Maguire: Well, Mr. Speaker, I got the information from his own Premier's letter that he wrote to Manitoba Hydro in the fall of '07 where it was his own Premier that says that the woodland caribou could be threatened.

But, Mr. Speaker, I just gave him the map that shows that there are five disturbed areas if he builds it down the west side versus one on the east side. So I'd just like to jog the minister's memory. Our boreal woodland caribou are listed as threatened under the federal government's species of act—the risk act and the Province's Endangered Species Act.

These caribou migrate in small solitary groups and survive in the least disturbed regions of our boreal habitat. Mr. Speaker, why is the minister so entrenched in going against his department's own studies on caribou habitat by forcing the Bipole III line through the maximum area of caribou habitat instead of the minimum? Does he not know that his government's poor decisions could lead to further loss of woodland caribou in Manitoba or does he just—this just another decision of his government's environmental policy that is not backed by science?

Mr. Blaikie: Mr. Speaker, we're dealing with a party here that signed forest agreements in those areas and that took no account of woodland caribou at the time. I'm glad to see that they've been converted to the interest of the woodland caribou. The fact of the matter is is that the Bipole III—the final route has not been selected and woodland caribou—the final route down the west side—

Mr. Speaker: Order.

Mr. Maguire: Mr. Speaker, I see that—I'm glad to see that the member has got together with the member from Minto.

In 2007, the Premier (Mr. Selinger), then the minister of Hydro wrote a directive to his old friend, Manitoba Hydro chair, Mr. Vic Schroeder, telling Manitoba Hydro not to build Bipole III down the east side of Lake Winnipeg. As I pointed out, his Premier's reasoning for the west-side line and the impact on woodland caribou is bogus logic at best.

Mr. Speaker, why does this Minister of Conservation want to denigrate his own department's mandate by putting our boreal woodland caribou in jeopardy by supporting his Premier's ill-conceived idea of running Bipole III through the maximum amount of boreal woodland caribou migration grounds with a west-side line?

Mr. Blaikie: Well, Mr. Speaker, the west side has been identified as the best side to put the bipole down with respect to woodland caribou and the honourable member is not taking it—those studies into account because he doesn't want to, because his position is fixed. And, you know, his position is like that of the Leader of the Opposition (Mr. McFadyen) who says there's no difference between trees on the west side and trees on the east side.

Well there is, Mr. Speaker. The trees on the east side are part of a pristine, undisturbed forest. The Leader of the Opposition doesn't get that. Maybe he should think about it a little more.

Manitoba Hydro Bipole III Environmental Impact

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, this government is putting a road through the east-side boreal forest.

Mr. Speaker, property owners and agriculture producers in and around the Little Saskatchewan River Valley have expressed their extreme frustration with the Bipole III route selection along the west side of the province. In a letter to the *Minnedosa Tribune*, Charles Tavernor said, and I quote: It seems inconceivable that a province that we are told that has relatively limited tourist opportunities and infrastructure would consider taking a much longer route for such high impact transmission lines through some of its most scenic areas in addition to going through more productive agriculture land.

Mr. Speaker, I ask the Minister responsible for Tourism how she can support her government's decision to build the longer western route that results in more trees being cut and has a greater impact on Manitoba's tourism assets?

* (14:10)

Hon. Rosann Wowchuk (Minister charged with the administration of The Manitoba Hydro Act):

I want the member opposite to recognize what we're doing, and I hope that she will come on board to realize that that boreal forest will be there forever, Mr. Speaker. That boreal forest will be there if it gets designation as a UNESCO site to—and I'm sure that it will—to bring many, many tourists to Manitoba, many tourists into the region so that people can see what an intact boreal forest is like, and it will have a huge impact on tourism in this province.

Mrs. Rowat: As I said earlier, they're building a road through the east-side boreal forest, Mr. Speaker.

Mr. Speaker, Mr. Tavernor is quoted as saying: It baffles and angers me that one minute we are being encouraged, rightly, to understand the importance of the balance between farming and wildlife and the importance of the environment, conservation and tourism, and then the next minute we see a proposal that appears to have scant regard for any of these considerations. End quote.

Mr. Speaker, I ask the Minister of Tourism (Ms. Marcelino), and she hopefully will rise to answer this: Is she satisfied with her government's failed response to valid concerns raised by residents on the west side of the province, which includes cutting 50 kilometres more forest than on the west side?

Ms. Wowchuk: Mr. Speaker, all residents of this province are important, and that's why there has been the extensive consultation that there has been. We are in the third—Hydro is in the third round of consultations. Those have been completed. There will be—the final route will be selected very soon; then there will be further discussions with the people on the west side of the province.

But, Mr. Speaker, I can't believe the member opposite has so little respect for the people on the east side of the province who are suffering because of no winter roads. People on the east side want a road, just like she has, to go home every day or every weekend, and she is against having the people on the east side of the province having access, road access, so that they can have some of the conveniences that she has.

Mrs. Rowat: The people on the east side do deserve a road, but they also have to believe that this government is contradicting itself when it's talking about a boreal forest that is pristine and a road going through it.

Mr. Speaker, since the Minister of Tourism seems to be on a gag order, I will ask another minister a similar question.

The Rural Municipality of Minto, which is located in the west-side route for the Bipole III transmission line, opposes the construction of the transmission line and is urging the Manitoba government and Hydro, Manitoba Hydro, to rethink this proposal. On February 9th, 2010, the R.M. of Minto passed a resolution opposing the proposed Bipole III, route A, along the west side of Lake

Manitoba, and I will table that resolution, Mr. Speaker.

Mr. Speaker, I ask the minister for municipal affairs why he is failing to listen to municipal and community leaders who have clearly declared their opposition to a west-side transmission line.

Ms. Wowchuk: We know—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I can't hear a thing. Order. The honourable member for Minnedosa just asked a question, and please give her the courtesy to be able to hear the answer because you can't hear a thing here. If there's a breach of a rule, you would expect me to make a ruling on it, and I need to be able to hear every word that is spoken. So I'm asking co-operation once again, please.

The honourable minister has the floor.

Ms. Wowchuk: Mr. Speaker, the whole issue of where we should build this line has been one of lots of discussion. There have been three rounds of consultation, but the members opposite are bound and determined to stop this line because they do not believe we need a line for reliability of supply or that we need a line to get power to our export customers.

We know the members opposite would put at risk \$20 billion of sales over 20 years rather than make a decision on the line.

Mr. Speaker, we've made a decision on the line and we have consulted with the people on the east side of the province and we have—and the west side of the province, and we have made a commitment to build a road for the people on the east side of the province, and we will have a hydro line for—

Mr. Speaker: Order.

Manitoba Hydro Bipole III Environmental Impact

Mr. Hugh McFadyen (Leader of the Official Opposition): In this week where—when many will celebrate Earth Day, we have a west-side directive from this Premier that will result in three different negative environmental impacts. One is that more coal will be burned as clean energy is wasted; two is that more forest will be cut on the west side of the province, much of which is important as a carbon sink and a protector of the environment; and No. 3, more herds of woodland caribou will be disrupted on the west-side route than on the east side.

Mr. Speaker, how can this NDP Premier claim to be concerned about the environment when the facts so manifestly are not on his side?

Hon. Greg Selinger (Premier): I actually appreciate getting the question because the members opposite just don't read the Farlinger report. The Farlinger report was very clear. The west side of Manitoba is already more developed with rail lines, with hydro lines, with mining, with forestry activity. The east side is a pristine boreal forest, a rare and unique opportunity to perfect—to protect an environment in which not only are there woodland caribou, in which not only are there Aboriginal communities that have protected their culture. One of which, by the way, Mr. Speaker, the Hollow Water First Nation, is represented in the Smithsonian museum in Washington, D.C., as one of the unique First Nations which has put its core values in writing hundreds of years ago.

So we have unique cultures, we have unique, intact, pristine boreal forests that the members want to rip up and put our hydro export revenues at risk, up to \$20 billion. They want to take the reputation of Manitoba Hydro electricity and make it dirty, lower the price and put the prosperity of Manitobans at risk. Bad idea, Mr. Minister.

Mr. McFadyen: Mr. Speaker, it is—it's very clear, when you read the Farlinger report, that the concerns are raised by Global Forest Watch about the stretch of forest through the north of Manitoba. He knows very well, because I know that he understands the issue of boreal forest, that the forest we're talking about runs from Alaska to Québec. It is east, it is north, it is west of the lakes in Winnipeg, and their line is going to cut through as much forest—more forest than the east-side route. This is a decision between two options, and he had the option of doing maximum damage, the option of doing minimal damage. He chose the option of maximum damage to the forest, to woodland caribou. He's going to increase the amount of coal that's being burned.

I want to ask the Premier why it is that he's allowing these sorts of decisions to be driven not by the facts, Mr. Speaker, but by the Natural Resources Defense Council, an American organization that's done a lot of fundraising and who he seems to be very, very intimidated by.

Mr. Selinger: Mr. Speaker, the Farlinger report was very clear. It says as follows: The west side presents the best option for woodland caribou in Manitoba. It would not need to fragment additional caribou ranges

and would leave a large, contiguous block of caribou habitat on the east side of Lake Winnipeg. Widening an existing transmission line corridor would reduce impacts relative to building a new corridor.

The report is very clear. The member ignores that because that doesn't support his views. The member ignores every fact that does not support his views. The entire planet recognizes that boreal forests, particularly southern boreal forests in large, unspoiled pieces, should be protected for the future of all humanity. We have an opportunity to do that here. We have an opportunity to do that in co-operation with the government of Ontario, in co-operation with the First Nations people there, in co-operation with all the environmentally concerned citizens of the planet, and the member would flush that down the toilet along with \$20 billion of revenues just so he can be politically correct from a right-wing perspective.

Mr. McFadyen: Mr. Speaker, if he was concerned about his reputation with American special interest groups, then this decision might make some sense. But the reality is that this decision is wrong for woodland caribou, it's wrong for the forest, it's wrong for clean energy. And the American group that he's been referring to is on the record as being opposed to any and all forms of hydro development. They're against dams, they're against power lines, but, interestingly, their former lawyer has spoken very glowingly about so-called clean coal. This is the American group that's damaging the reputation of Manitoba Hydro south of the border.

* (14:20)

I want to ask this Premier, since he doesn't have any facts on his side, is he the Premier for the NRDC or is he a Premier for Manitobans?

Mr. Selinger: You know what, Mr. Speaker? We ran on this issue in 2007 and got a mandate to proceed to protect the east side and that makes—that verifies who we represent, and who we represent are Manitobans that want to develop our clean energy resources. They want to develop them to share them with customers to reduce greenhouse gases. They also want to protect the east-side boreal forest. They like the idea of having a UNESCO World Heritage Site.

The member wants to put these interests against each other. We can have both. We can have a UNESCO World Heritage Site and protect the boreal forest. We can develop our clean energy resources. We can reduce our risk in doing that, and we can do

that in a sensible way that'll allow Manitoba to be a clean energy storehouse for the world and a boreal forest storehouse for the world.

The member always sees things in black-and-white terms. We look for solutions that advance the interests of all Manitobans. He looks for solutions that pit Manitobans against each other. Mr. Monkey Wrench is at it again.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. When the Speaker is standing, all members should be seated and the Speaker should be heard in silence. I'm up here to deal with an issue. All members in this House are honourable members and their titles or their constituency or the portfolio or title they hold.

The honourable First Minister, I ask you to withdraw that last comment you made.

Mr. Selinger: I unequivocally withdraw the comment, Mr. Speaker.

Mr. Speaker: I thank the honourable member. So we will now proceed with question period.

Greenhouse Gas Emissions Reduction Strategy

Hon. Jon Gerrard (River Heights): Mr. Speaker, I've been calling on the government for many years to get its act in order and to reduce greenhouse gas emissions. But, as a recent report shows, the NDP are failing miserably at reducing emissions in Manitoba.

Our Minister of Conservation (Mr. Blaikie) was even quoted this weekend as saying that meeting the government's legislated goals is going to be a real challenge, and, Mr. Speaker, we know why it's going to be a real challenge for this government, because the government has run our province into the ground financially, and now they don't have the money needed to fund the programs and the infrastructure needed to protect the environment and ultimately the future of our children and our grandchildren.

Mr. Speaker, can the Premier tell me if he's going to meet his former leader's goals or if he's going to try and arrange a free pass for himself by changing the law on greenhouse gas emissions targets?

Hon. Greg Selinger (Premier): I think the member opposite knows full well that what we are doing is moving us forward on the climate change file. We have brought in the first biodiesel mandate in the

country, Mr. Speaker. That was brought in this fall. We have moved Manitoba Hydro's energy efficiency programs from No. 10 to No. 1. Need I mention that we're protecting the boreal forest? I think we've gone over that.

We have brought in an ethanol mandate, which is using non-food-grade corn to produce ethanol in Manitoba to reduce greenhouse gases, and we are looking at—we have brought in two major wind power projects, and we are proceeding with Wuskwatim, which is a new, clean, hydro-electric project and we are then moving on to Keeyask and Conawapa to provide more clean energy to our customers in Minnesota, Wisconsin and in provinces to the east and west of us as they show interest moving forward.

Mr. Speaker, we have an aggressive plan to reduce greenhouse gas emissions. We fully acknowledge that it went up 0.2 megatonnes in the reference year 2007-2008. We acknowledge that that's a less than 1 percent increase and that'll only allow us to—

Mr. Speaker: Order.

Mr. Gerrard: Mr. Speaker, when the Premier got into trouble when he was Finance Minister on the Crocus Investment Fund, the first thing he did was to change the law. It didn't work. When the Premier got into trouble managing the Province's finances, he changed the balanced budget legislation to change the definition of a deficit. Well, it didn't work, and now he's bringing in more legislation because his first failed, and now the Premier is in trouble because greenhouse gas emissions are going up, not down.

I ask the Premier: Will he today commit to meeting the targets that are legislated instead of just changing the law on the greenhouse gas emissions targets?

Mr. Selinger: Mr. Speaker, we are committed to moving forward on our greenhouse gas emission program and we have put legislation in place to make us accountable for that, and we will look for additional ways to do that.

We have produced about 3 percent of the greenhouse gas emissions in this country when we are about 3.8 percent of the population. Ninety-eight percent of our energy in Manitoba is hydro-electric energy. We shut the coal plant in Selkirk several years ago. We have wound down the coal plaque in-coal plant in Brandon as a backup resource to reduce greenhouse gas emissions.

We are doing a variety of things that will allow us to reduce greenhouse gas emissions in the residential sector for energy efficiency, in the commercial sector, in the institutional sector. We are working in the agricultural sector. We are looking—working with all of our partners in the community to reduce greenhouse gas emissions.

And I must add, Mr. Speaker, all of these initiatives that we have budgeted for, the member opposite, as have all the colleagues on the other side of the House, not surprisingly, have voted against every one of those initiatives.

Greenhouse Gas Emissions Reduction Strategy

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, what we have found out is that NDP talk is cheap.

At the end of the day—and that's what we need to look at, Mr. Speaker—at the end of the day, Manitoba's greenhouse emissions are at a record high. That means, you can say whatever you like; the bottom line is you are failing in addressing a very important issue that Manitobans expect to see better.

In fact, back in April 11th, 2008, NDP Doer said, and I quote from his press release: "Our action today demonstrates we are standing by our 2012 Kyoto commitment with legislative tools." What garbage today, Mr. Speaker. Today we don't even have a Premier that's prepared to stand by the current legislation that mandates a legislative tool to ensure that we abide by the Kyoto agreement.

This Premier needs to make the commitment, and will he make that commitment today? Talk is cheap. Will he say that he will stand by what Gary Doer and the NDP preach when it comes to try to get a vote, as opposed to action once they're in office, Mr. Speaker?

Hon. Greg Selinger (Premier): Mr. Speaker, I'm very glad the member asks us what actions we have taken because I neglected to mention that we also have methane gas capture initiatives going on in this province. I announced a major initiative in Brandon. We are also working to reduce methane gas in Winnipeg.

We have done that in addition to reducing—taking coal lines off plant. We have done that in addition to bringing in the first biodiesel mandate in the country. We have done that by increasing our ranking on energy efficiency from No. 10 to No. 1, and we have done that by continuing to build clean,

green, greenhouse gas-free electricity. And we are also protecting the boreal forest.

Members opposite have opposed us on all of these initiatives, and now they want to get indignant about the fact that we went up by less than 1 percent.

We're moving in the right direction in our overall plan. All these initiatives demonstrate that, and the hypocrisy of the members opposite is more than obvious in the way they vote.

Mr. Speaker: Time for oral questions has expired.

MEMBERS' STATEMENTS

Collège Jeanne-Sauvé 20 Year Anniversary

Hon. Theresa Oswald (Minister of Health): Mr. Speaker, I rise today to proudly share with members that Collège Jeanne-Sauvé, a French immersion high school in the Seine River constituency, celebrates 20 years of teaching some of our brightest young minds.

Depuis 1990, le Collège Jeanne-Sauvé, qui accueille les élèves provenant des excellentes écoles primaires d'immersion française de la Division scolaire Louis-Riel, a été un symbole de la vigueur de notre système scolaire public. Il offre une grande variété de programmes de formation générale à la population étudiante d'environ 600 élèves. Les cours de théâtre, de musique et de technologie complètent le programme d'études de base, et grâce au programme d'espagnol, un certain nombre de diplômés peuvent communiquer avec aisance en trois langues. À n'importe quel moment, jusqu'à 75 élèves à la fois ont l'occasion d'assumer des rôles de premier plan dans l'école, grâce au système solide du conseil étudiant. Après les heures de classe, les élèves peuvent appartenir au club d'improvisation divertissant ou se diriger au gymnase où les équipes dynamiques de volley-ball et de basket-ball s'entraînent et compétitionnent.

Translation

Fed by the wonderful French immersion primary schools of the Louis Riel School Division, CJS has, since 1990, been a symbol for the strength of our public school system. The student population of almost 600 is offered a richly diverse academic program. Theatre, music and technology courses supplement the strong core curriculum, and thanks to the Spanish program, a number of students graduate with fluency in three languages. The school's robust student council system affords as many as 75 students at any given time, the

opportunity to take leadership roles in the school. After class, students can join in the fun of the improv club, or head to the gym where the powerhouse volleyball and basketball teams practise and compete.

* (14:30)

English

And yet, much of the school's strength lies in what happens outside the halls and beyond the grounds. CJS is deeply engaged in the immediate community and the world around it. For the past six years the school has been a member of the UNESCO Associated Schools Program network. Many cultural exchanges have been conducted, sending students to learn across Canada, and as far away as Spain. Food drives support Winnipeg Harvest, and the student-led 30 Hour Famine raises funds annually for World Vision. The Canadian Cancer Society as well as Koats for Kids benefit regularly from the work of young philanthropists at the school.

Comme vous pourriez vous le rappeler, en 2007, un projet quadriennal ayant pour but de recueillir des fonds et fournir du soutien à un village au Sénégal a abouti à l'enpoi d'une poignée des élèves en Afrique pour travailler sur les projets communautaires pendant un mois. Récemment, l'école a animé une froid d'une journée sur la santé et le mieux-être intitulée Sauvé en Santé à l'intention des élèves ainsi que du personnel. Il est aussi à noter que ces cérémonies de remise des diplômes organisées pour les élèves du Collège Jeanne-Sauvé sont les meilleures auxquelles j'aie eu le privilège d'assister.

Translation

As members may recall, in 2007, a four-year long project to raise funds and provide support for a village in Senegal culminated in a handful of students working on community projects in Africa for a month. Recently the school put on Sauvé en Santé, a one-day health and wellness fair in which more than 50 workshops offered a variety of events and activities for students and staff alike. It must also be said that the graduation ceremonies conducted for the students of CJS are the finest I have had the privilege to attend.

English

Mr. Speaker, for 20 years our community has been enriched by the students and staff at Collège Jeanne-Sauvé, and I want to offer my heartfelt

congratulations as they celebrate this important anniversary.

Manitoba Youth Five-Pin Bowling Team

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, it's an honour to rise today in the House to recognize and congratulate the Manitoba Youth Five Pin Bowling Team, who successfully brought home the first-place title at the Canadian Youth Challenge Five Pin Bowling Championship held in Edmonton, Alberta. This group is located in Minnedosa.

From March 25th to 28th, our elite young bowlers battled it out in a 10-game, round-robin tournament, finishing in third place. After beating the fourth- and second-place teams, the Manitoba youth found themselves in a final game against the hometown-home team, Team Alberta, who beat—who they beat, six to two, to win the tournament.

This was a milestone year for young Manitoban bowlers, as it is the first time ever that Team Manitoba has won the national championship.

Congratulation to Cassandra Danchuk, Alyssa Babynchuk, Elizabeth Quint, Jessie Leyte from Winnipeg, Bryce McFarlane from Carman, Brandon Mansell from Minnedosa, and coaches Jim Anderson and Marilyn McMullan, each from Winnipeg.

On behalf of all members, I would like to wish these young people continued success in their bowling careers and thank them for representing Manitoba so competitively at the national level. Thank you, Mr. Speaker.

ALS Cornflower Gala

Ms. Sharon Blady (Kirkfield Park): Mr. Speaker, on March 20th I attended the first annual ALS Cornflower Gala put on by the ALS Society of Manitoba. It was a wonderful evening of fine dining, lively entertainment and, most importantly, fundraising in support of those living with a very serious and debilitating disease.

Amyotrophic lateral sclerosis, or ALS, is a progressive neurodegenerative disease that is fatal. It is estimated that this disease currently affects approximately 200 Manitobans and has claimed the lives of many, many more.

The gala event was held at the Western Canada Aviation Museum and boasted an attendance of over 150 people. Guests were treated to the music of Neil Keep and, as part of the event, three auctions were

held, traditional silent and live auctions, and an auction of hope.

Some of the grand prizes included airline tickets from WestJet, season tickets to the Bombers, passes to the Skysuite booth at the Goldeyes' stadium and an hour co-hosting a radio program at QX104. With prizes appealing—as appealing as these, it was no wonder that the auctions were so successful.

The evening grossed almost \$19,000, a remarkable feat considering it was an inaugural gala, and a figure that ensures that this event will continue for years to come. All money raised will be directed at support services for people living with ALS in Manitoba, including providing medical equipment and educational services, assisting clients with tapping into proper medical supports and an invaluable and unique facility that is near to my heart, Brummitt-Feasby House, a place of care where people with ALS can realize their full potential and live in dignity.

Mr. Speaker, I want to thank all those who came out for the gala in support of the ALS Society. Your presence speaks volumes and your generosity will touch many lives. Thank you also to the event's organizers, particularly Brian Campbell, Diana Rasmussen and the dedicated board members and volunteers on the organizing committee.

Thank you, Mr. Speaker.

Carolyn Darbyshire

Mr. David Faurschou (Portage la Prairie): Mr. Speaker, last week we celebrated at the Manitoba Legislative Assembly the achievements of our province's Olympians. Today, I am extraordinarily pleased to rise and offer our congratulations to another of our Olympians, Carolyn Darbyshire, who was unable to attend the ceremonies on Tuesday, April the 13th.

Growing up in Portage la Prairie, Carolyn Darbyshire was inspired by the sport of curling which, through her skill and tenacity, earned a silver medal at the 2010 Vancouver Winter Olympics alongside teammates skip Cheryl Bernard from Grand Prairie, Alberta, third Susan O'Connor from Calgary and lead Cori Bartell from Lanigan, Saskatchewan.

Even though Carolyn now resides and works in Alberta, seasoned curlers can easily identify her home province thanks to her distinctive Manitoba tuck-delivery style. In addition to her silver medal,

Carolyn has won two Alberta provincial championships in 2007 and 2009, and a Manitoba provincial championship in 1985, playing second for her mother, Merline Darbyshire. Never forgetting her roots, after winning the silver medal, Carolyn paid tribute to her hometown by proudly proclaiming that she hailed from Portage la Prairie, Manitoba during her post-game CTV interview.

Mr. Speaker, all residents of Portage la Prairie are immensely proud of Carolyn's accomplishments and are so pleased that Carolyn will be coming home and taking part in the world's largest social scheduled for May 15th in Portage la Prairie, as part of Manitoba's 140th anniversary Homecoming 2010 celebrations. Carolyn will be signing autographs at the same time as enjoying rye bread, kielbasa and cheese cubes.

I would like to extend, on behalf of all members of the Manitoba Legislative Assembly, our most sincere congratulations to Carolyn and her teammates for making all of us in Portage la Prairie, Manitoba, and indeed all of Canada, proud at the Vancouver 2010 Olympic Winter Games. Thank you, Mr. Speaker.

Vaisakhi Festival

Mr. Mohinder Saran (The Maples): I rise before the House today to recognize Vaisakhi, one of the most important holidays of the Sikh calendar. Vaisakhi marks the festival which celebrates the founding of the Sikh community known as the Khalsa, the order of initiated Sikhs, in 1699. It is celebrated annually on April 14th.

The Sikh community in Winnipeg celebrates Vaisakhi together with the Sikhs throughout the world. On Sunday, I was privileged to be present, along with the Premier (Mr. Selinger), at a service at Singh Sabha Gurdwar. I also attended a celebration at Kalgidhar Gurdwara. It was a time of great festivity and joy and it brought the community together to celebrate its culture and to commemorate the birth of Khalsa.

Mr. Speaker, one of the key elements of Khalsa is the idea of social equality. At the ceremony, where Khalsa was born on Vaisakhi day in 1699, each individual was given a new surname to replace their old names which had distinguished them by caste. With this distinctive identity, Sri Guru Gobind Singh Ji gave all Sikhs the opportunity to live lives of courage, sacrifice and social equality, teaching them to dedicate their lives to the service of others and to

the pursuit of justice for people of all faiths. In this way, he worked to give ordinary citizens the courage to achieve great things and to work for the improvement of all society.

The ideals of respect, equality, social justice and service to others that is celebrated on Vaisakhi are principles we can all strive on. It is these ideals that we celebrate here in Manitoba and it is these ideals upon which strong communities are formed. Thank you, Mr. Speaker.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Mr. Speaker: The honourable Government House Leader, on House business.

House Business

Hon. Bill Blaikie (Government House Leader): Mr. Speaker, I wonder if you could please canvass the House to see if there's agreement, as I expect there will be, because there've been discussions, to set aside the Estimates of Family Services and Consumer Affairs in the Chamber, with the understanding that Executive Council will be considered and that after the Estimates for Executive Council are completed, Family Services and Consumer Affairs will resume in the Chamber.

And at the same time, Mr. Speaker, I think you would also find that there would be leave to have the Leader of the Opposition (Mr. McFadyen) have up to two staff in the Chamber for the duration of the Executive Council Estimates.

Mr. Speaker: Okay, first of all, is there leave to set aside the Estimates of Family Services, Consumer Affairs in the Chamber with the understanding that Executive Council will be considered and that after the Estimates for Executive Council are completed, Family Services and Consumer Affairs will resume in the Chamber? Is there an agreement? Is there leave? *[Agreed]*

Okay, so there's agreement. And also, is there agreement for staff from the Leader of the Official Opposition—staff to come into the Chamber for Estimates? *[Agreed]*

Okay, there's agreement on both.

* * *

Mr. Speaker: Okay, so now I will call the Estimates.

Mr. Blaikie: Mr. Speaker, at this time it gives me great pleasure to indicate that we will now call the Estimates and the House would—the members would divide into the three places in which Estimates are being considered.

Mr. Speaker: Okay, we will continue with the Estimates and the Estimate sequence will be: in the Chamber will be Executive Council; Room 255 will be Health; and Room 254 will be Water Stewardship. The respective Chairs please go to those committees.

The House will now resolve into Committee of Supply.

Madam Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY

(Concurrent Sections)

WATER STEWARDSHIP

* (14:50)

Mr. Chairperson (Mohinder Saran): 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 Water Stewardship.

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

Mr. Larry Maguire (Arthur-Virden): Mr. Chairman, we were just on well-water advisories the other day, and I just wanted to ask a few more questions of the minister in that area.

I was talking about the priority list and how things are put on the priority list. And I noticed that the 72-plus advisories on communities and regions using private wells and others, that Glenboro has a—the Glenboro Health Centre is on an advisory. And I just wondered if the minister could walk me through how they determine what the priorities are for these issues, even though it's a, you know, a more recent one. I agree with moving it forward.

Hon. Christine Melnick (Minister of Water Stewardship): If I could just ask for clarification. Are you talking about how BWAs are prioritized as to action? Is that what your question is?

Mr. Maguire: Yes. Thanks.

Ms. Melnick: When an issue is raised about drinking water, in whatever community it might be, it is, in fact, up to the water supply owner to take the action. Now, the Office of Drinking Water will monitor, will

do testing, will recommend what the resolve would be. So we work with the community, however the community is defined, to make sure that they understand what needs to be done. We help monitor them, monitor with them the drinking water to find out if the issues are still outstanding, if the issues have been resolved, partially resolved, and what has to be done to resolve those issues. So we don't say, this one's more important than that one. We work with communities whenever an issue is raised.

Mr. Maguire: Well, I thank the minister for that. I'm not sure that I'm clear—you know, I would go back to—the town of Medora, as an example, in my constituency, was issued a water advisory, boil-water advisory, on October 6th, 2000. The town doesn't issue that, I don't think. It's—is it—am I not correct in that the department would be the ones that would issue the boil-water advisory?

Ms. Melnick: Correct. The Office of Drinking Water would issue the boiled water advisory. They would recommend to the town what had to be done, and that's where the responsibility would lie.

Mr. Maguire: Absolutely, and I know that they need to work with municipalities and the department then to correct their problem.

