

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

Official Report
(Hansard)

*Published under the
authority of
The Honourable Daryl Reid
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, July 4, 2013

The House met at 1:30 p.m.

Mr. Speaker: Good afternoon, everyone. Please be seated.

ROUTINE PROCEEDINGS

Mr. Speaker: We'll move on to—

PETITIONS

Provincial Sales Tax Increase—Referendum

Mr. Kelvin Goertzen (Steinbach): Good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And, Mr. Speaker, this petition is signed by L. Sawatzky, E. Flores, M. Banman and many other Manitobans.

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

Mrs. Bonnie Mitchelson (River East): I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this petition is signed by F. Petrie, D. Meunier, J. Huggard and thousands of other Manitobans.

St. Ambroise Beach Provincial Park

Mr. Ian Wishart (Portage la Prairie): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for the petition:

The St. Ambroise provincial park was hard hit by the 2011 flood, resulting in the park's ongoing closure and loss of local access to Lake Manitoba, as well as untold harm to the ecosystem and wildlife in the region.

The park's closure is having a negative impact in many areas, including disruptions to the local tourism, hunting and fishing operations, diminished economic and employment opportunities and the potential loss of the local store and decrease in property values.

Local residents and visitors alike want St. Ambroise provincial park to be reopened as soon as possible.

We petition the Legislative Assembly of Manitoba as follows:

To request the appropriate ministers of the provincial government consider repairing St. Ambroise provincial park and its access points to their pre-flood conditions so the park can be reopened for the 2013 season or earlier if possible.

This petition's signed by C. Sinclair, E. Purdy and S. Flanagan and many, many more fine Manitobans.

Municipal Amalgamations—Reversal

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

The background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

This petition is signed by B. Hainiy, K. Grover, N. Guttormson and many, many other fine Manitobans.

Mrs. Leanne Rowat (Riding Mountain): I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 10,000—or, sorry, 1,000 constituents to amalgamate.

This petition's signed by M. Ramsey, D. Glenn, D. Kotch and so many more Manitobans.

Provincial Sales Tax Increase—Referendum

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

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government not to raise the PST without holding a provincial referendum.

And this petition is signed by H. Thiesen, M. Thiesen, J. Fenske and many more fine Manitobans.

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

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this is signed by D. Blanchard, J. Blanchard, S. Bryden and many others, Mr. Speaker.

Hydro Capital Development–NFAT Review

Mr. Cliff Cullen (Spruce Woods): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

Manitoba Hydro was mandated by the provincial government to commence a \$21-billion capital development plan to service uncertain electricity export markets.

In the last five years, competition from alternative energy sources is decreasing the price and demand for Manitoba's hydroelectricity and causing the financial viability of this capital plan to be questioned.

The \$21-billion capital plan requires Manitoba Hydro to increase domestic electricity rates by up to 4 per cent annually for the next 20 years and possibly more if export opportunities fail to materialize.

We petition the Legislative Assembly of Manitoba as follows:

To urge that the Minister responsible for Manitoba Hydro create a complete and transparent needs-for-and-alternatives-to review of Manitoba Hydro's total capital development plan to ensure the financial viability of Manitoba Hydro.

* (13:40)

This petition is signed by L. Berry, D. Coleman, G. Kelley and many other fine Manitobans.

Provincial Sales Tax Increase–Referendum

Mr. Ralph Eichler (Lakeside): Good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is submitted on behalf of D. Evenson, D. Ogden, D. Laferriere and many other fine, hard-working Manitobans.

Mrs. Heather Stefanson (Tuxedo): I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And, Mr. Speaker, this petition is signed by T. Calder, S. Eakins, P. Klassen and many, many other Manitobans.

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, I'd like to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

And (3) an increase to the PST is excessive taxation that will harm Manitoba families.

And (4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this petition is signed by L. Isleifson, R. Crighton, R. Robleski and many, many others, Mr. Speaker.

Provincial Trunk Highway 5— Reducing Speed Limit

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

And these are the reasons for this petition:

Concerns continue to be raised about the number of motor vehicle accidents at the intersection of PTH No. 5 and PR No. 276 and at the intersection of PTH No. 5 and PR No. 68.

The Rural Municipality of Ste. Rose and the Town of Ste. Rose have both raised concerns with the Highway Traffic Board about the current speed

limit on that portion of PTH No. 5 in the vicinity of Ste. Rose du Lac.

Other stakeholders, including the Ste. Rose General Hospital, Ste. Rose and Laurier fire departments, East Parkland Medical Group and the Ste. Rose and District Community Resource Council, have also suggested that lowering the current 100-kilometre-per-hour speed limit on that portion of PTH No. 5 may help reduce the potential for collisions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation to consider the importance of reducing the speed limit on PTH No. 5 to 80 kilometres an hour in the vicinity of the town of Ste. Rose from the west side of the Turtle River Bridge to the south side of the access to the Ste. Rose Auction Mart to help better protect motorists' safety.

This petition is signed by D. Shwaykosky, Y. Maguet, P. Taylor and many, many other fine Manitobans.

Municipal Amalgamations—Reversal

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

The background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

Signed by T. Leland-Young, N. Young and L. Sheane and many other Manitobans.

Hydro Capital Development—NFAT Review

Mr. Ron Schuler (St. Paul): I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

(1) Manitoba Hydro was mandated by the provincial government to commence a \$21-billion capital development plan to service uncertain electricity export markets.

(2) In the last five years, competition from alternative energy sources is decreasing the price and demand for Manitoba's hydroelectricity and causing the financial viability of this capital plan to be questioned.

(3) The \$21-billion capital plan requires Manitoba Hydro to increase domestic electricity rates by up to 4 percent annually for the next 20 years and possibly more if export opportunities fail to materialize.

We petition the Legislative Assembly of Manitoba as follows:

To urge that the Minister responsible for Manitoba Hydro create a complete and transparent needs-for-and-alternatives-to review of Manitoba Hydro's total capital development plan to ensure the financial viability of Manitoba Hydro.

This is signed by J. McCallister, D. McCallister, B. McCallister and many, many other McCallisters. Thank you.

Provincial Sales Tax Increase—Referendum

Mr. Dennis Smook (La Verendrye): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government not to raise the PST without holding a provincial referendum.

This petition is signed by N. Wychnenka, R. Derksen, V. Black and many more fine Manitobans.

Mr. Cameron Friesen (Morden-Winkler): I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

* (13:50)

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this petition is signed by J. Guenther, M. Penner, M. Warkentine and many, many others.

Municipal Amalgamations—Reversal

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

And this is the background to this petition:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announced on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamation should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

And this petition is signed by M. Watson, J. Wright and P. Mawastyrsky and many, many more fine Manitobans.

TABLING OF REPORTS

Hon. Peter Bjornson (Minister of Entrepreneurship, Training and Trade): I'm very pleased to table the following: the Manitoba Trade and Investment Corporation Annual Report 2012-2013; the Manitoba Development Corporation Annual Report, March 2013; and the Manitoba Opportunities Fund Limited Annual Report, March 2013.

Mr. Speaker: Any further tabling of reports? Seeing none, all right, we'll now proceed with the oral questions.

ORAL QUESTIONS

PST Increase Impact on Manitobans

Mr. Brian Pallister (Leader of the Official Opposition): Mr. Speaker, yesterday the Finance Minister, in response to a question, mistakenly

referred to the government's agenda and its jacking up of the PST as courageous. So I want to give the Webster's definition of the word courageous: the mental or moral strength to withstand danger, fear or difficulty.

Now, there is no mental strength in spending beyond one's means or doubling an advertising budget or expending millions of dollars on communications staff. That's not courageous. There is no moral strength in misrepresenting the views of opponents, legislating a vote tax subsidy for oneself or frightening civil servants to serve one's political ends. This is a government which is in fear, and it reveals itself in that fear by its lack of mental and moral strength.

Wouldn't the Premier agree that what the NDP has demonstrated thus far is not courage at all but rather cowardice?

Hon. Greg Selinger (Premier): Mr. Speaker, no, I would not agree with that. I'm sure that's not a surprise to the Leader of the Opposition.

I think it does take some moral strength and courage and some vision to build for the future, to protect Manitobans from floods, Mr. Speaker, to take care of the elderly with investments in personal care home beds—another 200 announced in Winnipeg in two centres, one in south Winnipeg and one in northeast Winnipeg. I think it takes some vision and strength to be willing to do that.

I think it takes some vision and moral courage and strength to stand up to bullying in Manitoba and to put legislation in front of this House that will address that as a community, as an entire society, and I look forward to the opportunity to debate that in this Chamber instead of trying to avoid it every single day like the Leader of the Opposition.

Government Priorities Impact on Manitobans

Mr. Brian Pallister (Leader of the Official Opposition): The Premier proposes to address the needs of the community by ignoring the community in which he lives, Mr. Speaker.

It takes no courage—no courage whatsoever—to jack up taxes \$1,600 for every single Manitoba household and give yourself a \$5,000 raise. That's not courage at all.

The NDP government likes to blame municipal and federal governments for their problems. They like to break their no-tax promise—no-tax-hike

promise. These aren't courageous moves, Mr. Speaker. These are not the moves of someone with courage.

It takes no courage to retroactively exclude the NDP from the law or for the NDP to threaten flood victims who protest with the full force of that law.

And also, it takes no strength or courage whatsoever to ignore the taxpayer protection law. It takes no courage to ratchet up taxes. It takes no courage to use the extra money for yourself in daily promotional ribbon cuttings where you announce old projects or you inflate the cost of new ones.

Will the Premier admit that his agenda reveals much more about cowardice than it does about anything else?

Mr. Speaker: I want to caution honourable members in the House, especially the Leader of the Official Opposition (Mr. Pallister), please pick and choose your words very carefully. We're—I think we're coming very close to the line with respect to unparliamentary language, and I want to make sure that honourable members, as I've said many, many times in this House, that we treat each other with respect in our workplace here. So I'm cautioning all honourable members, please pick and choose our words very carefully.

Hon. Greg Selinger (Premier): Mr. Speaker, we've seen that after every major flood in Manitoba that it has taken a political party and a government to have the courage to invest in the future to protect those communities.

That's what the Progressive Conservative dud-government did in the 1960s. It was controversial at the time. It was extremely controversial at the time when the government of the day did it. They invested in flood infrastructure for the future. They raised some sales tax to support that, Mr. Speaker.

The members opposite have described the legacy of those investments as deliberate flooding of the people on Lake Manitoba and Lake St. Martin. It has avoided millions of dollars of dislocation and damage to families and communities. It has made a difference of \$35 billion of avoided cost in the city of Winnipeg, as those investments have protected us, not only in '97, not only in 2009, but in 2011.

And we know that all the forecasts are for more intense, more frequent serious weather events in North America—

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

Mr. Pallister: It's comical to listen to a Premier advocate for flood protection after 14 years of ignoring the need to do that very thing.

Where is courage present in this province? Where is courage really present, Mr. Speaker? It's in the homes of Manitobans. The real courage to withstand danger, the real courage to withstand fear and difficulties exist in the lives of real Manitobans—not Manitobans who choose to serve themselves with a vote tax—Manitobans who are expected to pay for that vote tax. Manitobans with physical or mental disabilities choosing between paying rent or paying food, that's courage. Working families struggling to decide which bills to pay, that is courage. Lonely seniors missing departed children, missing departed grandchildren, that is genuine courage.

Nothing this government has done, I'm sure the Premier would admit, resembles the real courage of real Manitobans in this province.

Mr. Selinger: Mr. Speaker, what we have seen here is the Rip Van Winkle of provincial politics.

He wakes up and he forgets that there was a billion dollars spent in the last decade protecting the people in the Red River Valley and in Winnipeg. He forgets that he's the one that called for the halting of the rebuilding of the Red River Floodway. He said, halt it in its tracks, in which case it would not have been ready for the events of 2009. It may not have been ready for the events of 2011.

This is a man that speaks of moral courage; all he wants to do is stop building hydro, make indiscriminate cuts to public services, stop building flood protection for Manitobans and go south for a holiday.

* (14:00)

Mr. Speaker: Just a moment ago I cautioned all honourable members of the House with respect to parliamentary and unparliamentary language and personalizing the debate. I'm going to ask the First Minister and other members of the House, please, let's ensure that we follow the parliamentary practices and procedures that have been developed over a long period of time and that we show some respect during—in our workplace and during question period here this afternoon. I'm asking for the co-operation of all honourable members. I don't want to have this debate to get out of control here.

The honourable member for Charleswood (Mrs. Driedger) has the floor.

Committee Presentations Government Response

Mrs. Myrna Driedger (Charleswood): The Premier (Mr. Selinger) doesn't even want to mention that Manitoba's still the poverty capital of Canada after 14 years of their government.

Mr. Speaker, there were lots of courageous and angry people at public hearings last night. They were mad at the NDP for lying to them in the last election.

It was disappointing to see the NDP government try to intimidate some of the speakers and prevent them from expressing their anger. Applause from the audience led to threats that presenters would be kicked out of the room.

Mr. Speaker, will the NDP commit to treat all of the remaining presenters with the due respect that they have coming to them?

Hon. Jennifer Howard (Government House Leader): I know we've had several nights of committees. I've been privileged to be there for some of those presentations, listened to them attentively, and there have been people with much passion and people on many sides of the question offering good advice and offering a passionate look at their lives.

And what I would say to the members opposite, the role of the Chair and the Clerk in those committees is to maintain a space where everybody feels like they can express themselves fully and they can do so in an atmosphere of respect and safety, and that is the job of the Chair and that is—are the jobs of our clerks and they do that job very well.

PST Increase Request to Reverse

Mrs. Myrna Driedger (Charleswood): A recovered alcoholic who understands addictions told the NDP government last night to get their spending addiction under control or ship out. Dave Lobson expressed fear for the future of his 10-year-old special-needs daughter. Glen Urbanski got emotional when he said that the NDP has robbed him and his wife of their dreams for retirement. A feisty Jane Robertson called for Jim Waldings of today to step forward.

So I would like to ask the NDP to show some heart and reverse their PST decision, or will there be some Jim Waldings from that side that'll step forward and speak up on behalf of their constituents?

Hon. Stan Struthers (Minister of Finance): I do want to say again that I appreciated every Manitoban

that came to the Legislature—their building—last night to talk to all of us about the Bill 20 that's before the House.

Mr. Speaker, I appreciate the advice that they brought to us, especially when you take a look at what pastoral worker Thomas Novak pointed out. He said, and I quote: As much as I don't like taxes, I still appreciate the fact that I can go to the hospital when I'm ill, go to the doctor when I'm ill and I don't have to check my wallet to see if I have enough money to pay.

I wonder if the Leader of the Opposition would come and talk to Mr. Novak and explain to him, then, why it is that he believes that we should have in this province a system of health care that is private—

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

Mrs. Driedger: I would remind the Minister of Finance that about 80 per cent of the presenters are all speaking against the PST hike.

Mr. Speaker, Vicki Poirier last night said that on Facebook NDP now stands for new drunken pirates; she asked the NDP to stop stealing from the public. Dennis Nault, a Hydro worker, one of the presenters who was intimidated last night, expressed fear that the NDP will sell Hydro. He felt that if the government lied about the PST, they could be lying about not selling Hydro. Nobody trusts this government anymore.

So I would ask the NDP: Will they listen to these presenters and reverse their wrong-headed decision about the PST hike?

Mr. Struthers: Well, Mr. Speaker, ain't that something, the member for Charleswood wondering about who it is that's going to sell Manitoba Hydro. I'd suggest strongly it'll be the same group of people that sold MTS in the 1990s.

PST Increase Government Spending

Mr. Stuart Briese (Agassiz): Mr. Speaker, in committee last night, Susan Stein said, and I quote: When does the government say, okay, I've screwed Manitobans enough? End quote.

The spenNDP—the spenDP government has imposed an illegal 14 per cent increase in PST on July 1st. They are now raking in an extra \$5 million a week.

I ask the Minister of Finance: When will he overcome his spending addiction? When is enough enough?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, I very much appreciated the advice that Ms. Stein came to our committee with last night. I thought she made some good points in terms of developing Manitoba economically, moving forward, having a strong economy and strong growth.

Mr. Speaker, that fits in perfectly with what the Royal Bank of Canada had to say about our economy. The Royal Bank of Canada, in its provincial outlook, indicates that Manitoba is maintaining its cruising speed and forecasts sustained real GDP growth of positive 2.7 per cent for 2013, matching the 2.7 per cent growth in 2012.

It's this side of the House that's committed to growing our economy, keeping people working so people like Ms. Stein can flourish with—

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

Impact on Manitobans

Mr. Briese: Mr. Speaker, Susan Stein has three children and a single-income household. This is what she said about building the economy of Manitoba. She went on to say, I live an hour from Winnipeg and an hour from the US—and I quote—I can't shop in Winnipeg—I can shop in Winnipeg and pay 8 per cent, or I can shop in the US and pay zero. End quote.

Will the minister admit today that his \$5-million-a-week illegal tax grab is not only hurting all families of Manitoba but also having catastrophic effects on Manitoba businesses?

Mr. Struthers: Well, Mr. Speaker, again, I appreciate Ms. Stein's advice in terms of building our economy. I wish that members opposite would get on board and help build the economy too, instead of just complaining all the time.

I want to assure people, though, that not everybody shares the doom-and-gloom approach that members opposite have when it comes to building Manitoba. Building infrastructure is important to protect Manitoba families. It's important to put people to work, and it's important to building our economy. University of Massachusetts Amherst found that for every \$1 billion spent on infrastructure, that creates 18,000 jobs—18,000 jobs in Manitoba that shop here in Manitoba and support

small businesses, just like our government, who took the tax on small business from 8—

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

Municipal Amalgamations Impact on Manitobans

Mr. Stuart Briese (Agassiz): Mr. Speaker, Susan Stein is the CAO of Plum Coulee. She is struggling to make ends meet with her three children and one income. She said, not only are they taking my money, now they want my job. The spendDP are not only taking an extra \$1,600 a year out of her household budget, they are now threatening her job with forced amalgamations of municipalities.

What advice does the Minister of Local Government have for Ms. Stein, who says she'll probably have to move to Saskatchewan to find work as a municipal CAO?

Hon. Ron Lemieux (Minister of Local Government): You know, Mr. Speaker, you know, I had the pleasure of being last night at committee, and many of the well-spoken, articulate individuals that came forward spoke on how important infrastructure and how important the PST is to their families and how the leadership of this Premier (Mr. Selinger) has really come to the forefront. The leadership to take a PST to apply to infrastructure, to apply to critical infrastructure that Manitobans need, was really heard over the din of the howling coyotes that we heard all night. And members opposite were there clapping to some of the comments that were made that were really disrespectful.

* (14:10)

But having said that, the true leadership shown by this Premier, it took a lot of political courage to do so, Mr. Speaker, and it's something that we respect—

Mr. Speaker: Order, please. Order, please.

Point of Order

Mr. Speaker: The honourable member for River East, on a point of order?

Mrs. Bonnie Mitchelson (River East): Point of order, Mr. Speaker.

I believe that I just heard the minister in his response call presenters howling coyotes at committee last night. Would he stand up and apologize?

Mr. Speaker: Honourable Government House Leader, on the same point of order.

Hon. Jennifer Howard (Government House Leader): I believe what I heard the minister say was liken the noise that was coming from across the way that was drowning out the answer that he was trying to give to the noise of howling coyotes. I think that is what I heard the minister say. Colourful, as usual, Mr. Speaker, but certainly no reflection on any of the presenters last night.

Mr. Speaker: On the point of order raised by the honourable member for River East, I did not hear those words, although the level in this Chamber was getting quite loud and I may have missed some part of it.

So I'm asking for the co-operation of all honourable members, please keep the level down so that I can both hear the 'ans'—the question posed and the answer in response, because I may miss something that is considered to be unparliamentary and I want to be able to make rulings on that should that occur. So I'm asking for the co-operation of all honourable members, please keep the level down so I can hear both the questions and the answers.

* * *

Mr. Speaker: Now, I believe the honourable member for Lac du Bonnet had a question.

PST Increase Referendum Request

Mr. Wayne Ewasko (Lac du Bonnet): Mr. Speaker, Mr. Brian Kelly, along with many of the other presenters at the Bill 20 committee meeting last night, referenced the fact that the NDP MLAs ran in the last election on balancing the budget without raising taxes. They have breached the public trust by misleading Manitobans and are now collecting \$5 million per week from the illegal PST hike.

Mr. Speaker, I ask the government to do the right thing, pull Bill 20, respect Manitobans and call a referendum.

Hon. Stan Struthers (Minister of Finance): Mr. Speaker, I thought Brian Kelly's presentation was very respectful. It was very clear, as Mr. Kelly always is when he comes to speak to us. I listened intently to the advice that Mr. Kelly had.

I don't believe Mr. Kelly would want our government to inflict upon the people of Manitoba \$550-million worth of across-the-board,

indiscriminate cuts like the member for Fort Whyte (Mr. Pallister) has put forward. I believe Mr. Kelly believes we need to grow our economy, not throttle back on our economy as members opposite would do.

I very much appreciate the advice that Mr. Kelly has brought forward and, Mr. Speaker, we will assure Mr. Kelly and every other Manitoban that we are not the party that's going to cut deeply into health care and education as the member for Fort Whyte—

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

Mr. Ewasko: Mr. Speaker, Mr. Kelly gave advice to this government on how they should have moved forward. They should have told the truth to Manitobans in the last election by being up front with them. They should be transparent and table the new list of specific infrastructure projects and delay Bill 20 to give Manitobans a say.

Will this spendDP government obey the law, listen to Mr. Kelly and the thousands of upset Manitobans and call a referendum?

Mr. Struthers: Well, Mr. Speaker, I can assure Mr. Kelly and every Manitoban that we will follow the same process as was followed last year and the year before and the year before, the same process that the Tories followed in 1993 when they expanded the PST to include baby supplies, the same process where they brought forward their budget where they announced the date by which that PST would be expanded and then three months later at the end of July brought forward a budget put—enacting the very measure, the tax that they brought in earlier that spring. I can assure Mr. Kelly that he can count on that process and he can—and I appreciate—

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

Mr. Ewasko: Mr. Speaker, Mr. Kelly received correspondence from the Minister of Finance and from his NDP MLA. Both made claims about the PST funding being for infrastructure, but then quickly shifted to funding the key ongoing operating costs of the NDP government. This spendDP government is taking in \$5 million per week in the illegal PST hike.

I ask the Finance Minister today: Will he apologize to Manitobans and call a referendum?

Mr. Struthers: I want to thank members opposite for reminding Manitobans on a daily basis about our

contributions, our investments in infrastructure in Manitoba as a result of the 1-cent-per-dollar increase of the PST. I very much appreciate their efforts in that task, Mr. Speaker.

I will point out that, if they want to square the circle on this, they may want to also inform Manitobans that every week their cuts cost \$10.5 million or \$17.44 every second.

PST Increase Legality Concerns

Mr. Cliff Graydon (Emerson): Mr. Speaker, Jake Bergen owns a coffee shop and follows the law each and every day. He's not paid to collect the PST; however, if he's one day late he's fined—10 per cent of what is owing. So if he owes \$4,000, that's \$400 that he's fined immediately. He's concerned that the PST increase is illegal and the spendP are forcing him to break the law.

Mr. Speaker, did the minister pay a 10 per cent fine for the late payment to Assiniboia Downs when he broke the law?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, I thought that Mr. Bergen made some very good points concerning our approach to apprenticeships and our approach to education and training. He was very supportive of us moving forward with 75,000 new jobs between now and the year 2020. He told me that he would work with us in order to accomplish that goal because Mr. Bergen wants our economy to work, to move forward and to progress, not be cut back by \$550 million but—like the member for Fort Whyte (Mr. Pallister) has said. He said it. The member for—

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

Mr. Graydon: Mr. Speaker, the minister needs my hearing aids.

Jake Bergen believes in democracy and he and the rest of the presenters last night could see that the spendP do not. Jake made it clear yesterday that he believes the NDP hate democracy and would rather take away the rights of Manitobans and break the law at will.

Mr. Speaker, the Premier (Mr. Selinger) is illegally collecting \$5 million a week. Can he advise the House today as to what rights he's going to take away next and what laws he plans to break in the future?

Mr. Struthers: This coming from a group of people who rigged an election, Mr. Speaker. This coming from a group of people who opposed this government not so long ago when we banned corporate and union donations. This coming from a government—from an opposition that stands every day and complains about public financing of elections and then collects public financing in every rebate in every one of their ridings every year, year after year, election after election.

We don't need any lessons on morality from people who break the law and rig elections.

Referendum Request

Mr. Graydon: Well, Mr. Speaker, there are those on that side that shredded part of the law.

Jake Bergen operates his coffee shop in the most responsible way possible and, unlike the government, he can manage his finances. He said last night that the spendP government has mismanaged the finances of Manitoba so bad they shouldn't be given a second chance.

Mr. Speaker, will the Premier confirm that the Minister of Finance is out of chances and stop breaking the law and call a referendum?

Mr. Struthers: Well, Mr. Speaker, what would help somebody who's running a small coffee shop in rural Manitoba is a government that would take that person's taxes—small business taxes from 8 per cent down to zero per cent.

There's a couple things that would hurt a small coffee shop in rural Manitoba. One would be that if the members opposite had their way and they initiated \$550 million in cuts right across the board indiscriminately to every department, including Health and Education, Mr. Speaker.

* (14:20)

The other thing that would hurt a small coffee shop in rural Manitoba is if the member for Fort Whyte had his way and he privatized health care, turned it into a two-tier system, a for-profit system. That would hurt employees and employers—

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

PST Increase Manitobans' Response

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, yesterday at public hearings Jeff Eyamie

came out and made a compelling and articulate and passionate presentation on Bill 20.

Jeff is the Manitoban who's credited with starting up the No PST Hike Facebook page. Almost 2,000 Manitobans have already joined the page to protest the NDP's illegal tax hike. Comments on this site lambaste the government for not consulting the public, not abiding by the law, not holding a referendum and not waiting until the bill has passed before starting to collect the tax. Jeff said the NDP has treated Manitobans with contempt.

What does the Minister of Finance have to say to Jeff and the almost 2,000 Manitobans on this Facebook page who find him in contempt?

Hon. Stan Struthers (Minister of Finance): Well, first thing I would say to Mr. Eyamie is thank you very much for coming out and giving us advice, Mr. Speaker.

I would say to Mr. Eyamie thank you very much for telling the committee that he doesn't necessarily disagree with the PST. He agrees that it should go to infrastructure. I think that's very wise on Mr. Eyamie's part. I agree with him on that.

I—and that's why Bill 20 specifically says that the money that we raise through this 1-cent-on-the-dollar increase will go directly to infrastructure, directly to schools and hospitals so that Mr. Eyamie can count on the kind of services that he's come to count on in Manitoba, a Manitoba that would be vastly different if the member for Fort Whyte (Mr. Pallister) had his way and cut deeply into health care and deeply into education, Mr. Speaker.

Mr. Friesen: Well, Mr. Speaker, it's obvious the Minister of Finance should have listened more closely to the presenters yesterday at committee.

Jeff Eyamie told the committee that Manitobans continue to find and join the No PST Hike page because they are so angry and offended with the additional money Manitobans will pay this NDP government as a result, \$5 million per week.

He says the Facebook page has attracted many former supporters and NDP voters, including himself, who have walked away from the party because of their arrogance and their lies to voters in the last election. He says they feel betrayed by a government that acted without integrity, without accountability, without honesty and hiked the PST. And he resays that they contacted their MLAs and received no replies.

I ask the Minister of Finance to—

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

Mr. Struthers: Well, the member for Morden-Winkler (Mr. Friesen) is incorrect. Mr. Eyamie said on record that he had a very good conversation with the Minister for Advanced Education. Mr. Speaker, they had a discussion about the PST. They had a discussion about the infrastructure where that PST is headed. So I would ask the member opposite to make sure he gets his facts correct when he comes into this House.

Mr. Speaker, the—Mr. Eyamie also, I would think, since he is concerned about growing our economy, he is concerned about investing in infrastructure, I think he would be quite alarmed when it would be pointed out to him that every week—each and every week—\$10.5 million would be cut out of front-line services, front-line services like nurses and—

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

Mr. Friesen: You know, Mr. Speaker, I would invite the Minister for Finance to actually friend the page and find out what it says for himself, because Mr. Eyamie used his time to convey some key concepts that had been posted and discussed on the Facebook page, concepts like restoring the PST to 7 per cent, affirming the taxpayer protection act, implementing new laws about MLA accountability.

Mr. Eyamie said the NDP broke their word and that their PST hike amounts to a breach of trust and a breach of contract.

I ask the Minister of Finance: How does he plead to the charges that these voters have been betrayed?

Mr. Struthers: Well, Mr. Speaker, Mr. Eyamie came into the Legislature last night, he came into a very warm committee room, he waited a substantial amount of time to make his presentation; the very least that members opposite could do is correct the man—is quote the man correctly. They shouldn't be just cherry-picking the kind of statements that would fit into their political narrative.

I know that Mr. Eyamie is concerned about infrastructure, Mr. Speaker. I know that he wants that infrastructure dollar, that cent on the dollar, to go towards critical infrastructure in this province.

And I know that Mr. Eyamie would not support the member for Fort Whyte when he takes 10 and a

half million dollars of cuts out of our front-line services to health care and education on a weekly basis.

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

Healthy Baby Program Update

Hon. Jon Gerrard (River Heights): We learned today that less than one quarter, 22 per cent, of women on assistance, only 18 per cent of women in low-income areas and only 21 per cent of teen moms have been included in Healthy Baby's community programming.

A decade ago it was already known that the NDP had designed the program in a way that failed to reach the parents who were most in need.

I ask the Premier: How has he managed to miss more than three quarters of the parents on social assistance when the government knew the names and addresses of every single one of these people?

Hon. Greg Selinger (Premier): Mr. Speaker, first of all, all folks on social assistance, especially single parents, now are eligible for the National Child Benefit which the members opposite—*[interjection]*—worth about \$500 a month, over \$50 million a year, and the members opposite refused to make it available. The members of the Progressive Conservative Party refused to make it available to anybody on social assistance—is now universally available.

People are also eligible for a Prenatal Benefit. They are also eligible for a home visit and access to a nurse.

And, of course, we would be interested in expanding these kinds of supports for early childhood development. We'd be interested in expanding these supports for early childhood development, which is why I wish the member from River Heights, the Leader of the Liberal Party, would vote for one of our budgets when we put more money on the table for children and families.

Low-Income Manitobans Access to Programs

Hon. Jon Gerrard (River Heights): Mr. Speaker, people may be eligible, but if they're not getting the programs, they're not working.

I support the Healthy Baby programming. It's a concept which is fantastic, but the fund—

[interjection] Just—the fundamental issue is that this province has been running a program for 12 years to help mothers. More than three quarters of the parents who need this program are not getting the support.

My question to the Premier: Can he tell us how many other programs he's running that are also ineffective in reaching those in need?

Hon. Greg Selinger (Premier): Mr. Speaker, the Prenatal Benefit is available for 4,500 young expectant mothers in the province of Manitoba. It's a very unique program, and it's one that is offered across Manitoba regardless of where people live in the province, regardless of which communities they live in.

And the member opposite asks us which other programs. He was a member of the federal government when the Canada assistance program was wiped out. That wiped out daycare at 50-50 from the federal government. That wiped out social assistance and back-to-work programs that were funded 50-50 by the federal government. That wiped out 50-50 funding for legal aid in Canada, and that wiped out the requirement of every provincial government participating in the program to provide the necessities of life.

We're restoring those benefits. We're putting more help into young families from the date when they start to have children, and we will continue to do that. And I haven't even talked about the expansion of daycare.

Mr. Gerrard: Mr. Speaker, the proof is in the outcomes.

Evelyn Forget, a noted Manitoba economist, recently commented on the startling and disturbing fact that while the health and well-being of the most prosperous 80 per cent of Manitobans is improving, the health and well-being of the least prosperous 20 per cent of Manitobans is decreasing and getting worse under this government. And this is because the government is not delivering programs effectively.

I ask the Premier: How will he ensure that his government's departments actually work together to ensure that Manitobans who need it actually get the help and services they should have been getting for the last 12 years?

* (14:30)

Mr. Selinger: Again, Mr. Speaker, one of the things that I'm sure the member's aware of—he raises the question, how will we ensure departments work

together? We have—we're the only province in Canada which has legislated a Healthy Child Committee of Cabinet where all members get together on a regular basis, break down the silos across government, deliver housing—and we're building a record amount of social housing in Manitoba. We've got one of the better minimum wages in the country right now; I note the member opposite consistently opposes that. We're expanding job opportunities throughout the province of Manitoba, because the best ticket out of poverty is an education and a job. We're expanding apprenticeship opportunities. We're increasing the percentage of young people that graduate from high school from 73 to 83 per cent and we have University College of the North and we're going to build hydro and create thousands of more jobs in Manitoba.

I only wish the Leader of the Liberal Party would stop supporting the Progressive Conservatives in their agenda of cutbacks and privatization and join us and build a better province of Manitoba.

Grand Beach Provincial Park Expansion

Mr. Gregory Dewar (Selkirk): On today's—on the front page of today's Winnipeg Free Press, there's a photo with the caption, the heat is on, and the photo shows a grandfather and his grandson cooling off in beautiful Grand Beach.

I do think I believe I heard the member for Steinbach (Mr. Goertzen) said he's eager to put his Speedo on and come up to Grand Beach for a swim. *[interjection]* I am—Mr. Speaker, I'm afraid I'm having a hard time getting that image out of my mind.

But, Mr. Speaker, this park receives over 400,000 visits per year and we know that it's important to continue to improve the park experience.

My question to the Minister of Conservation and Water Stewardship: Will he inform the House of our government's recently announced upgrades—

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

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): Whoa. What a way to leave for the weekend.

I was very pleased today to be able to announce, along with the Canadian Parks and Wilderness Society as well as the mayor for St. Clements, that

we're going to ensure that Grand Beach becomes even grander. We all know in this House that Grand Beach is the greatest freshwater beach in North America, and we're going to make sure that it can only offer greater amenities going forward.

We're going to replace that derelict hotel, Mr. Speaker, with a waterfront family picnic area, a plaza, a natural children's play area. We're going to invest in an entry plaza that will indeed make the beach and the boardwalk accessible to all Manitobans.

And as well, we'll be investing about half of the \$4 million announced in waste water to help save—

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

PST Increase Impact on Seniors

Mr. Ian Wishart (Portage la Prairie): Everyone's disposable income took a hit over the last weekend with the 14 per cent increase in the PST.

Seniors on fixed incomes, in particular, took a hit that will force them to look for savings elsewhere in their budget. This government expects seniors on fixed incomes to make do with less dollars.

Why can't this government look to its spending habits rather than taking more every second from Manitobans with this increase in the PST?

Hon. Stan Struthers (Minister of Finance): Well, I wonder, then, Mr. Speaker, why this member voted against Budget 2013, which put in place the path forward for seniors in having them removed from property—education property tax. That's a real benefit for seniors. That's an absolute benefit for seniors, and that member voted against it.

Mr. Wishart: Mr. Speaker, I'm sure that the minister or the member opposite actually knows that not every senior owns property and therefore not every senior benefits from that tax credit.

This government clearly enjoys its announcements and its ribbon cuttings, but those struggling to get by on limited and fixed incomes, this 14 per cent increase in PST has a more real impact than all the ribbon cuttings in the world.

Mr. Speaker, how can this government justify its tax increase to those on limited and fixed incomes?

Mr. Struthers: Well, Mr. Speaker, this member opposite would know, too, if he's at all interested in

helping seniors, not only should he not have voted against a real benefit in terms of the education property tax, but he would also—probably should sit with his leader and ask his leader what is going to be the impact to seniors when we—when—if he gets his way to move towards a for-profit, private, two-tiered system of health.

Does that mean, then, that they will—that they'll have to pay for home care services, which they have free now?