And so how—obviously the department doesn't start at the oldest one that's there. So I'm wondering—I mean I would recommend even over these other communities that Glenboro Health Centre, if it's a health centre, could take a priority. And I know that perhaps they need to take an initiative, but in something like this would the Department of Health get involved or Healthy Living with the Minister of Water Stewardship in regards to trying to solve something for a health centre?

* (15:00)

Ms. Melnick: We are continually working with Health through the medical officer of health. They are the ones who actually issue the boiled water advisories. There are also public health inspectors who—in local communities.

So I just want to be clear again that the Department of Water Stewardship, through the Office of Drinking Water, doesn't 'prioritize' which boiled water advisory would be dealt with ahead of another. We work with all communities on all boiled water advisories. However, that community is—would be quantified.

In the case of the Glenboro Health Centre, it would be the Glenboro Health Centre that we would be working with. In the case of Medora, as you have also mentioned today, it would be Medora. We don't tell them how to make things happen; we tell them what has to happen, and we work with them to make sure that the water is completely safe before an advisory would be lifted.

We also let them know what has to happen while the boiled water advisory is in place. For example, if all water is to be boiled before consumed, we would let people know by going door-to-door or in the case of the Glenboro Health Centre, let the folks who are distributing water know that. If it is a case where even boiling the water won't help and water cannot be—water is not potable and cannot be ingested but may be used for bathing, we would let people know about that. If there's further concerns, we would also let people know that water simply can't be used, and then we would work with the community to provide an alternate water source.

So each individual concern is dealt with individually, is dealt with in the time frame that the community wants to or is able to respond to the concerns, and the Office of Drinking Water monitors it.

Mr. Maguire: I know that there is a growing list here and I'm wondering if the minister can indicate the priorities in the department in regards to this over other areas. I know—is it only up to her department to identify these along with, as she said, the Health Department, the inspectors there, and does her department have recommendations that have been put in place to remedy some of these circumstances?

I do know that the community of Medora is—which is really the Rural Municipality of Brenda because there's no community board as such—may be part and parcel of the water system that's coming into the town of Melita if it gets extended to—further to the other communities in the area, depending on some of the hookups and that sort of thing.

And I'm wondering if she can provide me with a time frame as to, one, how the system is working now in the community of Melita? They were bringing water in from the Broomhill area. A year ago there was some difficulties there, and there was some new wells drilled to enhance the original wells that were there. If she could give me an update on just how that system is working for the town of Melita, and whether it's still the—whether it's still their idea, I guess—excuse me—or their objective,

rather, to continue to move that water once it's treated now in the community of Melita on out to Medora.

Ms. Melnick: I think the member is particularly concerned with the situation in Medora, so perhaps I'll provide an update to that situation. That might be helpful.

Funding was approved for the construction of a pipeline from the Melita water treatment plant to serve the community of Medora with treated water. Manitoba Water Services Board is currently working on this project. The tender is out for the pipeline on this project and construction will likely take place later this spring. Once the construction is complete and testing has been conducted to confirm that an acceptable quality of water is being received at Medora, a recommendation will be made to rescind the boiled water advisory. In addition to serving the community of Medora, the rural pipeline will serve some rural residents along the way and the community of Napinka. Manitoba Water Services Board, which resides in MIT, has made presentations to the town of Waskada and the Waskada Rural Water Co-op public water systems, to connect to the pipeline as well. But this is not finalized yet and connection to those communities will not take place right away.

Mr. Maguire: And so, therefore, Mr. Chairman and the minister, the connections between Napinka–Melita, Napinka onto Medora would allow for some of the rural farm hookups as well?

Ms. Melnick: Sorry, that would be determined at the local level there. There is a possibility, but, again, I just want to stress that, while the Office of Drinking Water receives concerns about drinking water, it is up to the individual community—however that community is defined—who owns the water to take the action.

Mr. Maguire: I thank the minister for that.

I just wanted to—just to comment, the other day I was asking—spent a considerable amount of time, looking at drainage licences issues and that sort of thing. And I should have asked the minister at the time, I guess, because I know she was referring from some sheets which turned out to be a letter. If she'd have just advised me that the letter that I had written seeking that information—that she'd put it on my desk after I came in here for Estimates and before she did—was on my desk, we could have saved a little time the other day. I've got—you know, it just showed

up when I got back there at 5 o'clock. It was on my desk. So, appreciate that, but the timing was a little strange, and, in my estimation, we took up some time in Estimates that I could have very well used in other areas. So, I just wanted to leave that with you. The timing was just a—I guess, to make the best use of our time here, it could have been delivered to me maybe in the morning or something like that—suggests that, another time.

And I know that in regards to drainage licences and that sort of thing, we'll get into some other questions on that later. But my colleague from Ste. Rose is here as well, and we know that there are concerns still around the area of the freshwater fisheries and fishing in Lake Dauphin and some areas in—to be dealt with in that area. And, so, I'm going to turn it over to him for a few questions at this point.

* (15:10)

Mr. Stuart Briese (Ste. Rose): And I just want to touch on a few of the issues surrounding the Lake Dauphin fishery and, I guess, some on the Lake Winnipeg commercial fishery, too.

I actually stopped at one of the trucks—the one on Ste. Rose, at the grotto—on Saturday and had a conversation with your fish biologist that was handing out the fish there.

We'd like an update on how much fish you're anticipating handing out this year. I guess that would be my first question.

Ms. Melnick: Yes, we have had frozen fish available for individuals this year who would ordinarily be fishing at this time. They would be First Nations people. We did not want to bring hardship on people who were traditionally fishing at this time. We also wanted to encourage people to continue to come down and have the sort of social atmosphere that has traditionally been around the tributaries at this time, and we welcome people coming down.

We have had two orders of fish, totalling 14,000 pounds. We believe that—because there has been a very good response by First Nations people and Métis people—that we have a third order on the way for tomorrow.

I'd like to thank all the individuals who have chosen to respect the closure, who are coming to get the fish which they are well entitled to, and for carrying on with the sort of social activity that I understand is going around there.

It might be important to note, at this point in time, we believe that the spawn may, in fact, be over by Wednesday.

Last year, 3,000 pounds of fish were fished. This year we're down to 500 pounds which, I think, is very positive. This, compared to 1999 when the Tories issued the press release of the closure and did nothing to enforce it, that saw, I believe, some 12,000 pounds taken. So we're down from a '99 high of 12,000 pounds to a record low, at this point in time, of 500 pounds. So I think that speaks well, not only of the closure and—but more so the recognition of the people to understand the importance of a closure during the spring spawn.

And I know the member from Ste. Rose is on record last year in the House. He was very concerned that there should be a complete closure. There are some people who believe there should be a total and complete closure of all the tributaries, and then there are others who believe that there shouldn't be a closure at all.

And we go with the science, and I'd like to thank the department for the very good science they've provided. We go with the science. We respect the professionals, and we have determined that there is a balance to be struck. We closed one more tributary this year than had been closed last year because the science told us we had to be a little more protective this year.

I also want to say, in regards to the class year of 1999, where there was no enforcement, even though a closure was announced, and 12,000 pounds were taken, that's one of our weakest class years, and so I think we don't want to repeat that. We want to move forward in a co-operative fashion. We met with the First Nations leadership before we announced the closure. We let them know the closure was being announced, and we thank them very much for their co-operation.

Mr. Briese: I would remind the minister that probably all the fish from '99 are probably gone by now anyhow, so I'm more interested in what's happening today than something that happened a decade ago.

I'm wondering what the budget is on the fish—and, by the way, one of your comments was that you think the spawn may be over by Wednesday, and I was told when I was up in that area on Saturday that there are spawn fish already returning to the lake. So I think that's a pretty good call. When the weather's

this mild the fish are really moving, and it is going to be over very quick this year.

But I would like to know how much was spent on the frozen fish last year, and I would like to know how much is anticipated to be spent this year, and I would like to know where that fish is coming from.

Ms. Melnick: Well, we know, in '99, 12,000 pounds were gone during the spawns, so.

When we look at the fish that—the frozen fish that are being handed out—it's whitefish, mainly from Lake Winnipeg—through FFMC, so far this year \$48,000 have been spent. We do, as I mentioned, have another order coming up tomorrow—I'm sorry, it's walleye—unopened pallets will go back to the FFMC, open pallets will go to the Indian and Métis Friendship Centre in Dauphin for distribution throughout the community.

Mr. Briese: One of the comments I made in question period the other day—and I know this is true because I asked the other day: why do you have fish biologists handing out the fish? Why not somebody at \$10 or \$12 an hour, because I'm sure when the fish are on the—are heading out to spawn that's probably one of the times the biologist should certainly be watching what's going on with the spawning fish.

And I know the fish enhancement council has spent a considerable amount of money up there on some fish ladders and some different structures and they had to hire somebody outside at additional money to do the job that the biologists probably should be doing, but they're out handing out frozen fish.

* (15:20)

Ms. Melnick: Well, we know the member is against the handing out of frozen fish. We've explained many times why we do this. We don't want the local people to suffer hardship.

The people who are working with handing out the fish are local Water Stewardship staff. There are people who have various qualifications. One of the things that the biologists are doing are speaking to the First Nations and Métis people about issues and concerns they have. They're learning more about traditional knowledge—*[interjection]*

They're learning more about the traditional knowledge. They're speaking with the people and developing a much better and closer relationship, which I think, as we move through a major shift,

which is a closure, complete closure during the spring spawn.

I want to thank the former ministers of Conservation who did a lot of good work around this issue before I had the privilege to work on it, and the current Minister of Conservation (Mr. Blaikie), as well, who is a great colleague and a good team member on this as well.

I also would like to let the committee know that we have, last year, on the request of West Region Tribal Council, hired a fellow on their recommendation, who is First Nations. They wanted to have a First Nations person on board who was there while we were gathering the data and compiling the data and analyzing it. His name is Robert Chartrand and he is there as well, handing out the fish and talking to his people. And there's a lot of learning going on. There's a lot of better understanding going on and I think that bodes well for the future.

Mr. Briese: How many Métis harvester cards have been issued?

Ms. Melnick: I think the member might want to go to the MMF since they are, in fact, the issuing body.

Mr. Briese: Mr. Chair, one more question on the—on that area.

I know that—and I think it was about a year ago, there was \$104,000 out of the fish enhancement fund, which is a portion of the licences that was used for—to develop a one-year creel count census.

I wonder if the minister can share with us what those counts are showing because I know there's a regular count goes on in the summer by department staff in certain areas of the lake, and those are the numbers we most often see on different ages of fish, but I would like to know if there's any figures compiled out of those creel count—out of the creel count census.

Ms. Melnick: The—I believe the initiative that the member's talking to—speaking about was through the FEF which is—I'd like to thank the Fisheries Enhancement Fund proposal committee. They do a tremendous job and I know they get many more proposals than they have funding to provide with. I was very pleased that we were—that we let the FEF group know that we had held their funding at the \$850,000, which we had raised it to over the last few years.

The creel count census that the member is referring began mid-May of last year, 2009. It ended a couple of weeks ago at the end of March. So there's current analysis being undertaken on the data that was received, and there will be a report on that late in the summer of 2010.

Mr. Briese: And will you share that with us at the time?

Ms. Melnick: I believe that information will be made public.

Mr. Briese: Thank you.

According to the Lake Winnipeg commercial fishers, there was—there were a number of outstanding issues there. A year ago—I believe it was a year ago, in Estimates, you mentioned that you were going to set up a task force looking at the quota issues out in the Lake Winnipeg fishery. Has that been done? And could you update us a little on that.

Ms. Melnick: That task has, in fact, been undertaken. It is still under way. We did have a hiatus from the task force as the fishers asked that it be halted for a little while because they wanted to take the time to have more discussion about quota within them—between themselves around the Lake Winnipeg fishers' quota. I do believe that that task force should be reporting probably mid-summer, early fall of 2010.

Mr. Briese: Were any charges laid for the over-quota fishing in 2009 and, if so, have those charges gone to court?

Ms. Melnick: Charges are actually laid by NROs who, of course, are part of the Department of Conservation. So, perhaps, those questions would better be directed to my colleague, the Minister of Conservation (Mr. Blaikie).

Mr. Briese: At the same time in Estimates last year, the minister had indicated she was in the process of establishing a resource management board. What's happening in that regard?

Ms. Melnick: There has been good progress in that area. It is a—an exciting project. However, it's one that we want to make sure we take the time to get right.

It's the first time that the fishers of Lake Winnipeg will be meeting year-round with the department, with scientists, and that their voices will be heard around the table year-round. And I think that's very important and I'd like to thank all the

fishers who have attended the meetings and who have been a part of this for all their efforts.

There is a lot of community development to be done in terms of community meetings. The fishers wanted to have their own representation, and we agreed to their own legal representation and we agreed to that. So the lawyer for the fishers has gone around to communities for local community meetings. She's continuing to go for local community meetings.

There are general meetings that are also organized, where the latest draft of the agreement is reviewed and there are questions raised. There's discussion had. So while it may seem like it's taking a bit of time to finally come to conclusion, I think it's important, when we're putting together a document as important as this, that we make sure that everyone feels comfortable, everyone has their say. And we take into account, not only traditional knowledge, such as I referred to earlier in the discussion around Dauphin Lake, but also scientific knowledge in that everyone is understanding who is around the table, why and what everyone has to offer.

Mr. Briese: Mr. Chair, so the resource management board isn't in place yet? You're still working on it. Is that what I am to take from your remarks?

Ms. Melnick: There hasn't been a final agreement signed. There are still community meetings going on.

Mr. Briese: There are a number of Manitobans, fishermen, that are wanting to capture new off-quota markets with fish that are not sold through the Freshwater Fish Marketing Board, such as mullet and carp. They think it will enhance their economic opportunities, and I know they've met with the minister. I believe they've met with the minister. But what's happening with those discussions?

* (15:30)

Ms. Melnick: The—I believe you're referring to export dealer licences which are awarded by the Freshwater Fish Marketing Corporation, which, of course, is a federal Crown.

And I did write to—having met with a number of the fishers several months ago, several months ago wrote to the Ministry of Fisheries and Oceans, Minister Shea, in Ottawa to encourage her to encourage the FFMC to meet with the fishers to respond to their needs. We do want a healthy fishery, a sustainable fishery and we also want our fishers to

make the best livelihood that they can off the fisheries throughout Manitoba.

I understand that the individual, Robert Gaudry, who had held an export dealer's licence for the last few years running, I believe, on carp and mullet was, in fact, awarded an EDL for the current season.

And I also have met with FFMC on a number of occasions, and have tried to encourage them—and they're very open to working with the fishers. And I've met with the fishers and encouraged them to continue working with the FFMC.

So there are some difficult situations. I cannot direct the FFMC. I cannot direct the fishers but, certainly, we're involved in the way that we hope will help bring the parties together and have a sustainable successful fishery in Manitoba.

Mr. Briese: Just one more question on the fishing issues: Is there any change to the regulations for sport fishers this year, and is there any change on the cost of the licences?

Ms. Melnick: There is no change in the sport fishing regulations or the cost of licence.

Mr. Briese: Mr. Chair, I'm going to switch to a couple of drainage questions, now, if—with your permission.

Firstly, I would like to know what the real drain maintenance budget is in this province, because it seems to be a very hard figure to get a hold of.

Ms. Melnick: The drainage budget resides in MIT, so perhaps your question would be better directed to the minister of MIT.

Mr. Briese: I guess that's why it's so hard to get a hold of, Mr. Chairman.

The—correct me if I'm wrong on this, then. The conservation districts fall under this minister, I presume?

Ms. Melnick: You're talking about are the conservation districts under Water Stewardship?

Mr. Briese: Yes.

Ms. Melnick: Yes, we are.

Mr. Briese: Okay. We'll just refer to the ones that are—the conservation districts that are responsible for the water management or the water resources in their area.

What's the budget—and there are four of them, three of them being in my constituency. What's the

budget that's put out to the four conservation districts to—for drain maintenance?

Ms. Melnick: The four CDs that I think the member is referring to are Cooks Creek, Whitemud, Alonsa and Turtle. Within the 5.6 million total budget for CDs, 1.3 million goes to those four collectively.

In addition, we have 600,000 that goes towards those four CDs, as well, that deal with drainage as a capital investment initiative.

Mr. Briese: I just want to make a point that I truly believe in and I may have to eat it sometime in the future, but I do believe that we have most of the drainage we need in the area. Our problem, and our problem has been for several years, the lack of maintenance on that drainage. And it's been for several decades, really. It's not several years; it's several decades.

There's two major drains in the Turtle River Conservation District just south of McCreary—one is only about a mile south of McCreary—that have so much sedimentation in them that—one is the Turtle drain. The Turtle drain is keeping the water table artificially high, and there's a quite a chunk of good farmland in there that is—the water table has got so high they can hardly farm it. On the Wilson drain, I saw one point on the Wilson drain where the bottom of the drain was actually higher than the fields on either side of it. So it doesn't make for much of a drain when those kind of conditions occur.

And I think with what happens when land, good agricultural land, can't be cropped—and we saw a lot of it in the Interlake last year and the year before, and the Westlake region on the other side of the lake—because of wet conditions

* (15:40)

We have one department of government paying out for flooded acres that can't be cropped and taking that risk every year where I think if there was some increase to the drainage maintenance budget, you could get rid of that risk for a number of years and not take that chance.

So in the years when we have a dry year like this year's starting out to be, it would make sense to put a little more money into drain maintenance, rather than take the risk every year from here on and paying out, out of another department of government.

Ms. Melnick: Well, there's a couple of areas that the member's touched on. First, I'll say the four CDs are responsible for setting the priorities in their areas.

We don't tell them what they need to do, in this case, maintenance-wise. So if the member is concerned about the Turtle drain and the Wilson, which are two that he talked about, he might want to have some discussion with those local CDs. I believe those are both within the Turtle conservation district.

When we talk about drainage, I know that our funding has increased substantially since 1999 and this year we held our funding level. And this would be in contrast to the 1990s, when the Conservatives slashed the former Environment and Natural Resources budget, including a 43 percent to Water Resources. So, in tough times, we have not done that.

In 2000, the former Conservative minister Jack Penner admitted that the budget cuts left the current government with inadequate resources to address the provincial drainage system. And I just to want to quote him here. This is from CBC radio, July 11th 2000. Quote: The Department of Conservation was one of the departments that has had significant amounts of money cut from their budgets, and they have not had the resources to keep up with the clean outs and maintenance of those drains.

So, the member's right. This is a long-standing issue, greatly contributed to by his colleagues before him. And, again, we've increased the amount of drainage funding, we have increased the number of water resource officers in Manitoba from three, I believe, to a total staff of—well, water resource officers have gone from zero to 24. And offices have gone from three to 13.

We are recognizing that we're in a relatively unprecedented—a wet period. We had to go back to 1826 to find water levels such as experienced during last year's spring flood and that water hung on for quite a while. That, having been said, we are working on drainage throughout the province. It is a big job and there is interdepartmental work that is being done.

Again, to stress to the member, if he is concerned about particular drains that are maintained by the conservation districts, it's best to go to them to talk about their prioritizing process. It's something that we don't get involved with within the provincial government, but he might have a good discussion with those folks.

Mr. Briese: Mr. Chairman, I would remind the minister, I have already talked to the conservation districts and it's the funding that comes from the

Province that is—it may have went up slightly, but it hasn't went up enough.

I'm told that the—to do a proper job on the Turtle drain would cost about \$240,000. And every year that goes by without some of that maintenance being done, it gets worse. And, you can harp about the bad, old Filmon years for as long as you want. We're 11 years, or almost 11 years, into your government, and we're not seeing maintenance done on these drains yet. *[interjection]* I understand that. It doesn't make it—

Mr. Chairperson: Order, please.

Ms. Melnick: Would you like a response or you—

When we talk about drainage, again, the budget was cut by 43 percent to Water Resources in the '90s and we know there's a—in high-water periods there is a lot of drainage that is necessary and that we're working on. Three years ago, we raised the budget for drainage for the four CDs by almost 50 percent. We went—we added on to the one point three million six hundred thousand. Now that may not be a lot of money to the member from Ste. Rose, but for us it was a reasonable increase, again, that we've maintained this year. We recognize the important of drainage throughout the province.

And again, he needs to go and talk to the CDs about their prioritizing and how they work this into their program. If there's a process that he can involve himself in, that may be very positive for the two drains that he's concerned about.

But I think the conservation districts do a lot of very, very good work and they have a lot of responsibilities that they take very seriously, and I want to thank them for the decisions that they make. They're not all easy decisions. There's some pretty tough decisions out there. Sometimes there's opposition MLAs wanting them to do things differently, and they may respond; they may not.

But our funding was increased several fold since 1999, and in the tough budget year, where it was cut by 43 percent by members opposite in the 1990s, we have maintained it.

Mr. Briese: I would mention to the minister that I do talk to the conservation districts.

And I would also just remind her that, when you talk about 1.3 or 1.9 million dollars to these conservation districts—the Whitemud Conservation

District, the one that I live in, is responsible for about 1,100 kilometres of provincial drain to maintain and keep in good shape plus some 13 or 14 hundred crossings on those—that—on those drains. And the amount of funding that is going to them—and you can keep telling me about the mean old '90s—but the amount of money that is going to them has not kept up with the costs—the increasing costs on replacing those crossings. And at the present time it's about a 1 percent replacement in the budget right now, and none of those crossings last a hundred years.

So we're falling further and further and further behind, and I would encourage the minister to look at that with a little more—pay a little more attention to that whole issue.

Ms. Melnick: Well, we—in addition to increasing and maintaining the funding—and thanks for the permission to refer to the 1990s, I'll take you up on that one—the Province supports the CD through the assistance of new staff that we've hired. I believe we have a complement of nine—is it nine in Rhonda's area?—a complement of nine staff to assist the conservation districts. This can be in the planning stages, the implementation stages, working with the watersheds, the water—the watershed—integrated watershed management plans that so many of them have embraced and are working very hard on.

Our funding has gone up by over 100 percent. It's 107 percent. Again, that may not seem a lot to the member, but when you talk about the fact that we've doubled the number of conservation districts so that almost all of the heavily-populated areas in Manitoba are now covered by CDs, who are really rolling up their sleeves and getting some very good work done.

Again, if he would like to involve himself in the decision-making process at the CD level, I'm sure they'd be interested in hearing what he has to say.

And, again, I'd like to thank them for all the good work they do.

Mr. Maguire: I'd just like to put a couple of comments on the record here, and I appreciate that the minister feels that there was some heavy cutbacks in periods of time previous. I'd just like to go back—in the defence of the former member from Emerson—I'd just like to say, as well, that this government has never felt anything like the cuts that took place in the '90s from the federal level of government, and her own former premier indicated that that was \$253 million in that same year that she's referring to. So we need not be self-righteous about

who's got money and who doesn't, because we know this government doesn't know how to spend the money they do have in regards to priorities in relation to a number of areas, particularly in some of the ones that we were raising in question period today.

*(15:50)

I'm not saying that they don't, in regards to some of the water issues, but I wanted to say that this government has offloaded a number of issues on some of the rural municipalities in relation to CDs' work and costing.

And so I'd just like to ask her if she could provide me with a total number of dollars available to the conservation districts in Manitoba through her department.

Ms. Melnick: Well, the priorities this year, health, education, justice, infrastructure, family services—we know the member from Carman told us they are not priorities of the opposition, and that appears to be so.

On the question of funding for the conservation districts, I have—from 1999, there was a total of 3.5 million. I'm just going to, sort of, round up. This year we have—right—okay—when we talk about base funding for conservation districts, when we look at 1999 to 2000, it was 2.5 million, now it's 5.6 million. So that's an increase of over 100 percent. It's 107 percent. That does not include the critical infrastructure initiatives that we were just talking about. It's now gone up, from 1999 to 2000, from 1 million to 3.6 million. The Watershed Planning Grant, which is 25,000 for each—okay.

In 1999, we provided a million for critical infrastructure initiative; in '01-02, 500,000; in '03-04, 315,000; 2008 to 2009 fiscal year to the current fiscal year, it's \$600,000 each year. So that's a total of 3.5 million from 1999 to the end of this fiscal year, meaning 2011.

We've provided \$600,000 for the start up for the integrated watershed management plans, and the watershed plan implementation also receives a grant, and we've provided a total of 175,000. So, if we go grand totals from 1999 to the end of this coming fiscal year—2011–54,155,000.

Now, I should also say that conservation districts can apply for the Water Stewardship Fund. They can also apply for the FEF grants. I know there have been several successful applications.

So that would take us, at least, I'd say, well—if we can get the number, I'll get it for you. And I think the number is coming my way across the table right now. An average external funding, secured by CDs, is a million dollars a year. So, when we look at funding increases, it has been substantial. Cumulatively, it has been substantial. True, the number of CDs has doubled. And, again, I want to thank the CDs that have formed and the municipalities that have joined. And I think we just keep moving in this very positive direction.

Mr. Maguire: I'd just like to ask the minister if she thinks that the funding that she has provided is equivalent to what the demands are of the conservation districts' needs—what they've asked for, in relation to the plans that her department demanded that they put forward in land-use planning, similar to what was asked of the local municipalities in Manitoba. Which, when I was Environment critic back in the early 2000s, indicated that we needed to have planning districts in place or planning programs in place, land-use planning in some of the rural municipalities in Manitoba. And that plan has been asked for by the conservation districts, by the minister. And they have—they diligently put forth a number of solid plans and I know a number of them felt very much taken aback by the fact that their plans were shelved for a few years.

And I wonder if the minister can just indicate to me where those plans are at today, and does she have them from all 18 districts in Manitoba? And is there—is it anywhere close to the needs in funding for the good projects that those conservation districts wish to do?

Ms. Melnick: When we talk about funding, the base funding formula is: 75 percent provincial, 25 percent rural municipality, and it's a partnership that is very important and one that we value greatly.

Now, is there enough funding to do everything that every conservation district wants to do? There isn't, so I have encouraged the conservation districts to look at the plan in Ontario. Under the Mike Harris government, Tory government in Ontario, funding for conservation districts was wiped out in its entirety in the days that people want to forget in Ontario.

So what the conservation districts did is they went out and they found independent funding, and they now have independent funding. I don't believe they rely on funding from the provincial government. I'm not at all suggesting that provincially. I'm

suggesting that conservation districts remain in the partnership that we have but that they seek funding from wherever there may be. There may be foundations particularly interested in the areas that they're working in. There may be—and I know we've seen the integrated watershed plans, conservation districts working together for the first time based on the flow of the waters through their CDs.

So the plans that have started, I'll—I can just read a list through here. Plans that were started in 2006: Arrow-Oak River, Birdtail-Assiniboine River, Icelandic River-Washow Bay Creek, La Salle River, Little Sask River, the Seine River, the Shell River. In 2008: East Duck, Netley-Grassmere. Two plans for the Pembina River, Pembina River 1 and 2, were started in '08, West Souris River. Plans started in '09: Alonsa, central Assiniboine River, Swan Lake, Willow Creek. Plans that are having their MOUs signed now and are planned to start in 2010: There's two for Dauphin Lake, Dauphin Lake 1, Dauphin Lake 2, Fisher River, West Interlake, Whitemud River and Rat River.

So there's an awful lot of work going on. Approximately 30 watersheds across the province will have completed, be in the process or will be starting integrated watershed management planning in 30 watersheds across municipal Manitoba. And we are very, very pleased that they've stepped forward again.

When an integrated watershed plan is started, they receive from us, in addition to their base funding, a \$25,000 grant which to date I believe has seen a watershed planning grant, \$600,000 cumulatively, and watershed implementation grants, \$175,000 cumulatively from the Province alone.

Mr. Maguire: Thanks, Madam Minister, so all of the conservation districts now are—are you able to keep up with 75 percent on your end for their budgetary need?

Ms. Melnick: Is the question do we provide 75 percent of base funding? Is that your question?

Mr. Maguire: Yes.

Ms. Melnick: Yes, that is the funding model.

Mr. Maguire: But my question, Madam Minister is, are you meeting that 75 percent level, and if so, what is the amount?

* (16:00)

Ms. Melnick: The 5.6 million that I've quoted is 75 percent. The municipalities cumulatively are providing 17 million.

The whole purpose of an integrated watershed management plan is to make sure that there is the best use of every dollar that is spent and again encourage—I do encourage the CDs to find other sources of funding.

If they find other sources of funding, it doesn't mean that our 75 percent will be less. It means that they will have more money to use collectively on a watershed basis to do the sort of work that we know needs to be done.

Mr. Maguire: And so they're free to move forward with projects on their own? Or how do they get authorization from the minister to proceed with that even if they find private funding?

Ms. Melnick: Every year the conservation district section of the Department of Water Stewardship receives planning documents for the coming year. For all CDs sometimes there's a bit of discussion about what's been put forward, and, again, the expertise that's provided by the department in watershed planning, in all sorts of areas, is made available to them free of cost. We don't charge them per hour or charge them for travel time, et cetera.

So, yes, they do receive the funding and there is a plan that is approved by the department and then the plan is implemented.

Mr. Maguire: Do all projects have to be in the initial plan that the CDs put forward?

Ms. Melnick: If the member is asking does what a CD do in any fiscal year have to be incorporated into the plan for that year, yes. I believe that the department would be open, if there was a particular project that arose, a special need that arose, that there would be good communication between the CDs and the department. If there needed to be a change to the plan, the department would be open to that and it could be worked on.

Mr. Maguire: Yes, Mr. Chairman, the CDs have many solid plans across Manitoba. I know that they are looking at their own needs in their local areas. They certainly have a creative handle on their needs in their local areas, but I wonder—well, two things: I wonder if the minister can inform me as to when—the conservation districts each have a chairman in the province, and they meet regularly. I wonder if she can indicate to me when she last met with them.