Does that mean that they would have to pay for cancer drugs that this government has provided for seniors free of charge?

Does that mean that the best Pharmacare system in the province—

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

PST Increase Legality Concerns

Mr. Reg Helwer (Brandon West): Given that the Minister of Justice (Mr. Swan) has broken the law by voting for a PST increase prior to holding a referendum, will the Attorney General of Manitoba ask the Crown to press charges against the minister? But wait—wait, Mr. Speaker; they're the same person. Is that a conflict of interest?

Did the Attorney General of Manitoba recommend to his Cabinet colleagues that they could break the law with the PST increase and collect \$5 million per day—per week from hard-working Manitobans?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, why would it be that this member opposite, who represents Brandon West, support—to support a leader who, if he had his way, would take 10 and a half million dollars per week out of the front-line services of Manitoba—why would he support his leader who is going to do deep cuts?

And why would he support a party that mocks—that mocks—this government and other governments for investing in flood infrastructure, flood infrastructure like the Brandon city council is doing as we speak? The Brandon city council is putting together a plan to protect people who live along Kirkcaldy Drive, and that member mocks any government that puts money into preparing Manitobans for the next flood. That's irresponsible.

Mr. Speaker: Time for oral questions has expired.

MEMBERS' STATEMENTS

Principal George Heshka

Ms. Melanie Wight (Burrows): It's my pleasure to rise in the House today to recognize an outstanding individual in our community. George Heshka has been the principal of Sisler High School since 1980.

In those 33 years, Sisler has transformed into an innovative institution with award-winning programs in career exploration, youth entrepreneurship, women in trades, robotics and self-directed learning.

Under his guidance, Sisler became one of 63 schools recognized by Microsoft as a Pathfinder School in 2011. Sisler is ranked one of Canada's 10 best schools and the best all-around high school by Maclean's magazine.

Known as Manitoba's largest school with nearly 1,900 students, Sisler is also cited as one of Canada's most multicultural schools; 43 per cent of its students were born outside of Canada representing nearly 25 countries.

As one can imagine, being responsible for such a dynamic and diverse group of students is no easy task, but George Heshka has demonstrated extraordinary leadership and dedication in ensuring that each and every one of his students receives a first-class education.

George Heshka is known as a visionary leader in the heart of Winnipeg's North End. Last year, George received the Queen Elizabeth II Diamond Jubilee Medal. This year, the University of Winnipeg awarded George an honorary doctor of letters for his dedication and commitment to his students and his community.

It was my honour and pleasure to nominate George for the Order of Manitoba. And, Mr. Speaker, it is the pride of Sisler High School and our city that George Heshka will be officially invested into the Order of Manitoba on July 15th.

George's influence on his students is immeasurable even after they leave high school. Thousands of young people are Sisler graduates, and without George Heshka they would not have achieved the measure of success that they have.

Thanks to him, Sisler stands as a defiant champion, providing quality education to the next generation of leaders.

There is no question that George is an inspiration to us for all his brilliance, passion for excellence and a love and respect for his students that has transcended generations.

Mr. Speaker, I ask the members of the House today to join me in recognizing, celebrating and congratulating Principal George Heshka on a lifetime of achievements and as the newest—

Mr. Speaker: Order, please. Order, please.

While I can understand and appreciate members, in their delivering of their member statements, I'm finding that there's an increasing incidence of members greatly exceeding the time allowed for members' statements in the House. And it appears that I may have to have a meeting with the House leaders to have further discussion on this point.

Now, the honourable member for River East.

* (14:40)

PST Increase

Mrs. Bonnie Mitchelson (River East): I heard the Minister of Finance (Mr. Struthers) today in the House say, why did you vote against the 2013 budget? Well, I think we've made it pretty clear. We voted against the 2013 budget because it increases the PST from 7 per cent to 8 per cent. It's not rocket science.

And we would never support a government that lied to the people of Manitoba before the last election and said that they weren't going to raise taxes, that raising the PST was nonsense. And what have we seen? Last year's budget increased the PST or broadened the PST to many services that weren't included before, and this year they raised the PST by 1 per cent.

Now, what does that mean to a family of four? To a family of four that means an extra \$1,600 out of their pockets, into the coffers of a government that doesn't know how to manage the finances of the taxpayers of Manitoba.

And it's a shame—it's a shame that we have to stand here and vote against a budget, and I don't ever want to hear the members across the way asking why we voted against the budget. I can't be any more clear. Let me make it perfectly clear. We voted against a budget that picks Manitoba taxpayers' pockets once again by a government that has a spending addiction that is out of control.

Manitobans and taxpayers, hard-working taxpayers, deserve much better than a government that will lie to them and say anything just to get elected.

Thank you, Mr. Speaker.

MLA Peacekeeper Awards

Ms. Sharon Blady (Kirkfield Park): I had a wonderful time this June visiting my neighbourhood schools and meeting with some exceptional young people. This year I was pleased to be able to present MLA peacekeeper awards to bright, deserving students at all nine schools in Kirkfield Park.

The MLA peacekeeper awards are awarded to students who show a commitment to peacekeeping through non-violent conflict resolution, co-operation and the principles of fair play in the classroom and at school. Schools nominate students who they feel embody these values and then at the school's year end—end of year graduation or farewell, I have the opportunity to congratulate them and present them their award in person.

In a world where violence is increasingly glorified, it's wonderful to recognize young people who actively work to promote peaceful conflict resolution in their school community.

Congratulations to all of the award recipients, including Jessica Boiling at Westwood Collegiate, Jaden Lakie and Michaela Hamm from Winnipeg Mennonite Elementary and Middle School, Oliver Peace and Desiray Leon from École Bannatyne, Madison Bewer at St. Charles Catholic, Tarik Zeid and Marissa McNaughtan from Bruce Middle School and Chase Hornby from Lincoln School.

The leadership skills students develop now stay with them their whole lives. These leaders of tomorrow truly embody what it means to be a peacekeeper.

Thank you to all the schools for inviting me to their graduation and farewell ceremonies, and I hope all of our hard-working students have a relaxing summer.

I will be out canvassing as much as possible, and my office will also be hosting two barbecues in July and August that are open to all Kirkfield Park residents. I hope to continue meeting many more exceptional people in Kirkfield Park.

Thank you, Mr. Speaker.

Triston Grant

Mr. Stuart Briese (Agassiz): Mr. Speaker, 18 years is a long time to go without winning a championship in the sport you love, but for Neepawa's Triston Grant, it was well worth the wait.

Triston has made his community proud every step of the way. Triston is a member of the Grand Rapids Griffins, the American Hockey League affiliate of the Detroit Red Wings. In his eight years of pro hockey, Triston has made appearances with the Philadelphia Phantoms, the Milwaukee Admirals, the Rochester Americans, the Oklahoma City Barons and the Grand Rapids Griffins of the AHL, and has made NHL appearances with the Philadelphia Flyers and Nashville Predators.

This year, Grand Rapids advanced to the Calder Cup finals and Triston was a key part of the team. In the finals, Triston added two goals and an assist, leading the Griffins to their first Calder Cup in their 17-year existence, defeating the Syracuse Crunch in six games. In addition, this was the first championship that Triston has won in his professional career.

The team also had another Manitoban and Westman connection with Brandon's Brett Skinner being on the team as well. The two local boys played against each other growing up and now have the unique opportunity to play professional hockey together.

Triston hopes to bring the trophy back to Neepawa this summer and celebrate with the community he grew up and played minor hockey in. He also expects to sign a new contract with the team, hopes to win another championship next year.

The entire community is proud of Triston and is looking forward to welcoming him home and celebrating with him.

Mr. Speaker, I would ask all members of this House to join me in congratulating Triston on winning the Calder Cup this season. I wish him luck next season. I hope to be able to see the Calder Cup when it comes to Neepawa this summer.

Thank you, Mr. Speaker.

Chocolatier Constance Popp

Ms. Deanne Crothers (St. James): Manitoba's reputation is growing beyond our borders, thanks to some of our local community leaders. Constance Menzies, better known as the chocolatier Constance

Popp, is a local businesswoman who presents her premium artisan chocolates at international events and raises the standards of excellence in our food industry.

Constance Popp makes her chocolate of the highest quality, using fair trade and ethically sourced products whenever possible. Her unique creations, including the Manitoba red beet truffle which was presented to Queen Elizabeth II, are often inspired by local ingredients.

One of her bestselling products is the Manitobar, formed in the shape of our province and created with many locally sourced ingredients, such as Manitoba Harvest hemp seed nut, Manitoba flax, and Eco-Farms sunflower seeds. Chocolatier Constance Popp is internationally recognized for excellence and, to date, Constance has won many awards for her artistry and for promoting Manitoba's reputation to the broader community.

Constance also maintains a successful business while committing to remain socially and environmentally responsible. She proudly hosted Fair Trade Manitoba's first ever Carrotmob last March. Carrotmob seeks to bring attention to ethically made products available in Manitoba and then reward businesses that are already making ethical choices by giving them more business. Constance Popp chocolates are all sold in either compostable packaging or in beautiful wooden boxes and purses handmade by local Winnipeg artists.

Constance's rigorous standards and community involvement are carrying Manitoba's good name and her reputation to a worldwide audience. She—sorry—her chocolates were served at the 2009 Toronto International Film Festival, the 2010 Golden Globes in Los Angeles and the Vancouver 2010 Winter Olympics.

Mr. Speaker, congratulations to Constance Menzies for her well-deserved success. Her artistry and determination is a welcome addition to the Winnipeg small business community, and I wish her all the best in her future endeavours.

Thank you.

House Business

Mr. Kelvin Goertzen (Official Opposition House Leader): On House business, Mr. Speaker.

Mr. Speaker: On House business.

Mr. Goertzen: Although, if there was ever a time for a point of order on reflections of members it would have been before, I think, Mr. Speaker.

On House business, then, Mr. Speaker.

Mr. Speaker, in accordance with rule 31(9), I'd like to announce that the private member's resolution that will be considered next Thursday is the resolution on equal access to services for all Manitobans, brought forward by the honourable member for Lac du Bonnet (Mr. Ewasko).

Mr. Speaker: It has been announced that in accordance with rule 31(9), that the private member's resolution to be considered next Thursday is the resolution on equal access to services for all Manitobans, brought forward by the honourable member for Lac du Bonnet.

* * *

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): Yes. To table my supps. I wonder if there's leave of the House to revert to tabling of reports. I regret I was hypnotized by the petitions.

Mr. Speaker: Is there leave of the House to revert back to tabling of reports to allow the minister to table, I believe, it's supplementary Estimates. *[Agreed]*

TABLING OF REPORTS

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): So I'd like to table the Supplementary Information for Legislative Review, the Sustainable Development Innovations Fund and for Conservation and Water Stewardship.

Mr. Speaker: I thank the honourable minister.

ORDERS OF THE DAY

(Continued)

GOVERNMENT BUSINESS

Hon. Jennifer Howard (Government House Leader): Mr. Speaker, would you please resolve us into Committee of Supply with a reminder for the House that Committee of Supply will also meet tomorrow.

Mr. Speaker: As a reminder to the House, when we resolve into the Committee of Supply, the committee—with the understanding that the committee will also be meeting tomorrow morning.

We'll now resolve into the Committee of Supply as listed on today's Order Paper.

Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

INFRASTRUCTURE AND TRANSPORTATION

* (14:50)

Mr. Chairperson (Mohinder Saran): Order. 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 Infrastructure and Transportation.

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

Mr. Ralph Eichler (Lakeside): I believe that when we left off the other day we were talking about the lawsuit in regards to the First Nation, and I was talking about the Peguis cost rebate and a few other issues.

I want to come back to Peguis in regards to—if I remember correctly, we were talking about flood mitigation and what was available for the people of Peguis in regards to flood protection and what the Province's plans are for future flood prevention within the Peguis area.

Hon. Steve Ashton (Minister of Infrastructure and Transportation): Just before answering that question, I did undertake to follow up on some questions the member asked at the last session of committee, and I can indicate we have 132 engineers within MIT. I can also provide a detailed background, the different classifications: EG1, 25; EG2, eight; EG3, 27; EG4, 31; EG5, 26; EM1, three; EM2, there are eight; in EM3, there are four. Again, a total of 132.

In terms of Peguis, the one area that there has been action on by the federal government is with the relocation of 75 homes that are particularly prone to flooding. There's been no further commitments. There are a number of recommendations that have been in place. I know certainly Peguis itself would like to see some form of a floodway, but even short of a major project of that nature, there are a number of areas that were identified that contribute towards flooding such as low-level crossings, improved drainage within the community. So there are a number of things that could be done. Again, the only action that we've seen from the federal government thus far has been on the moving of the houses. They

haven't been moved yet, but they're in process. I think, as the member knows, it's a bit more complex on First Nations.

Mr. Reg Helwer (Brandon West): I just have some questions with respect to flood reparations in Brandon still from the 2011 flood. We have a number of evergreen trees on First Street that have been damaged and were destroyed by the flood, about 30 evergreens on the boulevard there north of the bridge, and I'm wondering if the Province has any plans to repair or replace those trees or deal with them, just let them die. What is the Province's plan?

Mr. Ashton: Just for clarification, is that within the city itself or is that—

Mr. Chairperson: Member for Brandon West.

Mr. Helwer: That is on provincial highway, north of the bridge over the river, the divided part. The trees are right in the middle on the boulevard.

Mr. Ashton: Which street?

Mr. Helwer: First Street North.

Mr. Ashton: I'll get a response back. What we've been trying to do in the committee is if we can't get the answer immediately or [*inaudible*] time, you know, even sort of four or five minutes back and forth with staff, we'll get the detailed response.

Mr. Helwer: Follow up on that if there are plans, if we have an estimate of costs and time as well, that would be of interest to the community. Obviously, you've heard from Riverbank as well that they had a million-dollar estimate to not replace trees but to deal with damaged trees along the riverbank, and that was turned down, I'm told by EMO, and they are looking for some guidance on how they can deal with that issue because those trees will fall into the river and float down and cause damage as they go along, but they have no money to deal with any of that. Is there any plans for the Province to become involved in that aspect?

Mr. Ashton: Again, I'll follow up and get the details and I'll try and undertake to do that tomorrow.

Actually, I want to indicate to you again our deputy minister on the EMO side is not at committee currently because of the other responsibilities she has, but I'll get a response.

Mr. Eichler: I maybe should change some of my topics as well that has to do with EMO. Would that be the right thing to do, Mr. Chair?

Mr. Ashton: The deputy minister from EMO will be here as soon as Local Government is completed which may be as early as this afternoon, but certainly we've got all of the relevant staff here from MIT so if that's of any help.

Mr. Eichler: Thank you. I do want to—and I'm not sure exactly who's all here to answer this question.

* (15:00)

But the federal government announced \$100 million, I believe, for flood mitigation. What project was used to match dollars for flood mitigation, or is that a department that maybe we shouldn't be looking at right now either?

Mr. Ashton: No, I can answer the question.

The—first of all, if the member is referring to the \$100 million we have received from the federal government, that's actually an advance on DFA payments. That is, you know, is basically an advance on what we will eventually recover from DFA. As the member knows, there's a sliding scale. We will be eligible for up to 90 per cent recovery on some costs going back to 2011.

In terms of overall flood mitigation, as the member knows, in Manitoba we have always relied on strategic funding for flood mitigation. If you actually go back to the history of the floodway, the federal government was a key player. The actual—the first report after 1950 flood recommending a significant action plan was actually funded entirely by the federal government. The then-administration of the day put forward a study. The Roblin government then moved ahead with cost-sharing from the federal government on a strategic basis. The floodway, the Portage Diversion and the Shellmouth Dam were all cost shared under that framework.

The reason I'm saying that is because that set the template. In '97 you saw a very similar situation. We received a report, 2002, on the two options. We chose the enhanced floodway as a response to the '97 flood. That was cost shared by the federal government. We also—strategically, again—we also had the \$130-million ring dike program cost-shared with the federal government. All of these were done strategically.

The federal government has indicated that they have put money into a—the budget for mitigation. The money that we're talking about would likely be allocated on a per capita formula, which is problematic for us. We're 4 per cent of the

population, but we're not 4 per cent of the flooding, for example. And we, during the 2011 flood, did engage—certainly I did with my counterpart and the Premier (Mr. Selinger) and the Prime Minister—on the immediate impacts for flood mitigation. And it was a commitment from the Prime Minister for 50-50 funding in terms of, you know, projects and, of course, that's outside of the DFA-eligible projects.

So we, now—we're, you know, if the member wants me to get into sort of where we're at with Lake Manitoba, Lake St. Martin, for example, on some of the other initiatives, you know, we've got the report. We've adopted the report, we've committed to the two main priorities, which is the Lake Manitoba outlet, Lake St. Martin permanent dike.

And we will, obviously, be approaching the federal government for a strategic cost-sharing. That's been the tradition, again. And we think that the case is strong because we have ample evidence that mitigation works. We estimate now that the total avoidance of flood damage is probably around \$38 billion from the floodway. So that's where we're at in terms of our relationship with the federal government.

And I don't want to, sort of, leave the wrong impression with the \$100 million. You know, that is an advance that we've received. It's not unusual for, you know, the process to take some time. I think it was about 10 years before all the books were closed on the '97 flood. And it does take a considerable period of time, but, obviously, our approach is to get the money out to municipalities, people, businesses and producers that need it and then it just takes some time to claim it back.

Mr. Eichler: On the 4 per cent calculation, what steps has the First Minister taken to negotiate a change in that at their First Ministers meeting that they meet twice a year. Has that discussion come forward?

Mr. Ashton: The First Minister has had numerous discussions with the Prime Minister going back even prior to the 2011 flood, and, of course, you know, we had to deal with, you know, the follow-up to 2009, as well. But our position has always been that we see an importance of having strategic infrastructure program and, dare I say, we're not alone. I think you're going to see it coming out of Alberta. A very significant push there for federal cost-sharing.

And just to put it in perspective, by the way, Calgary has a one in 25-year flood protection;

Winnipeg has one in 700. Series of reasons why that's happened but it's mostly the Manitoba way and, you know, if you go back to the history and development in the 1960s, prior to the 1960s we had no sales tax, no flood protection. We now have both, and without getting into the broader debate, it's pretty much our thinking in terms of future flood protection as well.

And, of course, having a strategic commitment from the federal government, you know, plays a key role for any province.

So we're anticipating Alberta will be very interested in the kind of discussions we're having, because he—even with their somewhat larger population, again, relative to the need, you know, mitigation should be based on need not on population.

Mr. Eichler: Up until recently, I guess, the larger part of that overall calculation, then, would be spent more in Ontario. Or is there a limited amount of money that's set aside? I'm not quite familiar with how that calculation's based. If the member would care to elaborate on that I would certainly appreciate being educated a little bit on that, the way that works.

Mr. Ashton: Well, the key to any overall program that is not strategic is not in the best interests of Manitoba, to make that clear. Because again, we want to make sure that it's targeted to actual need and dare I say that we just went through 2011, 2012, we had flooding this year.

We have a report that's identified billion dollars plus of potential expenditures; we've committed already to what, you know, the initial estimate is in range, about \$250 million for the additional outlet for Lake Manitoba and the Lake St. Martin permanent outlet.

So our position will continue to be to push for what—funding the floodway, which was then the Diefenbaker government, which continued in the '60s I guess with the Pearson government at the time. And more recently we had the initial funding committed by the Chrétien government for phase I of the floodway expansion, which was later confirmed by the current government, the Harper government. So we have—we got ample track record per—to point to.

We also have an asset now, Hamon [*phonetic*], he will be around, we'll find out, but a lot of rumors. But having Vic Toews as the—you know, the minister

responsible for emergencies across Canada has been, I think, a huge asset for Manitoba. He gets it, he represents a community that knows it directly and he's Manitoban. He was a Cabinet minister here during the '97 flood, so he's seen what a major disaster is like. So we're continuing those discussions.

Probably the key thing I want to stress, though, is we're not waiting on the \$250 million post-2011 recommendations. If we're going to do the work we have to do the engineering work; we've done some preliminary work already, we're doing engineering work as we speak. We've got to get the environmental approvals, so we've started that process. And then you have to build it. And the kind of time frame we've got identified is quite expedited.

For any ongoing project, obviously, in an emergency we're able to do the outlet from Lake St. Martin more quickly. But outside of an emergency situation we're going to go expedite it, and at the same time we're getting the project work done we're also going to be working with the federal government on cost-sharing.

Mr. Eichler: Is there—what is the set dollar amount then based on that calculation that we're going to be expecting this year from the federal government, of course, and then for next year? Is there a calculation that—and amount of money that would be coming to the Province of Manitoba for flood mitigation?

Mr. Ashton: Currently, in terms of the \$250 million, there's been no commitment by the federal government, to be fair, but the it's been identified by the reports—report has been released. We've identified it's a priority, you know, so obviously they will have to go through their processes.

*(15:10)

What they announced, actually not this budget, the previous budget, really, it was a positive move in the sense that, you know, having anything in their budget for mitigation is good, but for Manitoba what matters is DFA, which deals with ongoing disaster-fighting costs. It's important that we have that 90 per cent cost-share. It's important to provinces like Alberta right now; it could be important in, say, British Columbia if there was an earthquake, and the other one is having strategic investment infrastructure.

So, what we're—what our approach is with the federal government is on a case-by-case basis. We approached them; we did during the 2011 flood. We

got a generalized commitment. I want to stress, for example, the emergency outlet, our position is that that's—it should be 90 per cent cost recoverable. It was for emergency purposes, not—it's not a permanent asset, will actually cost us a fair amount of money, actually, to turn into a permanent outlet. So it's—even that, you know, supports why what we did was just on an emergency basis. But our approach continues to be to do what needs to be done for flood mitigation and, on a parallel basis, work with the federal government on strategic cost-sharing.

Mr. Eichler: The studies that's done, I believe, by KGS, are they part of that mitigation dollars that would be allowed to be spent, or is that all the Province's cost?

Mr. Ashton: Well, initially, it's the Province's cost but, you know, technical reports are part of the project cost, certainly with the floodway. I mean, I can speak from experience. I have been minister responsible for floodway expansion. Those are legitimate costs that could and would be cost-shared. They were for the floodway expansion. We'd anticipate that for any future mitigation projects, yes.

Mr. Eichler: Could we just walk through the timelines? I know, you know, the government's announced that, you know, the outlet on Lake Manitoba is a priority. Seven years just seems like an awful long time. Could we get some type of understanding why it's going to take seven years to get that project done? It just seems, you know, like a long ways away.

Mr. Ashton: I can say since we're in Emergency Measures issues, too, and this does cover both departments, I want to introduce the deputy minister responsible for Emergency Measures, so we can continue on that line of questions if the member is interested.

Basically, this is not unlike the floodway. You have to go through various stages. You have to design the project. That does take some period of time. You know, you start from a general concept. You then bring it down. We do have some preliminary engineering work that was done during 2011, and that did identify, for example, some of the potential outlets from Lake Manitoba. I think the member will know, you know, from his former constituency—I know it's changed somewhat, but there are—you know, there's a number of potential outlets.

There are a lot of issues that were identified during 2011 that are important as well. We have a great experience now in terms of hydraulic flows, some of the environmental impacts of the outlet from Lake St. Martin, so you have to do that work. You then have to go through an environmental approval process. Obviously, some form of a joint process would be preferable for us. We don't control that. That is up to the federal government but, again, we're going to be making a strong case that we want a thorough review like everyone else, but we want it to be done on an expedited basis. And then, essentially, once you're at that point, you move to construction, and it does take time to construct these kind of outlets.

So, for example, if you take the floodway, I mean the '97 flood took place. The report on the two options was basically received in 2002, if I remember correctly. By 2004, we moved to—actually, you know, the selection of the project which was the floodway expansion. We then engaged with the construction industry and we completed the project in 2011, I think, operational—2009, with some of the—yes, the capacity was there in 2009. We've completed further projects over the last couple of years.

So the kind of time frame we're looking at is very similar. It's—it would be a major undertaking. I wouldn't underestimate what a \$250-million project would be, so it takes several years of work. It's not much different, by the way, I mentioned about the equivalent of the floodway expansion. Take a hydro dam. Hydro dams go through much the same sort of process. Right now, Keeyask is being—you know, is being built, the camp's being built. It will take a number of years before it's in service. So it's very similar.

When we say it's being done on expedited fashion, this really—you know, outside of an emergency situation, this is basically, you know, a very expedited, very aggressive schedule.

Mr. Eichler: Before I let some of my colleagues ask a few questions, I just want to come back to that so I'm very clear on the flood mitigation dollars that come from the federal government. Are those—any of those dollars allowed to be transferred to the following year?

Mr. Ashton: Again, they have a—they put a generalized budget in place. The flood mitigation dollars that we've been dealing with are based on the bilateral agreement we had with the Prime Minister. And on the special projects, we're talking about the

strategic projects, again, we're going to follow the same approach we have with every other major project, which is direct negotiation.

So, notwithstanding, they did put some, you know, funding in their budget. We have been—dealt with, you know—there was some recognition in 2011 in specifics. The Prime Minister was very clear on the 50-50 commitment in terms of some of the mitigation projects that were necessary during the flood and going into the flood. So, basically, it's not coming from a fixed budget. What I reference, by the way, is that that was their generalized intent with—you know, with that specific budget, but relying on a bilateral basis, our position is strategic. That's the history. That's the reality for Manitoba and it's going to be the way we continue to deal with things.

Mr. Ian Wishart (Portage la Prairie): I'd like to ask the minister a couple of questions regarding the condition of the Assiniboine River control structure, the one that crosses the Assiniboine River at Portage la Prairie. Has it had a recent engineering report on it and to—as to its condition?

Mr. Ashton: There—the member be—may be aware there's an engineering report that, I think, goes back 2001—ACRE's report that identify a number of initiatives. We were actually moving ahead 2010-11—that was delayed by the flood. And, again, I mean, there's been a lot of other priorities we've had to deal with but there are some upgrades that have been identified, so the member's quite correct, there has been an engineering report and there's been a identified need for upgrades.

Mr. Wishart: Well, thank you, Mr. Chairman, and the minister, for that response.

So they'll be a—is there pending design to do an updated study on the condition of that bridge? And following to that, there is a road used to cross the top of the bridge that local community uses quite extensively when it's open, and it hasn't been open much, actually, since 2011. What is the intention in the long term? Will that be put back into use after the diversion is out of use for this year?

Mr. Ashton: Yes, maybe what I'll do, and I guess similar to what we've done with other questions, I'll pull up in terms of the road, you know, rather than waste too much back and forth, you know. And what I was going to suggest is, you know, we'll provide a series of questions, perhaps even as we proceed. I can write a series of answers, you know, in terms of the details.

* (15:20)

Mr. Wishart: Thank you to the minister. I would certainly appreciate an update on what the long-term intentions are. Is there—and associated with that, has there been any changes in the operating guidelines for the Assiniboine River structure or the Portage Diversion structure since 2011 and, if so, what are the new ones?

Mr. Ashton: Well, the operating guidelines remain unchanged and, in fact, current operations and operations during the spring have been based on the ongoing operational guidelines.

Mr. Wishart: Thank you, Minister, and we will certainly appreciate any follow-up on that.

Does the minister have any idea as to, with the flows that are available—flow information that's available on the Assiniboine River—how long you expect to have the Portage Diversion back in operation, as it's been reopened recently.

Mr. Ashton: It's all weather dependent. As the member knows, there's been a very significant precipitation to the west, including in our province, but also further west, and that's what's operating currently and it will all depend on the weather over the next period of time. And, given some of the instability in the weather we've seen and some of the very high precipitation levels, I don't think anyone can necessarily predict, you know, what the trend will be. But that's—the basic operating plan right now is to continue operating over the next period of time. I think we're—yes, we're certainly going to be seeing a couple weeks more, you know. That's assuming normal weather.

Mr. Helwer: I did duck into the Local Government Estimates, and they suggested I couldn't ask my questions there, but they would send the deputy minister over here so she might be able to respond to them. With respect to 1st Street North in Brandon—north of the bridge, south of the North Hill—there are some trees that have been damaged by the 2011 flood and are dead or deteriorating, and the people around there are asking if they will be taken down or replaced and if there is an estimate of time and costs.

Mr. Ashton: Yes, as I thought, and I actually just confirmed it, I think there's some issues with DFA eligibility. It's—you know, DFA's a federal-provincial program, doesn't deal actually with landscaping issues. It does deal, in some circumstances where you have a, you know, a threat to public safety, et cetera, and I'm assuming if, you know—and again, I

don't usually comment on specific DFA claims because there is a arm's-length appeal process and I don't want to, you know, prejudice that appeal process—that if there has been any issue it—that would have been the basis. DFA covers damage to property and certain other costs, but not landscaping costs in general. So the member did make reference to it being rejected by EMO. I'm assuming that is a DFA claim and, again, that's based on federal-provincial guidelines that cover similar situations across the country.

Mr. Ron Schuler (St. Paul): Well, it's always a pleasure to be in this committee, and sorry that I woke up the member from Point Douglas—and great to be here. I'd—very 'fon'—many fond memories of discussions with the minister, especially the time I commented to him that many people were driving through Glass on the way to Anola and didn't know it, and he was nice enough to put up the name of the town Glass—the sign back up again, and appreciated him doing that.

I do want to raise the issue about the Ol' Lamplighter on—sort of the corner there, in Dugald. We've done a lot of work on that corner, the minister's department with the Canada infrastructure program—and it was a much needed program. It was way overdue because of the traffic coming through and, unfortunately, the Ol' Lamplighter, he—and that would be Bud McIvor—got caught up with his business in a turning lane.

And could the minister tell us, have we got any resolution on that particular issue?

Mr. Ashton: I can indicate—I know the member has raised this. I've had it raised directly in my office. We're working with the community and the municipality on a solution. Certainly, the impact on the particular business has been identified. There were some reasons why that was the plan of action for the department, but we are trying to see if there are other options that can deal with the traffic issues without negatively impacting on the business. So I appreciate the member raising the issue and I will keep them in the loop on further developments.

Mr. Schuler: Yes, and this all started—the construction on that corner—it all started when we did a petition out about that particular intersection and the stretch of highway from Dugald going into the city and the bridge over the floodway—I'm sure, most members still would know the petition that I read into the Hansard for two years by heart—so we were really pleased to see that all being developed.

What it wasn't intended to do was to hurt businesses. And at no point in time had we indicated that, you know, we didn't want access for the Ol' Lamplighter and somehow he got caught in that. We understand that there have to be certain things done to these intersections. It is a very high-traffic area and we appreciate that. If the minister could work with Bud McIvor. You know, the intent wasn't to put him out of business.

And I know the minister, with his staffperson, has done amazing work on this, and I do want to recognize that the minister's assistant has done really good work, and I want to thank him for it and appreciate all that. The minister has been, again, very open to the fact that his intent was not to harm this business but to make the intersection work as best as possible. So I'd like to say to the minister and to the department, the intent was never to hurt this individual's business, so what can be done to accommodate him, I think, I would appreciate it.

I've spent some time with Vic Toews's office, who was instrumental in helping with the funding of this intersection, and I know that Vic who—Vic Toews, who happens to be the Member of Parliament for that area, too, also did not want this to be something that would hurt a business owner and become an unwitting victim of this.

So, if the minister could just—you're sort of—help us on this process and give some comfort to Bud and his family and his business, I think that would be appreciated.

Mr. Ashton: Well, there is the proverbial road that's paved with good intentions, and I'm sure that's the spirit the member brought forward with the petitions here. In the spirit of the work we're doing in the area, it's not an unusual type of situation that we've run into. One of the more difficult issues we deal with anywhere in the province is access, and our staff takes it very seriously.

Appreciate the comments about my special assistant—did get out and meet with the—check out the affected area, and I always appreciate MLAs raising issues on behalf of their constituents. Been there; done that. Well, I should say, been there; doing that.

And I think the member's raised a legitimate point here. We're trying to find a solution and I also want to credit, actually, the department; I think they're being creative in the best sense of the word.

Mr. Schuler: Yes, first of all, and I absolutely apologize to Kurt Penner. I had one of those

moments where I forgot his name, if you can believe it, and he's sitting right here—I can't believe it—so I want to apologize to him. I should've put his name on the record.

And to Kurt Penner, who has done a lot of work on this and to the department, first of all, the intersection is great. It was about safety of children and about school buses crossing that corner. And when we did the survey, the response was just unbelievable and when I took it to Vic Toews, he then started the discussions with the Province and got the project going. And then we ended up doing the next intersection, a light and the new bridge over the floodway.

So—but again, I apologize to Mr. Kurt Penner for not having clicked his name. It's—I think it's the heat or something. I'm not too sure what it is.

Anyway—appreciate what the department has done on those intersections. They look very good and they were absolutely necessary—it was absolutely necessary. If you ever sat at that traffic—at that stop sign and tried to get across to get into Dugald School, it was a disaster waiting to happen.

So, we appreciate what all of those did to make that intersection work, but let's try to do something for the Ol' Lamplighter. And I would ask the minister if he would task his department, try to make this work for the guy. You know, the point wasn't to put businesses out of work.

* (15:30)

So—and I'll raise the next issue. Our good friend, Alice Capri, has mentioned this in letters and emails, and I've passed it on to the minister. And I know he work—he's worked on it somewhat, and that has to do with the train crossings. We all want to have commerce going, and I understand that, by and large, it's supplying fuels to the Esso tank farm, and, you know, we don't want to deny anybody the right to do business; however, we understand that sometimes these trains run at some seemingly very odd hours of the day. And I've sent all this to the minister.

For instance, she had sent me an email, which I passed on: Friday, May 6th, 2011, around 3:30 a.m., the train came into Birds Hill, left around 5:30 a.m. and made a heck of a noise.

And, you know, during the day, they might blow their whistle, and you hear it, but it's not quite as powerful as 3:30 in the morning. I'd like to ask the minister: Is there anything that can be done about

this because I don't think people have a problem with commerce taking place. And, again, it's not a regular route. This is not a train track that services east-west, that you'd have it on a regular basis where trains come down. This is just sporadic. And, you know, out of the blue, all of a sudden, the train starts blowing their whistle at 3:30 in the morning in the backyards of homes—is just brutal for residences.

Could the minister comment?

Mr. Ashton: There's a whole series of issues. I think the member's identified the balance, you know, in terms of trains. There's a number of issues here in the city of Winnipeg right now. It's under federal jurisdiction. There really is very limited role for the provincial government, but, you know, we can and we will undertake to pass on some of the concerns that are there. It's certainly in the interests of rail companies, I believe, to minimize impacts on local residences. And, you know, certainly we've done some work through infrastructure funding and cost-sharing with municipalities. I look at Winnipeg in terms of, you know, underpasses, both completed and in the works, that also deal with a lot of these type of issues.

So there's not anything we can do directly, but I certainly understand the concern of people, especially if it's 3:30 in the morning, and I think it's something that obviously major rail companies should be aware of.

Mr. Chairperson: Member for Lakeside.

An Honourable Member: And just to the minister, if he remembers, I—

Mr. Chairperson: Member for St. Paul.

Mr. Schuler: —and I'll just refresh his memory. The Esso tank farm is actually not open at 3:30 in the morning. So why are they shunting cars around at that time in basically a residential area, is the question. I believe it's CEMR railway, which is, if I understand correctly, a provincial shortline. It's regulated provincially; however, I understand the rules for crossing are federal rules. And I will endeavour, now that the minister has tweaked my interest here, that it's something that should probably also be raised with the Member of Parliament, and I will do that as well, if he will as well.

So appreciate his comments on that, and I guess it's going to be one of those files we'll be working on for a while.

I think, considering that the railway is an intermittent, it's not something that's regular that, you know, you get used to it after a while. Mr. Chairperson, 3:30 in the morning, I understand there was another one. It was on a long weekend. I think they were blowing through early on a Sunday morning or something like that and that just, you know, maybe that's just something we have to pull all the parties together and have a discussion with the railway. But appreciate the minister's comments.