Ms. Melnick: The Manitoba Conservation Districts Association is the overarching body of the conservation districts in the province of Manitoba and I meet with them whenever they request a meeting. It could be two or three times a year. It could be once a year. It could be more, depending on when they'd like to meet.

I do go to the MCDA. They have a gathering—I believe it's early December, usually around the 6th of December, and whenever we're not sitting I go out for the couple of days that I can and meet with CDs individually.

Also, at AMM, there's opportunity to meet with R.M.s and I do go out for that as well, whether they're in Winnipeg or Brandon. We generally have at least one full day of meetings. A lot of the individuals who are representing the R.M.s also sit on the CDs so there's lots of opportunity to discuss CD issues at that time.

And, of course, I have, from time to time, met with individual CDs. And when there's an opening of a CD it's a grand occasion and we go out and have a celebration to welcome them into the conservation district world family of Manitoba. And so there's lots of opportunity to meet with CDs, to meet with MCDA, to meet with members through AMM, and so there's good communication that flows.

Mr. Maguire: When did the minister last meet with the CDs in Manitoba?

Ms. Melnick: At AMM, we had several good meetings that, the date would've been—I don't have the date before me. It was the last AMM. I don't have the specific date before me.

Mr. Maguire: Mr. Chairman, is the minister referring then to the AMM meeting in Brandon back in November?

Ms. Melnick: Yes, I just don't have the specific date in front of me.

Mr. Maguire: I understand that and I understand that the, you know, the MCDAs, conservation districts of Manitoba, have their—have an annual meeting in December every year, as well, and can the minister—I know she indicated if—subject to us sitting in the Legislature, did she meet with them at their AGM last December?

Ms. Melnick: We were, in fact, sitting so the deputy did in fact go out and I thank him for that.

I also wanted to mention that the deputy minister of Water Stewardship is the chair of the Conservation District's Commission.

Mr. Maguire: I very much appreciate the attendance. I know that the conservation districts do as well, because it gives them a great opportunity to ask questions, in this case, of the deputy, and bring it back to the minister for sure—and staff—and so I appreciate that.

I just wanted to know if the minister, then, had met with the CDs the year before that, as well, in '08. Was there an opportunity there?

Ms. Melnick: Yes. I did go the year before, and also the MCDA came to my office here in the Leg. on their request and we met then as well. Again, I don't have the dates in front of me.

Mr. Maguire: Yes. Thank you. Just a word of caution to the minister, I know that she has liaised with the conservation districts in Manitoba, but I would caution her not to get mixed up with the conservation districts with the Association of Manitoba Municipalities. I know many people are on the conservation districts because municipalities appoint people to the conservation districts as part of the structure, and so, therefore, she's right. Many members of AMM who are councillors or Reeves are members of local conservation districts. But, when she's discussing issues at AMM's annual meeting with those people, it is the association of Manitoba municipal business, and, while you may have informal discussions with them, those are not—I caution to say—that those are not meetings with the conservation district people, that I would caution her to talk as if they were.

And so that is a concern. I know of all of the conservation districts in Manitoba. They access to the minister as well. I know that they have concerns about the funding model that's there. They have many requests for upgrades. There's—whether it's tree lines, drainage, holding back water, you know, a plethora of zero-till conservation efforts that have been put in place over the years through conservation districts that have done much good work. And the realignment of conservation districts, I believe, was a good program that was done a few years ago in—and the conservation districts tell me that they are satisfied, for the most part, at least, with the new boundaries that have been put in place in many of these cases.

And so I think that the hesitation is just that there is so much that needs to be done in some of those areas—some areas—that it's always a concern as to how you find the funding for the host of issues that are there.

I wonder if the minister can just provide me with a quick update on the conservation districts' program framework for the future document that came out years ago, and if she can provide us with any update on the work being done on the conservation districts' program through that—through those framework discussions.

* (16:10)

Ms. Melnick: Yes, I just wanted to let the member know that, when I'm at an AMM meeting, if someone is identifying themselves as being on a conservation district and raising an issue from that perspective, I will listen to what the person has to say. I'm not going to challenge whether or not they're officially there on behalf of the CD. I think that there can be lots of discussions that happen at many times, so I'd rather encourage people to come forward than not, to have them feel comfortable in whatever scenario we're working in.

I think that the member is talking about the Framework for the Future. It is up on the Web site. We have had a very good team working on this, the AMM and the Manitoba Conservation Districts Association, as well as the Department of Water Stewardship. It is talking about the going forward in the conservation districts' framework, the new framework which hadn't been reviewed for I think about 40 years. So there was a lot of very good discussion had not only by the AMM reps but by the individual CDs themselves and sometimes by individuals who had concerns.

There are three issues that we're working out: a fair and equitable and transparent provincial funding formula for the CD programs; a new appointment policy for the CD districts' program; and a realignment of conservation districts formed on municipal boundaries to two—to true watersheds.

So there are some challenges there. It's a new way of thinking about managing water on a watershed basis, rather than on a municipal basis.

And I know there's been challenges here. And, again, I want to thank the CDs for meeting this head-on, and, you know, for the first time, some CDs are working together. Other CDs are working on three different plans, depending on the watersheds

that reside within their geographic areas. So there is a lot of work to be done. It's not going to happen overnight, but we'll keep moving forward in partnership here.

Mr. Maguire: I thank the minister for that update. She mentioned that part of it was to find a fair and—a fair funding formula for the CDs, yet she's just announced to me that there's—the funding formula is 75-25. Are they looking at changing that funding formula for the conservation districts in Manitoba?

Ms. Melnick: The funding formula would be 75-25. The discussion is the distribution of funding between CDs. If you have a very heavily populated CD and a very small-populated CD, we want to make sure that the work that needs to get done gets done. So that's where the discussion is.

Mr. Maguire: Well, my colleague's quite right in indicating that the funding formula is not based on population in municipalities, and so that may be a change in the funding formula that the minister is looking at. Can she expand on that?

Ms. Melnick: MCDA and AMM, in discussion with Water Stewardship, have agreed that as we move forward in funding, that funding will remain constant, that there will be for any additional funding that will come forward, there will be a look at the population, a look at the area, the geographic area, and they'll look at the assessed value, and this will be weighted to determine how future growth will happen within the CD program.

So, again, this has been worked on by MCDA, by AMM, Water Stewardship. It's not sort of cut and dry. There are a lot of elements to be taken into consideration and to be taken under concern. But, again, working in partnership, I think we'll make some very good decisions.

Mr. Maguire: Well, I take it that that is a change from the way conservation districts are presently funded, but I know we're moving into integrated watershed management areas in the minister's venue here—or purview, I should say.

One of the things she mentioned, as well, in the main three issues in the framework for the future document was that they would look at setting and establishing integrated watershed management areas in Manitoba with co-operation amongst the CDs in the province, as well. And can—and she mentioned that they would be looking at including rural municipalities in those watershed management areas.

Has there been discussions on splitting rural municipalities in those watershed management areas or would an R.M. be—you know, even if it did overlap into another watershed flow area, be all included in one or the other?

Ms. Melnick: We're not looking at realigning R.M.s, but what we are looking at is partnerships which have been very, very positively received by existing R.M.s based on the true watershed boundaries.

So when we provide funding for the development of an integrated watershed management plan, that money, those monies, would go—if the watershed is contained within one R.M., to that R.M. if there is—a watershed would cover, as, in some cases, it does two or three or sometimes four R.M.s, the funding would go to those R.M.s to be used on that integrated watershed management plan.

Mr. Maguire: And that plan would have to be agreed upon by the R.M.s?

Ms. Melnick: Yes, these would be—these are major plans. These are plans that can take a considerable amount of time to develop. They are developed in partnership by the involved CDs. There is review by the department. There is a lot of input, sometimes public meetings are held. Stakeholders are invited to bring forward issues, concerns, suggestions.

These are big deals. This is the future of watershed planning in Manitoba, and I had read a list of the watershed plans that are in progress or will be in progress over the next few years.

This is a major undertaking and, again, I want to thank MCDA, the individual CDs and the department for the good work that they have done, the vision, and then the good work that it takes to bring that vision into fruition.

Mr. Maguire: The minister has indicated that we would have a system of integrated watershed management areas in the province of Manitoba. Was this an initiative of the CDs or was it an initiative from her office?

Ms. Melnick: Well, I want to—let me clarify the question here. Plans are based on true watersheds. The watersheds are the geographic area. So that's how the plans are developed around the geographic area.

This is an idea that has been worked on in other provinces in Canada. It's an idea that we took to MCDA. There was very good discussion about it,

and it is now the modus operandi, if I may, of watershed planning within Manitoba.

Mr. Maguire: I know conservation districts are doing a lot of good work in the province of Manitoba at the local levels, but the minister indicates that they take—took this to MCDA to—for their approval.

Was their funding dependent on accepting it?

* (16:20)

Ms. Melnick: We have never cut funding. In fact, we've increased funding significantly—over 107 percent. So this is a discussion that has been very fruitful. We have allotted several start-up grants of \$25,000 for the development of integrated watershed management planning initiatives. The CDs work together, work with the Province and there are—there have been, I believe, two awarded, I think there's eight under way and roughly seven to be awarded over the next 12 to 18 months.

Mr. Maguire: Well, Madam Minister, I understand that integrated watershed management areas are formed on a, you know, rational flow of water within an area formed from that particular watershed, and that it's pretty much self-explanatory as to how they're established.

And so can you—are you assuring me, then, that there would not be municipalities that would be split by this? Because municipal lines don't always follow watershed lines.

Ms. Melnick: Well, as we move forward on a watershed basis, we are working with municipalities to recognize the importance of the watershed, not to break up the watershed, not to discount the importance of a plan that includes a watershed. Some municipalities have been working together for quite some time. Some are working together for the first time. We are going with the individuals who are ready to put forward a plan based on the watershed basis. For those who are needing to do a little bit more work, we're working with them. I wouldn't want the member to leave the table today thinking that there's not been quite a good response, that the department works for a mutual agreement on these plans, but I have to say, again, as I've said many times, it is the conservation districts themselves who have really come forward, who are embracing this idea and who are really making the plans happen. We provide the start-up grant funding of 25,000, and it's the conservation districts themselves who are really doing the very good work on the—at the grass-roots level.

Mr. Maguire: I just—you know, I know that there are some concerns around these areas as there is when any change is made, and there's developmental processes and process that gets—needs to be dealt with in some way, shape or form around those concerns. But, one of the ones that I have is that we were aware that the watershed stewardship department secured a legal opinion related to its involvement to the conservation district's program, and I'm wondering if the minister can provide us with information as to what that legal opinion was for.

Ms. Melnick: Could the member be more specific about the issue he's referring to?

Mr. Maguire: Well, I'm not—you know, I'm not privy, Madam Minister, to what the legal opinion was for or I wouldn't have asked for it. But I guess one of the concerns is if—will the minister still allow conservation districts to be established in Manitoba, which may be or may not be related to my previous question? Will there still be conservation districts established in Manitoba and watershed management areas as well?

Ms. Melnick: So there's two questions here. One is, I think, would, as minister, I allow conservation districts to be established?

I would encourage conservation districts to be established. We've gone from nine to 18 CDs since 1999. We have a much broader coverage now of, particularly, the southern Manitoba area through the CD program.

The consensus building, which has been agreed to by MCDA and AMM on the issue of the watershed boundaries through the integrated watershed management plans has been very, very positive, and there is a lot of agreement that this is the way to move forward. There are a couple of plans complete. There are several being worked on right now and there are more in the hopper to be developed in the years to come.

So, yes, to more CDs. It's always a great honour and a great celebration to go to the opening of a new CD, and I know I've attended some with the member from Gimli and the member from the Interlake, who have worked very well with their individual communities. And we look forward to building more conservation districts. To seeing—to see this sort of co-operation between rural municipalities is very, very positive and bodes very well.

That doesn't mean that there aren't challenges. There are challenges. We work with those challenges. We try to help people come around the table and stay around the table, and we work with them throughout the whole process.

Mr. Maguire: Madam Minister, the issue is not—well, I guess part of the issue was would CDs still be in place, and you've answered that. They will be. You encouraging new ones.

But will there be a parallel organization called a watershed management area as well, and a board to run those watershed management areas, or will they be run through the CDs?

Ms. Melnick: I just want to clarify, is the member talking about, under The Water Protection Act, the water planning authorities?

Mr. Maguire: Well, I'm just referring to the—I'm assuming it's part of the framework document the minister's been talking about, the establishment of watershed management areas in the province of Manitoba. Correct?

Ms. Melnick: I'm talking about integrated watershed management plans.

Mr. Maguire: And are those plans, then, going to be directed by the conservation districts?

Ms. Melnick: Those plans are developed by conservation districts depending on where the watershed resides. Again, one—pardon me—one R.M. could be dealing with more than one integrated watershed management plan depending on what the watersheds are within the R.M.'s physical boundaries. They could be dealing with other CDs in co-operation to develop an integrated watershed management plan depending on where the watershed flows.

Mr. Maguire: So she is not looking—you are not looking, Madam Minister, at establishing a new board to run a watershed management area?

Ms. Melnick: No. Again, we're looking at partnerships between CDs.

Mr. Maguire: I guess I want to go back to my original question there. And, you know, we're aware that there was an illegal—a legal opinion asked for by the Water Stewardship Department in relation to its involvement with the conservation districts program, and I tried to get a copy of that information through the freedom of information, and we were denied that. And I'm wondering if the minister can provide me

with any kind of information around why she needed to have a legal opinion in dealing with her conservation districts program.

*(16:30)

Ms. Melnick: Well, I think the member recognizes that legal opinions are provided. They're not public documents. If the member has a question about a particular issue, perhaps he could put that issue forward and then we could have a discussion about that.

Mr. Maguire: Well, I asked about a legal opinion and I guess I could speculate as to what they all are until I hit one, but, you know, can the minister indicate to us if this was refer—if this was a concern of the conservation districts in the overall CD program that she needed a legal opinion on?

Ms. Melnick: Again, the member is not talking about a specific issue, so I'm not sure what the member is referring to.

Mr. Maguire: The specific issue would be the overhaul of the conservation district program. Did she need a legal opinion to find out whether she could actually move forward with the changes, or was she being challenged by some of the conservation districts that are out there?

Ms. Melnick: When we talk about the changes to the Conservation Districts program, this was made in co-operation. The changes that appear in the document—the framework discussion document, these discussions—many discussions went on. There was individual CDs that made presentation. We have the partnership of the Water Stewardship Department, MCDA, AMM. All of these are reflected in the framework documents.

So, if there's any particular issues the member's wanting to talk about, he could let me know.

Mr. Maguire: I mean, this is an Estimates process. It's an opportunity for me, as the watershed management—Water Stewardship critic to ask the minister questions in regards to these details and, you know, there's a framework out there. There's discussions going on with CDs. They're supposed to be part of developing the new watershed management planning basis on the watershed management areas, and so I'm just asking if the legal opinion that the minister needed with—into its involvement with the conservation district was around the framework document or its future direction.

Ms. Melnick: The member said that CDs would want to be involved. They certainly have been involved on an individual basis. They've been involved through their organization and there continues to be very good discussion happening. So, again, the decisions that were made collectively and cohesively are reflected in the framework document. I did talk about some other areas that are still being worked out. This is all part and parcel of the review. It was 40 years since the CD legislation came into place, and there hadn't been a review of this kind since then.

So it's been a very good overview. Is it complete? I don't think a program like this is ever complete. I think there's always new ideas, new ways of doing things and there has to be the sort of co-operative spirit that we've seen all along.

Mr. Maguire: Yeah, I just wondered what kind of an opinion the minister is hiding when she spent \$4,458 to get the legal opinion. It seems like that's a considerable amount of money to spend to not be able to tell us the use of public funds, to not be able to tell us what she was needing the legal opinion for.

And I wonder if she could advise us as to what those funds were used for and what legal opinion she was asking for.

Ms. Melnick: Again, if the member has a specific area he wants to ask about, a specific issue he's concerned about, he's welcome to do that. Certainly, we've discussed a number of issues today if there's any particular issue he wants to highlight here.

Mr. Maguire: I appreciate the minister's not forthcoming with the answers on this at all and covering up something, and I guess we'll just have to wait until it becomes more public and we find out what it is.

There are a number of issues that we—other issues that we need to deal with in regards to these Estimates on Water Stewardship and so, I wanted to discuss—we've touched on a few of them in regards to the drainage issues around the province of Manitoba and drainage licensing we talked about the other day, in regards to the huge number of backlog of drainage permits that there are in the province and licensing.

I wonder if the minister can tell us how many agricultural producers completed the applications for licences to construct water control works in 2009?

Ms. Melnick: The question was how many agricultural producers submitted or completed

applications for drainage. We don't do a breakdown by who would be applying, we just have the total numbers.

Mr. Maguire: So, the minister's department is in charge of the licensing of water control works in the province of Manitoba, but she's not in control, as replied earlier to a question in regards to the drainage budget?

Ms. Melnick: You asked specifically how many agricultural producers completed an application.

Mr. Maguire: Yes, that was my first question.

Ms. Melnick: We don't break down by agricultural producers or anyone else. We look at total number of applications.

Mr. Maguire: And my second question that I just asked was, not relevant to that, I guess—it was one that the minister had indicated earlier that the drainage budget is in MIT, Infrastructure, but yet she is, correct me if I'm wrong, in charge of the water control works which includes drainage.

Ms. Melnick: The Department of Water Stewardship is tasked with the licensing, not with the actual drainage itself, that would be in MIT. So, it's a regulatory function that we perform in the Department of Water Stewardship.

Mr. Maguire: Can the minister indicate to me whether the drainage budget has always been in MIT because I—well, if she could answer that.

Ms. Melnick: In 2006, the budget was transferred to MIT.

Mr. Maguire: Yes, pardon me, if I could have that answer again.

Ms. Melnick: In 2006, the budget was transferred to MIT.

Mr. Maguire: And can the minister tell me from where?

Ms. Melnick: From the Department of Water Stewardship.

Mr. Maguire: I remember the member from Swan River, as the minister of Agriculture, always standing up in the House and saying that she had put another million dollars into the drainage budget in Manitoba and I know that that's in reference to cleaning drains.

So can the minister indicate to me whether the cleaning of drains falls under Agriculture, or is it her responsibility in Water Stewardship?

Ms. Melnick: The Department of MIT deals with provincial water drains. The question as to what the past minister of Agriculture said about drainage would be better put to the Minister of Agriculture (Mr. Struthers).

* (16:40)

Mr. Maguire: Thanks, Madam Minister, just for the—I just wondered if she was aware that the—that that had been the case. And I didn't know if it was still the case, but I understand that it still is, that the minister is—of Agriculture is in charge of the cleaning of some of those drains and has a budgetary item in, in this case, his department to manage some of that.

We have a number of concerns over major provincial issues in the province of Manitoba, and my colleague and I from Russell—or my colleague from Russell and I, I should say—have a concern around the one that has been raised with the minister in the R.M. of Harrison. And I'm going to ask him to elaborate on some of those concerns on behalf of his constituents.

Mr. Leonard Derkach (Russell): Madam Minister, I raised the issue in the House and wasn't given an answer, but I raise it to you in Estimates because this is the place where the rhetoric is set aside and we are supposed to deal with factual questions and answers.

The R.M. of Harrison, in which jurisdiction Sandy Lake lies, received a licence from EMO to install a drainage culvert on Sandy Lake to lower the levels to what would be deemed, I guess, natural lake or historical levels last year. That licence was valid until February of this year, I believe. The lake has been slowly lowered to where the cottages are no long in danger of being flooded. Last year, when the drainage culvert was installed, a number of cottages along the shores of Sandy Lake were being threatened by the lake. They were sandbagged; those sandbags didn't hold, and so the municipality with EMO did move to lower the lake.

This year the municipality received a letter from Water Stewardship that the lake level—or that the drainage structure that was installed had to be removed by the first of May, and then the channel would be lowered. Last weekend, the—one of the staff people out of Brandon indicated that the culvert did not now have to be taken out. That, indeed, if the municipality put a block on the other side, on the leeward side of the drainage ditch, that the culvert would not have to be removed. This has been a

change but still not one that is satisfactory, because the culvert does have a gate on it, and that gate can be locked, if necessary, and only used when, indeed, lake levels were to get to the point where cottages were once again being threatened.

I want to ask whether or not there has been a change of heart, whether, indeed, the municipality can, in fact, leave the structure there, and—so that, if there should be another time when the lake levels become inordinately high, that the structure could be used to alleviate the flooding.

Ms. Melnick: The R.M. of Harrison used a state of local emergency to install the 18-inch culvert, which I think you were referring to in your question. This was brought in as water levels were very high around the province last year. It was extended a number of times; however, a seventh extension was not granted. So it had been extended six times. The environmental licensing and assessment branch agreed to the provisional authorization on the condition that the R.M. of Harrison applies for the required environmental licence and supplies all the information that's necessary there. So application to the environment licensing group is needed; that is in the Department of Conservation, and it's important that all the information be submitted as required.

On June 9th, 2009, Water Stewardship informed the R.M. that a class 2 environmental licence was required before we could use—before we could issue a drainage licence to lower the water level in Sandy Lake. The provisional authorization has expired and, unfortunately, the R.M., to our knowledge, has not applied for the environmental licence. However, that does reside in the Department of Conservation.

So I think you need to inquire what's happening in the Department of Conservation. Inquire whether there's an application that has been advanced to them, that is complete. That is our understanding of what is still outstanding here, because without approval under the environmental act, authorization of The Water Rights Act can't be approved, and so the outlet would have to be restored to its natural state.

Now, from what I believe you said in your preamble to your question, the level of the lake is at a level that is no longer threatening. I believe it was three cottages that were under particular threat.

An Honourable Member: Five.

Ms. Melnick: So the member is saying five cottages. It's my understanding that the water level is no

longer threatening five cottages; three cottages, however, there might have been concern for. But you may want to work with the community to apply for the environmental licence under the environmental act because, again, without that, The Water Rights Act can't be approved.

Mr. Derkach: You know, I've heard foolish answers, but this probably tops it because we have a situation in Sandy Lake where cottages were threatened. Water leaks—[interjection] Somebody want the floor? You want the floor? [interjection]

Mr. Chairperson: Order, please.

Mr. Derkach: Then shut up.

Mr. Chairperson: Order, please.

Mr. Derkach: Mr. Chair, I apologize for that. But I'd like to get back to the issue.

Madam Chair—or Madam Minister, the—there are—this is a serious issue for the people in that area because a water licence is one thing, but the conditions that were requested—and, again, that comes from the Department of Conservation, and I don't have the ability to go back and forth between two departments here. So it seems to me that it would be the minister's responsibility to try to co-ordinate what needs to happen.

The R.M. of Harrison have indicated to me that they have been requested to do an environmental study of the—of Sandy Lake. Now, this is just one of several lakes in the municipality. And an environmental study, it's my understanding from the municipality, would cost them somewhere in the neighbourhood of \$50,000 or more. The licence itself is about a \$5,000 touch, as well.

The ratepayers in that municipality don't have the means to be able to afford to pay not just for that one environmental study but, indeed, with the threatening of other lakes, the same thing could be demanded of them. Now, are there provincial sources of money that can be accessed to do the environmental study? Because this study is being done on a fairly large lake, that has a provincial interest in it, as well.

It's one thing to do the policing of the level of the lake, but I think it's another to work with the municipality to achieve what is good for all the area residents, plus the people in that entire region. Last year, lake levels were not all high. As a matter of fact, Lake of the Prairies was lower than it had been for a number of years, and this year it's even lower

than that. But it was a region in that western side of the province, which included a geographic area that spans two municipalities or three municipalities, where lake levels were inordinately high. And they'd been high since 2005, and—but progressively the matter got worse.

* (16:50)

Now, I guess I'm asking the minister and her department whether or not there is a willingness for staff from her department and the Department of Conservation—because there are two departments that are working in this area—to work with the municipality to try to achieve, sort of, the end result without it costing the municipality the money that they can't afford, because they're really stuck. They told me—and I've worked with the municipality, so it's not as though I'm not aware of what's happening out there—but I can tell you, quite honestly, that with the other issues that the municipality is facing, they don't have the resources nor can they just go out there and spend \$50,000 on each lake to do the environmental assessments that are being requested of them.

So is there a way in which we can perhaps work with the two departments and the municipality to achieve the desirable goal for the good of all? I think it would help the Province and the departments, and I think it would help the municipality and the people in the area.

And I have to say that, from talking to the reeve and the entire council, that they are desperately looking for solutions. Now, they were told that—I believe just last weekend—that there would be some money coming forth to remove the culvert or to put in the block, but that doesn't solve the situation for the long term. And if there's an environmental study that is required, is there a way to access funds to be able to do that?

Ms. Melnick: Well, I think it's important, again, to recognize, as the member has, that last year water levels were considerably higher than they are today.

There were—he says five cabins, I have a report of three, so—there were some cabins that were under threat. I think we can agree to that. Water levels this year are 1.5 to two feet lower than in the spring of 2009 and no cabins are under threat as we speak, and we don't foresee that happening in this year, so let's make sure that people are not feeling unnecessarily threatened or concerned about places that are very important to them.

Now, when we talk about the—we're talking about two different pieces of legislation, two different departments. I can assure the member that the Department of Water Stewardship—and, I believe, the Department of Conservation—has been working with the R.M. of Harrison around this issue.

The R.M. of Harrison does have to apply for The Environment Act. Any questions regarding The Environment Act would be best put to the Minister of Conservation (Mr. Blaikie) and, you know, the member will have his opportunity. I believe the Minister of Conservation has yet to be called to Estimates, and so the discussion around the environment licence would be best put to that minister.

Now, until the environmental licence has been achieved, The Water Rights Act application, which I believe is \$25, would not be able to be actioned and certainly not approved.

So we have been working with the folks of the R.M. of Harrison. I would hope that you, as the local representative, would be working with them as well to help them understand the steps that have to be followed and then moving through those steps.

Mr. Derkach: Well, that's exactly what I'm trying to explain to the minister. It's difficult for someone like myself to run back and forth between two departments.

If—what I'm asking is there a way in which we can get the two departments—personnel from the two departments, I don't care who they are—but if we could structure a meeting with the two departments around one table to be able to deal with the issue and so that there isn't any miscommunication between myself, the municipality, or either of the departments.

I'm not saying that this is a department's fault. Don't misunderstand me, Madam Minister. I'm not suggesting that this is the fault of you or your department or the Department of Conservation. But I think there's a lack of co-ordination here. It appears that way, and there's a lack of consistency in how matters are dealt with.

What we're asking for, I think, is a way in which, perhaps, we could all sit around a common table, take a look at the problem and then arrive at an understanding of how we can best address the issue for the municipality for the people who live there. You're right. I didn't suggest that there was a threat

to anybody's cottages this spring. There isn't. We know that.

The people in the area, as a matter of fact, didn't want to see the water just drained without any limitation and without any control. People don't want to see that lake low either, because they know the value of water at a historic level for their beachfronts, for all of those reasons and for the cleanliness of the lake. So it's not as though people just want to see the lake drained down. I think people want to see sensible, operational tools used to be able to manage the level of the lake, and I think the municipality did their job last year. I really do. I think they worked within the rules that were provided to achieve what I think cottagers around the lake are appreciative of.

But, right now, the municipality has really got a big cloud hanging over its head because they fear that work that they did last year and the costs of all those works that were put in could all be nullified if in fact they are forced to take that culvert out and then just restore it to what it would be, the level before the culvert went in, and it might not be this year. It might not be next year. It might not be for five years. But if that lake comes up again, again monies will have to be spent. And if there is a way, by locking the gate or whatever until such time that it's going to be required—and it will down the road, there's no question that water levels fluctuate and go up and down, but—and if it's the department who has to hold the key to that culvert gate, that's fine. But, I think, we sometimes stand in our own corners and we forget that by stepping into the middle and working together we can achieve some important positive steps.

So I'm asking the minister if, perhaps, there's a way in which she can direct me or the municipality to work with her department and with the Department of Conservation to arrive at a solution that is good for all. I'd be more than willing to be the catalyst and I'd certainly be more than willing to work with her department to do that. And I'm not trying to interfere. I'm just trying to serve my constituents as best I can, but also understanding the department has responsibility within the laws of this province. So it's not as though I'm blaming her or her department for it; it's a matter of, I think, us getting a little co-ordination in resolving this issue.

Ms. Melnick: Well, certainly, I can assure you that the Department of Water Stewardship has met many times with the R.M. of Harrison. I think when—

perhaps the best move, at this point in time, might be if the R.M. call a meeting with both departments and then staff can get together. I know Water Stewardship will come around that table, will work to the best of their ability, will certainly make available any information that they have. And I believe that the Department of Conservation would do the same. If the R.M. were wanting to invite you as their local rep, that would be fine.

Staff met with the council as late as April 7th, 2010, about another matter. No issues were raised about the flooding of Sandy Lake, so that means that there, you know, might be opportunity to call a meeting such as I suggest. March 15th a letter was requesting the restoration of the water control works following the expiration of the provincial authorization. So, again, I think if the R.M. wrote a letter to Water Stewardship there would be a very positive response. I'm guessing there would be a positive response from Conservation and go together around that.

Now, I don't know if such a meeting has been called. I don't have a list of all the meetings that have been had and all the discussions that have been had in front of me here. But I do know that Water Stewardship is always interested in solving problems, is always interested in helping everyone understand what their role is, and would come around the table with that same spirit.