Mr. Ashton: And thank you for raising it. Also, I should indicate, too, I do have my EMO deputy minister, but she's double tasking. So I don't—are any further EMO-related questions? I guess that—I guess Local Government's still going, right?

Mr. Chairperson: Member for Lakeside.

An Honourable Member: We can deal with some DFA-detailed questions because we have—

Mr. Eichler: We can do them tomorrow.

Mr. Schuler: Next issue, I understand the minister has already received correspondence on this. It has to do with the Oakbank Catholic Church, and I understand they want to move it because currently it's in a flood plain. I don't know if the minister remembers the issue, and can the minister tell us, is there—has he had a chance to review the file or?

Mr. Ashton: I'm intrigued actually. Perhaps I'll ask the member to, like, detail some of the issues related to it.

Mr. Schuler: And this has been sent to the minister, and what I will do is, I'll endeavour to see to it that it's done again and, you know, rather than take up valuable time here at committee. I have just two more issues so I want to make sure I get through them before I get the hook here.

We got another request from a constituent. It's Bill Kachur of Kachur Sand and Gravel, and we did send this on to the minister, and what it is, is due to rolling hills, gravel pit traffic and train on the two-lane roadway, there have been many near misses and accidents. Gravel trucks must stop for oncoming traffic, which is a given. Impatient motorists and gravel truck operators frequently try and pass on the shoulder of the road, which has two residential driveways with children. Trucks entering the gate must cross over a double, solid painted line. Could the department consider erecting a truck-turning warning signal on the shoulder of the north side of the roadway?

And what it is, is that the trucks are waiting to turn and others are sweeping around them on the shoulder, and there are two driveways right here and a vehicle pulling out of the driveway might just think, oh, well, you know, the truck's going to turn. In the meantime, I'll turn out of the driveway and not see another truck or a vehicle passing him on the other side, and I know this is one of those enforcement issues, amongst other things, but it was raised as a serious concern. And I don't know if the minister's had the opportunity to have a look at it. This was just sent earlier on in the month. I don't know if he has had a chance to look at it.

Mr. Ashton: Not directly. I can indicate there have—the department's aware of numerous similar issues on that road, and it's—I know the member knows this from his constituency. It's not unusual where you have various types of traffic intermixed. It's often quite challenging to deal with, but I will undertake to look at the details on this and my staff will look at it.

Mr. Schuler: Yes, and just to conclude on that, Springfield actually does provide the city of Winnipeg with a lot of its building gravel and sand, and there are a lot of trucks that haul out of there. I don't know what's more dangerous in that area, the gravel trucks or all the deer on the highway, but it's—Garven Road is a tough road to drive down, and, you know, perhaps if the department could have a look at it, that would be most appreciated and minister has endeavoured to do that.

I'm down to my last two questions.

Whidbey Harbour, I know that we were going to send—and I don't know if we had the opportunity. Whidbey Harbour is on Henderson Highway, and there is no way you can see the subdivision until you're right up close and a lot of cars turn into Whidbey Harbour. There are no lights, no traffic—no lamplights of any kind, and it's a very dark corner, and as it gets more and more busy, perhaps the department could just have a look at that intersection, perhaps even lighting the corner a little bit. Perhaps something could be done there, but we are starting to get concerns. Buses, school buses are stopping at that corner. It's sort of where Pritchard Farm Road comes out and Whidbey Harbour is sort of there, and perhaps if the department could have a look at it because again, Henderson Highway is a provincial jurisdiction so.

Mr. Ashton: Yes, and in addition to what we do on an ongoing basis in terms of these type of issues, there is a new option available in this set of

Estimates, this budget. A \$25-million fund that allows for cost-sharing of capital projects within municipalities because we've had a lot of projects that don't necessarily meet the warrants of the department but are high priorities for local areas.

*(15:40)

So we're not in a position until Estimates is completed and we've, you know, we complete the budgetary processes to actually move on that project. But we do that—have that option available for the municipality if they're interested.

And we've already had a number of municipalities were interested in this particular program because a lot cases you have, you know, what are kind of localized, urban-type issues on the highway system. And, you know, after we're elected we're—you know, we're unable to, you know, to respond to what the communities want. But the cost-sharing option does open up another avenue step; that may be something we could look at for this program.

Mr. Schuler: Yes, and I suspect this is one we'll have to be working on over the next months and weeks, maybe even years, to have a look at what's the right thing to do there. It's just that it—slowly, it's becoming an issue and I know there are a lot of pressures on that one. I'll leave that with the minister of the department.

I do before I ask my last question, which I know the minister is waiting for, it's the standard, I think, running almost 10 or 11 years.

Before I get there, there was a safety issue that I had raised on Henderson Highway, where the highway was washing out by Wallace road, and I brought it right to the minister's desk. I had personally gone out and looked at it. It was serious, considering all the tanker trucks that come from the Esso tank farm and there's a lot of weight on that road.

The department was in there this spring and did a magnificent job. And I actually stopped and the gentleman who was the construction project manager, I don't know if anybody knows him, was incredibly good and laid out 1, 2, 3, 4, 5, these were the problems. Not all of them were highways issue; there was a problem with the culvert a little bit, but there were other issues, like a sprinkler head had come loose and in the meantime every time you turn the sprinkler on, water was washing out, so there were a lot of factors.

And they did an outstanding job, highways did, or the contractor that highways contracted, on repairing that, because that could have been catastrophic at some point in time. A truck could have rolled into the ravine and could have been very, very serious.

And, again, to the department minister through you, I, you know, whoever was—whichever did the work, I—might have been a contractor, even the department themselves, you know, appreciate it because that—safety, again, it's sort of like the—in Dugald, I mean safety is always the first thing when we get to this issue.

So I have one last issue that I want to raise with the minister and it's our favourite one and I hope before I retire as MLA we can get the Highway 59 and North Perimeter overpass. And I'd like to ask the minister, where's the status on that? It is a dog's breakfast, it is a nightmare, it is a disaster. It's just one of those—now with cottage country, this isn't about East St. Paul or Springfield; it's about the City of Winnipeg and especially because you have that dogleg because you have to stop and then you have to turn onto 59, then you have to stop, then you turn back onto the Perimeter. It's an absolute disaster.

I know there's a lot of discussion about the pedway link between East St. Paul and city of Winnipeg over the Perimeter. I don't know if this was going to be tied into it all.

Anyway, if the minister could give us an update—appreciate it.

Mr. Ashton: I'm intrigued by the comments the member made about before he retires. Of course, in politics, you know, the ultimate luxury is when you decide and the voters don't decide for you.

But we did have a public meeting last year on this, to identify the need for a broader focus. The member's identified some of the issues. So we are—we're looking at it, we—we're more than aware of a lot of the pressures in that area. But if you have a simple solution, sometimes you find in the end it's not as simple as it appears. You know, it's far more complex.

So, based on the public meeting and a lot of the feedback that we're received, we are looking at a broader solution in that area.

And I would certainly hope that we would have it done before the member retires, because if not I know he's going to be back at Estimates next year

and the year after, and whoever's minister, we'll keep hearing about it so—which is a good thing.

Mr. Schuler: Is there any current time frame for the completion of that overpass?

Mr. Ashton: Again, it all depends on—

Mr. Chairperson: Order, please. Don't start discussion between each other.

Mr. Ashton: It all depends on, again, with this broader planning that we're into now and some broader engineering solutions. It's an active project so it's, you know, really a reflection of what the department does. We do often identify, you know, from feedback we receive, you know, we have to have a broader focus, look at other aspects. Certainly the kind of feedback we receive from the members is consistent with what we've heard from people in the area as well as the municipalities involved. So, yes, we're—we are actively working on it, you know, I couldn't really give a date depending on, you know, what the final resolution is in terms of the design aspect of it but it is an identified priority for the department.

Mr. Schuler: Yes, and it's also an economic argument because it does have a lot of trucking go through it and the issues I've described over the years where the trucks sweep around and if a load shifts the truck lays itself down, we've had many of those where the—and thankfully no fatalities—the truck laid itself down on its side and they just had to come and clean out the truck and then right it again. But it is a very difficult corner for semi trucks to pull around and I'm sure they'd do anything not to go through that particular intersection just because of how awkward that is. And I would like to encourage the minister and his department—like this has been on the go for I think almost as long as I've been here, in fact, at one point in time about eight, nine years ago they moved a whole bunch of earth into a pile and then promptly distributed it again. It's been on the go and stop and go and stop, and this is not an issue for my constituents as much as this is an issue for the city of Winnipeg, cottage-country traffic and trucking and safety and all the rest of it.

So, Minister, year after year I get the commitment that it's imminent or it's still being studied, and I would suggest to the department this is going to become increasingly a problem for the city of Winnipeg and for commerce. So I will raise it every year. People keep—and it's not just my constituents—people keep saying, you know, how is it

that intersection has, you know, gone nowhere in the last, you know, many years, and it would be nice if we had some kind of a time frame, but anyway if the minister wishes to comment on that or anything else.

I thank my colleague the member from Lakeside for allowing myself the opportunity to at least raise a few issues that are important to my constituents. To the department, we thank you for your professionalism and for keeping us safe on our highways. Certainly now that I have several drivers, young drivers in the family, we appreciate the work effort and all the rest that you do for us, and to the minister.

Mr. Ashton: I thank the member for his comments. I certainly appreciate the ongoing working relationship that's developed between my office, the department and the member and many other MLAs. I think a lot of times people don't see the other dimension if they only see question period. I often wonder, you know, if the aliens came down and saw us in question period they might have a rather different impression than what—*[interjection]* Yes, it is like—it just—*[interjection]* Yes, well, you know, there's the other dimension outside of that 40 minutes, you know, at times other aspects—maybe this—or no, is it this committee or the other committee, whatever—later on today might have a slightly different atmosphere.

But there are a lot of things we work co-operatively on and I do appreciate the positive comments because it's good for the department because they take it very seriously, you know, their role, their—you know, they're working for their neighbours and friends, their family and, you know, so I appreciate it.

Mr. Wishart: I had a couple of highways-specific questions. There is an overpass on the west side of Portage, Highway 1A that comes into Portage that has been damaged for some time and is down to one lane, and I was wondering what the current condition and what the plans for future repairs, replacement might be on that overpass.

*(15:50)

Mr. Ashton: Yes, it's in our list in terms of projects, but given the flood priorities over the last couple of years, I'd—to be very up front with the member, you know, we are focusing a lot on the flood-related issues. It's not inexpensive to fix it. So that is a factor as well. It will be done, but we are focusing on some of the more immediate and affordable priorities coming out of the flood.

Mr. Wishart: I thank the minister for that. I recognize it's not a cheap solution and maybe doesn't have the heaviest usage of all the bridges that you're looking at.

When it is replaced, is the plan still to raise it to a level that we don't continue to have damage occur on it, because it's about the third or fourth time it's been hit?

Mr. Ashton: Yes. The member raises a good point in terms of the design. I mean, obviously, when you have a difficulty—does occur, you have to look at whether there are ways of avoiding it in the future.

Mr. Wishart: I thank the minister. Apparently, some of our American truckers can't make the conversion to metric quickly enough to avoid the bridge.

I did want to—have a question that's somewhat similar to the member for St. Paul's (Mr. Schuler). The interchange at Highway 1 and 16 has been proposed for, certainly, nearly as long as I've been alive—not me, perhaps, as long as the minister's been around.

Do you have any update? I know that there were public consultations a year and a half ago, I believe it was over the Christmas season. The proposal at that time wasn't very well received because it was a sort of an adjusted proposal from the original concept. Where are we at in terms of which proposal is the current one and is there any possible timelines?

Mr. Ashton: Yes, the member's quite correct in terms of a lot of the concerns that were expressed. I know certainly the former member for Portage and the current member have raised that. There's a lot of access issues that were identified as the project proceeded and we are looking at those issues. I think, to be fair, I think a lot of them are quite legitimate. The member's more than aware that some of that area sees significant negative impacts that the original proposals would have had. So we are looking at that.

There are other issues related to the, you know, to the project as well, and that is while there was some initial federal cost-sharing, obviously, the project is much higher costs than is reflected in that cost-sharing, and we are into a new round of infrastructure funding as well. So I'm assuming that will be one of the issues that will also be looked at.

But we are still dealing with a lot of those access issues and I, certainly—and I make this offer in the best sense of the word. I, with the former member, I had the same thing. The current member, I certainly

value his input on some of the issues that were, you know, were identified. By the time we got through to those public meetings, it was pretty clear that there was no—not only no consensus, there was a—I'd say an overwhelming opposition or at least concern from people that would have been negatively impacted, and it's a very similar sort of train of thought that the member from St. Paul put forward earlier. I mean, you have to find the right balance, but in this particular case, clearly some of the proposals would have very negative impact on the economic activity of the producers in that area and we have to find a way that that doesn't happen before we can complete the project.

I also—I have a bit more detail on the Portage overpass the member referred to earlier, and it costs about \$7 million. So, again, that's a fairly significant project. We are looking, over the next number of years—I think we're looking maybe in 2016. We'll add two year—a two-year period. So that gives it some sense of what the current planning is. And it will be raised marginally, but there's a limit to what it can be raised because of the geometry in the design, you know. So that marginal increase may help reduce impacts in the future, but it is, again, it's slotted; it's an ongoing project which is going to be a bit later than you might normally expect.

Mr. Wishart: I thank the minister for that. And, yes, I recognize it's a fairly expensive project, and certainly the—everyone's recommendation is it be raised so that this doesn't happen. It certainly happened way too often.

Regarding the interchange at 1 and 16, at the time of the last consultations, there was a lot of concern about the—generated by the navigable waterways regulations at the time, because there's a river in Baldwin, a small river, in that area. That has been since delisted as navigable waterway, which does actually offer some fairly significant savings from the proposal. And especially in terms of the service-road extensions, which were part of the original proposal, but were not part of the second proposal. And as such, I think, the going back to the original proposal, with these savings involved in it, would make it somewhat more cost effective than it was at the most recent examination.

So I'd be happy to sit down with you and your staff and point those out to you. It's still an expensive project no matter how you look at it because of the railway being immediately adjacent and wanting to do an overpass. You're really building not only an

interchange, but an overpass on the railway at the same time, which makes it a combination project that is quite expensive, and we recognize that. But it is a high-accident intersection and there are many lives lost there. Some even in the last year. So it's certainly an important issue.

Thank you very much.

Mr. Ashton: Yes, and I will follow up. In fact, if the member wishes to contact my office, we'll set up a meeting.

He's quite correct on the navigable waterways. They're delisting—and I'm not getting into the debate whether it's the right thing or the wrong thing to do. It's reality. It does have some impacts on project design; that's also correct. That doesn't change the fact that it's a very expensive prospect as well.

And, having gone through the early stages where there clear local opposition, it was quite reasonable, expressed by residents, you know, producers, and also by the municipalities. And it was high-profile issue, you know, to both rural municipality and the city we're concerned about. Clearly, we are listening on that. I do appreciate the issue.

And it's always hard to figure out how some of these accidents occur. But it just, you know, you can put rumble strips, you can put lights, you can do almost anything, and I think the engineers I've talked to will say that there's a certain element where people get into a mental cruise control. They don't expect to see lights, you know, on the Trans-Canada, or they've come to the end of a trip.

And it's not much different from, you know, I drive eight hours from Thompson to Winnipeg and hit the Perimeter at Highway 6. That actually has—we put lights up instead of stop signs before, because people kept driving right through. We've done all the traffic control elements that are conceivable there, but clearly, you know, the long-term fix is this project.

So it's—the project is still active and, you know, if the member wishes, we'll—I'd really be interested in his feedback on this because, you know, I think part of the delay is the local concerns, and we want to make sure those concerns are included in any potential redesign.

Mr. Eichler: Thank the minister and staff for allowing my colleagues to ask a few questions. Of course, very important to them. Of course, we all

know we want to serve our constituents to the best of our ability, so.

I want to go back to the—I'll stay away from EMO for the rest of the day. We have just barely an hour left. So I'll start off the tendering process.

What time of year are the construction tenders for the proceeding years, construction season, released?

Mr. Ashton: What I'll do, I'll just give a brief update on a previous question and then get—answer it.

And again, you know, given the limited time we have, if the member's okay with that, I hope to do that rather than have, sort of, long gaps.

* (16:00)

The Portage Diversion access across the river, it's closed during operational periods for Portage, identified due to safety concerns with the narrow top and with staff access. It was closed last year during some rehab work. It will be open once the operation's completed. And, of course, the RM was advised of the closure.

In terms of the tenders, we actually provide a list to industry, and also publicly, of the projects in the fall, in November. And the tenders are then released at various different times, following that. But this is—this was a big issue for the industry, and we did listen. We do give an advanced list in advance. And that, of course, goes on top of the fact we do have a highway capital plan, which allows industry to plan ahead on a multi-year period.

Mr. Eichler: Yes, of course, you know, I know the department and staff has been working very closely with the Manitoba Heavy Construction Association, and, of course, their suggestion in the tendering process is that they would like to see it be released by October 31st, with the majority of tenders being awarded by the end of January. Is that an option that the department's looking at?

Mr. Ashton: Yes, a lot of what we're dealing with is dynamics. A lot of the people that are dealing with tenders during the construction period are actually out in the field. I'm talking about our staff. And so they do need some ability to get back in the office and do work, you know, on the—at the actual tenders. So it might be ideal for the industry; it's not ideal for the department. And we do believe that the current process is a good balance. I mean, it's not perfect for the industry, but it gives them considerable—considerably more time to plan than the old system.

I could say, in the old system, we basically used to, basically, put tenders out in spring, essentially capital program; it wasn't, you know, a published, long-term plan. There were some internal plans. And we would basically put out the information, the tenders, really, as part of the budget process. So, we're several months ahead of that on a yearly basis, and we're many years a—you know, light years ahead in terms of having an overall plan.

Mr. Eichler: Of course, the other thing that the MHCA has also recommended, and that's a rolling budget carry 'forwarded' capital expenditure model, which would allow those capital investments to deal without collapsing the funds or 're-apport' them—re-appropriate them. I know that, you know, meeting with the industry from time to time, this seems to be coming up more and more, to allow those companies to be prepared a little bit better. Is that something that the department's looking at?