Mr. Derkach: Well, I think we're getting somewhere. Thank you, Madam Minister, because I think that is the kind of response that one looks for in a situation like this. It's not that everybody's hopes and dreams will be met, but if there's a willingness from the department to work together, that's a positive.

And I know Mr. Topping well from years gone by, and I know that he's—as far as I'm concerned has always been willing to work with me on issues.

But I move to another issue in that area and I'm sure—

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

HEALTH

* (14:40)

Mr. Chairperson (Rob Altemeyer): 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 Health. As had been previously agreed, questioning for this department will proceed in a global manner.

Minister, if you'd be kind enough just before we move to questions to introduce any new staff that might have joined us at the table.

Hon. Theresa Oswald (Minister of Health): Mr. Chair, I'm joined again by Deputy Minister Milton Sussman, Chief Financial Officer Karen Herd, and also today by Tony Messner, Comptroller.

Mr. Chairperson: Thank you very much. Welcome to the committee.

The floor is now open for questions.

Mr. Kevin Lamoureux (Inkster): Mr. Chair, the last time we met I made reference to the Seven Oaks Hospital, and maybe I'm just going to conclude my thoughts on the Seven Oaks Hospital in terms of posing a fairly straightforward question.

Just over a year ago there was a significant change in services that were being provided over at the emergency. An example of that would be that of, let's say, bleeding ulcers or things of that nature where, at one time, you could go to the Seven Oaks Hospital and feel very comfortable in knowing that that would actually be dealt with in an emergency situation.

Has anything happened to change that situation where, in fact, you would be able to get that sort of a service in an emergency setting and, if not, does the government have any intentions on expanding the surgery program at Seven Oaks Hospital?

Ms. Oswald: Mr. Chair, I thank the member for directing us back to where we left off last day. We had quite an extensive discussion last year—or last session, I suppose—regarding the issue of general surgery consolidation. And, as I said to the member last year, we know that while, over the past decade, the region has increased the number of general surgeons by close to 40 percent, it's really critically important, I'm advised by physicians and medical experts, that the reality of specialized surgery is one that will not go away, and that is why decisions were made to consolidate general surgery.

Of course, many after-hours emergency surgeries continue to be performed at all Winnipeg hospitals with after-hours emergency general surgery being available at three centres of excellence. But we

know that, while the general surgery consolidation effort went on, that there would continue to be many improvements made to Seven Oaks Hospital.

There was, I think, at some time in, you know, some of our more heated debates on the subject, the insinuation that the government was considering taking everything away from Seven Oaks Hospital or dramatically scaling down the contribution that Seven Oaks would make to the greater community, and I just wanted to reiterate that that's just not the case.

You know, over the course of our mandate there's been an increase in emergency room space almost by 50 percent, an increase of treatment spaces from 13 to 24. That renovation also improved efficiency and patient flow, monitoring capabilities, a development of a six-bed reassessment unit, an addition of a new minor treatment area, creation of a secure room for more complex and potentially aggressive patients, improved safety and security and space concerning drugs and supplies and equipment, a new decontamination area, a new isolation room, three-vehicle ambulance bay. We've also added dialysis and increased oncology services at Seven Oaks so that people can get the care that they need right in the community. Other enhancements over the course of the mandate since 1999 include eight new family medicine beds, wait-time expansions for orthopedics, CD-CT and ultrasound.

*(14:50)

So, again, it is true that there was a general surgery consolidation on the recommendation of medical experts in view of specialized areas, but, indeed, our commitment to ensuring that Seven Oaks remains a very vibrant member of the community is unquestionable.

Mr. Lamoureux: And I realize there's very limited amount of time that we could actually go into discussions in the health-care Estimates.

I'm going to conclude with a question in regards to the whole idea of health-care workers in rural Manitoba, more specifically in one of the largest centres in Manitoba, that of Thompson and if the minister could give some sort of indication as to the status of the needs for health-care workers in the Thompson General Hospital or in that general vicinity.

Ms. Oswald: We know that the ongoing effort to increase our work force—whether it's with nurses or

doctors, technologists—is, you know, it never ends, and it's no different for health-care aides.

I can say to the member that I can speak to him further or provide him with further information concerning the current complement of health-care aides and vacancy rate specifically in Thompson. I can get that information for him.

But I can tell him, generally, that we know that there is a request from our regional health authorities, particularly those in our northern areas and rural areas, that even more efforts be made to provide opportunities for hiring for health-care aides. I know I don't have to tell the member that they are really the backbone of what happens every day at the bedside in helping patients stay comfortable and providing critically important support for nurses and doctors.

So we know that there's a need to continue recruiting. We have seen an increase, but there's more work to do, unquestionably.

Mr. Lamoureux: One of the things that I've raised inside the Legislature in the past and have had petitions—and I suspect we'll even see some more petitions in the future on—is in regards to the need for more accountability with the regional health authorities. And what I've suggested is that regional health-care authorities come before a standing committee where MLAs are afforded the opportunity to question them direct. We have corporations in the province of Manitoba that spend less money, and yet they're being held at least accountable in part through committees of the Legislature.

Would the minister—can the minister explain to the committee as to why it is that she would oppose more accountability within our regional health authorities from a standing committee perspective?

Ms. Oswald: We did discuss this question last year, if memory serves. And, again, we have put in any number of measures, you know, across, you know, finances and being more transparent with finances. The RHA external review made some recommendations on how to do that.

And, so, certainly, I would, you know, take issue with the member suggesting that I don't support the issue of accountability, you know; certainly I do. I think that there's no more important thing than health care to the people of Manitoba, and so our regional health authorities do need to be accountable.

On this subject, I would say what I said to the member last year, and that is I believe he's aware that negotiations that go on concerning who appears, when and how at standing committees, are routinely done through our House leaders and I would, you know, continue to encourage the member to work with his leader and bring those issues forward. And if this is a decision that's made, you know, among House leaders about who is to report and when and then, you know, I'll stand by that.

But those negotiations, you know, are clearly set out in that form, as far as I'm concerned.

Mr. Lamoureux: From the minister's perspective, then, she would be supportive of it taking place?

Ms. Oswald: Well, I think that we are seeing through out Public Accounts Committee, you know, a bit of a renaissance and an evolution of how that committee takes place, and there has been some movement in terms of, you know, how deputy ministers appear and in what form. And I think that that's happened through the guidance of the office of the Auditor General and there is some good advice there.

So, I mean, I would be open to looking at all sides. I know that, from time to time, when we get into discussions about health care, things can get occasionally rabidly political, and I—yeah, I wouldn't have a whole lot of interest in subjecting a regional health authority—individuals who have plenty of work to do, thank you, to those kind of games. But, if we see what happens—what has happened, you know, under the Public Accounts evolution, I'll call it. I think that there's been some progress there. So I would be open to the discussion.

Mr. Lamoureux: When you look in terms of the health-care workers that are in our many institutions, does the minister have any sense in terms of the general feeling towards regional health authorities in any sort of feedback that she hears from those workers?

Ms. Oswald: It varies.

Mr. Lamoureux: In terms of satisfaction amongst those health-care professionals, would she say that most health-care workers are quite happy with the regional health-care authorities and the way in which they function? Or would she say that most would be not pleased with the way in which the health-care regional authorities have been operating?

Ms. Oswald: Well, again, I would suggest that there is a varying response from my more formal meetings with health-care aide associations and their leadership and their membership with whom, you know, there have been, you know, constructive dialogues, and also, informally. I mentioned to, I believe, it was this member, that very recently I spent a lot of time in a local hospital, as I had a loved one there living his last days, and one would argue that sometimes that's the best way to get a real sense of what's going on.

And so formally and informally, I would say that there are a range of opinions. I would say that there are health-care aides that, you know, are really enthusiastic about the work that they're doing within a region, enthusiastic about professional development opportunities, formally and informally, that are provided to them. And there are others that, you know, are longing for something more, you know, new opportunities and opportunities for more formal education to perhaps move on from a role of a health-care aide into a different role.

* (15:00)

Naturally, you know, there's the overarching discussion of remuneration which needs to be taken into account. So I think that while there has been some very good strides made in terms of building the work force, one of the most common themes that I would hear, formally and informally, would be that the work is good, but we need more help. And so making sure that we commit to filling vacant positions and really doing outreach to communities where people may or may not have, you know, may or may not have had even the idea that this is a potential profession for them. Making that even more available and out there, I think, is important.

And, admittedly, there are some people that don't like the regional health authorities. I would say that, you know, about health-care aides and just broadly, people who think they're too big, hard to navigate, sometimes, you know, hard to have one person's voice heard, and I think that there's more work to do in that area.

So, you know, I don't think it's utopia out there, if that's what the member is asking me. And I'd think that listening to advice from those people that go into work every day and do some of the toughest work is critically important, and we all need to continue to do that.

Mr. Lamoureux: And my final question is—and I guess I would summarize the minister's comments by saying, given my personal opinion based on discussions I've had with health-care professionals, and that is that I suspect, and I would be conservative by saying, that less—or more than 50 percent, I do believe, more than 50 percent of health-care professionals do have some very serious concerns in regards to regional health authorities and the need to reform the system. And when I break it down to the public as a whole, I suspect it's considerably higher than that. I would go as high as 75 percent plus that have real concerns in regards to the general direction that health care seems to be going through regional health-care authorities.

So I say it because I do believe that there is a need for more accountability and more transparency, and by doing that maybe one could start to build more confidence in the system.

Otherwise, I appreciate the member from Charleswood providing me the opportunity to be able to put forward a few questions at this time, and I thank the minister for her responses.

Ms. Oswald: Yes, and I thank the member for his comments today. And again, I want to commit to him that I'm going to continue to listen through formal and informal channels to advice that workers on the front line have to provide. And, you know, the member has had some conversations, it sounds like, recently or, you know, over his time in office.

Didn't he just say on the record that he was a Conservative? Anyway, don't use that in your *Hansard*. I might have misheard you—

An Honourable Member: You did.

Ms. Oswald: But anyhow, I'd be happy to sit with him and have this conversation.

I mean, there are times when, contrary to some of the theatrics of question period or even committees like this, where people from different camps can sit down and have a meaningful conversation. And I'd be keenly interested in any specifics that the member has to offer, any general wisdom, because I think that the day that anybody in position—in a position of leadership stops listening to those—including those that, you know, routinely throw javelins at them, then we're in trouble.

And so I would commit to the member that we should sit down and have a Coke and talk about this.

Mrs. Myrna Driedger (Charleswood): I'd like to just go back and clarify a few points that were made last week during the last time that we sat.

And one of them was around the cardiac questions, and the minister had indicated at the time when asked a question—now, it may have been in question period—and she'd actually indicated that we have 24 cardiac surgeons. Is that what she meant?

Ms. Oswald: Yes, what I think I said was: Since '04, we've doubled the number of cardiac surgeons, four to eight, and cardiologists, 12 to 24, working in our Cardiac Sciences Program. If I said something different, that was in error. This is what—I think this is what I said in committee. Okay, allow me to correct the record then. The doubling of cardiac surgeons, four to eight, and cardiologists, the doubling thereof 12 to 24, working in our Cardiac Sciences Program.

Mrs. Driedger: Yes, the minister had put on the record that there were 24 cardiac surgeons, and we were a little bit surprised by that.

Also, I would like to ask the minister, is she aware that, within the Ottawa Heart Institute, they virtually have no waiting lists at all?

Ms. Oswald: Yes, thank you, and I thank the member for assisting me in correcting the record. I—in all of the questions and time we spent in committee, I don't believe it at all inconceivable that I could have transposed surgeons and cardiologists, so I appreciate the opportunity to correct that. Cardiac surgeons doubled from four to eight; cardiologists doubled from 12 to 24.

And on the issue of the Ottawa program, I'm not familiar with the data that the member is raising right now, but I think she's going to tell me more about it.

Mrs. Driedger: I wasn't going to go too much into it other than, you know, if we want to talk about world class-centres and we look at Ottawa Heart Institute, they virtually have no waiting lists within that heart institute. So it makes me wonder why we're seeing what we're seeing here in Manitoba, and all I'm really wanting to do is draw the minister's attention to this to indicate that maybe we should be having a look at what they're doing in Ottawa to find out how they are controlling their waiting lists so well, rather than what we're seeing here, with an increasing number of surgeries being cancelled. The number of patients waiting is an all-time high. Consistently over

the last 2009, I believe, month after month, it's consistently worse than any other time in 10 years. So there obviously is something that they're doing in Ottawa that maybe is worth us having a look at.

Ms. Oswald: Well, certainly I would agree that, you know, when there are programs around the country that, you know, are doing well in whatever area, it's, I think, really important that we go, we learn, we review, and see what applicability there is, you know, apples to apples, those sorts of thing, but certainly we would want to have a look at that.

Now, certainly I'm not going to be making any disparaging remarks about the Ottawa program—again, not having set apples or oranges on the table—but I do of course remember asking a similar question to this about, well, why don't we just bring all the wait lists in cardiac down to zero. That sounds like a good idea to me, not to mention it's an intuitive kind of thing. Let's never have a wait list anytime, anywhere, anyhow. And I was informed by doctors that perhaps zero isn't a bull's-eye either in terms of studies that have been done. And it may be Dr. Koshal that mentioned this in his report himself or subsequently, that there needs to be a pretty judicious monitoring of how much surgery is being done, and, when you get down to zero—consistently, all the time—can it potentially be a sign that there is too much surgery being done and that there are other interventions that could take place.

Now, again, this doesn't apply at all to what's going on in Ottawa because I would need to investigate that more, but, as a principle, I have to say it took me aback when I first learned that from medical doctors that, you know, how could a zero, in terms of people waiting, be a good thing. And they said well, you know, when you're looking at people that are, you know, legitimately waiting for an invasive kind of cardiac surgery that needs to take place, of course, zero would be good, but there was certainly a caution given in an overarching way about being overly aggressive and doing more surgery than really was better for people.

* (15:10)

So I'm certainly not saying that that's the reason why there are people on the wait list today, but I know that there are medical expert that monitor very carefully those individuals that are approaching a need for cardiac surgery and looking for ways that they don't have to go through an invasive procedure,

and that, I was informed, perhaps there is such a thing as being overly aggressive with surgery.

So, with all these principles in mind, I would say a couple of things. No. 1, I think, as Minister of Health, I need to continue to take that medical advice about the basic tenets and principles of when surgery should be done and when it shouldn't, and I certainly shouldn't be making those decisions. No. 2, that if there are programs around the country from which there are lessons to be learned, I'm open and enthusiastic to learning them; and, thirdly, that we're going to continue to commit ourselves to make sure that we're getting the best possible advice from our cardiac program and provide all the resources that we can so that people are getting the right operation at the right time, not getting an operation if they don't need one and that any stress in their lives that is the result of spending time waiting for cardiac care, is alleviated as quickly as possible.

Mrs. Driedger: I think, if we see that, you know, the number of surgeries that are being cancelled and the wait being longer than what Dr. Koshal had recommended at keeping a wait list at only 10 percent of the surgeries that you do, we're beyond what, you know, he has sort of set as a standard. So, you know, I leave that with the minister.

The other thing I just wanted to go back and ask about is, she indicated that in her office she had three project managers now. Can she indicate for us what do they actually manage?

Ms. Oswald: The individuals that work in my office under that title work on a variety of issues, helping to manage things such as moving forward and closing the gap between Aboriginal and non-Aboriginal people. They help to work with communities on developing capital projects and working them through. They work on large projects, like diabetes, for example.

But all of them chiefly work with community groups and individuals who have case situations that fall under the areas of different files that they carry. They work with advocacy groups that are bringing their, you know, oftentimes very good ideas forward. They work with professional associations that are wanting to see changes. They work with different patient safety advocates and organizations. There are really—it's a pretty long list but that gives you a flavour of the kinds of things that they do. Working with members of the community to help build their ideas and, oftentimes, their dreams, and acting as an interface between the community groups, the

department and with me, when I can't be in 17 places at once.

They're also, of course, are keenly involved in, during session, in preparing me for question period and to work very closely with our intake co-ordinator as information comes in from citizens or, you know, even opposition political staff. To help move the agenda forward so that we can get, you know, very good responses for people that have questions. So those would be just some of the things.

Mrs. Driedger: Can the minister indicate why she needs political staff to do all of these things? I guess the—you know, it's an obvious question that needs to be asked because it seems to me that, you know, a number of these issues don't necessarily fall within a political realm, and I wonder why she has got political staff doing some of these.

Ms. Oswald: Well, I mean, certainly, it's a more hands-on-deck approach. That, yes, we have terrific people in the Department of Health, civil servants, you know, that have dedicated their lives to improving the health of Manitobans. And there are, you know, lots of meetings and many calls and inquiries, and staff directly in my office can field these calls and can, you know, be organized, getting them to the right people in the department, trying to get swift responses.

It's really an issue of responsiveness. This is not to suggest that I don't think the department is very responsive. I think that they're working every day to do that, but it's just about providing more people to whom the general public can make contact and then they can—my political staff can shepherd issues through the department and everybody can be working towards a common goal and towards getting people the responses that they need even more quickly.

Mrs. Driedger: And can the minister just confirm that there's only one intake co-ordinator?

Ms. Oswald: I can confirm that there's one intake co-ordinator by name, yes. But I can certainly say that it's a definite team approach. My special assistant will frequently do intake work, as will, at any given time, each of the project 'manager'—managers, from whom the intake co-ordinator might field a call. They'll follow the case through.

So there's an intake co-ordinator in name that does the vast majority of the initial contact, but all of the staff have considerable time that they spend with

individuals that call with their cases or their requests or their issues that they'd like to come forward.

So, one in name, but it's a real team approach.

Mrs. Driedger: I guess if we were talking about positions that would directly relate to patients that are in need of help—because I certainly get a lot of those calls. The minister's aware we certainly write a lot of letters to her office. I mean, if we were really talking about political staff that were connected to trying to make things better for patients, I would have thought she would have maybe increased, you know, the intake co-ordinator from one position to two instead of adding project co-ordinators.

Project co-ordinators sound very political, almost as if they are more related to, you know, political spin and management of bad issues and troubleshooters, and if we were really looking at trying to make things better for patients, I would just wonder why she wouldn't have put an extra position in as an intake co-ordinator to speed up some of the ways we can help patients rather than looking at having three project managers which, to me, seem to be very, very political positions rather than directly, you know, of benefit to patients in a very, very direct, immediate way.

So I thank the minister for clarifying those positions. I wanted to move on to another issue related to DSM, because that particular issue troubled me a lot, more than, you know, some issues that come my way, and I was very, very dismayed by what I heard about DSM. And I had an opportunity to speak with and get to know the young medical doctor, the pediatric pathologist, who basically put his career on the line and became a whistle-blower because he felt that a toxic environment was allowed to flourish at DSM and he didn't feel there was any end in sight.

He tried to deal with that through appropriate channels, and he had no intent of ever coming to me or going to the media, but when he was stonewalled at his own level, he felt he didn't have any recourse, and in, you know, in talking to him and looking at the efforts that he made to sort of follow the right chain, he did everything right, and then in the end he felt that he wasn't getting anywhere, and he decided then at that point he had no choice but to come and speak with me. And he said that pathologists and technologists were choosing not to work in this—and I quote: destructively, abusive environment, end quote. He indicated that vacancies were growing and

he also cited serious allegations of financial mismanagement and unsafe workloads.

* (15:20)

Now, he did indicate that there was an inordinate amount of overtime being worked and that pathologists were carrying excessive workloads. And other front-line professionals have said to me that there were delays in processing patient tests. And these front-line workers also indicated that allegations of several patients falling through the cracks was a very real situation.

When Dr. Grynspan brought forward his concerns as a whistle-blower, he said was bullied, harassed, blown off and told to stay quiet. He was also threatened with a psychiatric evaluation. Now, I don't know what the minister thinks about all of that, but considering that supposedly we have policies about respectful environments, this was very, very disturbing to hear, like, for me.

You know, to have a young doctor bullied, harassed, blown off and told to stay quiet—but really, the very egregious part of all of this, too, was other doctors threatening that maybe they would sic a psychiatrist after him. And to me, that's extremely intimidating and shouldn't be allowed anywhere in the system. And then for some reason, two psychiatrists were involved in this whole issue as well.

Now, Dr. Grynspan left Manitoba and, I have to say—and he didn't want to leave by the way, he really wanted to work here. He's a pediatric pathologist and he loved what he was doing here with his special field. And I have to say that I felt very, very honoured to get to know this doctor. I was so impressed by his integrity, his passion for good care, his concern for his colleagues. You know, and all of that, was a driving force in why he felt he could not stay quiet about what's happening.

Considering the way the brass at DSM, and within the WRHA, treated him, I was, as I said, very discouraged. All of the staff that I have had the privilege to get to know through this process were devastated when Dr. Grynspan left. They said that he was the one person that was a, you know, a champion for all of them. He was, you know, willing to bend over backwards to help a lot of his colleagues. And they were absolutely saddened and dismayed when they found out that he was going to leave.

And when the review, his so-called external review, was done and it came out, I have to tell you that a number of pathologists, technologists, technicians were upset with the outcome of the review. I think many of them, like me, felt that it was a whitewash. A lot of them felt that losing Dr. Grynspan was an unbelievable loss for this province, that he was very, very competent, you know, and as they said, he was a—totally of sound mind. And to have these kind of threats made against him are really quite unconscionable.

Now, I'm sure the minister is getting information, you know, from her sources, but I'm not sure that she's hearing from all of the people at the front lines. You know, some of the information that's coming up to her from the people that report to her—you know, maybe not everybody has had an opportunity to really talk to the front lines and find out how they were really feeling.

And I have had a privilege because a number of them did come forward and did speak to me. And I want to share some of those concerns with the minister because I think she needs to hear what some of those people on the front lines were saying.

Now, back to December. Dr. Grynspan indicated that he felt that Manitoba's labs are in an, and I quote, illicit and toxic workplace environment that poses future risk and has already done harm in the past. This harm in its worst instance has taken the form of egregious detriment to a patient, ethically compelling me to come forward. End quote.

He also felt that some of the comments that the minister was making, according to him, he said her comments were outrageous, to defend the workplace as safe.

Mr. Chairperson: You have one minute.

Mrs. Driedger: Okay. And he also felt that DSM was doing everything it could to keep this as quiet as possible. There was a lot of fear at many levels amongst the front lines, fear of coming forward to speak because of the toxicity of that environment. In fact, pathologists wanted to convene a separate meeting because they did not trust those that they had to take the information to.

So one pathologist, in particular, said that DSM and people that worked within it at the high levels have used strong intimidation tactics or taken severe measures so people will be afraid to talk, and that was a direct quote. He also said that people in DSM

are trying to downplay the consequences of their hardball actions. That was another direct quote.

And I think my time is running out at this point, but I will come back to indicating what some of the other people at the front lines have said, if the minister is able to make some comment about, you know, what her understanding is about these complaints from DSM.

Ms. Oswald: Mr. Chair, just before getting into the discussion about DSM, I'll just finish up on some of the points that the member made towards the end of her comments. You know, while I appreciate that the member is allowed to, you know, have a characterization of what words like "project manager" might mean, and you know, I respect her right to interpret, you know, those words in whichever way she chooses, I want to assure you that I don't share that view, but I will take as notice the fact that she doesn't like the names.

Certainly, as I reiterated in the earlier question, the individuals working in my office are working to provide as much support as possible and as—be as responsive as possible to the people that should call the minister's office with a question, or with a concern, or a challenge, or an idea because we actually do get those calls, too, unlike how the member characterizes it, that, you know, there—we only get negative calls coming in. That just isn't accurate but I'll give her an example of what I mean.

Certainly, in the department, we have a number of people that spend their days assisting people with some of the complexities of Pharmacare, for example, and one of the project managers would be someone that is very well informed on the details and the evolution of the Pharmacare program, and the work that we're doing to try to make it more accessible, more robust. And so the intake co-ordinator who, in and of her own right, is very knowledgeable on general questions concerning Pharmacare, one of the individuals, you know, would have a far more extensive and robust understanding, and those kinds of cases are often referred to those individuals that can address and answer some of the complex questions.

So, really, if I can assist the member at all in understanding, maybe in a different way, what that overarching term "project manager" means, you know, I would just hope to do that by putting that on the record. That's just one example.

* (15:30)

So, yes, one option would be to have—add a second intake co-ordinator, and perhaps in years to come maybe that will be the member's choice to structure in that way. My choice has been to structure in this way, not as, you know, some evil ploy that, you know, the member characterizes, but in trying to organize in the best possible way to be responsive to people that have questions. So I just wanted to put that example and offer that clarification on the record.

Moving on then to the external investigation and the issue that arose in the fall—early winter, with DSM. I want to say to the member that I—quite sincerely, I do respect the fact that she spent some quality time with the individual doctor and got to know him and got to understand his challenges. And I respect that the member listened to him and got to know him, as I say, and developed a relationship with him. And when you're hearing somebody who is laying out their challenges, you know, it can be very difficult to do. And so I want to acknowledge to the member that I understand that that's not an easy time to be going through—it doesn't matter what side of the political fence that you're on—and acknowledge that the member did have a relationship with this individual, you know, built a trust and, you know, really wants to work hard to bring these issues forward. And I don't take that away from her. That's, you know, part of the job that she does.

Having said that, I, too, want to acknowledge that I respect individuals that come forward with concerns in whatever way that they come forward. And, certainly, this individual, you know, was treated, you know, as if, you know, he were a whistle-blower under the purview of the whistle-blower legislation. And that's why the independent review was called. And I would say, just in quick terms, that the recommendations from that review are actively being pursued and the member should know that.

But, certainly, when the individuals from the review were put together, I was very pleased to see that Dr. Sharon Macdonald was willing to lead the investigation. She's a respected independent doctor, specializing in community medicine, with a reputation that is second to none. And she was joined by Dr. Rosemary Henderson, a pathologist from P.E.I., who, I am informed, was highly endorsed by the complainant. He viewed Dr. Henderson to be—I think he was quoted as saying or in e-mails—you

know, the epitome or the pinnacle of what all good pathologists should be. And I was very pleased to hear that, because I viewed it to be very important that, during the external independent review, that there was somebody on there for whom the complainant held in very high esteem. And, of course, there was a retired labour lawyer, Mr. Kells, that was part of a committee to offer advice on some of the labour practices and so forth.

And so this was a very strong team that undertook a thorough investigation. And the external review team did conclude that many of the complainant's allegations, at the time, were unfounded—all but one, in particular. But they did identify opportunities where, unquestionably, DSM can and will need to make improvements, specifically in the area of human resources, some on quality assurance, more rigorous critical-incident reporting and investigations, and working to develop—developing respectful, open and professional workplaces.

So, when we look at some of those recommendations, I think that, you know, while the language is different between what the member is saying and what the external review said, what I see is an opportunity for improvement of the relationships among professionals. And there were some recommendations made about that. The DSM board received that report in February, that's of 2010, and confirmed that DSM plans to act on all of the external review team's recommendations. And the external review recognized the high level of commitment and dedication among staff. And that, since it was established in 2002, there has been a lot of progress that has been made, a solid foundation upon which to build, but there would be room for improvement.

So, some of the immediate actions that have taken place—you know, there have been some things that have been done immediately. Others are longer term initiatives, but they would include providing pathologists in Brandon with additional support and consultation opportunities while also continuing aggressive recruitment, and there has been some very good recent success on that. There's work going on to improve the critical incident investigation reporting process, optimizing the workloads among DSM sites, and then working with staff to improve relationships and to build strong, collaborative and respectful workplaces. Working with pathologists and partners in Manitoba Health and Doctors Manitoba on remuneration structures and workloads

that, you know, can improve the nature of the work—all of this work is ongoing, and again, I provide my thanks to Dr. Macdonald and the others on the committee, because I think that there was a lot of emotion going back and forth and among people in DSM and the doctors themselves, and I think that this review provides us with an opportunity to make improvements to mend some relationships and continue to keep listening.

And, as I said to the member from Inkster earlier, that, you know, regardless of the fact that sometimes we live in political war zones, I'd be happy to sit with the member and learn more about what it is that she has to say about work that can be done to improve working environments for pathologists and, as a result, the improvement and speed at which patients can get their pathology results.

Mrs. Driedger: What I would really appreciate the minister doing, because I'm not sure she really understands the extent of the concerns that were present, and are still present, on the front lines at DSM, and I really—and I'm truly not looking at being political with this—I wish she really would set aside her briefing book and listen to some of the questions and concerns I'm going to raise.

I'm pretty floored by what I was hearing there, and I was pretty sickened that this type of behaviour and treatment is going on in our health-care system, that we have pathologists and technologists being treated the way they're being treated in this department.

And I'll tell her what a second pathologist said to me, and this is his quote or her quote: Rampant and systematic use of harassment, bullying and discrimination and maltreatment that occurred almost on a daily basis in the pathology department at Health Sciences Centre. I wish to provide yet another voice in order to establish the toxic working environment that exists in that department. End quote.

A lab tech said, and I quote: I find DSM to be 'disconcerned' with the actual safety of the patient whose specimens we are working on and definitely not concerned with the well-being of their staff. End quote. Another lab technologist, and I quote—and these are the words that this particular lab tech used: Environment of fear, very toxic environment, poor morale, horrible work environment. Another lab tech said, and I quote: Many patients have fallen through the cracks, but DSM doesn't want anyone to know

about it. Everybody is too afraid to come forward and speak up. Sick time has skyrocketed here at DSM because of this toxic environment. It's not uncommon to have several people away sick at one time. End quote.

And these were people above and beyond Dr. Gynspan. These were all other people that came forward and expressed their concerns.

* (15:40)

Now, I understand that some of these concerns were forwarded, in particular, to the minister in a letter from Brandon probably last summer, and I understand that the minister never did respond to that letter. And she would've known about all of these issues for a long time before our whistle-blower came forward. So she must've known about this toxic environment because things have been brewing in DSM for quite some time. In fact, if we go back to even 2004, there was a staff shortage in Manitoba's pathology program, and, you know, basically, we had a quiet crisis that was already starting at that point. Dr. Colin Merry, you know, at that point he was retired, and he was the one that started to bring forward a lot of concerns about what was happening with the shortage and the cloak of secrecy that was drawn around the program. And there were a number of people even back at that time that were raising the issue that the pathology program is in trouble.

And then, we, you know, reached this point where the minister got a letter, apparently didn't respond, had her deputy minister, who was on the board of DSM—which is a whole other issue that I want to get into with the minister too—but these people on the front lines at DSM don't feel that there is anybody sticking up for them, or, where they have a voice. This government has co-opted everybody, and by doing so they put the union leaders on the board of DSM. So they shut the union up. So the union doesn't even come forward and speak up for their front-line workers. You know, they—the board isn't—as a whole, didn't do anything to address this issue. Why not? With the deputy minister that was on the board, the minister would have—or should have—known about what was going on.

Instead, we've got an environment in DSM that, contrary to the comments that the minister just read from the briefing book, things aren't that much better. In fact, what the front lines are now saying is it looks like—you know, everybody's being a little bit careful right now but, in fact, they know that

everything is going to revert right back within a short period of time.

The minister is saying that all the recommendations are moving forward. Well, nobody knows where this HR specialist is that was supposed to be put in place there, that was supposed to be talking to the staff to try to find some resolution to these behaviours. The resolution to the behaviours is to look at the people that are doing the harassing and the bullying, and to directly deal with them. That isn't—is something that was even addressed in the report. So, you know, the minister had lots of time and lots of information because of how she's got everything set up. She would have known that a lot of this was an issue, was a serious problem. You know, that's why a lot of pathologists were leaving Manitoba.

I'm told, and I've heard, actually, pathologists have contacted me now from other provinces. They've heard about this issue. And, you know, if we go to Saskatchewan, as an example, one pathologist told me that, in Saskatchewan, most pathologists stay there for 10 years. In Manitoba, we're lucky for pathologists to stick around for a couple of years, two to three years, and then they're gone, especially in Brandon.

So there's obviously something that is just still not right. And with her, you know, her external review, three people were put on as reviewers. I understand that not all of them were always involved with interviewing people, that sometimes Dr. Macdonald was the only one. I don't know where the other two were in the whole thing. But I also understand that Dr. Macdonald is an NDP appointee to a commission, something on automobile appeal, something or other. And if she is a—an NDP appointee, I don't know how external that really is, because when the NDP appoint somebody to a commission or a board, they're appointing their own people. And so, when Dr. Macdonald, who could be very qualified about many things, is put in charge of this, she's hardly independent from the NDP, as an NDP appointee to a board.

So I'm just really discouraged with—and so are a lot of these people on the front lines that have all spoken up to me and indicated that they feel that this particular review really didn't get to some of the crux of the issues and that it was more of a whitewash.

What I would really like to see is the minister not closing the door on looking at what's happening with DSM, that she continue to do some more

focussing because some of these issues are still really brewing there.

Ms. Oswald: Yes, just as a point of clarification—that was kind of a long statement there. Can I just clarify, is the member saying former Deputy Minister Arlene Wilgosh is, indeed, a bully and that Dr. Sharon Macdonald is not capable of an independent review? If she could just clarify that for me.

Mrs. Driedger: I think the minister is playing with words at that point because never, never in any instance—

An Honourable Member: It's a fair question.

Mrs. Driedger: Well, if the member for Transcona (Mr. Reid) would allow me to answer instead of heckling from across the table, I will do so.

But I would indicate that never did I indicate that Ms. Wilgosh was a bully. That was never in any of my language. I am indicating to her that Ms. Wilgosh was on the board, and I'm concerned that perhaps the board, itself, wasn't listening to these complaints about bullying that was happening within DSM. That was the board's responsibility to take, you know, these issues of complaints of bullying and harassment and intimidation by people within DSM. That should have reached a board level, and I would assume that the board should have done something about it. And never once have I—did I make any reference that there was bullying by the board or anybody on the board, you know, to bullying anybody, but they should have been paying attention to these accusations that were coming from front-line people.

And as far as Dr. Macdonald goes, I know she's a very, very talented doctor in the system, but my concern related to her being appointed to this and also being an NDP appointee to a commission. I do have to wonder how really external and how far removed this was from an independent review. I'm sure Dr. Macdonald has done some great work, and I know that she has as a vice-president in the WRHA and with, you know, other work she's done in community health. She has some, you know, very good qualifications, but having been an NDP appointee to a commission makes me question how truly external this review really was.

And I'm not the only one asking that. There's lots of these people that are working on the front lines that are questioning some of the findings. They disagree with a lot of the findings. It wasn't just Dr. Grynspan that disagreed with the findings.

The report does come out looking very much like a whitewash in some ways. So, yes, I do have concern about how independent and how external that review really was.

Ms. Oswald: Yes, thank you for the clarification.

So, again, I would say to the member that we don't share the same view, obviously, about the impartiality and professionalism of Dr. Sharon Macdonald, and that's—you know, that is the member's, you know, certainly prerogative to feel that way. I believe that Dr. Macdonald is an extraordinary person and a highly professional person, and, quite frankly, she's not going to be told what to do, if you've ever met her. She is going to agree to do a job, and she's going to do it, and she's going to do it well. And she's not scared of anybody. And I certainly have that impression from her, above all others.

* (15:50)

What I want to say to the member is when she's speaking about issues with morale among staff, as I said at the outset, this was something that did come out of the external review, and I don't think that there is any effort on my part to deny that there are issues with that. That's why I've accepted those recommendations, and the member did make mention to an external HR expert that is being brought in, that work is being done because I do believe there is lots of work to be done there. I acknowledge that.

I don't want the member to get any impression from what I've said, or what I haven't said, about issues with morale at DSM. You know, on the one hand, the member gets cross with me for juxtaposing numbers yesterday, or the other day in question period, because I didn't follow my briefing book closely enough, and then today, when I'm looking at my briefing book, she's cross with me because she says that I'm not listening. It's occasionally difficult to find the right zone there.

But, as I said before, right out of the briefing book, that one of the recommendations was to get working with staff to improve relationships and build a strong, collaborative and respectful workplace. And I take that very seriously. It doesn't really matter, in my view, what profession you belong to. If you are content, and you feel respectful—respected in your workplace, you're going to do a better job. It makes one wonder how anyone lasts in politics,

come to think of it, but that's another story for another time.

When you work in an environment where you may not feel that the people around you think that you're doing a good job, or that they even notice that you're doing a good job or, in extreme cases, they go out of their way to make you feel like you're not doing a good job, it's hard to be your best. And so I believe that the recommendations that came from this independent external review were very important when it comes to improving that work environment.

Now, again, the member says that she has spoken to a number of people, and I believe her. Certainly, the review team spoke with over 50 people and got a variety of opinions, some of them that don't match what the member is presenting today and some of them do. And that's why I believe that they made a recommendation to work on that morale.

I also wanted to let the member know that there has been plenty of work going on in Brandon. Certainly, long since listening to what doctors had to say about needing an improved work environment, and that's, of course, why we're investing \$12 million rebuilding and expanding Westman Lab. We're expecting to have that finished, and it's been a complex construction, that's for sure. But in early 2011, we've worked on improving remuneration for pathologists. I think that they have more than doubled since 1999 which is helping us to stay competitive. We are working on taking advice from pathologists in improving turnaround times.

One of the most things, of course, in Brandon has been working on aggressive recruitment, and we know two pathologists are in the process of confirming employment and tentatively scheduled to begin their work in mid-May and July in Brandon which is very positive news. Discussions are under way with a third potential pathologist. Certainly, a verbal employment offer has been given, and there's active recruitment to fill the remaining vacancy.

So bringing more help to the front line, ensuring that doctors are being compensated in a competitive manner, working to improve turnaround times through ideas coming directly from pathologists, working to invest \$12 million in Brandon specifically to rebuild and expand—these are our concrete, positive steps that we have been taking. But listening to the advice of the external review committee, which did include some of the issues that the member is raising on issues of morale and work environment, and really working hard to turn that

around, I think, is really important. And, while we don't share the view of whether or not this external investigation was independent, I would think having a pathologist from out of the province, no ties to Manitoba, whom the complainant himself viewed as the paragon of virtue in the pathology community, was pretty good.

And again, I mean, the member has expressed, you know, shock and dismay at my conduct through this whole thing, and that's her right to do. But I don't mind sharing that I don't view her characterization of Dr. Macdonald and this review team as being particularly outstanding either. You know, the language of whitewash and some comments that she has made today, I think, are pretty demeaning to Dr. Macdonald, and, on this, we're just going to disagree, clearly. But if there's going to be some air time today of disappointment and horror, I can certainly share with the member that I shared similar feelings when I heard her reaction about Dr. Macdonald and the others on the committee.

So on this we're going to disagree. On the subject of working to improve the work environment for our pathologists in Manitoba, I think we're going to agree that we should listen to those recommendations from the report, learn from them and continue to improve the working environment so that patients in Manitoba have doctors working on their tests that are being the best that they can possibly be. And I think that that's the right bull's-eye to be hitting.

Mrs. Driedger: Can the minister confirm that Dr. Macdonald is an NDP appointee to a commission?

Ms. Oswald: Dr. Macdonald was appointed as the chair of MPAN, the Manitoba Patient Access Network. She's there to lead efforts and look at how health care is delivered and how access can be improved. And she was put there because she's fantastic, not, you know, because of how many orange T-shirts she may or may not have in her closet, but because she's a fantastic doctor and well respected in the community.

And, you know, we know that there are different ways of handling issues that are brought forward. We know that there was a very definite path that was taken over time, you know, in the past, looking at the pediatric cardiac inquest and issues that got swept under the rug during that time, and we thought it was important to bring forward. I also wanted to say I'm informed she was nominated by the Premier for the auto injury—that's Dr. Macdonald, that is—Auto Injury

Compensation Appeal Commission. So she is a member of that commission as well, undoubtedly because of medical expertise, I would think.

But going back to what I was saying about different approaches that are taken to how you deal with investigations. You can sweep issues under the rug, like got done during the pediatric-cardiac tragedy, or you can come forward, like we did immediately upon learning of the allegations. I think it was within two weeks, if not under, that the independent investigation started, and we can spend probably the rest of the afternoon arguing about our different opinions about individuals on the committee. What I want to say clearly is that we're going to listen to those recommendations to make sure that we can move forward and that issues are not swept under the rug. So the member and I have a difference of opinion, obviously.

* (16:00)

Mr. Peter Dyck (Pembina): And I do have a few questions, and I'm sure the minister is—sort of, knows where I'm going with this one. But, anyway, on April the 8th, I asked a question regarding Tabor Home, and the answer that I got here was—I can't really tell what's taken place.

So could the minister state where the study that she initiated back in, I guess it was August of '09, where that is at right now?

Ms. Oswald: Yes, thank you. It's funny, I thought that was a blockbuster answer that I gave you.

Well, I can tell you that the business case is completed and is currently under review. What I endeavoured to articulate at the time was that, as the review was being developed, there was a request by the community to take a little bit more time once some decisions were amended from their original dream, to wanting to have a different location, a different amount of land, because they wanted to change the footprint from their original goal. And so we did take more time with the community and review the second option.

I believe, and I'm going from recollection here, that there was some review done with the community on looking at single-storey facilities versus, I think they originally planned two storey—and there was an amendment in the view that, I think, actually, we might like to go with the single-storey option. So there was more time that was taken on that.

It—the study then, the independent study is in the department, which, you know, once all was said and done, we got about the end of January, I believe. And we're going to try to work as quickly as we can to consider the recommendations. You know, we have to consider our current economic climate, but we know that we've made a commitment to bring more beds to the region. The member articulates—regularly—to me how important it is that we get those beds, and we want to be able to move forward just as quickly as we can.

So that document that we received on or around the end of January, beginning of February—I think it was end of January, is under analysis in the department right now. And we are, I say quite sincerely, looking very closely at it, trying to push forward with the options that we have before us.

Mr. Dyck: Okay, could the minister indicate when that study will be released?

Ms. Oswald: I'll check to see. I'm not sure there's a plan to release publicly. I think it was an independent document done for the department, but I'll check what the details are about that.

Mr. Dyck: And I think the minister also should know that, and it's right, that they looked at a different location, a site location. But just talking to some of the board members on the weekend, their option on that property is running out, and so they do need to know the direction that they are going to go. They did have an option on a different property and, as the minister indicated, because they were looking at a different footprint, they now changed the location, but they cannot indefinitely hang on to that option either. So they do need to know sooner rather than later, as to whether the project will go ahead, or whether they should secure the property or not.

Ms. Oswald: Yes, I appreciate the member addressing that particular point, and recommend that we continue to do as we have done over the last couple of years and stay connected with one another.

We, of course, will try to be connected with the community. My staff speaks with members in the community with reasonable regularity, but let's just stay connected as these dynamics unfold about options and land and so forth. We all want to be working together and not having undue harm placed on a project, so let's continue to do as we have done. I always enjoy your calls.

Mr. Dyck: I thank the minister for that answer. On the other hand, you know, our problem still is out there. You know, first of all, the community has no idea where this thing is going. You know, they—there's a study that's out there. At the outset, it was said this study would be completed within two months. That was back in August of last year, and I realize that there are exceptions made to it, so the study took longer, but there's still nothing that's been released so they can't go out to the community.

But, meanwhile, under the directive of the minister, Boundary Trails, the person—the people, rather, that need to be in a personal care home are being moved far away from families and friends, and I know that I've said this time and time again. And it's interesting how just on the weekend one of the families whose parent was moved, you know, to an hour-and-a-half drive away from where they've lived all their life came to me and indicated, you know, that this really is elder abuse by now because, you know, these people would go to a personal care home.

You know, this is their last journey in life, and now we're subjected to the fact that they will be an hour and a half away from their family. They know no one out there. It's just really not fair to them.

And, so, I realize that, you know, a personal care home cannot be built overnight, and the community realizes that, but, on the other hand, when there is not a light at the end of the tunnel, you know, frustration does start to arise.

And I would just refer back to a letter that—when the mayors and the local R.M.—a reeve from the R.M. met with the minister in Winnipeg, here back in March the 12th of '09, where, you know, they indicated very clearly that, you know, there was a very strong need for a personal care home.

So, you know, this is not something that has just arisen within the last couple of months. This is something that's been out there. We've known about it for many years and, as I've said previously, the two previous Health ministers were out there. They looked at Tabor Home. They realized the desperate state that we were in. So, you know, the people don't see, as I said, a light at the end of the tunnel. They—it's their parents and I don't think the minister would want to subject her own parents to that same kind of a—I'm not saying treatment but the fact that they are moved away the last days of their lives it's just not fair.

And, so, they do need to know that there is going to be an end to this somewhere down the road and at this point, we don't see that.

Ms. Oswald: Yes, I thank the member for the comments. I want to start by saying I appreciate the member sharing that the community is not feeling like they know what's going on, and that is a clear indication we need to be doing more communication.

We know that there is quite regular contact between staff in my office and the CEO of Tabor, but I hear you, and we will endeavour to improve communications and seek advice on the variety of ways that we can be doing that, so that the community is aware that we have made this commitment to increase the number of beds, and they need to know that that is a real commitment.

I, again, it has taken some time and, you know, won't resist the opportunity to say on the record again, some of that came from the request from the community. So, you know, we need to be fair on that front but, again, we want to try to move forward as quickly as we can.

I would agree with the member that, you know, those last sometimes very challenging days of life are best spent with loved ones in close proximity, and I don't want the member for an instant to think that I think an hour-and-a-half drive is even remotely ideal. So I think that that's a really important point to be made, that we want to get these beds developed and built so that this situation can be rectified.

* (16:10)

It's not a directive from the minister to send people away from their loved ones in their last days, if I just may clarify. The Central RHA did develop this interim policy after lots of discussion about, you know, wanting to ensure that beds were being used in the most effective way possible, like babies being born in Morden-Winkler, the orthopedics program, you know, that has been built up there and is so effective continuing on. So those interim decisions were made, but again, we did make this announcement.

We're working very aggressively to find the road to being able to do this because, no, I don't think it's ideal for people not to have their loved ones as close to them as possible in those final days and years.

So I'll commit to the member to take his advice about working on providing even more communication to the community and to work as

quickly as I can to see this project move forward, because I believe the people of his region deserve nothing less.

Mr. Dyck: Again, I just want to be clear I support the fact that the beds in Boundary Trails Centre are not—or should not be used for the personal care reasons. I support that, and yes, the hospital is a busy, busy place. I believe this past year we had a thousand births there and so, you know, this is growth that's coming from within and so—and you can take that many ways. But, I mean, it's not through an immigration plan that we have out there, although we have a lot of immigrants coming, but this is just the growth that we see at the health—or at the Boundary Trails. So, no, the—I realize and we all realize that those beds should be used and utilized for other purposes.

On a different note, though, I do want to ask the minister—and this has been a question that has been posed out there as well—assuming, and the minister has said that this facility will be built, is there a contribution that needs to be put in by the local community, a percentage, or what is the position of the government today? And if I can just refer back to when Boundary Trails was built, I believe there was a certain contribution that was made by the local R.M.s, and that of course encompassed numerous R.M.s within the area. So I'm just wondering if the minister does have a position on that as to what has taken place, because the community needs to know that as well.

Ms. Oswald: The member knows, of course, that typically in these situations there is a 10 percent community contribution. I think that was a policy put in place in 1998 and that hasn't changed.

However, depending on the nature of the project, you know, the rebuild and transfer—we really look at them on a case-by-case basis, what contributions have been made in the past by the community on other projects. And sometimes there's a credit that's available, and these are details, you know, from one capital project that can be carried over onto another one.

So I don't want to say to you today that it's a flat 10 percent go-forward for this particular project. I'd want to investigate some of those financial details and commit to get back to the member and continue to work with the community on what the expectations are typically with the 10 percent community contribution. So we'll work with him to provide clarity to the community on that as well.

Mr. Dyck: Just further to that, just so the minister's aware that that—you know, whatever the contribution is, you know, if you're looking at 10 percent of a project of that nature—like, Boundary Trails, which was a huge area which encompassed a huge draw, I would say was quite different from when you start to look at a localized—Tabor Home, for instance, just when she's looking at the contribution level there, and would put—boy, I tell you—a real challenge onto the community if there was a substantial contribution that was required, because, again, you don't have—like, a personal care home does not cover as great an area as does a regional health centre.

So I would just ask her to take that into consideration when she draws up a policy on that. And before I give it back to my colleague here, I do want to indicate, though, that the RHA and the board, the local Tabor Home board, have indicated to me that they are ready to go. I mean this is a No. 1 priority for them, and they really, really feel that they need to move ahead on this, and I would encourage the minister to do it as quickly as possible.

And I realize that there are some challenges out there, monetarily, as well, but I would indicate, as I've said time and time again, I think if this is a high priority for the minister and for the government, it's something that can be done. And I won't go into details about how other things have been done in the province here, but I think that when there's a priority out there, you know, they can move ahead with the project.

So, again, I thank the minister for her answers, but I do encourage her to move ahead and move ahead as quickly as possible, because there is an urgent, urgent need out there for these personal care beds.

Ms. Oswald: Yes, thank you, to the member and, again, as I said, I'll commit to get back to him and to the community with some specifics. You know, there's no question that, you know, since the day I started in this job, that every community wants the 10 percent contribution to somehow go away, and it's not the first time I've heard this. So we'll look very specifically at that and try to go as quickly as possible.

Would the member for Charleswood (Mrs. Driedger) be willing to have a 45-second break, or maybe a little longer?

An Honourable Member: Yes.

Ms. Oswald: Yes?

An Honourable Member: We're good.

Mr. Chairperson: By mutual agreement, I believe we are in recess. The committee will take a short break and reconvene shortly.

The committee recessed at 4:17 p.m.

The committee resumed at 4:23 p.m.

Mr. Chairperson: The committee will now resume its considerations.

Mrs. Driedger: I have a few more questions about DSM, and I'm hoping that by 5 o'clock today that we might be able to get through all of them. There aren't that many left, but I do have some that I would still like to ask of the minister. But I would point out that I just was given a copy of the Order-in-Council about the commissioners of the Automobile Injury Compensation Appeal Commission. And I had a look at the list—and this is the one that Dr. Sharon Macdonald was put on by the NDP—and it has such names on here as Mel Myers, Diane Beresford—which, if I recall correctly, was a union leader—Robert Chernomas, Errol Black. All of those are as NDP as they come. I think some of the other names on here look somewhat familiar to me, but not totally. But it does confirm that, indeed, Dr. Sharon Macdonald was by Order-in-Council put onto this particular commission, so that's where my questions were coming from.

One of the recommendations from the report was that an HR consultant be hired to work with management to create a more respectful work environment. Considering that so many of the workers on the front lines desperately need a change in this area, can the minister indicate why she's dragging her feet on this, then, because she's indicated earlier today that this hasn't happened? Considering the seriousness of these allegations that were brought forward, why hasn't this part moved forward?

Ms. Oswald: Yes, thank you, Mr. Chair, and, you know, the member makes a few more references to appointments of Dr. Macdonald and—I don't know if we should continue with this argument. I'll say they're duly noted. On this subject we agree to disagree and away we go.

One of the—moving on then, I agree with her that dealing as swiftly as possible with some of the recommendations concerning the morale issues, if I

can characterize them that way, I think is very important. There is a focus group process that are coming first. They may have just gotten under way or they are coming shortly to really give an opportunity for voice, another opportunity for voices to come forward to really continue to drill down the issues, and the HR firm is in the process of being selected.

I'm not sure I would use the term "interview process," but certainly there is an analysis going on about who can provide the best services for this situation. So that work is under way and we hope that they are chosen very shortly. But, building on the recommendations from the external review committee, we really do want to work with pathologists in the field, and technologists, lab techs, assistants—whomever—that may be experiencing some of the things that the member has characterized today or certainly the issues that they raised with the external reviewers. So we do really want to get to the bottom of it.

I also neglected to mention before and I did really want to address this. While I think that there are probably a couple of situations wherein the member mentioned the inclusion of psychological or psychiatric services over the course of this review, I think it's important to note that there was a movement brought forward to enable other members in the work force, during what was a very emotional time, unquestionably—there were some very personal accusations being made and there was a divide among staff, and there were services made available so that people could go and speak to somebody in a confidential manner, and ask questions or seek help from really more of an employee assistance program perspective.

Now, I know that the member makes reference to a specific issue involving accusations concerning, you know, the psychological health of the complainant. I know that that's one part of it but I did want to clarify that in other elements of the review, where there was additional expertise brought in, that that is the complexion that some of that took. And I wouldn't want it all to be lumped in together because there was a real effort made to assist people who were going through a very difficult time.

There were some, clearly, that the member has mentioned, that stood very firmly on one side of the issue but there were others that stood firmly on another side of an issue, and felt very concerned that if they didn't side with the complainant that they

would be potentially exposed to criticism that wasn't warranted. So it was a very harsh emotional time and I know that there was an effort made to provide emotional psychological support for people during that time.

So I just wanted to make sure that that got on the record. But, again, I would say to the member that it's my view that this work within DSM, based on the recommendations from the external review, can't start soon enough and I hope that it gets going quickly as well.

Mrs. Driedger: It seems surprising to me, though, that they would bring in psychiatrists and just—you know, rather than counsellors or, you know, workplace counsellors rather than psychiatrists. That just seems like an odd choice.

*(16:30)

DSM has indicated that strengthening lab services in Brandon is a priority for DSM, and yet there were—there was a huge period of time where there were no positions being advertised for Brandon. And I think it's raised some concerns in Brandon. And it wasn't until Carmel Olson got involved that, actually, DSM then started to send résumés to Brandon. I'm not sure if the minister had been given that information but, you know, for a long time, Brandon's pathology shortage was allowed to get really large while, at the same time, there was not an active movement. It didn't appear to anybody that they were actually trying to find pathologists for Brandon. And then once Carmel Olson got involved, because I think there was some serious concern on her part, then things started to move a little bit better. So I'm—the minister had made some references a little bit earlier about Brandon, but I wanted to indicate to her that probably if there's some good things happening there right now, that it might be because Carmel Olson did intervene a little bit in that.

When the report came out, there was a lot of damage control that was going on at the time. And I don't know if the minister is aware of some of the things that happened when the report came out, but all of the staff were told to clear the labs, vacate the labs. They had to go to attend this meeting about the report. And they were all told they had to do that. The meeting lasted an hour and, despite the fact that the labs were backlogged and it was Friday—Fridays are particularly busy—they were all told they had to be there. Apparently, a doctor couldn't get cancer results for that period of time, and he was very irate.

When the front lines left that meeting, most of them were feeling very defeated and very disgusted. You know, contrary to some of the things the minister is saying, that there is a huge number of them that felt defeated and disgusted. And, at that meeting, what was talked about was all the good things DSM was doing and they were ignoring the concerns of the front lines. And a lot of the front-line staff people felt very, very concerned with how they were, I guess, treated, particularly, too, at the time that this report came out.

I don't know if the minister wants to comment on that before I move into another area of questions.

Ms. Oswald: Yes, thank you, there are a number of issues there.

Again, just closing off on the issue of psychiatric and psychologists and support, I just wanted to let the member know that these professionals were brought in. You know, it was for a confidential consult to which individuals could self-refer, which I think is an important point to make on the record.

On the subject of the situation in Brandon, I would be the last person on earth that would ever suggest that when Carmel Olson gets involved, things don't happen, because they certainly do. And, you know, she has been a very strong advocate, of course, for the Brandon Regional Health Authority, and has worked with DSM and has worked with the recruitment process. And what I want to say is that we know that the emphasis that is being made in recruitment in Brandon has been fruitful and this is, indeed, a very important thing. You know, of course, Carmel sits also on the DSM board and, you know, is aware of the comings and goings of what's going on. And I believe it's with a combined effort and a real focus on Brandon that we've been able to see some very good results with recruitment.

As for the time that the report was released, again, if the member wants to raise, you know, specific cases or anything she believes to be a critical incident regarding delays in results, she's always welcome to do that. She made mention of a doctor and a cancer result, and we know that we want results to travel accurately and effectively and as quickly as possible.

So I'm always open to hearing of her concerns. And, I guess, you know, again, the member is characterizing morale issues within DSM, which, I believe, over the course of today and through the acceptance of the recommendations of the review

committee, that I've acknowledged, I think, repeatedly, and that not everybody shares a uniform view. I would say that quite clearly. I know that, you know, opinions ebb and flow over time about how things are going. People weren't, you know, very happy in the days when, you know, a million dollars got cut from the Westman lab. You know, in the 1990s people were unhappy then.

But we know that we are committed to take these recommendations very seriously, continue to work on the issues that I've mentioned, improve the work environment with the construction of the lab, improve more hands on deck by making sure that we bring more pathologists in, making sure that remuneration is competitive. And on this, you know, less tangible but no less important issue of improving the work environment, that that's absolutely what we're committed to do, and we're going to do that with external help, and we're going to do that by looking closely at those recommendations.

Mrs. Driedger: Can the minister tell us why overtime costs are so high over the last couple of years at DSM?

Ms. Oswald: Yes, well, certainly, we know that we have seen an increase in overtime costs and, of course, it is directly related to recruitment issues. We know that we are seeing positions being filled and vacancies being taken care of. We are working to increase training for technologists, as well, and we've gone from about 23—from 23 to 40 from X-ray techs and 25 to 36 from—for lab techs over the past five years.

And these seats are fully subscribed, but we know that there's more work to do in filling positions so that there isn't as high a demand for overtime.

Mrs. Driedger: Is the minister aware that staff are coming in on Saturdays and being paid double time?

Ms. Oswald: Well, again, I'm sure that there are arrangements that are different at different sites, but we know that the key focus is working on turnaround time and ensuring that when doctors order tests they can get them as accurately and as quickly as possible. That would be the focus.

It's—we know that it's also reasonably important to mention that pathology recruitment is very aggressive across the nation—isn't unique to—the challenges therein are not unique to Manitoba but that we're going to continue to work on the things that I've repeated a couple of times to ensure that our recruitment efforts are successful.

And we are seeing success in some places. We have challenges in others, but we're going to keep on going.

* (16:40)

Mrs. Driedger: DSM is understaffed. They are being forced to pay a lot of overtime. We're talking about tens of thousands of dollars in overtime.

Based on that, can the minister, then, tell us why DSM is doing work for private labs while the public system is being forced to work overtime in order to do all that work?

Ms. Oswald: Yes, I can tell the member again. You know, I begin by saying that focussing on improving turnaround times is No. 1. That's where, you know, the majority of our efforts are being spent, that and on recruitment. But I can also let the member know that DSM does perform work on specimens from private labs under two basic scenarios.

Both of these actually were in place before 1999. There are some tests, some types of tests, for which private labs aren't funded to do analysis. So these—they often forward these to DSM for processing and analysis. And, in the second case, DSM receives some lab specimens for processing and preparation, but not for analysis, and this happens from two private labs.

This was an arrangement, an operational arrangement between a private lab and a city hospital that allowed the private lab to access special lab equipment in the hospital which was happening for a number of years before 1999. It's my understanding that this work was done outside of regular lab operating hours. It didn't interfere with the regular lab work. And I think it was in the neighbourhood of 2001 that the hospital began charging the private lab for use of the equipment. And, more recently than that, DSM has restructured the arrangement to ensure that the costs are recovered from the private lab.