Mr. Ashton: Well, we did respond. We've had 10-years now, plus work experience, to the main issue that the industry identified, and that was the need for a long-term plan. We put in place Manitoba 2020 vision, which the member for Transcona (Mr. Reid), now Speaker, was the chair of that. We committed to a long-term plan, and we're not only on track, we've exceeded that, that plan, in terms of the financial aspect. That was probably the biggest issue for the HCA, was getting some sense of, you know, how much paving work, how much gravel, grating, you know, how—what, you know, what the general lay of the land was. And we're continuing to work on that basis.

I do want to indicate that our capital numbers are up dramatically, as well. I mean, pre-'99, we were looking at about 85—as little as \$85 million in effective capital. This year, on new and existing roads, we're at 486. So, there's been a significant increase that's even exceeded the 10-year plan. And there's anticipation of, you know, continuing further investments in infrastructure. Without getting into the broader debate, which we will have at other times, on the budget and tax measures, et cetera, we're anticipating some historic levels on infrastructure spending over the next number of years. And this year is a clear example of that.

So, really, the main concern in the industry was amount of investment, and we've addressed that, and also having a long-term plan, and we've done that. And, in addition to that, getting tenders out earlier and we've done that as well.

Mr. Eichler: With respect to the capital investments, on page 133 of the Estimates book, we see a decrease of about \$13.8 million in the capital investment side of things. Why is that?

Mr. Ashton: –not sure what page the member's referring to.

Mr. Eichler: It's the capital investments from—it's—it was \$650 million; it is now \$636 million.

Mr. Ashton: Yes, and as I pointed out earlier, what the member sees is the trend line here, and I pointed to the fact—obviously, the floodway expansion's nearly completed. We are gearing up, of course, over the next couple years on further flood mitigation.

We've had historic investment in government services capital. Part of that is corrections facilities. Part of that is college expansion: Brandon, Thompson, The Pas.

And what we've also done over the last period of time on the capital side, which I'm very proud of, having just had the opportunity yesterday to see first-hand in my own community some of the impacts of forest fire, we invested \$126 million on brand new water bombers for them which have a 40 per cent increase in payload and, believe you me, are—they helped save War Lake, along with the tremendous efforts of the firefighters and the local, you know, local residents.

And—but the key issue that's identified here, and I just point it again to the fact that we have once again increased highway capital. It's \$468 million. It's historic. It's up from about \$85 million when we came into government. So you see a number of trends.

There's also the overall spending on infrastructure, which is not all included in this department, which is in the range about \$1.8 million this year.

But we, you know—and I apologize in advance; this year there's going to be a lot more construction days—delays on our highways. We're engaging in a historic investment in infrastructure and it's going to continue.

Mr. Eichler: The minister, Mr. Chair, referred to other infrastructure costs, and how much money is transferred out of your department in order to others? For example, from Department of Education, we hear of projects being built there. We hear from Department of Health and hospital infrastructures

being built there. How much money is transferred between departments for infrastructure projects?

Mr. Ashton: This department is responsible for post-secondary education, as in the colleges. It is also responsible for government buildings. It's also responsible, as part of the government buildings, for corrections facilities. So what is spent in terms of capital in the hospitals, you know, the health-care sector or in the education sector is over and above what's spent by this department.

Mr. Eichler: In regards to the penitentiary—women's penitentiary that was just recently built, was there any cost overruns on that project?

* (16:10)

Mr. Ashton: I can get the detailed costs—the final costs. Like any project, you go through various stages of initial estimate, design, and costs and then—and costs and as we proceed maybe I'll get the final costs figure. As the member's aware, it replaces a facility that probably would have to be described as medieval, and it really is a much, you know, it's a much improved facility. You know, it's quite remarkable we had the old facility for as long as we did. It was not inexpensive, corrections facilities generally aren't. There's a lot of cross pressures on corrections facilities right now, including from some of the legislative changes federally. So it's an area of significant focus for our department. But I'll get the specific final costs on the facility probably as we proceed.

Mr. Eichler: Sure, I'd be happy to proceed. On page 39, when we look at the infrastructure transportation details appropriation, the Manitoba Public Insurance had a estimated expenditure of twenty-seven nine in 2013-14, we're looking at—no, why is that, and is this a internal transfer from MIT to Manitoba Public Insurance, or what was that amount normally allocated for?

Mr. Ashton: Yes, as the member is probably aware, MPI now has the responsibility for the DVL, driver vehicle licensing. What this is is just a, it's a different accounting treatment in terms of how they—payment for those services is getting paid rather than sort of a multiple financial exchange. It basically deals with it directly. So it's related to DVL which has been part of MPI's mandate now for probably—it's—which—been the case for eight years. So it's a recommendation here. We just actually do a, just a more direct accounting for it.

Mr. Eichler: Is there a chance or an opportunity that may change back again due to the accounting regulations or is it just now basically going to be run through MPI?

Mr. Ashton: Yes, we—we're operating under the assumption that DVL will continue to be done through—MPI offers some cost savings to the public, not the least of which is related to the computer systems. It offers some convenience, very convenience for the public as well. You know, people have much more flexibility in terms of renewing driver licences now, for example. So it's actually very cost-effective for the public and for government and certainly there's no plans to change that current distinction as well.

The Department of MIT still has jurisdiction over overall policy areas, and I point to, for example, the texting ban. But, you know, you see the DVL side where MPI's involved on the actual licensing, demerits, you know, so that's where the distinction is. So we still have some overlap on issues, but, you know, there is a different role for MPI which will—which we're anticipating will continue, you know, there's no plans to change that.

Mr. Eichler: The driver's licence renewals, that was contracted out, I believe, to Saskatchewan. What's the case now?

Mr. Ashton: Again, that would be a question to be asked to MPI, the MPI minister. You know, we do continue to have, by the way, an official role in terms of documents because we are, you know, we are the authority for the Province, but the operational side is all through MPI.

Mr. Eichler: On page 65, when we're looking at the motor carrier department, the proposed changes in legislation for the motor carriers, what dollar amount is expected to be generated as a result of the changing of the licencing between the T-plates and the commercial plates is anticipated by the department?

Mr. Ashton: Yes, I'll get the member a figure. I can add one qualification, obviously, it depends on the roll out, you know, there's—and your impacts first year, different impacts in following year. So I will get a specific figure probably very shortly.

Mr. Eichler: Just on regards to those fees, is it going to be a two-tier fee system, or how is that going to roll out for those truckers? I mean, some of them are part-time truckers with T-plates and those that are not. How is that going to appear for those wanting to

change their licensing? Which—once the bill comes into effect, how will those revenues or costs for the trucker be seen as a total cost difference between the T-plate and commercial plate? Will there be much of a difference in costs?

Mr. Ashton: Yes, there is a difference in cost. There will be exemptions under the act, as the member knows, for municipalities, the farm sector, et cetera. So it's clearly, then, a fine, you know, that, you know, this shouldn't apply to all situations. But as the member knows from—certainly from the discussions we've had, you have the same vehicles, some of which are plated one way, some which are plated another, some which have inspection requirements and some which don't, and what was quite noticeable was the degree to which the current system is leading to a significant number of vehicles that don't pass even the most basic safety. So this is very much safety driven. Yes, there are some cost factors involved. It's also about levelling the playing field as well. Clearly, you know, the commercial sector, there should be an expectation that everyone follows the same rules, and that's what this does.

So, yes, there will be some impacts—I mean, I'm the first to acknowledge that—on some potential users, but we believe it's important in terms of fairness and in terms of safety.

Mr. Eichler: On page 77, we're talking about the planning, design and property services, planning and design. My question is, is that how many of these contracts that are let out to the public and how many are let out to the city outside the department?

Mr. Ashton: Well, I get detailed information on contracts, generally. If the member—like, that's kind of a standard question, I note, which we can do. I mean, a lot of our—*[interjection]* This is department staff here, but if the member's interested in general contracts outside of what's here, it's no different whether it's on the building side or the highway side or, you know, our work side that we have a blend of both in-house and external, you know, professional services.

So, probably the best way of, you know, if the member's interested in getting any other lists of some of the kind of—well, actually, the full list of contracts that we have currently.

Mr. Eichler: Yes, I would appreciate that. That would be fine.

And just so I'm clear. I understood this department was to design future highway systems,

basically, but it's existing as well as future. Is that correct?

Mr. Ashton: Yes, we, in terms of highways, we do virtually all in-house. Bridges and structures would tend to be more done by contract engineers. So it's a mixture. And, of course, the new road construction on the east side of Lake Winnipeg is the responsibility of the East Side Road Authority. They directly deliver both their own engineering and will be working with the communities to actually build the roads, so it's, you know, bit of a special case, but, generally, that's the distinction. In-house tends to be existing, you know; highways and structures tend to be contracted out.

Mr. Eichler: Again, so I understand it correctly, so a new road like CentrePort Way, for an example, is the—it's the easiest one for me to come up with on top of my head, and when we see a new project like that, is there engineers supported by the federal government or is this a responsibility of the Province in that regard?

*(16:20)

Mr. Ashton: Yes, responsibility of the Province. Basically, we designed the roads. Obviously it was built through contractors. The structures were done with a design-build through a contractor and, you know, the federal government involvement was strictly in terms of cost-sharing, you know, through infrastructure programs.

And that's the case generally. I mean, the federal government, you know, a number of years ago they might have had technical capacity. As I said, they—you know, a lot of people aren't aware of this, but the first report that came out calling for a floodway or other significant structures was actually conducted by the federal government at the day, I think in the early '50s. And the federal government continued to play a significant role right up and through PFRA. Shellmouth Dam and the Portage Diversion are both examples of that.

And I challenge anybody to find the PFRA. Apparently it's been buried—you know, what's left of it is buried in some—

An Honourable Member: Ecological Services Division.

Mr. Ashton: That's where it is. All right, I know. It's kind of a—it's hard to spot. It's disappeared off the radar screen.

And, you know, even with the Shellmouth Dam, with the current enhancement to the structure we're looking at there, the federal government was actually going to be the project manager of that until—when did they pull out—*[interjection]* Yes, I think in 2009. And then they actually pulled out, which is one of the reasons for delay. We've actually had to go back in and take over the project management.

So what—you know, what happens is even though they haven't played a role in the past, now it's virtually always financial, if any involvement at all, or through environmental assessment, and that would include, you know, DFO and other agencies.

We build—we might get some money back. But they don't have a significant role in any of the construction.

Mr. Eichler: Again, just coming back to CentrePort way, for the example. What role did the City of Winnipeg play there as far as the engineering cost and what was the process followed by the City of Winnipeg?

Mr. Ashton: Yes, we did consult with them and—you know, some connecting roads. But it was a provincial project.

Mr. Eichler: I appreciate that, because I've had several indications and I wanted to get it clear, because I was under the impression in some of the conversations that a portion of the engineering was contracted out to the City of Winnipeg. And I just want to be clear that the City of Winnipeg, in fact, had no role played in that.

Mr. Ashton: Yes, actually what happened there, they were working on the 20 up on Inkster road, up to Route 90. So we actually gauged with their consultant on the 20 that was part of CentrePort Canada Way.

So, that—there was a connection, but it was really sort of adding our project onto what they were already doing. We're talking about one kilometre that was, you know, part of the interconnection.

Mr. Eichler: Thank you, I appreciate the clarification.

In regards to the northern airports and marine services, I noticed in the order-in-council there's still a significant amount of money flown to the town of Gillam in regards to maintenance cost and day-to-day operations.

What is the financial commitment from your department and what budget line does that come out of?

Mr. Ashton: Yes, I'm not quite sure what the member's referencing.

Mr. Eichler: I don't have it in front of me, but I understand from reading the order-in-council there's been payments made to the Town of Gimli-Gillam for maintenance. It was my understanding was—it was around \$44,000, I believe. Perhaps I'll have to do a little more research and get back to you on that, but I do have it in my office, but I don't have it with me.

Mr. Ashton: What I should have said, I'm not aware of exactly what it is. If the member could provide us, we'll provide an answer. There are various different, you know, arrangements we have with different municipalities so I'll—if I could get specifics, we'll get an answer.

Mr. Eichler: Certainly, I'll be happy to do that. I should have been more prepared, but I just had it turned to this page and it reminded me that I wanted to ask that particular question.

How much of the medical services is reimbursed from the federal government, in regards to the operation of the runways and municipal airports, or is that a total expenditure by the Province of Manitoba through MIT?

Mr. Ashton: We're responsible for the northern airports which are currently serving remote communities. The federal—ironically, many of the communities we do service are First Nations communities. The federal government has been limited in its involvement, mostly in terms of the occasional ACAP, you know, A-C-A-P funding. But in terms of patient transportation, et cetera, the federal government has its own system, and you know, unless there are local user fees in terms of the airstrips, et cetera, obviously, again, they're the beneficiary of that. Is it a system that could be better for the province? Most definitely. But, you know, a lot of this goes back to history, that if the Province hadn't of stepped in, in the early '70s, mostly during the Schreyer government, nothing would have happened.

What we have done—I just—I'll give the member, like, a 30-second update on where we're at with airports. We've significantly increased the capital investments. We've extended a lot of the runways. We've been renewing the terminals—most recent one

is Red Sucker Lake, and we're now also working on further runway extensions in Thicket Portage and Pikwitonei and one other I should mention on the airport side, which is very germane to the issue of the federal government, is the Wasagamack-St. Theresa Point airport. There was a commitment in the early part of the last decade by the federal government to work on a new airport because these are communities that have huge challenges, particularly during freeze-up. There was another airport on Wasagamack and we are now through—first with our department, now with the East Side Road Authority, working on the road access and certainly, my view as minister, our view as the government, that's—is that's an ongoing commitment from the federal government. We'd like to see it move to *[inaudible]*

The other airport issue you may be interested in is we have a number of other communities that have airport issues, and Pauingassi and Little Grand, we're working with the federal government on an access road that will connect Pauingassi, which does not have an airport, until the Little Grand Rapids which does. So we do work with the federal government, mostly on a project-by-project basis. Overall, it's a—expenditure from the provincial government.

Mr. Eichler: Is there any planned closures? I know we've had this conversation over the past couple of years in regards to one in particular; Shoal Lake comes to mind. I know Lundar's been struggling with their airport. Is there any plans or thoughts about closing any municipal airports—far as assistance from the Province in order to keep those open?

Mr. Ashton: We actually do provide some limited assistance. What is happening with municipal airports, because I met with some of the stakeholders as—and I'm sure the member's aware of this—some areas of the province now, there's renewed activity on a lot of those airstrips. Southwest is probably the best example because of the oil industry. There's also renewed activity, thanks to the STARS program on the health care side. You know, facility transfers in southern Manitoba, which is actually I think it'll help the airports. I mean, on the one hand, initially, it could appear to be a bit of a significant challenge, in terms of increased operation, but it does open up additional business cases and, you know, we certainly would have preferred to see a situation where there was ongoing federal assistance, you know, in the—with the federal government-involved airports, it ended up with, you know, a handful of large airports that were viable economically and a lot of municipal airports that have been struggling.

So, certainly, I would acknowledge some of the challenges they face but, on the other hand, you know, the increased usage does open up some interesting business cases. And the member's aware, I think, of some of the different municipalities, how they've been able to take different approaches, in some cases, you know, through flying clubs, crop dusters. I mean, there's a lot of different uses that often you can plug into.

* (16:30)

And my view is, with or without road access, air, you know, airstrips continue to be an absolute vital connection and we'd prefer to see a more robust support from the federal government. In the meantime, though, we continue to ride some—you know, some operating grants and continue to work with local municipalities on specific issues like medical transport.

Mr. Eichler: Again, I'm looking at page 86 now on the traffic engineering, and the member from the—St. Paul had talked about greenhouse gases, of course, and traffic safety—those types of things—and of course, this falls, I believe, under traffic engineering. And when one looks at the Perimeter Highway and, of course, the safety aspect there and the greenhouse gases, what is the department's criteria they use in order to report back to the Province for recommendations to eliminate greenhouse gases? What does that look like far as a study is concerned in regards pacifically to the Perimeter?

Mr. Ashton: Well, climate change is important on a number of different levels in the department. Our—on our policy side, policy research side we have a very significant focus on greenhouse gases, you know, GHGs. Motor carrier side, we've been engaged in some very positive initial approaches with the trucking industry. They're very interested on it; it's a win-win. I mean, if you can reduce fuel consumption you can often get greenhouse gases down significantly as well.

And certainly there are dimensions to the physical infrastructure itself that can make a difference in terms of greenhouse gases. Obviously, when you have significant flow of traffic that's unimpeded, it does help on fuel consumption. There are—there is the flip side, obviously, as we develop CentrePort, and as more traffic gets routed through the province it may impact on greenhouse gases. But it's not necessarily domestically produced as well. So, certainly, it's something that we're very aware of.

We also do have issues related to alternate vehicles, as well, which we're constantly approached by new technologies, maybe some existing technology that's getting broader use. So that is something that we do look at, you know, factoring in, obviously, safety as well. So it's multidimensional. And, again, on the infrastructure side it's certainly one of the components that our engineers would look at in the design of any particular project.

Mr. Eichler: Still staying with the Perimeter, I know that—you know, we've seen the Capital Region and the bedroom communities grow and—significant growth—and it's—which is great. We're all excited about that, but also it comes with some challenges.

In regards to the Perimeter, I know—I'll just use one example—La Salle, for example, the community there, you know, there's no overpass or access other than taking your life in your hands when you're trying to get on the Perimeter. What changes are the department planning or recommending in the next, say, three to four years as far as some of those bedroom communities like La Salle?

Mr. Ashton: Well, there's a number of challenges in and around the Perimeter Highway and the major highways that lead off the highway.

And I'll start with Highway 75, for example. Our priority there is the hydraulics aspects. The technical work has proceeded quite well, you know, on some proposals that would help us reduce the number of days lost during floods.

But there are other significant projects that can be looked down the line. Probably, you know, a high priority for the truck industry would be a bypass around St. Norbert. It's certainly problematic when the current traffic that goes into St. Norbert—I've talked to the member of St. Norbert about it. I mean, you know—when you're going from 100 kilometers—about 110 down to 100, then you hit 50 some—you know, you're feeding heavy traffic through a residential area. It creates unique sets of challenges.

We are working on, really, what's a historic redevelopment and upgrade at the Perimeter Highway. We've been working on structures. The member asked a question about one of those, but we've been working on structures as well.

One of the key issues—and this is related to CentrePort, you know, Canada Way again. We're actually looking at reducing the number of access

points, rationalizing it, to, you know, for safety issues, and it's easier said than done.

I just will refer the member the back to the previous discussion about the Highway 1 and 16 project—the member for Portage—because you run into similar issues. You know, everybody wants the safety and improved traffic flow, but at the same time, people want their access points. So, you know, there's some significant work done—being done right now on that.

And just on La Salle, we are looking at closing some of the medians and intersections there but looking at access onto La Salle Road itself. So it is, it's one of those ones, yes.

Mr. Eichler: When can—when is that anticipated to take place?

Mr. Ashton: Yes, we should be in the final options in our first—next up, would, depending on the option chosen, be the land allocation and the final design. So it's an active project at the design level.

Mr. Eichler: You know, everybody wants new roads. Everybody needs new accesses to their communities. And, of course, you know, as opposition, and I'm sure you, as a minister in the department, have been 'barded' by—bombaraded with requests. And, of course, you know, the government loves to play the fact back that opposition ask for all these roads and it's actually the same request that you're getting. So we certainly all agree that, you know, we need to see these communities grow and prosper, but it comes with a cost, as we all know.

But I am concerned about the light structures. And I would like to ask the department, in regards to the Perimeter, if there's any plans to eliminate any of the lights on the Perimeter? And look at other alternatives to—how we might be able to regulate that traffic.

Mr. Ashton: Well, I could probably end up by saying, well, you know, I'm warned by my deputy that each interchange is about \$100 million. So you could see that, given all the other priorities—maybe in an ideal world, you would go to an interchange, but, a lot of cases, we wouldn't. And certainly, if we're looking at priorities province wide, 1 and 16 is—the member for Portage pointed out a few minutes ago—would rank, you know, fairly high even compared to some of the situations around the Perimeter, so.

The other issue, you know, I find a lot of people, especially after they've been in the States, come back

and wonder why we can't have all the overpasses and interchanges. Well, let's put it this way: The State of North Dakota gets \$2.20 back for every dollar the federal government takes in gas tax. By the way, a lot of that goes to local roads as well.

And, I would say at the height of the infrastructure funding, and the gas tax money going to municipalities, we might have gotten 50 cents on the dollar back, and, of course, you know, when you fill up with gas, you pay 10 cents a litre plus the GST. So, there's a significant amount of difference between what the feds get and give to us, and what the feds get and give to states in the US. So that's one of the reasons why you'll see the interstate system—they've got overpasses, underpasses, cloverleaves, whatever you want—it's the funding model.

Now, engineers that I work with would probably say that maybe some of them are overdesigned, relative to the population in the area. But, here in Manitoba, we—since we have to finance most of it on the provincial dollar, we do—we have to look at the cost benefit. At \$100 million plus, it would be a while before we got to the point of actually proceeding with interchanges on those.

*(16:40)

Mr. Eichler: I would like to talk about that a lot more, but I do have an awful lot to get through here in the time that we've been allocated, so I'll move on.

But, in regards to the Churchill Gateway Development initiative, there's a fair amount of money there that's been allocated. Could we get some details on what that looks like for the upcoming year?

Mr. Ashton: Well, I can give the member a very quick general answer to what's happening with Churchill right now.

We've been working with the federal government, obviously, and without getting into the politics of it, the changes at the Wheat Board have a very significant impact on the Port of Churchill. There is an interim incentive to use the port. We're working the federal government, obviously. You know, we didn't agree with their move on the Wheat Board, but we are proceeding on the assumption that there needs to be a real focus on Churchill.

I'm convinced there's a lot of potential in Churchill. There's a lot of potential with its traditional function, which is to ship agricultural produce—that's been the focus the last number of

decades—a huge potential for resupply. And the—there has been a task force with the federal and provincial that is proceeding, actually is—they had been working on a number of recommendations that would, you know, would map out Churchill over the next 10, 20 years. As it completes its work and announcements are made, I think the member will see that there's a lot of focus on Churchill.

The biggest investment in Churchill the last number of years has been on the rail line, and we did engage the federal government. The Prime Minister and premier of the day made a commitment to cost-share upgrades to the rail line. *[inaudible]* underestimate how critical that was. There was a bit of a delay in getting it going, but a lot of that work has now been completed. It's made a huge difference on travel times for the passenger train, and it's made a huge difference as well in terms of its reliability for grain and other freight. So a lot of that work has been completed, and I think coming out of this task force you'll probably see some further investments coming up over the next number of years.

This would be a critical year already in mapping out Churchill's future. I'm convinced there's a strong future for Churchill. We're also convinced that, you know, there's a important role for the federal government, and they have been engaged thus far. And, yes, Churchill is a real asset that I think that often gets overlooked, you know.

We've mentioned climate change a few minutes ago. One of the realities of climate change is Arctic shipping is already opening up. The Russians, they see this as a huge part of their future. We may see the northeast passage open up for shipping for the first time ever, you know, for commercial shipping the next number of years.

So Churchill is absolutely, of all places, an asset. The key thing is to get the plan, get the proper governments and get the investments and get it moving into the next chapter.

Mr. Eichler: Certainly, Mr. Chair, I agree with the minister on his comments. I think Churchill is full of opportunities, full of growth, full of a number of issues that can help move Manitoba forward. Of course, with the development of CentrePort, roll that in there, I think we have a great opportunity. Between not only seeing Churchill develop and grow because of that other initiative, I think we have a great opportunity without even getting into the mining side of things and the other issues that—and developments that come in the future, maybe not for

us to see but maybe the next generation. So certainly glad to see, you know, that commitment.

With the rail line, I know I did meet with—believe it's the Burlington Northern folks. Are they putting money into this as well? If so, how much?

Mr. Ashton: OmniTRAX owns, you know, the rail line. OmniTRAX is committed to being part of the cost-share. Burlington Northern, you know, it has some involvements in Manitoba, not with the Port of Churchill.

Port of Churchill essentially, with the devolution by the federal government in the 1990s, is essentially a short line, and it's run by OmniTRAX.

Mr. Eichler: So OmniTRAX, then, how much money have they committed? I believe I did see an announcement. Is the department aware of that?

Mr. Ashton: Sorry. The member referenced an announcement?

Mr. Eichler: I didn't catch that; I'm sorry.

Mr. Ashton: I didn't catch what you said.

Mr. Eichler: And I wore my hearing aids today particularly so I could make sure I heard everything right, but obviously it's not working very good for me.

But, Mr. Chair, what my question was in regards to OmniTRAX. How much money have they committed to the development of the rail line in the next, say, five years?

Mr. Ashton: I can reference the ongoing commitment that was made on that very rail line. They were one third, which is \$20 million, I think. We've spent about \$10 million of that. What may occur in the next five or 10 years may very much depend on the federal-provincial task force which, obviously, OmniTRAX is a key part of that. So there may be further investments. At certain areas, provinces, is that there has to be an ongoing capital investment. That was one of the weaknesses with devolution by the federal government in the '90s, basically that it divested federal government, you know, of a number of involvements, including the Port of Churchill, put some money into capital, not long-term. So we've had to rely on going back, as we did a few years ago, to have a specific targeted investment in Churchill. And that just doesn't work long-term. It needs to be an ongoing commitment.

Mr. Eichler: What's the current number of provincial employees working in Churchill at this point?

Mr. Ashton: Are you referring to MIT?

Mr. Eichler: Yes.

Mr. Ashton: We would have some—provincially I couldn't say, but I can get a number for our department. You know, we do have—there is the road to the airport, there's the highway. We do have some staff there.

Mr. Eichler: I've agreed to let my colleague from Arthur-Virden ask a few questions, so I need to get wrapped up a few more here, and then tomorrow, just for a bit of a heads-up to the department, I'd like to begin with EMO tomorrow first off, if we could try and do that. I don't know if I'll get through my other 30 or 40 questions here, but we'll get through what we can.

On the accommodation cost recovery that's on page 111, what does that come from? I'm having a little bit of trouble wrapping my head around why there'd be a reimbursement to the Province on this.

Mr. Ashton: Simply put, that's the rent from other departments. We basically are the landlord. We have the buildings; they pay rent to us. So it's an internal allocation.

Mr. Eichler: So, is there a portion of that that's reimbursed through Manitoba Hydro?

Mr. Ashton: No.

Mr. Eichler: In regards to the—on page 121, the maintenance of provincial highways and et cetera, what roads are being turned over to the RMs and what cost would be a savings for the Province of Manitoba?

Mr. Ashton: Actually, our main focus is on a specific category of where—currently municipal roads. We're in discussion on assuming responsibility for the—if the member knows the main market roads. They date back to the moving of LGDs to municipalities and some specific recognition that was put in place at that time, the unique nature of roads in those municipalities. A number of them, we believe, meet the criteria for a provincial road. Some of them, for example, provide access to primarily the First Nations communities. So we're actually involved in that.

* (16:50)

We are transferring 241 to Headingley at their request. So there are cases where municipalities actually do ask us, you know, for ability to take over what's part of the provincial road system. But we're

not offloading. If anything, we're, you know—*[interjection]* What's the phrase, uploading? We're actually accepting responsibility for what I think, quite rightly, a number of the municipalities—I know that the member for Swan River (Mr. Kostyshyn) is here. He knows this first-hand, member from the Interlake knows it. There's a number of municipalities that will point to the fact that these roads are very high traffic and probably higher traffic than a lot of our existing PRs. So we are working on that. There'll be some announcements shortly on that.

Mr. Larry Maguire (Arthur-Virden): Two quick questions in regards to some of the bridges in my area. I just wondered if the minister can give me an update on when they're going to restart construction on the Coulter bridge, or have they already since the spring shutdown?

Mr. Ashton: I'll get the detail update as we—what we're trying to do is kind of get the questions and—*[interjection]* Yes.

Mr. Maguire: Can they check into, as well, when the construction will start on the bridge at Hartney on the 21 Highway?

Mr. Ashton: I wasn't clairvoyant, but I kind of assumed that was going to be the next question—

Mr. Chairperson: Member for Arthur-Virden.

An Honourable Member: —and the answer's yes. We'll get a detailed—

Mr. Chairperson: Member for Arthur-Virden.

An Honourable Member: What I was going to suggest, again, in the interests of time, we're going to be back tomorrow, I can get a, you know, get it right on the record. *[interjection]* Yes, if you want to do—you know, for general information, I'll—we've actually had a number of, you know, situations, because—I know what it's like, when I was opposition critic, or opposition member, I—the worst time in Estimates was the dead time, you know, while ministers were getting all the details. We'll get some detail—*[interjection]*

Mr. Chairperson: Member for Arthur—please, let me first recognize member and minister. The member for Arthur-Virden.

Mr. Maguire: In the, I guess, time allocations that you have, then, I'd ask another question in regards to Mr. Neil, Mr. Fred Neil's dairy farm in Hartney. In regards to the disaster financial assistance, I wrote a letter to the Premier (Mr. Selinger) that the minister

will have received a copy of on April the 4th, and it was outlining at that time a request to relook at his situation as it applied under section—or chapter 5, section 5.4.7 of the guidelines for the disaster financial assistance arrangements for Public Safety Canada.

And with the letters of support he had received from veterinarians in Manitoba and Morden at that time, it was felt—and I know the Minister of Agriculture (Mr. Kostyshyn) received this letter as well. We received some support and backing out of those areas, and Mr. Neil has received some funds from his private insurance and other areas.

But on the loss of his dairy cattle, he received half of the value of what those cattle were worth. I think he was certainly not paid for dairy cattle. He was paid for what it might have been for a beef loss in a—by a wolf attack, or something like that, I guess, if you want to put it that way—not for dairy cattle of the production level that he had, at least, anyway.

And since then, he's lost over a hundred head as well, not since April the 4th, but certainly in 2012 and years subsequent to the fact that these cattle were all moved, and he has declarations that that was what caused the—that the move is what caused the death loss.

I'd also like to inform the minister that he's had to sell off another \$300,000 worth of his inventory to stay afloat. And the Premier (Mr. Selinger) indicated that he didn't want to have anybody lose out on their inventory, that we should be able to bring them back to what their inventory was and certainly quota is part of an inventory on a dairy farm, and so are cattle themselves.

And so I urge the minister, I wonder if he can inform me as to—and this would fall under DFA. It's not an MASC claim on this particular situation. This is eligible for federal jurisdiction dollars, as I understand it, and I'm wondering if the minister can tell me if they've applied to the federal government on Mr. Neil's behalf for the claim of the lost cattle and the lost quota that he's had to sell off, which now totals some \$575,000.

Mr. Ashton: I'm not in a position to comment on an individual case, as there is a process for people to follow in terms of appeals to DFA. I stress again, by the way, it's not a matter under DFA, of applying for federal assistance. We have a federal-provincial program that has set criteria. Essentially, the criteria are very clear across the country in terms of it being

coverage for non-insurable damage to property. And there's various cost that are involved in actually the emergency situation, as well; they're involved.

So, again, I mean, any adjudication under DFA is done under the federal-provincial guidelines, and we have to follow those guidelines. Certainly, our staff does and there is an appeal process. I understand there may be some legal action arising out of all that in this issue as well. I'm not in a position to comment on the individual cases.

You know, again, if appeals are still open, I'd encourage people to apply during those appeal processes. And, again, this is pretty much a reflection of the DFA program, which is a national program that has the same standards across the country.

Mr. Maguire: Sure, thank you, Mr. Chair. Yes, I understand that. And I know that it would be under the jurisdiction of the provincial government to wrap this in with a request of the federal government for their share of funds on a number of areas.

But it is a one-off situation. It's the only dairy farmer in Manitoba to ever be hit by this kind of a disaster. The only one in the history of the province to have any more than 40 cows ever moved before. And so it is a one-off. And I urge the government again to—I beseech the government again on his behalf as I've done with the Premier in other Estimates, in Executive Council and others, to look at this situation and find a way to get this back to the point where that the Dairy Farmers of Manitoba can actually help him, because they will if he can get his quota back to—or his production back to that level.

But it's a Catch-22; you have to have cows to do that. He has to have money to buy the cows to get back to the level of production that he would have had, then the Dairy Farmers will give him an extension of quota to get him back to cover the loss of about a quarter of a million dollars that he lost in receipts during the three months that his cattle were off of his farm as well. So, they can't help him until he gets to this stage. So he needs to have that support.

And I'm just wondering if the government has even applied—my only question is: Have you even applied to the federal government for—or made a representation to them, because the process is the Province has to apply to the federal government to get that support?

Mr. Ashton: Well, that's actually not the process at all. What happens is if you have a program that's

declared, and I want to give you some sense, by the way, of how restrictive this is. We had a number of years ago in the Interlake where the federal government refused to cost-share what was standard DFA-type coverage because it impacted on only one sector, the agriculture sector.

You don't apply. What happens is you declare a program, and there's various criteria that go with that; then people apply for eligible costs under that program. And I just want to remind the member that coming out of the 2011 flood, we put in upwards of nine—we had to have nine stand-alone provincial programs, but the federal government has not come up with anything other than standard cost-sharing DFA. Now that's fairly significant at 90-cent dollars on the eligible programming. Every other program has basically been stand-alone, you know, provincial program.

So it's not a question of applying to the federal government. We could apply for anything we want; if it doesn't meet their criteria for DFA, they are not going to cover it.

And we don't apply. What we do is we adjudicate specific cases according to the standard federal-provincial guidelines, and that's why I encourage anyone without commenting on the specifics in this case. You go through it; you apply; there's an appeal process; and there are other aspects involved.

Again, I'm—I can tell you the way DFA works, and it is not accurate to suggest that we simply phone up the federal government and apply on behalf of an individual that may or may not meet the criteria. It doesn't work in Manitoba. It doesn't work anywhere across Canada. That's the way DFA works.

And, you know, again, I would advise anyone that has any issues with the DFA program again to go through the appeal process. That's what everybody else does and that's, I think, you know, that's why we have the process in place.

Mr. Eichler: Sure. Ready to go. Taxicab Board. Could we get a current update on the status of the Taxicab Board?

Mr. Ashton: Easy to answer. That is now a responsibility of the Minister of Local Government (Mr. Lemieux).

Mr. Eichler: That's perfect. That eliminates that.

In regards to the Manitoba Building and Renewal Fund, the government announced its plan to

fund infrastructure throughout the province of Manitoba, and money used from this fund, this is supposed to be funded by the PST. What projects specifically—

Mr. Chairperson: Order. The time being 5 p.m., I'm interrupting the proceedings. The Committee of Supply will resume sitting tomorrow morning at 10 a.m.

ADVANCED EDUCATION AND LITERACY

* (14:50)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to some semblance of order.

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Advanced Education and Literacy. As previously agreed, questioning for this department will proceed in a global manner, and the floor, oddly enough, is open for questions.

Honourable member for River Heights—Oh, honourable minister, you have something carried over from yesterday? Do you mind if she goes?

Hon. Erin Selby (Minister of Advanced Education and Literacy): I just wanted to say that there was some questions that my critic had when we met last that we didn't have the answer to, and I have them now. But since he's not in the room, perhaps we'll save that until he gets back and read those in when he's asking the questions on those again.

Mr. Chairperson: I'm just the guy with the microphone, so as the committee sees fit.

Hon. Jon Gerrard (River Heights): Yes, I think that's a smart idea.

Let me start by talking—asking a question on the capital grants. You've got listed in the Estimates, capital grants for this year of \$11,571,000. I wonder if the minister could provide a list of the projects that are covered in those capital grants.

Ms. Selby: It is mainly the deferred maintenance list. It's a very long list, I'm not sure if the member would actually like me to take the time and I'll just clarify if he does want me to read all of them, but it is a, for the most part, deferred maintenance list.