This particular issue was something that the external review committee spent some time in investigating, and it was their conclusion that there wasn't any wrongdoing found by anybody, which was good. And the committee's full report does document their investigation, includes a recommendation on which DSM is acting—and we are glad of that—encouraging greater transparency by DSM directly with the staff or any even indirectly involved, to make clear what this arrangement is, what the historical context of the arrangement is, and how it is that the arrangement is funded and so forth.

That's my understanding of the issue concerning private labs.

Mrs. Driedger: Some of the front-line workers have indicated to me that they are coming in, some of the times, and paying—being paid overtime to do the work of the private labs. So, if that's the case, are the private labs being billed then for, you know, this overtime work?

Ms. Oswald: Well, again, you know, as I suggested, you know, there are two contexts in which this work happens. It sounds like—well, I don't necessarily know—I was going to say it sounds like the arrangement that the member is citing is probably under the second scenario, the processing and prep but not analysis. But not necessarily, it could also be tests for which private labs aren't funded to analyze. But, again, I can let the member know that the external review committee did quite extensive investigation of this issue, and no wrongdoing was found.

And I can say that in, you know, back several years ago—I believe, 2001—the hospital was charging the private lab for use of the equipment and that DSM has worked on that arrangement to ensure that costs are recovered from the private lab. I'll endeavour to go back to the report and see if I can find in there a specific reference to overtime costs. If it's not located in the report, I'll endeavour to find out absolutely sure if that's what's captured in that repayment. I'll look into it.

Mrs. Driedger: Some of the front-line workers are curious why DSM, which is critically short-staffed, in their view, and backlogged, are taking on extra work from the private sector, period.

It's not only just those special tests that might be coming, but, you know, in their view, they're getting a lot of work from the private labs and they're wondering why DSM would even be agreeable to do this when they can't even handle their own workload.

Ms. Oswald: Well, again, as I said earlier, the two scenarios under which specimens are sent from private labs have been in place for years, well before 1999, you know, well before we took the reins.

There has been some work, evidently, to amend those arrangements. But, again, the recommendations coming out of the external review certainly did focus on the fact that there had to be more information to people that were working directly and indirectly on this issue to explain the history, why it's done, what work is being done, you

know, to speed up turnaround times generally. And I think the member's question points to that. That there needs to be more information so that people understand who's doing what work, when, for whom and why.

Mrs. Driedger: Last fall I was told that pathologists were sending more tests back because mistakes were being made and that it was dangerous for patients, and yet we're not seeing that kind of information coming forward very, very specifically in that external report. There were a number of people that actually gave me this information and told me that, and that tests were being sent back because mistakes were being made.

If the review was that thorough, why wasn't more of this picked up?

Ms. Oswald: Well, certainly, the review was quite extensive, you know, spoke to a lot of people, addressed a lot of issues. The report itself is quite detailed, and quality control, of course, is a critically important part of the entire process. Quality assurance is one of the areas of recommendation that came forward from the review, and DSM and Manitoba Health are going to be working very carefully to ensure that tests are done quickly—yes, because, of course, that's what people want—but that they're done correctly.

And, again, if the member has some information that she believes that I don't have on the issue of rates of error, then I would be more than happy to learn of that from her.

I also wanted to go back because I neglected to clarify on the issue of the private labs. We're not, of course, talking about private labs—private, user-pay labs. The work that the private labs do and then, in turn, that DSM may help with, this is publicly funded lab testing. It's an insured benefit. So I wanted to make sure in the discussion of public and private, that that fundamental tenet got on the record.

So we're going to continue to work on those recommendations, some of which certainly did involve quality assurance and, again, a very rigorous reporting and investigating of any critical incidents that should occur. That was part of what I said in the outset of our discussion about the external investigation, and we take it seriously.

Mrs. Driedger: Has the minister had any conversation with the Manitoba Association of Health Care Professionals about any of their concerns, as they are the union that represents the lab

technologists? Has she or anybody from her department had any discussions with them about their concerns about what is going on in the lab?

* (16:50)

Ms. Oswald: I can confirm for the member that I have not met with MAHCP since the external review process. I know that a member sits on the board of DSM, but I would be very pleased to do so, to learn of their concerns.

Mrs. Driedger: I, in fact, would recommend that the minister do that because they may have some concerns that they could bring forward with the minister.

A number of lab technologists have also indicated to me that they are often regularly backlogged and that is still continuing. Can the minister indicate how bad this might be at this point in time?

Ms. Oswald: Yes, just, you know, back on MAHCP, I just wanted to make clear—I mean, of course, I have met with the group in the past but have not met with them since the review and, of course, would be very pleased to do that. We know that on the issue of—I mean—I think when the member says backlogged, you mean turnaround time. Is that right?

So we know that in the context of measuring turnaround time and, you know, working on improving turnaround time, basically with any conversation about wait times in health care one always needs to begin by noting that urgent lab tests are completed immediately and typically results are available within one to two days. There are some tests I am informed—I'm not a pathologist but I've—learn these things—that some specimens do take longer. Just the very nature of the test is organisms need to grow, for example, and that increases the average for all tests.

Other tests, such as ones called post-operative confirmatory tests, are considered less urgent in nature. They are prioritized behind those that are need to be done right away. And in cases, you know, where there may be a backlog of tests which could compromise patient care that can't be handled within the system, we have chosen to send them out of province to ensure that patients are getting timely diagnostic reports. And one of the DSM external review recommendations was posting turnaround times on-line and that's something that's under way right now, and DSM is working on doing that in the near future.

Mrs. Driedger: Can the minister indicate in the last fiscal year how much money was spent by DSM sending tests out of Manitoba?

Ms. Oswald: Yes, Mr. Chair, I'm going to have to review some of my notes to get the exact total for the member.

I know that we had a conversation about this, either in question period with one of her colleagues or otherwise, about tests being sent out of the region. We were talking specifically about Westman at the time, and I believe I said at the time about Westman does about 3.7 million tests and in '08-09 only 0.9 percent were referred out of the lab. So, we—it does happen.

In '09-10 the lab performed up to—I think it was up to Halloween when they measured at this point—the lab performed almost 2.3 million tests and 98.8 percent were done in Westman. So it is really a fraction of the work, but I can commit to the member to endeavour to try to get a dollar figure on what was spent on that for the next time we meet. I'll try that for that time anyway.

Mrs. Driedger: I don't dispute tests having to be sent out of province if you're—you know, if we have a shortage of technologists or pathologists. You know, obviously, something like that has to be done in order to have the tests analyzed. So I'm not indicating that I'm opposed to that; I'm just curious what the actual cost in the last fiscal year might have been.

Can the minister just explain, related to a critical incident, if a critical incident were to happen in the lab, is it still the expectation that within I believe it's 48 hours or something like that, that the minister is supposed to be notified of all critical incidents?

Ms. Oswald: Yes, I can tell the member that certainly it's our understanding that the department be notified, and, of course, by extension, me, as swiftly as possible.

We know that we are seeing some significant improvement in reporting of CIs. Of course, with that also comes, generally speaking across the system, an increase in the number of CIs. And, you know, I think that there is some potential for monkey business with that, that oh, there must be a lot more going wrong under your watch. Actually the member's always resisted this which I have appreciated because, of course, as you build a culture

where more and more people understand how the critical incident system works, how it is that they can feel confident that they can come forward and speak freely, the better job that you're going to do. And so that's important.

Certainly the department is notified within 48 hours from when it's determined to be a CI, not necessarily 48 hours from the moment that it happened. There has to be a determination that it does indeed meet the criteria of CI, and then there's that notification that's made.

But certainly we know, broadly, over the course of the external investigation that there was a recommendation by the committee that there be an overall improvement of not just the critical incident investigation process within DSM but also the reporting process. And so there does appear to be some room for improvement here that we are very enthusiastic that DSM gets going with the work to improve this.

Mrs. Driedger: Does it concern the minister that one particular CI was not reported to her for three-and-a-half months, according to the whistle-blower?

Ms. Oswald: It would be concerning to me, in any context, if there was a problem with the timing and the reporting of critical incidents, yes.

Again, there is a recommendation coming out of that external review to work on improving that process. We know that we're seeing, across the system, improvements on this every day and that, of course, the efforts that are being made across the system to provide more transparency, to put critical incident learning summaries on-line in the case of the WRHA which I think is very useful. We are seeing improvement, but there continues to be more work to do.

Again, the external reviewers did their analysis. They found that there were allegations that were unfounded, but they certainly did provide areas for improvement and that's the work that needs to be done.

Mrs. Driedger: It's interesting that they found that this one particular instance that they were looking at was unfounded because the whistle-blower himself would speak very loudly—

Mr. Chairperson: Sorry for the interruption, but the hour being 5 o'clock, committee rise.

EXECUTIVE COUNCIL

* (14:40)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order.

This section of the Committee of Supply will be considering the Estimates of Executive Council.

Does the honourable First Minister have an opening statement?

Hon. Greg Selinger (Premier): Yes, thank you.

This is our first Estimates in this august Chamber. I've just got a very brief opening comment about the Premier's Estimates and it starts with—they're pretty straightforward. Staffing levels are comparable to last year. We are budgeting for a decrease in Executive Council salaries, operating in capital.

The actuals for 2009-10 are not finalized but they should indicate that Executive Council came in under budget. This is largely due to saving from salary lines when people moved on and we did not hire into those positions right away.

Funding for the Manitoba Council for International Cooperation is from Enabling Appropriations, but is administered by Executive Council. Four years ago the grant was increased from 500,000 to 750,000. Last year it was increased to one million and we're maintaining it at that level this year.

From time to time we have also provided special funding to MCIC to distribute to member agencies dealing with disasters around the world. This past year, for example, we made special contributions of 200,000 to assist in recovery from the earthquake in Haiti, and 100,000 to deal with the tropical storm in the Philippines and 100,000 for recovery from the earthquake in Chile.

There are a number of senior staff changes to note. Grant Doak has replaced Martin Billinkoff as Deputy Minister of Family Services and Consumer Affairs. Fred Meier has replaced Don Cook as deputy minister of Conservation, and Doug McNeil has replaced Andy Horosko as deputy of Infrastructure and Transportation. Messrs. Billinkoff, Cook and Horosko all retired this past year after several decades of distinguished service.

In addition, Milton Sussman has replaced Arlene Wilgosh as the deputy of Health after Madam Wilgosh left to become CEO of the Winnipeg

Regional Health Authority. And Joy Cramer is the new deputy minister of the new Department of Housing and Community Development. And the Ministry of Healthy Living, which is not new, now has its own deputy minister, Jan Sanderson. I would note that all the new deputies have extensive prior experience within government.

As members will know, the global economic downturn triggered by the credit crisis originating in the U.S. forms the backdrop to our recent budget. Our government's response, which was detailed in the budget, is a five-year economic plan that will continue to protect core public services, maintain the stimulus investments that flow from the national plan and return the province to a surplus period over a multiyear period.

A few highlights of the budget I would note. Over 90 percent of the new spending in the five-year plan will be targeted to the priority areas of Health, Education, Justice and Family Services, and half of government departments will see their spending reduced. The tax reductions of the past several years will be retained and we will continue to ensure that Manitoba remains within the top three provinces in Canada in terms of affordability.

Continuing stimulus spending will fund needed road work in every region of the province as well as new health capital, new education facilities, and added child-care spaces. The opposition's vote against the budget is a vote against all of these measures, which suggests there might have an alternative plan to deal with the global economic challenge. But I haven't seen that plan yet, and I'm sure, in the questioning that follows, I'll be asked both to reduce spending and to increase it, depending on the topic.

* (14:50)

The bottom line is that our finances are in good shape compared to other jurisdictions, and Manitoba's economy is in better shape than most, and we are well positioned to take advantage of the global recovery.

At the economic summit held last week, there was a strong sense of optimism shared by business, labour and community leaders. The ideas they brought forward build on the strengths we have already established in Manitoba, including our ability to sit down as one community and set long-term goals, and then go out and meet them.

That's my opening statement. Thank you.

Madam Chairperson: We thank the First Minister for those comments.

Does the Leader of the Official Opposition have an opening comment?

Mr. Hugh McFadyen (Leader of the Official Opposition): Madam Chair, and I appreciate this opportunity to make a brief opening statement. I thank the Premier for his comments.

I have had the benefit, now, of being through the Executive Council Estimates process four times, and reluctantly maybe, perhaps, can refer to myself as a quasi-veteran now of this process. But I want to welcome the Premier and, again, congratulate him on his success in becoming Premier and look forward to a good exchange of information and ideas over the coming hours.

The Estimates process, I've found—and I think his predecessor found—to be a constructive exercise. While question period can sometimes be an exercise in changing—exchanging allegations and political statements, the Estimates process allows us to explore some issues in some greater depth and, I think, to have quite a constructive give and take on a range of issues. And I look forward to that constructive dialogue with the Premier.

There are points that he has made and made reference to with respect to some of the support provided through Executive Council to organizations like MCIC, which we fully support. And I want to thank the Premier for the speedy response in connection with disasters, both in the Philippines and Haiti, and encourage him to carry on what has been a non-partisan and time-honoured tradition of supporting MCIC through Executive Council as a way of demonstrating the commitment of the people of Manitoba to people in other lands, in other parts of the world who are facing significant challenges.

As one final note, I will say that, as we go through the Estimates process, it's worth bearing in mind that we are talking about the expenditure of other people's money. It's not the money that belongs to either the Premier, myself or other members of this House. It is the property and the money of Manitobans, as well as the federal government, which has been entrusted to the government with the expectation that it be spent wisely, with a view toward achieving good results for the citizens of Manitoba.

And I make that point only because, in listening to government announcements, at times you would

almost think, given the amount of credit the government seems to be seeking, that they were spending their own money as opposed to the money of others. And that is a point that is important to bear in mind as we examine the government's expenditures and its revenue plans.

We believe that Manitobans support balanced budgets. That's a point where we differ from the current government. We believe that Manitobans believe that government should live within their means, and they have a different view, obviously, and we'll get a chance to explore those points, Madam Chairperson. And we also believe, and we're optimistic, as Progressive Conservatives, about the ability of government to meet the needs of Manitobans in health care and other areas while ensuring that we are not leaving a legacy of debt to the next generation.

And so we'll look forward to the dialogue through this process, Madam Chair, and I'll reserve any further comments for the question and answer session. Thank you.

Madam Chairperson: We thank the honourable member for those comments.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of remaining items referenced in resolution 1.

At this time, we invite the minister's staff and the official opposition's staff to join us in the Chamber and, once they are seated, we will ask the Premier and the Leader of the Official Opposition to introduce the staff in attendance.

Starting with the Premier, if you could please introduce the staff who are in attendance.

Mr. Selinger: Yes, I have with me the Clerk of the Executive Council, Paul Vogt, and the Manager of Finance and Human Resources, Maria Garcia.

Madam Chairperson: And the Leader of the Official Opposition, the staff in attendance?

Mr. McFadyen: The staff who've joined us today are Susan Robinson and Adrian Vannahme who are both employees of the opposition caucus.

Madam Chairperson: Thank you very much. Prior to proceeding, does the committee wish to proceed

through these Estimates in a chronological matter—manner or have a global discussion?

Mr. McFadyen: Madam Chair, traditionally we've done it in a global fashion and I would move that we do it—that we follow that tradition.

Madam Chairperson: Is that agreed?

Mr. Selinger: Generally, I'm favourable to that, but I thought we might want to deal with any specifics first in terms of the specific Estimates, and then I'd be happy to go global, if you have any concrete questions on the specific items in the Executive Council.

Mr. McFadyen: We've—the normal practice has been to go globally and at some point in that discussion to bring some specific focus to the Department of Executive Council. And I'll—I will admit that the focus of my preparation has been on global. If I could just reserve the right to return to some specific departmental questions prior to the end of the process, I would appreciate that opportunity.

Madam Chairperson: Is that agreed?

Mr. Selinger: What I would say is that I'm prepared to go global, but I would ask the member if he has specific questions to maybe bring them up earlier as opposed to later, so we can get on top of them and answer them for you with respect to the Estimates?

Mr. McFadyen: Thank you, and we do have some point in questions and I'll respect that request if—to bring those forward as quickly as we can.

Madam Chairperson: Thank you very much. Then the floor is now open for questions.

Mr. McFadyen: Madam Chair, firstly, I want to thank the Government House Leader (Mr. Blaikie) as well as the member for Inkster (Mr. Lamoureux) for permitting a slight change in our practice in allowing opposition staff to sit in the Chamber.

It always struck me, having looked at it from both sides, that Estimates taking place in the Chamber were awkward at times from an opposition perspective, given the lack of access to staff which is quite different from the close proximity of the staff in the committee rooms and it was always a bit of an anomaly, and I just want to acknowledge the Government House Leader, the member for Elmwood (Mr. Blaikie), and the Premier for allowing for what I think is an appropriate change to that practice which I think will serve the House well regardless of what your perspective might be.

Just as—at the outset I want to ask the Premier, just in connection with the announcement that was made I guess now about three weeks ago in connection with the construction of the new stadium in Winnipeg, if he could just outline, given the significance of the project from a budgetary perspective and given that it is a roughly \$115-million project, the lion's share of which is being financed by the provincial government, certainly up-front in terms of financing—it remains to be seen what happens down the road—but given the significance of the Province's up-front contribution, I wonder if the Premier can indicate what process he followed and his government followed in arriving at the announcement that was made over spring break.

* (15:00)

Mr. Selinger: Briefly, we looked at the exposure we had on the existing facility and it appeared that it was going to require substantial millions to fix it up; some suggested up to 52 million. And we also recognized that this project had had some substantial preplanning work done on it, in terms of design and some preliminary architectural work. And there would be a logic in moving forward on that because it would allow, at a time when stimulus spending was needed, the opportunity to put a project on the ground that would attract wide support from the community, including private and football club investment. And that kind of thinking led us to sort of do some discussions with various partners in the community, including the university, the football club and Creswin realty, and the City of Winnipeg. And there was a feeling that, in a view, that moving forward now made sense, as opposed to leaving it and spending quite a bit of money on maintaining the existing facility that might only provide useful life of another 10 years.

And, so the solution arrived at allowed this project to move forward, which unlocked the potential of the Polo Park site, and that potential would be for retail development. And that's really the rationale in a nutshell.

Mr. McFadyen: The point about unlocking or tapping into stimulus money is one I'm a little puzzled about, given the lack of federal money on the stadium itself. We recognize that there's federal money contributed to the other athletic facility, but there doesn't seem to be federal money dedicated to the stadium itself.

But, putting that aside, I want to ask the Premier, I guess more specifically, whether the decision to

proceed with Creswin was as a result of a contractual obligation that he inherited, as opposed to any other rationale for proceeding on that basis.

Mr. Selinger: Sorry. Just repeat that.

Mr. McFadyen: The question was whether the decision to proceed with Creswin, and not in an open process, given the significance of the project and how much the deal had changed from one year to the next. Was it—was that really driven by a contractual obligation that he inherited, as opposed to the—any other reason?

Mr. Selinger: My understanding that Creswin was selected by the Bombers as the agent to build the new stadium, and they didn't want to change that arrangement. Creswin had already put some substantial resources into preparing and planning for a new stadium, and so the objective was here was to keep everybody together and find a go-forward strategy that would get it done.

And I just want to clarify, it wasn't—I didn't suggest that it was stimulus money that was put forward to build it. We put borrowing authority available on the up-to-90 million to build it, but it's part of a larger stimulus strategy at this time. It made sense to build it now, in terms of employment opportunities, over 24-25 hundred person-years of employment opportunities. But the member is correct, the money from the federal government's for the recreation facility, that would be part of the university, as part of the University of Manitoba benefits of going ahead.

Mr. McFadyen: I wonder if the Premier could just indicate whether any attempt was made at all, over the past six months or the six months leading up to the announcement, to seek other potential partners, given that the deal that was laid out over a year ago at least appeared to contain a substantial private commitment. And, as the deal changed, it became more and more clear that it was the provincial government that was being expected to put up the lion's share of the money. That with that added financial commitment, the Province was, in effect, in the driver's seat in terms of the process, whether you, as Premier, followed any other—or examined the possibility of opening this up to other potential bidders or players who may have an interest in or expertise in building stadiums and retail space.

Mr. Selinger: Discussions were among the players and the partners that had made a commitment to building the stadium, and those arrangements had

already been made. So the idea was to find a way to unlock what some have called the chicken-and-egg dilemma, with how to open up Polo Park for further economic development. And the strategy we came up with allowed the stadium to proceed in the short term, which allows the Polo Park site to be opened up after that. You have to move the stadium to get the retail potential of Polo Park available. And so we worked with the—all the people that had indicated an involvement and a desire to move forward, and had made some resource commitments to doing that. And that was the plan, was to do that.

I think it's important to remember that the stadium is going to be a public asset. It's going to be a public asset owned by the university and the City of Winnipeg. And as a public asset, there is a certain logic to having some public commitment to proceeding with that.

Mr. McFadyen: Can I just ask the Premier, in terms of the advancing of the \$90 million that has been outlined, will that money be advanced directly from the Province to Creswin or is there some other entity that will be on the receiving end of those advances as construction proceeds?

Mr. Selinger: The intention is to put the resources in the hands of a group of individuals that represent the university, the football club, the government and the City, to ensure that the relationship with Creswin, as the builder of the stadium, is managed properly.

Mr. McFadyen: And so, to be clear, is the idea then, that a new, legal entity will be created and with those stakeholders on the board to receive those advances? And can he just detail the way cash will flow as the Province borrows from that entity into actual construction work on the stadium.

Mr. Selinger: There will be a stakeholders group that will manage the resource, and the stakeholders group will manage the resources. The specific details of that are being worked out, as we speak, in terms of participation and that. But the idea is to have the main players manage the resource on behalf of us and then it will flow to the developer of the stadium on an as-required basis to allow for it to proceed to construction and to be completed.

Mr. McFadyen: I know the Premier will correct me if I'm wrong on this, but our understanding is that the up to \$90 million will be afforded by the Province to the entity and that that leaves a gap then on the estimated cost of the project of \$25 million, of which

up to \$10 million will be provided by Creswin and, as we understand it, up to 15 by the football club.

Can the Premier just indicate what is the government's expected timing of the receipt of those dollars, the \$25 million that remains at the top layer of the financing?

Mr. Selinger: I believe that the Bombers' 15 million will flow out over a period of several years, as, after the stadium is constructed and they are able to generate revenues including the potential of a Grey Cup game. The Province is putting 15 million of cash in, not borrowing authority. And the 10 million from Creswin will be a combination of some of the work they've done already on the design and the architectural work and all that preliminary work plus the equivalent of the fees for building it. In other words, they would be putting that in as an in-kind contribution, up to 10 million.

Mr. McFadyen: So the 90 million that will be advanced by the Province—and the Premier is correct, as we understand it, 15 million in a form of a grant, 75 million in a form of financing, for back of a—lack of a better word. Will that—will those advances be characterized as expenditures in the years in which the money is advanced, or will they be treated in some other way?

Mr. Selinger: I'll have to check the accounting on that. As the member knows, there's an accrual accounting methodology here, but I'd have to check exactly how they would—the comptroller would like us to account for that depending on the flow of the resources.

But, normally, the borrowing authority is usually recognized in the year that we've put it in the budget, that would be this coming fiscal year. And the cash, I'd have to check, but I suspect it would be a similar treatment but I have to check on that. I have to get the actual comptroller to give me her views on that.

*(15:10)

Mr. McFadyen: I thank the Premier for that undertaking and would just ask, as well, in terms of confirmation, as to whether the 75 million in financing is going to be treated as a loan or whether it's going to be treated as an expenditure, and whether that expenditure is going to be—if treated as an expenditure, whether that is going to be accrued or whether that's going to be treated as an expenditure in the year in which the money is advanced.

Mr. Selinger: The idea was to put that money forward as a loan and that would be how we plan to treat it.

Mr. McFadyen: Well, I have to take issue. If Mr.—if Creswin has no obligation to repay the money, how can it be treated as a loan?

Mr. Selinger: As we've indicated, the taxes that would come off what's developed at Polo Park would be the backup position if they decide not to proceed with repaying the loan. So it'd be paid back through the—that mechanism of the new revenues generated by the development at Polo Park.

Mr. McFadyen: Well, I can see how that might be established as a recovery mechanism down the road, but that's not the same thing as a loan in terms of obligation for repayment, and in light of the fact that there's no obligations either on Creswin or anybody else, that it's merely speculation that future property tax will be generated, can the Premier just ensure that we get a clear answer as to whether that money—how that money is going to be treated for accounting purposes?

Mr. Selinger: I indicated I would do that. We described it as a loan, and—but I will give him the accounting treatment once I verify it.

Mr. McFadyen: And I just want to get to the issue of the recovery of the \$75 million that's being advanced, and I want to ask the Premier if he can just indicate what due diligence was done to give him the level of certainty he seems to have about Creswin's ability to repay \$75 million plus interest within the time frames established in the MOU.

Mr. Selinger: And, again, that was an undertaking that was made, and that depends on them developing this site with the revenue attached to it, and they have to demonstrate that as they go forward, and that is part of it, but if for any reason they decide not to proceed with paying that back, we have the TIF-enabled legislation to redirect the taxes off—the new taxes off a site which yields no taxes right now towards repayment of the loan.

Mr. McFadyen: With respect to the development of the Polo Park land, is it the Premier's position that the most appropriate way to dispose of and develop that land is through a non-tendered, closed process such as the one that got us to this announcement?

Mr. Selinger: Again, those arrangements were put in place prior to my being in this role between the football club, the City and at Creswin.

Mr. McFadyen: Given the clout the Premier would have had in the negotiations as the writer of the \$90-million cheque, why would he not have insisted on a more open process?

Mr. Selinger: Again, a series of arrangements has been entered into between all the players we've discussed to move this project forward, and this was believed to be the most expeditious way to get this project up and running, to get a new facility and to open up the economic potential at Polo Park.

Mr. McFadyen: And, certainly, there are lots of reasons to support the need for a new stadium and lots of reasons to support the development of the Polo Park land. It's the—our concern is just the process that was used which seems to have been a non-tendered process in two very significant developments in the city, one being a stadium, the other being Polo Park, and just as we look at the detail of what's going to happen or what's proposed to happen at Polo Park, I want to ask the Premier whether he has been provided with any estimate of the amount of money that will have to be paid for the acquisition of the Polo Park land.

Mr. Selinger: Again, on that one I believe there's been a process agreed to which would be appraised value of the site as determined by appraisals done by the City and by Creswin.

Mr. McFadyen: And as—our read of what's been reported in the media is that the current ballpark figure is in the 25- to 30-million-dollar range for the acquisition of that land. Recognizing that may change through the appraisal process, I wonder if the Premier can just confirm that's the range that is currently viewed as being the fair market value for that land.

Mr. Selinger: Did you put a number out there on that?

Mr. McFadyen: I was making reference to numbers that have been reported in the media of an estimate of 25 to 30 million dollars in connection. Recognizing that number may change after the process is followed, I wonder if the Premier can indicate whether that's in the ballpark of his understanding of the current value of that land.

Mr. Selinger: I've heard similar numbers, but, again, this is, in my view, speculative until appraisals are done.

Mr. McFadyen: And that's a fair—that's a very fair comment that it is a matter of speculation. And I

wonder if the Premier can indicate whether he's aware of who bears responsibility for the demolition of the current Canad Inns stadium. Is that going to be a City of Winnipeg expense or is that expense to fall on Creswin?

Mr. Selinger: My understanding is that the developer would be responsible for the demolition.

Mr. McFadyen: And the demolition cost, as we understand it, for the old Winnipeg Arena, was about \$1.45 million, and that stadiums that have been demolished in recent years are significantly higher than that. Ottawa, the demolition of Frank Clair, which was a smaller stadium—about half the size—was \$1.2 million, but other stadiums with larger capacity have been higher than that. Is the Premier aware of what the estimated cost is going to be to Creswin of doing the demolition of the current Winnipeg stadium?

Mr. Selinger: I've seen no estimates provided to myself in that regard. That would be the responsibility of Creswin.

Mr. McFadyen: And the third major cost that Creswin would incur in the process of developing the Polo Park site following land acquisition and demolition of the stadium would then be construction of the retail space itself. We just note, by recent comparisons, that the Kenaston development which is roughly three times the size—a little bit less than three times the size—is pegged at about \$400 million in terms of development cost. If The Elms, which is about 640,000 square feet, is similar in terms of the sorts of buildings being constructed, is the Premier aware that that development financing could be in the range of 100 to 150 million dollars?

Mr. Selinger: Again, without having seen hard numbers, I've heard numbers in that range. But, you know, this is, again, speculative numbers that are out in the public domain and those numbers that have to be firmed up as they finalize their plans for that site.

Mr. McFadyen: And so, as you start to look at the costs that need to be incurred even before money might be available for a purchase of the football club, it looks to be costs that would be approaching \$200 million that would be the responsibility of Creswin to raise in connection with this development. And, beyond that, they would need to find another \$75 million to acquire the football club within the time frame. Can the Premier just indicate, in light of all of that, what due diligence his

government has done to convince themselves that this is a likely prospect?

Mr. Selinger: Again, the indication is is that there's a plan A, which would be to acquire the club with Creswin putting the money up to repay the mortgage or the loan, and if they decide not to proceed to do that, then the plan B would be to use the property taxes generated off the site to pay down the loan over a up to 25-year time frame. And so this unlocks the problem there, in terms of freeing up the site for development, and that was the dilemma. There was no ability to do that under the former arrangement. It was not moving forward.

* (15:20)

So this allows the stadium to be built at a time when costs will be cheaper today than they will be by delaying them for a few years, up to 10 years. And then it allows the Polo Park site to be developed. And then, out of that, given the range of numbers the member has put forward, there will have to be a decision by Creswin whether they want to then generate the money to buy the football team in their financing and arrangements in developing the site. If they decide to elect not to do that, then the site itself will generate property taxes that will be put towards paying down the cost of building the stadium.

Mr. McFadyen: The 75 million that's being advanced, can the Premier just indicate whether the option that Mr.—or that Creswin has to acquire the football club comes at a cost of \$75 million plus interest, and at what rate is interest running on that sum?

Mr. Selinger: Short answer, it would be the 75 million plus interest, and it would be at the going Crown rate.

Mr. McFadyen: Can the Premier just indicate what that rate is, given that they're—they must be borrowing in the next short while?

Mr. Selinger: Again, I think—I believe I've answered this question before in previous questions.

It's running in the range of around 5 percent. That can be slightly lower than that; it could be higher than that. But these days the Crown rate is running around 5 to 5.2 percent. But, again, I would want to take a final verification on that. But that's been the ballpark recently.

Mr. McFadyen: Just on the issue of potential overruns on the stadium project, can the Premier just

indicate who has legal responsibility for overruns in the event that the cost of the project exceeds \$115 million?

Mr. Selinger: Yes, Creswin has accepted responsibility to be responsible for cost overruns.

Mr. McFadyen: And is that acceptance of that responsibility documented at this stage or is that something that is yet to come?

Mr. Selinger: Again, they have agreed to that. That's been publicly announced and the final contractual arrangements, I believe, are going to be verified that way.

Mr. McFadyen: Can the Premier just indicate when he expects the contracts in relation to the stadium to be executed?

Mr. Selinger: I'll take that as notice and get the information for him about when that will be done.

Mr. McFadyen: Given the very substantial commitment of taxpayer's funds to the project, will the Premier also indicate that all contracts will be publicly available?

Mr. Selinger: All of our contracts that are entered into between the government and any of the other actors will be—in my view, should be public. There may be some commercial relationships there that may not be able to be disclosed. But my view is is that any contractual relationships with us, as a member of the stakeholder's group, should be publicly available.

Mr. McFadyen: If the Province's money is going to flow through the stakeholder group entity and into other places, will the Premier undertake to provide access to all of the contracts between that group, Creswin and other players that are going to be expending public funds on behalf of the people of Manitoba?

Mr. Selinger: As I just indicated, any public contracts that—any contracts that we enter into, in my view, should be public documents.

The money will flow to the university as part of university capital, and it's part of The Loan Act authority for 2010 to do that. And, again, as I've said, unless there's some compelling commercial reason not to reveal some aspects of a contract, in my view, the contract should be available. But it's better to disclose as opposed to not disclose in these matters, unless there's something unforeseen that would

compromise one of the entities' commercial interests that could be problematic.

Mr. McFadyen: I guess the issue here is that this is almost 100 percent taxpayer money that's being expended on the project, and I'm just looking for the Premier to commit to disclosure of contracts, not just to which the Province of Manitoba is a party, but to which any player that's expending these dollars are a party.

Mr. Selinger: My answer stands. I just have to point out to the member it is going to be a public facility. So it's not inappropriate that some public money be available for a public facility.

Mr. McFadyen: And I agree, which requires public disclosure of how the expenditures are going out. So if it's a public facility, even if it's—even if the money is being managed by private entities, will he undertake to disclose all of the contracts that are entered into in connection with the flow of that public money into this public facility?

Mr. Selinger: Yeah. I've given him the answer to that, and the only reason I carve out the commercial interest piece is because, you know, there may be some issues there that I'm not aware of. But, generally, the contracts we will enter into to flow money to an entity should be available as public information, and I put a caveat on that simply to ensure there's not something there that I'm not aware of. At this stage of the game, there could be a problem. So I don't want to have the member coming back saying, well, you promised this, you promised that. I'm putting the proper caveat on it to ensure that the due diligence was done and that before these things are released, that there's not issues that have not yet been raised that could be problematic in regard to what the member is asking for.

Mr. McFadyen: And in connection with the 75 million in financing, is there a—any kind of set repayment schedule for that amount, or is it simply a matter of waiting to see whether Creswin opts to pay that money back prior to the 2016 deadline?

Mr. Selinger: Well, again, that—the arrangement was is that they would have the option till 2016 to pay off the financing that's been put in place and then, failing that, under the tax increment financing legislation, there would be up to 25 years to recover it through the property taxes that are generated on the redevelopment of the Polo Park site.

Mr. McFadyen: The Premier made reference to a security interest that the Winnipeg Football Club

either holds or will hold in connection with the retail development at the current site of Canad Inns Stadium. Can he just provide a little bit more detail on that security interest?

Mr. Selinger: That—the security interest will be worked out between Creswin and the football club, and that is one of the issues that I think they're still working on—how that specifically will be structured. And that's the best I can tell him right now.

Mr. McFadyen: Just looking at the Winnipeg Football Club contribution—and we certainly are Bomber fans and looking forward to a good season, and great success on the part of the club—but we do note with some concern, the fact that the club lost over a million dollars in the season that just ended.

I wonder if the Premier can indicate what due diligence his government has done to satisfy themselves that the Winnipeg Football Club will be in a position to generate an additional \$15 million to make their contribution to the cost of the stadium?

Mr. Selinger: Yes, those discussions have occurred with the Winnipeg Football Club; they made that commitment based on having a new stadium they could work in. And they also—there's also a commitment to have the Grey Cup here within five years of the new stadium opening. And so they felt they could and believe they can handle the 15 million, and they will be taking responsibility for that.

Mr. McFadyen: When the Premier says they'll take responsibility for it—my reading of the MOU is that it's up to 15 million. So when he—can you just define what he means when he says that the football club will take responsibility if they fall short of the 15 million?

Mr. Selinger: Again, they committed to raising 15 million to help pay for the new stadium and that's what they're intending to do, and that includes the opportunities present in a new stadium which will generate, hopefully, larger season ticket holders and more fan participation, other marketing opportunities as well as having the opportunity to put the Grey Cup into Winnipeg within five years of the stadium being completed.

Mr. McFadyen: And can the Premier just indicate what studies they have, the government has, if any, given that this is really a 20 to 30, or more, years project and one that we hope is successful. But what studies do they have with respect to the long-term viability of the Canadian Football League?

* (15:30)

Mr. Selinger: Well, you know, the football league has, what, 80 years now in Canada? I think they're celebrating their—oh, it's the club, I think, that's celebrating 80 years. I'd have to get the exact time frame on how long the league's been going. But, you know what? Building these stadia across the country will allow the league to be more successful. This is part of the regeneration of the league itself, and Winnipeg's always had a pretty successful track record of keeping its team intact and moving forward.

From time to time, there's had to be a broader community participation to do that, including some government support. But we believe and I believe the football club for sure believes that a new stadium will enhance their economic viability.

As to the league itself, the member knows that there are additional stadium facilities being built or enhanced in British Columbia, Ottawa, Montréal, all of those. There's a new stadium being planned for Ottawa. There's an enhanced stadium at McGill. The Molson Stadium is—I think it's about a \$46-million upgrade. There's a roof upgrade going on at the stadium in British Columbia, so—and there's a serious attempt to look at the upgrade of facilities in Saskatchewan for a stadium but also for other uses in the community. So there is a move afoot to sort of revitalize the infrastructure for the Canadian Football League which will enhance the viability of the league.

Mr. McFadyen: And we certainly hope that effort is going to be successful. I want to ask—

Mr. Selinger: If I could just make another point, one of the advantages of putting the stadium at the University of Manitoba is it gets multiple users, and I think that's an important point to bear here in terms of the decision to locate it there.

The Bisons will get to use it. The university athletic teams will get to use it. The community will get to use it. It's intended to be a public asset for the—not just the benefit of the Bombers, although they will be a principal beneficiary, but an asset that's available for the benefit of the whole community.

And that's what's attractive about McMahon Stadium in Calgary and the McGill stadium in Montreal, is that it's not just a single-use facility. It's a facility that benefits by post-secondary use of it and by community use of it, and I think I'd ask the

member to keep that in mind when he considers the value of this public investment.

Mr. McFadyen: Thank you and we certainly do acknowledge those other contemplated uses. I just want to ask the Premier whether—just on the issue of property tax payable for the Polo Park site. The current Polo Park mall development, as we understand it, generates property taxes in the range of \$6.3 million annually.

The proposed retail development, The Elms, would be about half the size of the current Polo Park site. Can the Premier just indicate whether the calculations his government has done are estimating something in the range of \$3 million annually, \$3.1 million annually, for education property tax that would be generated by the new development?

Mr. Selinger: I believe that the tax yield on redeveloping Polo Park, both municipal and school taxes combined, I think is in the order of six to, oh, nine and a half, 10 million. I'll have to check the numbers on that, but I believe that the yield was starting at least—around six to seven million and then going up to nine-and-a-half million, I think, was the potential range of tax yield for all property-related taxes.

Mr. McFadyen: The Premier is right. It looks to be about 9.8 million currently in total property taxes payable, broken down between the municipality and the school board.

And with this site being in the range of half the size, setting aside the breakdown between education and municipal taxes, would it be his understanding then that the site would generate roughly \$5 million in total property taxes annually once it's developed?

Mr. Selinger: As I indicated, I believe they've estimated the low number to be higher than that, six to seven million on the low end and then up to nine and a half million.

Mr. McFadyen: Just looking at the numbers, it appears that the contemplated cash flow from property taxes that would be payable for the new Elms site, which is about half the size of the current Polo Park centre, would exceed the interest that would be running on the \$75 million by not a significant amount.

Can the Premier just indicate what would the repayment schedule be at those—with those assumptions on \$75 million plus interest, if they are,

in fact, required to resort to the TIF mechanism to recover that money?

Mr. Selinger: That would be an empirical question answered at the time that the site was developed and the property taxes were assessed, and then it would be a sort of a calculation from what the yield on taxes was, divided by the outstanding liability and how many years that would take to pay it off.

Just as a point of information: the CFL, apparently officially founded in 1958, just for context, it's been a fairly enduring institution in the country. I just must say that's a Wikipedia stat, though, as we all know, Wikipedia—those facts are subject to further verification but I just wanted to get him a quick answer.

Mr. McFadyen: I thank the Premier for that update on the start of the CFL and I'm not going to take issue with him on that issue—on that point.

Just on the go-forward plan, I guess what we're trying to understand is just, obviously, before committing that sum of public money, there must have been some models and some assumptions developed. We know that there's going to be empirical experience going forward that will either validate—or not—the models. But, from what we're looking at, based on current assumptions, it doesn't appear as though the amount of property tax that would be generated would be greatly in excess of the amount of interest that will have accrued, and I wonder if the Premier could indicate what plan C will be in the event that the property tax is insufficient to cover the loan plus interest?

Mr. Selinger: I don't think we should go too far down the hypothetical plan C alternative. I mean, it's—we know we have the TIF alternative available to us to use the taxes in the event that Creswin decides not to elect to buy out the Bombers. And then I think there is confidence that as long as the site is developed to a reasonable level that there should be sufficient property tax yield to cover the costs of the loan.

But the member's right. I mean these things are in the future, and there's no 100 percent guarantee at this stage of the game. But the point is it's a go-forward strategy. It moves us forward in resolving the stadium problem, which generates a public asset, not just for the Bombers but for the use of the university and the community, and then it unlocks the potential of the Polo Park site for

development, and that expands the tax base and the economy in Manitoba.

So those are the win-wins in it and then we have to see what comes out the—as these things get finalized and the projects get moved forward, we have to see what the property tax yield will be if plan B is required.

Mr. McFadyen: Just to confirm, and it's been reported already, and I just want to be sure that we—our understanding is correct, that the option to put up 75 million plus interest that Creswin now holds, that's an option to purchase the football club but not the stadium. Is that correct?

Mr. Selinger: Yes.

Mr. McFadyen: And is the Premier satisfied that the fair market value of the Winnipeg Football Club is \$75 million plus interest?

Mr. Selinger: I am satisfied that the Creswin realty and their principals have made that commitment.

Mr. McFadyen: Okay. The—on the renovation costs for the existing Canad Inns Stadium, and there's an absolute consensus that the current stadium is in its final years. Nobody disagrees with that point, but we're curious to know how the renovation costs went from the roughly \$8 million that was in the engineering report of a few years ago, to the \$52 million that the Premier has been discussing publicly?

How did the renovation costs jump by such a dramatic amount, some \$44 million inside of just a few years?

* (15:40)

Mr. Selinger: Well, that was the information that was generated by a review of the stadium facilities, and there are safety standards that have to be improved upon. And, you know, the member knows that it's quite an old facility, and even with heroic renovation measures, the essential character of the facility will remain pretty much as it is. It has been renovated in the past, as the member knows.

And I've used this analogy a couple of times—and the member was with me when I think I first used it out in Ste. Agathe—is there comes a point when you have a vehicle, say an old car. You have to kind of decide whether you want to keep pouring more and more money into it—which you can do indefinitely and keep it running—or you have to decide that maybe it's time to move on to a later model product,

which may cost you more in the short run, but save you substantially in the long run.

And I think the feeling with the stadium is, is that it had served its useful life, and hopefully it'll have a few more excellent years left in it. But at a certain point, we're at that stage of evolution where a more modern stadium facility is required, just for the comfort of the patrons, for safety reasons, long term, for a more modern and efficient design in how the stadium is designed for the benefit of the people enjoying it. And, also, in terms of highest and best use of the land that it's on—which, I think, the consensus is, is that it's not really the best site for it anymore for a variety of reasons. The University of Manitoba site seemed to offer some significant advantages in terms of multiple users and existing parking facilities that are already out there. And, also, the ability to have access to other facilities such that we're going to build, including some of the training facilities.

So as we move forward in planning Manitoba and planning Winnipeg, the idea of getting the stadium project going at the university, for all the reasons I've articulated, plus opening up Polo Park for future economic development, seemed to be the sensible way to go when we're building public assets. And I think the logic of that is fairly compelling.

The numbers the member's asking about, you know, we could probably argue about whether it's 52 million or some other number in that range, or even lower, or even higher, but the reality was how much more useful life is it going to give you in the existing facility at any amount of money. And will it do the job that we need for the future of this city and this province?

Mr. McFadyen: And without disagreeing with some of basic points the Premier is making, there will have had to have been some kind of a study or estimate done to arrive at that number. And I know, as capable as the Premier is, he wouldn't have come up with that number on his own.

Can he just indicate who generated that \$52-million number, and what is it based on?

Mr. Selinger: I'll get that information for him. I understand the appropriate technical people were brought in to look at it again, in terms of engineering firms, but I'll endeavour to get further information for the member on that.

He is correct, that I wouldn't have tried to do that on my own. The number might have been quite a bit higher if I did, but I didn't.

Mr. McFadyen: Can the Premier just indicate at what stage the current—or the design and technical specifications are for both the new stadium and the redevelopment of the current Canad Inns site, and whether he's able to share the design and technical specifications for those two projects?

Mr. Selinger: Is the member asking me about the new stadium versus the old stadium, the level of development of—

Mr. McFadyen: Sorry. I wasn't specific enough. I meant the new stadium plus the retail development—proposed retail development at the current Canad Inns' site.

Mr. Selinger: The new stadium, I understand, has had up to \$4 million of resources committed to it, to date. So there's been substantial work done designing the new stadium, and those resources have been provided by Creswin.

On the retail development, I have less information at this stage of the game, and I'd have to get that for him because, as the member knows, chicken-and-egg argument needed to be addressed first. And the urgency was to move forward with the stadium project, to get that up and running, which then allows for the existing site at Polo Park to be cleared and redeveloped.

Mr. McFadyen: The—in terms of the infrastructure, changes or improvements that will be required, our understanding is that in order to do the retail development of Polo Park, the City is going to be required to make significant infrastructure investments around that site.

And that is really a question better put to the City of Winnipeg, but I want to just ask the Premier, with respect to the University of Manitoba, and infrastructure changes or improvements that will be required on that site to accommodate a new stadium—parking, traffic flow and all of those other issues—if he can just indicate what—the nature of the changes that will have to be made and what funding arrangements will be in place to make those changes?

Mr. Selinger: Thanks for the question. Just before I do that, I understand the estimate on the tax yield for the redevelopment of the stadium site of Polo Park is in the order of \$7.1 million and that is the City

estimate. That's what I've been informed; it's just to help move that part of the conversation along.

I also understand that Polo Park, even in its present use pattern or use configuration, is—there are some issues of redeveloping infrastructure around there. I think we're all aware of that as we go there. But as the new retail facilities would be put in there, there would need to be additional traffic infrastructure put in place to accommodate that. And presumably the sale of that site at an appraised market value would contribute resources for that.

On the University of Manitoba site, I'm not aware of major capital requirements there. I understand that they believe that it can accommodate the traffic for that. There will be some—obviously some improvements that have to be made, but there's no huge, big bill that has been presented to us on a major infrastructure upgrade.

The member knows that it already accommodates thousands of students on a daily basis, in and out of that site and there's already a very old Bison football stadium there of much smaller capacity. And there's—as I understand it, there are, I believe the number I've heard, subject to verification, is in the order of 6,000 parking stalls in that area already. So, you know, nobody has indicated to myself at this stage of the game that there's extremely large capital improvements that would have to be made to accommodate the stadium there.

Mr. McFadyen: And, again, with respect to the University of Manitoba site, which I happen to think is a good selection for a new stadium, just given the access and the other amenities that are nearby, can the Premier indicate whether there have been any consultations to date with the surrounding neighbourhoods that may be affected directly or indirectly by a new stadium?

Mr. Selinger: Again, I'd have to check the facts on that, but I understand there had been some interaction with the surrounding community in the first iteration of the project, before the new arrangements were put in place. But that's always a fair point and people will have concerns and they will have to be addressed as part of the process.

Mr. McFadyen: I may have more stadium questions before we're done, but I'm going to move on and, out of respect for the Premier's request, that we address questions as quickly as we can to the specifics of Executive Council. I've got a few questions here and

we'll go through those and then ask if we can go back to other issues.

Could the Premier provide us with a list of current Treasury Board ministers?

Mr. Selinger: I will get that for the member. I don't have them immediately in front of me, but the Minister of Finance (Ms. Wowchuk); the Minister of Advanced Education (Ms. McGifford); the Minister of Conservation (Mr. Blaikie); the minister of water; the Minister of Family Services (Mr. Mackintosh); and I believe the Minister of Housing and Community Development (Ms. Irvin-Ross) are the ones I know of for sure, and I'll just see if I've left anybody out there. Oh, yes, and the Minister of Agriculture (Mr. Struthers) as well.

So it's Ministers Wowchuk, Struthers, Mackintosh, McGifford—

Madam Chairperson: Order, order. I just want to remind all members that we address members by their titles or address members by their constituencies.

Mr. Selinger: So are you suggesting if I say Minister Mackintosh, that's a problem?

* (15:50)

Madam Chairperson: Order. We address members by their constituency or ministers by their title.

Mr. Selinger: All right. All right. Okay. I think I've indicated all the ministers by their ministerial titles: Finance, Agriculture, Family Services and Consumer Affairs, Advanced Education, Water Stewardship, Housing and Community Development, and Conservation.

Mr. McFadyen: I thank the Premier for that. I know all members are always interested in wanting to know which ministers to lobby on any given day. So, thank him for that. I'm sure it's better known within his caucus than it is ours, but thank you for that.

Can the Premier just provide a list of the—of political staff within Executive Council, including name, position and whether or not they're—whether they're FTE or not.

Mr. Selinger: Yes, we'll provide him a list. We have a list here.

Mr. McFadyen: Thank you. I know neither member of Executive Council staff sitting in the Chamber currently are political and so I exclude them from that request, particularly the one on the left.

Could the Premier just indicate—our understanding is that he's had a new individual join the staff in Executive Council, Professor Loxley, formerly from the University of Winnipeg. Can the Premier just indicate what role Professor Loxley currently occupies?

Mr. Selinger: Currently, he's—he has no role, but he did play a role in the transition process.

Mr. McFadyen: Is he currently on contract or staff with Executive Council or government?

Mr. Selinger: No.

Mr. McFadyen: Could the Premier just indicate that—just outline the role that he played in the context of transition, and whether that was a paid role or was it executed in some other capacity?

Mr. Selinger: Yeah, there was a contract executed for that.

Mr. McFadyen: Can the Premier provide a copy of that contract or the details of that contract?

Mr. Selinger: Yes.

Mr. McFadyen: Could the Premier provide a list of any individuals hired or brought on contract in the time since he became Premier?

Mr. Selinger: I believe the member asked me for members hired and/or on contract. Correct?

Mr. McFadyen: That's correct. If he could provide a breakdown of any new hires or any new contracts since the date of the NDP leadership process.

Mr. Selinger: Yes.

Mr. McFadyen: And could the Premier also provide a list of anybody who has left the employment of government, Executive Council, since the time of that process as well?

Mr. Selinger: Yes.

Mr. McFadyen: And can the Premier just indicate the number of staff currently employed in the Department of Executive Council?

Mr. Selinger: Yes.

Mr. McFadyen: Can he also indicate, in terms of the staff hired in '09-10, whether they were hired through competition or appointment?

Mr. Selinger: Yes.

Mr. McFadyen: And could he also provide just a description of any position that has been reclassified in that same timeframe?

Mr. Selinger: Yes.

Mr. McFadyen: Could he also provide—or just indicate whether any of the staff years—whether the staff years that exist in the department are currently filled or whether there are vacancies?

Mr. Selinger: Yes.

Mr. McFadyen: Not to be too overly detail-oriented here, but just, with that, we assume that we would get a list of the vacant—currently vacant positions.

Mr. Selinger: Yes.

Mr. McFadyen: To the extent that there are vacancies, can the Premier indicate whether he maintains those vacancies, or is it his plan to fill those?

Mr. Selinger: We'll indicate that, but I can assure him that whatever we do will be within the budget allocated.

Mr. McFadyen: Just as a more global—and I thank the Premier for those undertakings—just as a more global question, can he indicate on a government-wide basis, how many positions have been relocated in 2009-10, or were relocated in 2009-10? And, when I ask the question, what we're really trying to get at is just relocation from rural or northern Manitoba into Winnipeg or vice versa.

Mr. Selinger: Well, I could do that. Normally, that's a question to the Civil Service minister. It's a broader question, and usually that comes under that individual's Estimates.

Mr. McFadyen: Without having the timetable for Civil Service Commission Estimates in front of me, is that a request—I'll undertake to have that question asked in those Estimates. In the meantime, would you be good enough to make that request of that minister and provide it to us?

Mr. Selinger: I'll take it under advisement. Usually, there's a more direct line on these things, but I think it would be best to ask them, in my humble opinion, to the minister directly responsible.

Mr. McFadyen: And can the Premier just provide us with a summary of travel in 2009-10, and I don't mean going all the way back, but just travel by the current Premier paid for out of Executive Council and any pertinent details in connection with that

travel in terms of location, purpose, and delegation membership?

Mr. Selinger: On the travel, it's already posted on the Web site quarterly, and did you ask for other information as well?

Mr. McFadyen: I believe that there is a basic level of information provided. What we're looking for is just the detail on locations, purpose, dates, costs, and the membership in the delegation, which, I think, goes a little bit beyond what's currently posted.

Mr. Selinger: We believe all of that but membership of the delegation is on the Web site, but we'll check and try to get all that information for the member.

Mr. McFadyen: Could the Premier just indicate whether there's any travel that he has taken as Premier that's been paid for by other departments or Crown corporations or agencies of the provincial government?

Mr. Selinger: All the trips are posted. Some of them are sourced to other departments depending on whether it's related to that department's activities, but all the trips are posted. If the member's trying to get at whether some trips that are sort of off the books, there are none.

Mr. McFadyen: It's not even so much as whether they're off books, but I know from history that sometimes the Department of Trade may cover the costs of a trip that would relate to the premiers and we're just looking for a—just to have a fulsome picture of what provincial taxpayers or ratepayers are paying for in connection with Premier's travel as opposed to any kind of a fishing expedition.

Mr. Selinger: On the Web site where we post this, the amount of each trip is posted. So there—if you're trying to get a total amount of money spent on my trips, that's already in the public domain on a quarterly basis.

* (16:00)

Mr. McFadyen: Can the Premier just indicate the—just bear with me one second here—I think for now, we've covered some of the details on Executive Council, and I want to reiterate again our support for the support that has been provided through the MCIC in connection with various good causes and the Premier's role in very quickly responding on behalf of Manitobans in that regard. And I think the Premier may have wanted to make one other comment perhaps in connection with an earlier question, so.

Mr. Selinger: I was wondering if the member wanted to move to a new subject area, and if he did, if he wanted to take a short break before we do that.

Mr. McFadyen: Thank you. I think that the time would be good for a short break. The one area that we will come back to, perhaps not today, is, just as we look at Public Accounts, we may have some questions with respect to specific expenditures or contracts. We'll come back to that at a later date. This looks like as good a time for a break as any.

Madam Chairperson: So is it agreed that we will return at five minutes after 4 o'clock? *[Agreed]* Thank you.

The committee recessed at 4:01 p.m.

The committee resumed at 4:07 p.m.

Madam Chairperson: Order. The floor's now open for questions.

Mr. McFadyen: Madam Chair, just following up on a comment the Premier made in the House the other day, just in terms of the organization of Cabinet and the executive of government, with the expansion of Cabinet by one member, can the Premier just explain what impact that had in terms of the organization of the civil service, in terms of deputy ministers and their various assignments?

Mr. Selinger: In short, we reallocated an ADM to a deputy role and then most of the other—all the other positions, for the most part, were moved over but remained in the same order of magnitude that they were before.

Mr. McFadyen: Can the Premier just indicate which ADM it was that was moved up to being a DM and what their—which branches of government were moved with that ADM?

Mr. Selinger: ADM of Housing, Joy Cooper, was made deputy minister, and the Housing—all the Housing functions that were in Family Services were moved over with her.

Mr. McFadyen: Can the Premier just indicate—

Mr. Selinger: I want to make a correction, Joy Cramer. Sorry. Thank you.

Mr. McFadyen: Just to be clear, it was Ms. Cramer who was moved from being an ADM to being a DM with that change?

Mr. Selinger: Yes, Ms. Cramer was moved from ADM Housing to deputy minister of the new Department of Housing and Community Development.

Mr. McFadyen: Can the Premier just indicate, in terms of the ministerial office, how many new political staff positions were created to serve that minister, and both political exempt and civil service positions were created to establish that new minister's office?

Mr. Selinger: I'll get that information for the minister, but, you know, it's a normal ministerial staff. But I'll get the details for him.

Mr. McFadyen: It's been a while for me, so can the Premier just indicate roughly what a normal ministerial staff is these days?

* (16:10)

Mr. Selinger: Yes, normal staff usually is a couple of folks looking after the office, a chief administrative person and then a secretary, and a special assistant and an executive assistant on the political aide side.

Mr. McFadyen: Thank you, and I just want to— as more of a comment than a question—just indicate that there are a lot of very dedicated and excellent civil servants who have served under different parties over the years, and I want to just acknowledge that many of them carry on in very significant roles. And I think it's been—it's healthy for the Province to have some of that continuity. And you've got some good people working throughout the system, and I want to acknowledge that and simply just indicate our support for the fact that many of those people have carried on as public servants under the current government who have been there—but going all the way back, I suspect, to some of them, probably, almost as far back as, maybe not Ed Schreyer, but not very long after that. So I think that's a good healthy tradition in our province.

Just on the question of globally, on expenditure assumptions contained in the 2010-11 budget that was introduced, we see a budget-over-budget increase of just over 5 percent. Actual over budget is a smaller number than that—projected actual over budget is a smaller amount. But can the Premier just indicate the—whether the expenditure assumption that's contained in this year's budget is based on a public-sector-wide wage freeze coming into effect this year or whether there's been some allowance in the event that that's not the outcome?

Mr. Selinger: Yes, on the question of continuity of civil servants, some of them reach back to the Roblin era, quite frankly, and there are some remarkably endearing civil servants in certain departments. Some of them are well up into their 46th year category of years of service—nobody in this room, I don't believe. But, in spite of their venerable service to the Province—some are in the 30-plus years in this room, at least that's what I've been told, and not that I was here 30 years ago to check that out.

But, on the question of wage assumptions, there is a very modest wage assumption built into the budget this year. Those usually aren't fully disclosed, but it does assume very modest wage increases.

Mr. McFadyen: Can the Premier just indicate the—we're aware of some of the bargaining dynamic and relevant dates—can he just indicate the major public sector collective agreements that expire this year and the timing of the implementation of new collective agreements as you go through this process through the public sector, recognizing that there are a lot of agreements? But the big ones are, obviously MNU, MGEU, MTS, which is done on a board-by-board basis, we recognize. But, if you can just provide a summary of the key agreements and key dates that those agreements expire on, that would be helpful.

Mr. Selinger: We will do that.

Mr. McFadyen: Just in terms of the bargaining process, there's been some media just over the last short while about discussions with the MNU. Can the Premier just indicate who in government is leading that bargaining process and what are the critical milestones as they move forward?

Mr. Selinger: MNU negotiations occur at the regional health authority level and their labour relations people. That's who leads the process in the sense of being at the table negotiating with them. As the member knows, they sometimes seek guidelines from us on what we're trying to achieve, but the leading goes on through the WRHA labour relations people, who are the ones that engage in the actual negotiations and work on the negotiating process.

Mr. McFadyen: Can the Premier just indicate whether it's the labour relations group within the Province that would be leading the negotiations with the MGEU and what is the date of the expiry of that contract?

Mr. Selinger: Yes, the labour relations group inside the Province does handle the negotiations with the MGEU and that group is located within Treasury

Board. And I'd have to check, but I believe that contract expires this spring, and—but I'll just confirm the date on that for the member.

Mr. McFadyen: Can the Premier just indicate the impact on the budget expenditure assumptions in the event that they are not successful in achieving a wage freeze as they have proposed?

Mr. Selinger: Again, I don't have that direct information here on that, but the assumptions are very modest in the budget for the money put aside for the coming year for wage settlements, but the reality is that negotiations are going on. Usually, the government doesn't put—disclose what resources it's put aside. It's—there's resources available for wages of government employees and funding health-care authorities, et cetera and the employees within them, but the details of that are usually not discussed at this level. They're part of the larger process and I think the member understands why we don't want to get into too much detail on all of that.

Mr. McFadyen: And I agree. I'm not asking him to disclose bargaining strategy and that's not—wouldn't be reasonable, but we are trying to get just a sense as to what the assumptions are grounded in within the budget.

On the issue of achieving the budgetary goals through vacancy management, can the Premier just indicate how many retirements or new vacancies the government is anticipating over the coming year or so as part of that strategy?

Mr. Selinger: I'm feeling like I should be back in the Finance job at this stage of the game because you're going into the kind of detail that I have delegated to a new minister, a very capable one I might add, if you wish to join her for Estimates. But, you know, there is a certain portion of civil servants that retire every year. I'll have to check on the percentage. I think it's in the range—and once again, this is subject to verification—from a couple of hundred to say, over 300, 350, but I'll have to check on that.

There is a tendency during difficult economic times for less people to retire. There is a bit of a tendency we've noticed about—on—in that regard, not just at the provincial level, but more generally. You might have noticed a story in the paper about a week or so again about the police service not turning over as quickly as some might have anticipated in terms of an incoming class. So there is a bit of a tendency for people to sort of hang tough on where they're at during these times of economic uncertainty. So it

wouldn't surprise me if some of the assumptions had changed in the last year or so. But I'll have to get information for the—for him on that.

Again, that is a Civil Service Commissioner question that would properly be addressed there where the officials in front of the minister would have that information at their fingertips.

Mr. McFadyen: Thank you. And just continuing on on the expenditure side of the budget. The projected level of total debt by the end of the current fiscal year is, as I understand it, 23—pardon me, 23.4 billion—total debt, which would include Hydro and Crown corporations as well as core government net general purpose debt is projected to be 23.4 billion as of the end of this year.

Can the Premier just indicate how it is that they take that number and go from that to a net debt number? What are the numbers that are subtracted from that number and what is the rationale for subtracting—for subtracting other numbers, other amounts?

* (16:20)

Mr. Selinger: I just want to check. Is the member working off a certain page in the budget that we might use in common?

Mr. McFadyen: Yes. Page 20 of the Budget 2010: Budget and Budget Papers has a line—it's expressed as a subtotal, \$23.4 billion in debt under the 2010-11 budget line.

Mr. Selinger: Again, I should remind the member that this question is Minister of Finance question and the member will know the extraordinary efforts I went to to switch out of that role. So I'm a little disappointed he's dragging me back there at this stage of the game, and I'd like to invite him to the Finance Estimates where he could, you know, please the new minister on this.

But, inasmuch as he's turned to that page—usually net debt is considered the most important figure for looking at debt because it deducts from the total debt liquid assets, reserves, those kinds of things where there's cash available. And so, for example, he'll see the—just the number below the summary net debt of 3.3 billion of net financial assets. Those are assets that are available to be—to reduce the total debt to the net debt number, on that bottom of page 20 there.

He'll see a few lines further up under other obligations, the pension liability and then the pension

assets of 4.7 billion. Those are assets that have been put aside for the pension liability. So that's why the total debt number is not used because it's a bit like your savings account. You might owe 2,000 on your credit card and have 1,500 in your savings account, so your net debt would be 500 bucks. That's the—it's the same idea but with, obviously, all the complications of public sector entities of—and the scale being completely different, but it's—that's the concept.

Mr. McFadyen: And I can understand a deduction from liquid assets and resources, and, as you work your way through, you can see a subtotal of 23.4 billion on page 20, and then liability, which, actually—pension liability actually takes that number up higher, but then there's a deduction, again, of 4777 on the net—to bring us to a net pension liability of about 1.8 billion.

The line that I am trying to get a better understanding of is the next one. It's an \$8.5-billion asset, which is described as debt incurred for and repayable by The Manitoba Hydro-Electric Board and Manitoba Lotteries Corporation. Can the Premier just explain that number, given that the Hydro debt is already—appears to have been built into the total debt number?

Mr. Selinger: It's factored out because it's self-supporting debt. It's a government business enterprise that has its own revenue supreme to support that and its own retained earnings, et cetera. So it's—under the summary budget accounting, that's the standard procedure for dealing with that. So you do see it up above under Hydro, 8.574 billion and, for some reason, 8.564 below. So there seems to be a 10-million variance there—just if I read that correctly, yes.

So—but the reality is is that it's taken out because it is a fully self-supporting entity in terms of its revenues, its expenditures and its assets treatment.

Mr. McFadyen: So, to be clear, then, the statement of net debt is just a statement, then, of core government debt. It doesn't—it's not inclusive of Crown corporation debt.

Mr. Selinger: Yeah. In the case of Manitoba Hydro, that debt is taken out clearly by the treatment here.

Mr. McFadyen: And so it would be both Hydro and Lotteries debt is taken out of the net debt calculation so that—

Mr. Selinger: It doesn't actually show that to be the case here. The debt for other Crown organizations or the borrowings and guarantees—if you look under provincial borrowings, guarantees and obligations—other crown organizations, 1.5 billion, that from this treatment, that is left in the net debt calculation, if I read this correctly.

Mr. McFadyen: Thank you, and I see—I do see the separate line. But on the line that refers to Hydro and Lotteries, it's an \$8.564 billion deduction from the debt calculation and that deduction is to take account of the fact that Hydro's debt and Lotteries debt is outside of the net debt calculation. Is that the right way to understand it?

Mr. Selinger: It's principally Hydro there with a variance of 10 million. I'll have to check on what the 10 million variance is about. Again, we're going really into the detail here. I mean that's properly asked of the Minister of Finance. But the short answer is, is that's principally Hydro debt and assets taken out.

Mr. McFadyen: Right. And so it would be a net position of Hydro's balance sheet, both debt and assets, and so if you wanted to arrive at a calculation of the debt of core government plus Hydro and Lotteries you would have to add the 8.5 billion back on top of the net debt calculation. Is that right?

Mr. Selinger: It wouldn't be the proper way to do it. It's the summary budgeting net debt calculation is the standard treatment across the country for arriving at summary net debt as a percentage of GDP, and then that's factored in as a percentage of GDP. That's—this is the summary GAAP treatment of how you handle the net debt calculation for the Province and for any province.

Mr. McFadyen: Well, and it's a significant point because it represents about a third of the debt of the Province which is a significant number. My understanding it's actually not driven by GAAP but by an accounting policy that's been adopted by the government, and—but setting the policy aside, the reality is that if you look at the government's total obligations in terms of what is required to be repaid and you consolidate your balance sheet, you have summary net debt of 13.995 billion. But you'd also then have to add to that the Hydro and Lotteries debt described at the line above to give you a total a debt calculation that would be in excess of 20 billion. Is that right?

Mr. Selinger: Again, I was trying to make it clear that the Hydro is a self-sustaining corporation with its own retained earnings, its own assets and its own debt obligations. They fully are self-supporting in that regard.

Mr. McFadyen: And so if that's the position then, why would you include Hydro revenue in your consolidated statement of revenue and expenditures in a given year?

Mr. Selinger: That's what the summary budgeting requires, that everything be taken in, the broader entities all be included, including all the Crowns, and then you make the appropriate reductions to account for other obligations in a net or a positive fashion—so—or net or a net fashion. So you put in the Manitoba Hydro borrowings guarantees and obligations, and then you factor it out because it's self-supporting. It gives full disclosure. In the old days, that used to be left off the books, including the pension liability, so you—it wouldn't be visible to the public. And the auditors generals felt that that didn't give the full story. They asked for everything to be put on one document and then the appropriate adjustments made to get to a net debt number.

Mr. McFadyen: Just to confirm that in terms of the bottom line numbers and calculations the government is using, is that Hydro revenue is included in the annual statement of revenue and expenditure. Net revenue is included, but debt is excluded from the bottom line calculations.

*(16:30)

Mr. Selinger: The net income of Government Business Enterprises is included up on the revenue line, 699 million, but that does not include all the revenue that Hydro gets. Hydro's revenue is much higher than that, and none of it is transferred to government. The net income of government business enterprises are the liquor and lotteries revenues usually and then some minor adjustments over and above that.

So it's a self-sustaining entity with its own revenue and expenditures and its own debt-supporting budgeting. It's factored out; that's just standard procedure under generally accepted accounting principles. I don't believe it's a unique treatment here. It's the way it's done across the country under summary budgeting.

Mr. McFadyen: And whether it's done this way across the country or not, what you've done with the

accounting policy is to include Hydro's net revenue in the annual statements but exclude its debt.

Mr. Selinger: I'd have to check that. I don't believe that—the I'd have to check what's in that 699, but what I can tell you is that the debt is factored out, because it's considered to be self-supporting, and it has its own retained earnings against it, et cetera.

Mr. McFadyen: So, if the debt is self-supporting, then how can you use the revenue stream, then, within your consolidated statements from Hydro?

Mr. Selinger: Again, I'd have to check what's part of the government business enterprises' net income. That's principally lotteries and liquor. I'll see whether the Hydro net income is there. It may be counted, but the debt is paid for before you get the net income.

Mr. McFadyen: My understanding is that the net income of government business enterprises, the 699 million, is inclusive of Hydro, Lotteries, MLCC and other revenue-generating Crown corporations and, notwithstanding, our concerns about including that within the balanced budget calculation.

The point we would make is that, if there's going to be a true picture of the finances, that you have to include both revenue and debt in your consolidated numbers or you are presenting numbers that, in fact, show revenue but exclude debt, which is obviously a very misleading way to present numbers to Manitobans.

Mr. Selinger: I can see where the member wants to go with this, and I can tell him that the treatment here is according to the generally accepted accounting principles, and according to the standards required by the Auditor General of Manitoba. There is no unusual treatment given to the way these numbers are recorded here.

So the summary net debt, if you read the definition on page 32, represents the total liabilities of the government reporting entity less its financial assets.

Mr. McFadyen: Just to be clear, the Premier is counting Hydro's debt as an asset? That's what you just said.

Mr. Selinger: I said summary net debt represents the total liabilities of the government reporting entity less its financial assets. This is the residual amount that will have to be paid or financed by future revenue. That's on page 32.

Mr. McFadyen: Right, and under the listing of government assets, Manitoba Hydro's and the Lotteries Corporation debt is listed as an asset of the government. I wonder how he can explain that.

Mr. Selinger: I don't want to get the member confused here, but it was listed as a revenue. The revenues were listed, net income of government business enterprises. And then under the other obligations, the debt incurred for and repayable by Manitoba Hydro-Electric Board and the Lotteries Corporation was deducted, and I'm simply saying to the member that that is the standard treatment under summary budgeting that is required by us now.

Mr. McFadyen: Is the Premier saying that he has an outstanding payable, a receivable then from Hydro and Lotteries of \$8.564 billion?

Mr. Selinger: No, I'm not saying that.

Mr. McFadyen: So, if there's no payable from Hydro and Lotteries, then why is there a line for \$8.564 billion listed as an asset in the calculation?

Mr. Selinger: I'm not sure that's the proper terminology. It's listed as provincial borrowings, guarantees and obligations, as a subtotal, and there's a provincial guarantee on Manitoba Hydro's debt of up to \$8.5 billion, and it's deducted below because it's self-supporting.

Mr. McFadyen: My understanding, just in reading the language of the line, is that there was borrowing for Hydro and lotteries by the Province—which could borrow at a better rate—funds provided to Manitoba Hydro and to lotteries, and that debt, even though it may sit on the books of Manitoba Hydro, is not a debt repayable to the Province; it's a debt repayable to the lending institutions. So I wonder how he can describe a debt as an asset.

Mr. Selinger: That was the member's own language describing it as an asset. I never described it that way.

Mr. McFadyen: Well, what he said is that the \$8.574 billion in that line is—he described them as "liquid assets" and "reserves," were the words he used.

An Honourable Member: No, I didn't do that. No, I didn't do that.

Mr. McFadyen: Well—

Mr. Selinger: I gave the member an example of the net financial assets: \$3.34 billion just above the Summary Net Debt. I never described the Manitoba

Hydro 8.574 billion as an asset. I described it as—under the title of Provincial Borrowings, Guarantees and Obligations. It's in the form of a guarantee.

Mr. McFadyen: And so he's describing a guarantee of Hydro's debt then as an amount that can be deducted from the total debt of the Province in arriving at the net debt calculation.

Mr. Selinger: That is roughly correct. That's the standard treatment of it because it's self-supporting.

Mr. McFadyen: And just back on the point as to whether this is a GAAP accounting treatment or some other accounting treatment, can he just indicate again whether it's GAAP that allows that deduction or whether it's an accounting policy that was adopted by the government under the cover of GAAP?

Mr. Selinger: Again, we have said that we're following GAAP recommendations and standards and my understanding is that this is the standard GAAP treatment for this government business enterprise. There is no unique treatment that I'm aware of being put towards this year.

Mr. McFadyen: Just on the 23.4 billion in total debt that's listed as the total debt of the Province, can the Premier just indicate the—what impact there will be in terms of debt repayment obligations in the event of a 1 percent rise in interest rates?

Mr. Selinger: Again, I'd have to get that information for the member, but there is a number that we can attach to that 1 percent, and I'll verify that for him. But, you know, we're getting into Finance Estimates again. If he wants that information I'll get it for him, but those are normally the questions that the Minister of Finance deals with.

Mr. McFadyen: We're talking about some of the biggest lines in the budget, so I think it's reasonable to ask the former Finance minister these questions, and I would just ask if he could just provide their estimates of what a 1 percent rise in rates would do, not just in the current fiscal year but in fiscal years going forward, knowing, of course, that some of that debt is locked in at interest rates and will be up for renegotiation on the expiry of those arrangements.

Mr. Selinger: We'll get that information for the member, and the member is correct: when borrowings occur, they get locked in for a specific period of time, and when they come due, then they're refinanced at that time.

Mr. McFadyen: Just in terms of the net purpose, general purpose debt of government currently, can

the Premier just indicate what is the breakdown currently between long-term debt and debt that would be subject to floating interest rates?

Mr. Selinger: Again, I'll have to verify that. These officials don't have that information at their fingertips, but it's usually in the order of 10 percent floating, 90 percent fixed.

* (16:40)

Mr. McFadyen: Just on the expenditure side again, in terms of their expenditure management, I wonder if the Premier could indicate, given that they have exceeded their budgeted expenditures, I believe, in 10 out of the last 10 years, what degree of optimism he has that the government will be able to manage within the expenditure numbers that have been budgeted this year.

Mr. Selinger: Well, a budget is a set of estimates. Reality often deviates from that as we go forward, and the member knows that every year there are events that occur, and often the members of the opposition are driving us to spend money that's not in the budget on a frequent basis—

An Honourable Member: And you can't say no?

Mr. Selinger: Well, we often do say no to the members, which seems to irritate them, but—so, it depends. Some additional expenditures are required, as the member knows, whether it's flooding or natural disasters or things like pandemics preparation. And there are other pressures that occur within the year, and the government manages all of those pressures as it goes forward.

But reality is that's within a certain level of tolerance, both on revenues and expenditure, and sometimes things occur. But, you know, our variance is considered to be among the better ones, as I understand it, on the variance on the budgets. But I'll have to—again, because these officials aren't the ones with the detail on those kinds of questions; those are Finance officials that deal with those questions. We'll have to get more precise information for him.

Mr. McFadyen: Just in a couple of other areas. The government, through—particularly through Hydro but in other areas as well—has entered into some public-private partnerships; one in connection with wind farms, another in connection with Wuskwatim. And I wonder if the Premier could just indicate the approach to public-private partnerships taken today too—and what his assessment is as to their success.

Mr. Selinger: Well, I'm not sure that those—that's the terminology we would use in these arrangements. There has been an arrangement made with the First Nations in terms on an equity relationship for the Wuskwatim Dam, and likely similar arrangements or new arrangements will offer an equity stake in the Keeyask project, and I've never heard anybody describe it as public-private partnership at this stage of the game. That's a term that's usually allocated to another set of activities; they're usually relating to relationships that go beyond a design-build sort of contractual relationship into a design, build, financing and other types of arrangements. So I'm not sure that the term applies there; it hasn't been used to date in that regard.

On the wind farm arrangements, there is a power purchase agreement that has been put in place to acquire the energy generated by the wind farms which are, in part, in the first instance, privately financed; in the second instance, privately and publicly financed through a loan facility through Manitoba Hydro, fully covered by the power purchase agreement in terms of the ability to collect on that. So those arrangements are entered into when they're considered to be in the best interests of the public in terms of cost effectiveness.

Mr. McFadyen: And just in terms of the wind farm arrangements, can the Premier just indicate who has ownership of those generating assets on the wind farms? Is it the Manitoba Hydro or is it a private company?

Mr. Selinger: Those assets, in my understanding, are owned by the private entity that's providing the energy through a power purchase agreement.

Mr. McFadyen: In the case of the more recent announcement, can the Premier just indicate just who the private owner is of those assets and where they're based?

Mr. Selinger: Again, I'll have to get that information for the member. That's usually done under the Hydro part of the Estimates, but I understand it's—the lead entity was Pattern Energy, and I think that they may have incorporated a separate legal entity to do that specific wind farm, but I'll have to get the detail for him on that.

Mr. McFadyen: The company with the controlling interest in that subsidiary is based in California, as I understand it. Is that right?

Mr. Selinger: Again, I don't have that information in front of me because that's a question properly to ask

the minister of Hydro, but I'll endeavour to find out where the head office of the lead shareholder of that company is.

Mr. McFadyen: And, with respect to St. Leon, the company, as I understand it, was Air Source Power. Can the Premier just indicate whether that's a public or a private company that owns the St. Leon assets?

Mr. Selinger: I just want to clarify when he means public or private: A public, privately owned shareholder company or a private, privately owned company?

Mr. McFadyen: I'm really directing the question to the ownership as opposed to whether or not the shares are publicly traded. The ownership would be a private company?

Mr. Selinger: That's a private company as well, in my understanding.

Mr. McFadyen: And are there other examples of contracts that have been entered into with private companies over the last 24 months or so by government to deliver services?

Mr. Selinger: Oh, my goodness, I'm sure there are. I'd have to check, but we enter contracts all the time to provide services to government, whether they're building buildings or janitorial or maintenance services. There's a variety of different contracts we enter into with the private sector across a wide-broad range of activities.

Mr. McFadyen: Just in terms of the—some of the other—just the, some of the other budget assumptions, can the Premier just indicate what the current staffing levels are within the administrative structure of the Winnipeg Regional Health Authority?

Mr. Selinger: Again, those kinds of detailed questions are properly handled by the Health Estimates, and I'd be surprised if they weren't asked over there by the Health critic to the Minister of Health (Ms. Oswald) directly.

Mr. McFadyen: I thought we had agreed we'd proceed in a global basis, and I know your predecessor had no issue with answering questions touching on other departments. And I'm wondering if you can just indicate whether he is aware of the current—the current level of staffing at the WRHA or whether he could come back to us with that information.

Mr. Selinger: Well, again, if the member wants that information we can get it for him, but I am simply

pointing out to him that there are Health Estimates for that very specific reason, to ask those kinds of questions of the Health Minister, who is the minister responsible for the Winnipeg Regional Health Authority. We can get similar information if the member would like it.

Mr. McFadyen: Just, again, on the revenue side, the budget contains assumptions in terms of equalization in 2010-11, and I'm wondering if he can just indicate the basis for that assumption and the basis for the assumption that equalization will carry on at the same or higher level in the years ahead.

Mr. Selinger: The assumption for the equalization transfer is actually down compared to last year, and that can be found on page 10 of the Estimates of Expenditure and Revenue.

Mr. McFadyen: And can the Premier just indicate what is the basis for that reduction in equalization?

Mr. Selinger: That's the number provided to us by the federal government on what equalization would provide for this year.

Mr. McFadyen: This is more of a process question than anything else, but at what stage in the year is the government advised as to what their equalization payment will be, and what form does that take? Is that a written confirmation that comes in at a certain stage in the budgeting process?

* (16:50)

Mr. Selinger: Usually, it's provided late in the year, in the run-up to their budget.

Mr. McFadyen: And what written indications have they received as to the projections for equalization in 2011-12 and in the subsequent years?

Mr. Selinger: I don't have that information in front of me, and I'm not sure that we have that information yet.

Mr. McFadyen: And the same process question with respect to the Canada Health Transfer and the Canada Social Transfer. Can the Premier just indicate the timing, that those numbers are confirmed and what indications he's received, not just about 2010-11 but future years as well, on that line?

Mr. Selinger: And again, I'd have to get the specific information on that, but those numbers are usually provided in precise terms towards the latter part of the year—calendar year and early into the last quarter of the fiscal year. But, in those cases, there have been agreed upon escalators over a fixed period of time,

and I'd have to get the date at which those agreements are renegotiated, for the member.

Mr. McFadyen: And on the—some of the infrastructure renewal projects, can the Premier just give an indication as to the current state of the federal commitments and the amounts allocated to different projects that are currently under way?

Mr. Selinger: Again, the stimulus money has been put available by the federal government within a certain context, and the budgeted amount relates to, I believe, what projects have been agreed upon that can be delivered within the fiscal year and the amount it will take to support that.

Mr. McFadyen: In connection with one very specific capital project, can the Premier just indicate what's the rationale for having the Floodway Authority oversee the development of the east lake—sorry, the east-side road?

Mr. Selinger: The rationale is is that the Floodway Authority had, by all accounts, done a good job of developing the floodway and working with a wide variety of contractors to deliver that project, and that expertise and that experience was usefully applied to developing the east side roadway.

Mr. McFadyen: And I guess the curiosity is, why would the Premier think that such expertise didn't exist within the department of highways?

Mr. Selinger: It's not necessarily the case that it doesn't exist, but, as the member knows, there's a lot of highway work being done in the province right now, all across the province, and this allowed the accumulated expertise and experience of the east side—of the floodway authority to be applied to the east side, where there are—it's new experience developing roads on the east side, other than winter roads.

And so there are community benefits agreements that are part of that and some desire to ensure that benefits are retained and developed locally by the communities on the east side. And there's just a huge amount of work being done on roads and infrastructure and elsewhere in the province, and those resources were pretty heavily committed within the department to delivering on all those other projects.

Mr. McFadyen: Can the Premier just indicate, in terms of the way cash has flowed and then accounted for, whether the government advances funds to the authority to be expended or whether the expenditures

are incurred directly by the department of highways in connection with that road?

Mr. Selinger: I'd have to check the specific arrangements again, but I believe resources are advanced to the authority to undertake the work.

Mr. McFadyen: And would the Premier undertake to provide the same level of transparency in connection with expenditures by that authority as would be the case for the department of highways, if it was undertaking a similar project?

Mr. Selinger: I think that would be the case, and I would undertake to find out the level of transparency, but I believe it's fully accountable to the public for the expenditures it undertakes.

Mr. McFadyen: The department of highways has done quite a lot of road building over the years, including over a lot of pretty challenging northern terrain, and I'm just curious as to why he felt that expertise was not sufficient for this project when you look at some of the other very challenging projects they've undertaken.

Mr. Selinger: I believe I answered that. There's just a huge amount of work that's being done in this province, and this expertise and resources had been put in place in the authority, the floodway authority, and it was available to be transferred to move this east-side project forward, and allow the Department of Infrastructure and Transportation to undertake the many, many other projects that they're undertaking at the moment.

Mr. McFadyen: Can the Premier just indicate, in terms of projects and discussions with the City of Winnipeg, what his top priorities are for the expenditure of new infrastructure funds within the city of Winnipeg?

Mr. Selinger: We've worked with the City on phase 1 of the rapid transit, and we've—under the Building Canada Fund—and we've worked with them on a variety of other projects, including local roadworks in the city. And, usually, you enter into a dialogue on the city about what's doable there, and then we try to figure out how to move forward on it. Now, sometimes those priorities shift, and that could become the source of some dialogue as we go forward. But the reality is is that we try to identify projects that make sense for the advancement of the city in terms of its infrastructure.

Mr. McFadyen: And just in view of the—what I think anybody would agree is a significant

infrastructure deficit on basic infrastructure in Winnipeg, both roads and water management facilities and other areas, where do those issues fit into the Premier's priority list for the city of Winnipeg?

Mr. Selinger: Again, we've advanced very significant resources to the City for things like road infrastructure, sewer and water, and we try to respond to those within the resources we have to ensure that we can contribute to those things. We've also contributed to recreational infrastructure inside the city, and, yes, they have needs, as do many communities in Manitoba. And every year in the budget we look for a way to support those various priorities of all of our municipalities.

Mr. McFadyen: And just in light of the recent reports of a very significant degree of expenditure required to keep rinks, hockey facilities and other rinks, open around the city of Winnipeg, can the Premier just indicate, from his perspective whether expenditures on those sorts of projects rank as a priority from a provincial perspective?

Mr. Selinger: Again one of the things that happens with municipal-support for municipalities, is they prefer to have a good chunk of that, if not all of it, to be unearmarked. They prefer to set their own priorities, and we give a very high percentage of our resources to municipalities, including the City, and let them select their own priorities. And I believe it's at least 60 percent of resources are not earmarked so that they can identify their own priorities that they want to move on.

And, in other cases, we agree on priorities through discussion and negotiation, and then try to move forward after the agreements are arrived at. So there's always been a desire on the part of municipalities to have resources for which they can select their own priorities without any direct interference by the Province on that, and we've tried to respect that. And then, in other cases, for example, under stimulus money, there's a requirement sometimes by the federal government that we agree on these things together and come to a conclusion

about what the priorities should be, so that the federal government can have a role in it, and sometimes the provincial government can have a role in it and a say in it as the federal government would like. And then the city or the municipality can have a say in it as they would like when they try to come to a place where they can all agree on what needs to be done.

Mr. McFadyen: Probably one last quick question—last committee of Hydro, a Crown Corporations committee meeting, Mr. Brennan indicated that Hydro would have a deteriorating debt-to-equity position for the next 14 years as it goes about borrowing. I wonder if the Premier has any concern about the sustainability of the level of borrowing and this decline in Hydro's—the quality of its balance sheet over the next 14 years.

* (17:00)

Mr. Selinger: I haven't seen those statements, but I do know that they've achieved their 75-25 debt-equity ratio, as I understand it, three years ahead of schedule, and they have over \$2 billion of retained earnings. And by statements I've heard the CEO and President of Hydro make publicly, they believe they're in their best financial position that they've been in for a couple of decades. And they're moving forward with building new hydro-electric assets that will generate new sources of revenue for the province and for the Crown corporation itself, most importantly, and will build the assets of Manitobans through Manitoba Hydro. So, my understanding is that their financials are in quite healthy condition relative to, say, even a decade ago and that they are well ahead in their planning for building new assets as they go forward.

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

Call in the Speaker.

IN SESSION

Madam Deputy Speaker: The hour being after 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning. Thank you.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 19, 2010

CONTENTS

ROUTINE PROCEEDINGS			
Introduction of Bills		Justice, Supplementary Information for Legislative Review– Departmental Expenditure Estimates, 2010-2011	
Bill 23–The Public Schools Amendment Act Allan	953	Swan	956
Petitions		Oral Questions	
PTH 15–Twinning Schuler	953	Greenhouse Gas Emissions McFadyen; Selinger	957
Ophthalmology Services–Swan River Driedger	953	Gerrard; Selinger	964
Education Funding Graydon	954	Lamoureux; Selinger	965
Borotsik	956	Manitoba Hydro Borotsik; Wowchuk	959
Medical Clinic in Weston and Brooklands Area Lamoureux	954	Maguire; Blaikie	960
Mount Agassiz Ski Area Briese	954	Rowat; Wowchuk	961
Booth College–Name Change Martindale	955	McFadyen; Selinger	962
Bipole III Pedersen	955	Members' Statements	
Derkach	955	Collège Jeanne-Sauvé 20 Year Anniversary Oswald	965
Tabling of Reports		Manitoba Youth Five-Pin Bowling Team Rowat	966
Finance, Supplementary Information for Legislative Review–Departmental Expenditure Estimates, 2010-2011 Wowchuk	956	ALS Cornflower Gala Blady	966
Employee Pensions and Other Costs, Supplementary Information for Legislative Review– Departmental Expenditure Estimates, 2010-2011 Wowchuk	956	Carolyn Darbyshire Fauschou	967
Reply to Written Question (No. 16), asked by Mr. Lamoureux, March 23, 2010 Wowchuk	956	Vaisakhi Festival Saran	967
		ORDERS OF THE DAY	
		GOVERNMENT BUSINESS	
		Committee of Supply (Concurrent Sections)	
		Water Stewardship	968
		Health	986
		Executive Council	1007

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