Mr. Gerrard: If there's less than 10 lists—10 items, but perhaps, the minister could at least read the first 7 and as examples.

Ms. Selby: So just to give an example on some of the ones on this deferred maintenance list: there's a

University of Manitoba fire safety non-compliance at a million; Bannatyne distribution upgrade at \$1.118 million; University of Manitoba fire safety non-compliance, again, at \$679,000; University of Manitoba sewer system upgrades and back flow prevention devices at \$500,000; University of Manitoba stand-by generators, Duff Roblin, \$1 million; University of Winnipeg elevator upgrade for accessibility at \$210,000; University of Winnipeg washroom repairs and upgrades, \$400,000; University of Winnipeg power distribution and power project, Duckworth Centre, \$275,000; UW domestic water boiler replacement at the Canwest theatre, \$165,000; a boiler at the University of Winnipeg, \$155,000; U of W cooling tower fill replacement at \$40,000; and, as I said, it is a rather extensive list.

Mr. Gerrard: And I wonder if the minister could tell us whether all those would be considered infrastructure and eligible for funding through the money being raised by the increase in PST.

Ms. Selby: It is infrastructure, but we would have to check how it's treated under Bill 20.

Mr. Gerrard: Yes, and I would ask the minister if there are other budgeted items which might also be included under infrastructure under Bill 20.

* (15:00)

Ms. Selby: We'll have to get back to the member with some details on that.

Mr. Gerrard: All right.

On page 17 of this Budget 2013 budget papers, there's a list of in-spending on universities, colleges and public schools—which are listed as infrastructure investments—and what's listed is \$228 million for universities, colleges and public schools. And I would ask how much of—you know, what items which would fall under Advanced Education would be included in that?

Ms. Selby: There are three broad categories within that, and one would be the deferred maintenance, the list that we were speaking about earlier. The second would be loan acts at the university, and the third would be new major capital at the colleges.

Mr. Gerrard: And I wonder if it would be possible to provide a breakdown of the new major capital funding at the colleges—and the universities, I presume.

Ms. Selby: So it is a broad list, some new, some flowing over from other years. I could—I can provide

some examples and further examples, if the member would still like.

Some of the money being carried over are for projects like the ARTlab at U of M, Len Evans trade centre, science building, the RecPlex at the U of W. All the new is the deferred 'maintenant' list that we were speaking of earlier. The rest is carried over from other projects.

Mr. Gerrard: And I wonder if the minister can provide the financial breakdown in terms of the ARTlab, the Len Evans centre, the RecPlex at the U of W.

Ms. Selby: We can get that detail to the member.

Mr. Gerrard: Yes, and thank you. And I just wonder if any of what's included in the 228 million on page 17 is dollars which are contributed by private sector donors towards some of these costs. Do you know?

Ms. Selby: No.

Mr. Gerrard: Yes, I think the minister had on the major capital funding—I got the ARTlab, the Len Evans Centre, the rec plaza. What—perhaps the minister could give me the list of the other items.

Ms. Selby: If the member would allow, we could generate that for him, but it will take a little bit, so we won't have it for him right now.

Mr. Gerrard: That's fine.

Now, I wanted to ask as well: I understand that there was a project at the University of Winnipeg was working on which would provide a mix, I think, of student housing, public housing and regular housing. Is this part of a complex? I wonder if the minister can provide an update on what the status of that is.

Mr. Chairperson: If I could just ask the honourable member to repeat the question so Hansard has it for sure.

Mr. Gerrard: Oh, I'm sorry. Yes.

The question related to an effort at the University of Winnipeg to—which has come forward, I understand—to develop student housing, public housing, mixed housing for people who are students but also who are living in the area.

Ms. Selby: Mr. Chair, I can tell the member that these discussions are ongoing right now with the university. Not able to provide details at the moment because we are talking to the university around

several ideas, but if I could just offer, it might perhaps be more appropriate to talk to Housing on this at a further date.

Mr. Gerrard: Yes, I—let me just go back and pick up on one item. When we talked about the funding that was included under the infrastructure, there was the deferred maintenance, there was a new major capital funding and there was a third item which I didn't fully get, and if the minister could provide the details of what that is, plus the estimated cost or expense.

Ms. Selby: Mr. Chair, the third one I was referring to was the college capital, but that's actually under MIT that—they own the buildings.

Mr. Gerrard: Yes, the government has been on a—sort of an amalgamation binge for health-care centres, for municipalities. There's a rumour the government might be considering amalgamating some universities. Is that on the agenda?

Ms. Selby: Oh, Mr. Chair, no. Too warm to ask that question, Jon.

An Honourable Member: All right, I pass it to my colleague from Agassiz, and I think he's got some more questions.

Mr. Chairperson: Thank you very much, honourable member. Honourable member for Agassiz.

*(15:10)

Mr. Stuart Briese (Agassiz): The other day we were talking about the student financial aid assistance, their information system. Now it was my understanding that that particular program was started—was tendered in 2009, and if I remember right, it was tendered at about 13 and a half million or 14 million, somewhere in that range. In 2012, we were told that we were somewhat over that budget. It was at 15 million, and I wonder if you can give me some numbers today on the cost of that project.

Ms. Selby: Before I answer that, I just wanted to ask the member, there was some questions that he had for me last time we met, some particular information on the staff in the deputy minister's office and reclassifications within the department, and I wondered if he wanted me—I have that information now if he wanted me to read any of that into the record first.

Mr. Briese: Go ahead.

Ms. Selby: So the member had been asking about staff in the deputy minister's office, and I just wanted to remind the member that the deputy minister for Advanced Education is shared with Education, and, therefore, of course, his staff is also shared between the two departments.

So in the deputy minister's office there is Debbie Joynt, who is the acting assistant to the deputy minister; of course, Rory Henry, who is the associate deputy minister; Nadine Lambert, who is the administrative secretary, deputy minister's office; and Rachelle Fiola, who is the executive assistant to the deputy minister.

I should have been clear. The last ones that I named, Dr. Henry and Nadine Lambert, Rachelle Fiola are under the Department of Education, and Debbie Joynt is the only one who actually falls under Department of Advanced Education, but, as a shared minister, they're both in the office.

And the member had also asked about a list of reclassifications, and I can tell the member that it—would be a couple of positions from what I'm seeing within Manitoba Student Aid: a senior assessor has gone to be medical grants clerk; systems integrity analyst has gone to be a junior business analyst; a financial clerk has gone on to be reclassified as senior business analyst; information officer reclassified as policy analyst; and the supervisor of input-output reclassified as information co-ordinator.

And now let me answer the member's question he just put to me.

So I can tell the member that we have no new numbers. We will update the member with that information as it comes along, but we are currently reviewing the system as we discussed and therefore there are no new numbers at this time.

Mr. Briese: It was my understanding that the first phase was the, rather the kind of a simpler phase of the project, and I think I remember a figure that was somewhere around \$300,000 or something for that.

Can the minister confirm that the overall project cost was supposed to be \$14.3 million?

Ms. Selby: The \$300,000 that the member was referring to was just the original scoping amount. In 2009 the estimated cost was 14.5. Last year's Estimates, the current number is 15.3, but, as we discussed, we are currently under review of that system.

Mr. Briese: The minister, in response the other day, said something was on time and on budget, and if you're—

* (15:20)

Mr. Chairperson: Order, order. Sorry. I've had a request from the front bench here if the side conversations could go somewhere else. You're dealing with both the Chair and a minister who are hearing impaired. So it would be rather helpful.

Sorry, honourable member, please continue with your question.

Mr. Briese: Talked about on time and on budget, and I'm trying to figure out how if you can't come up with accurate figures you can say you're on budget. You're talking somewhere over \$15 million now and, actually, in 2012 you did put out that number of a \$700,000 increase. I'm hearing that this project is close to \$17 million now and is still not completed.

Would the minister respond to that please?

Ms. Selby: I was referring to phase 1, which was the replacing the credit union banking system which was successfully implemented in November of 2011.

Mr. Briese: Okay, phase 1 was at what price? Refresh me on this please.

Ms. Selby: We will have to desegregate that number for the member. There are some overlaps in phase 1 and phase 2.

Mr. Briese: So you will do that desegregation and you will get back to me with those numbers?

Ms. Selby: We will have to check into a FIPPA compliance issue first.

Mr. Briese: Thank you, Minister. I have some difficulty with that response too.

We did try to FIPPA these numbers and they don't seem to be available, but they are public expenses, out of the public purse. And I find it kind of difficult that they—this same project, there was a requirement in it for yearly audits, and I would think those figures should be at the minister's fingertips. The—as I said, it's public money. Why can we not get those figures?

Ms. Selby: Well, I can tell the member that this is legal advice that my department has received from 'sigal'—civil—'leavil'—legal, rather. There are competitive issues involved and there are contracts that will still potentially be issued.

Mr. Briese: Well, there—as I said, there was a requirement for yearly audits. Those audits, there should be three of them by now. There should be 2010, 2011, 2012. They should be available to the public, at least, if these audits were done. Are they available to us?

Ms. Selby: We're not aware of the audit requirements that the member is referring to, but perhaps it might be a question for Innovation, Energy and Mines.

Mr. Briese: It would seem any time that a department of government is spending 14 or 15 million dollars, there should be some accountability for those funds. And in this case, there doesn't appear to be.

In fact, I'm hearing now that those projections have been overrun by as much as a couple million more dollars. And I would sure like to know where all this money is going. And it sounds to me like you're not prepared to provide those numbers in any way, shape or form. And I'm just trying to figure out, when you're spending public money, why you don't share the figures that are current on this project.

* (15:30)

Ms. Selby: I should just explain to the member that IEM is the one that enters into the contract, it's not AEL, and that the legal advice that we're receiving says that sharing those figures at this time may mean that the prices are higher for other parts of S phase as we go forward.

Mr. Briese: So, minister, will you confirm, then, that you're somewhere over the \$15-million figure on this project?

Ms. Selby: At this point, we are not over that figure, but we are not finished building and testing the system and, as I mentioned in our earlier conversations, that we are still waiting for a full report on that.

Mr. Briese: I'll just ask the minister: How many students in Manitoba are using the Student Aid services?

Ms. Selby: Around 14,300 students, or applications, which breaks down to about 9,348 applications with Canada Student Loan; 8,953 applications for the Manitoba Student Loan.

Mr. Briese: Thank you, Madam Minister. I'm still not absolutely clear on the—I was—you told me the other day you're doing a quality assurance

assessment and a technical review. So what parts of this program aren't there yet? Like you're assessing what's there; I'm not sure of the rationale. Like is it being used and then being assessed to see if you're getting what you want out of it or is it—are parts of it not usable at this point?

The—as I said the other day, we were told a year ago there was a technical review going on, and then you talked about another review the other day.

What is the program in place? Is it all in place and operating and you're just reviewing to make sure it's operating properly, or is there more segments of the program to come?

Ms. Selby: To be clear, we do have an online system in place. Students are using one right now. What we're discussing is a replacement system of the current system. Phase 1 of that replacement system is—was replacing the banking system. That one is up and operational; students are using that right now. So the reviews that we're discussing are reviews for the replacement system, the entire replacement system, not the one that the students are using. Students are using an online service. It operates entirely. They can do everything that is necessary on it. It's just that the technology, you know, like a bridge or a road, becomes dated and does need to be replaced, and, unfortunately with IT technology, it seems to be—it's best before date is a little quicker than a bridge is.

So this is about the renewal plan that we're talking about. But there is a system in place that students are doing. The review is for the renewal plan. However, students are using our—I don't know if original system would be the right word for it—original online system, but also phase 1 of the replacement has been in operation.

Mr. Briese: By the existing system, the minister is referring to the—what was there pre-2010, I presume.

Ms. Selby: Yes, with the addition of phase 1 of the renewal, which is the banking system, is also operational with that original pre-2010 system.

Mr. Briese: And that phase 1 is really a very much a lesser part of the whole system I—my understanding. It's a—phase 2 is the more—the larger part, the more complicated part to put in place.

* (15:40)

Ms. Selby: I guess it would be fair within the realm of IT and, as said, if anything can be classified as not complicated in IT area, it is a slightly less complicated area, but, of course, a very important

component. Coming from someone who, right now, is trying to figure out how to turn on my brand new laptop, I won't say that that was a particularly uncomplicated thing to do. But definitely the next phase that we are looking at is a increasingly complex project, and not only for us. We have seen that there have been challenges with other provinces as well due to the complexity and the fact that the system has to be so responsive to so many different individuals, particular information that they're bringing in and the sensitive nature of it, as well. So we certainly felt that it's important to be extra cautious when dealing with information of sensitivity.

Mr. Briese: I'll move on here. How does the government select the members of the Council on Post-Secondary Education? Are they appointed? Are they—how are they put in place?

Ms. Selby: The board is appointed by government.

Mr. Briese: Would the minister tell us who the current members of COPSE are? And, if I may, Mr. Chair, who the current members are and what organizations they represent and then maybe the length of their terms?

Ms. Selby: Just a clarification. Is the member asking for, sort of, their background and work experience? Is that what he's looking for?

Mr. Briese: No, more so—I expect there will be some on there; I expect there probably is at least one from the student councils or something like that. More what organization, if any, they're representing there or whether they're members, kind of, at large.

Ms. Selby: I should just clarify that members of the Council on Post-Secondary Education's council members, board members, are not appointed to represent any organization. And I can tell you the names of those folks and when their term expires.

So, starting with Curtis Nordman, whose term expires on June 30th of 2013; Ken Webb expires March 31st, 2016; Bonnie Proven, June 30th, 2013; Jerry Storie, September 30th, 2013; Marlene Schellenberg, September 30th, 2013; Carol Johnson, June 30th, 2014; Tayeb Meridji, March 31st, 2014; Marlene Head, September 30th, 2015; Rex Masesar, March 31st, 2013; Jagdish Malik, June 30th, 2015; and Beverlie Stuart, June 30th, 2014.

Mr. Briese: Now, it's my understanding that the government does fund some post-secondary programs outside the province. Is that correct?

Ms. Selby: That is correct. The member's probably referring to optometry and veterinary—sorry, my mistake; the member's referring to veterinary and medicine. We do have some spots for Manitoba students.

Mr. Briese: So veterinarian is the only one?

Ms. Selby: Yes, optometry is one of the ones that we fund as well as veterinarian and nuclear medicine.

Mr. Briese: I'm reasonably familiar with the vet training programs, but is there any possibility in the future of developing our own programs in Manitoba on optometry and whatever the other one was—I kind of missed it?

Ms. Selby: The out-of-province spots that we do ensure spots for our students, veterinarian, optometry and nuclear medicine, are currently meeting our province's needs. I'm sure the member can understand it is very expensive to create those programs on our own, but we do have some other provinces who are currently looking to purchase seats from us in various health-care fields.

Mr. Briese: That was one of my next questions, but I'm—firstly, I'd like to ask how those out-of-province programs are funded from within the province. Are they funded by the provincial government? Are they funded by the universities, and what are the costs of them?

Ms. Selby: The agreements that we have are between the government of Manitoba as well as with the host government province and the institution. The money flows from COPSE directly to that institution, the one that the student is attending.

Mr. Briese: So the money flows directly. Is it on a per-student basis?

Ms. Selby: We pay per seat and we have agreements of how many seats we hold for Manitoba students in those particular faculties.

Mr. Briese: And this is more out of my own curiosity than anything. I know that the veterinary college in Saskatoon—I think it's Saskatoon—graduates about 75 students a year. How many seats do we pay for there?

* (15:50)

Ms. Selby: So we have 15 students graduating from the program of veterinarian—veterinarian program every year, but we have 60 seats because, of course, there's students in each year. So 15 graduating, but 60 throughout the whole program.

Mr. Briese: So I'm a student in Manitoba and I want to go into veterinary. Do I—how do I go about that then? Like, if these Manitoba seats are allotted, can I still get into that college, kind of on my own, is what I'm wondering or are you only paid for X number of students and that's where the cut-off is?

Ms. Selby: So, if I understand, I think the member's sort of asking if the 16th person applies to veterinarian college or school, what happens then?

So the agreement we have saves 15 seats that have to be specifically designated to a Manitoban student. If somebody wants to apply beyond those seats, it's like taking any program in university. You can decide to try to apply at McGill for—to be a lawyer. There won't be a seat saved for you, but if you're an excellent student certainly they'll probably be happy to have you.

Mr. Briese: Do we have—there are two veterinary colleges, the other one's at Guelph. Have we got any agreement with Guelph?

Ms. Selby: No, we don't. We're finding right now that the agreement that we have with Saskatchewan is meeting the needs of the province at this time.

Mr. Briese: It seems, also, to me that a former member—minister of Agriculture in this province developed something that was an incentive for the veterinary graduate students to return to the province. Is there anything still in place?

Ms. Selby: Well, I will—the member, I thank him because it gives me a chance to talk about our 60 per cent tuition rebate to start.

Of course, for any student studying anywhere in the world—and they don't have to be from Manitoba—but if they come upon graduating and put roots down in Manitoba, all students are eligible to our 60 per cent tuition rebate.

But I think what the member is referring to is the large animal program that is—that has a forgivable loan of \$10,000 a year. But the money actually comes from Agriculture; it does go to Manitoba Student Aid but the—but it comes through up from Agriculture.

And I did want to add, just to reassure the member of—that we are listening to the chief vet's advice; that is the person who advises us on the level of seats that we need to reserve for Manitoba students in order to make sure we have a full capacity of veterinarians meeting the needs of Manitoba producers.

Mr. Briese: I guess we maybe have to add the whole works in here on the hearing thing. Did you say that was a forgivable loan?

Ms. Selby: It is around \$10,000 per year of a forgivable loan.

Mr. Briese: Thank you for that, Madam Minister. I'm not sure I've got my questions in the right order here to suit everybody.

But on—and I'm going to move on to something else, but on page nine of the Estimates book, there's, near the bottom, there's a transfer of funds to Education and to Children and Youth Opportunities. What are those referring to? And it looks like they're transfers back this way rather than out.

Ms. Selby: Let me first just correct something that I put on the record for the member when we were discussing the large animal veterinarian program. It is ten \$5,000 forgivable loans. I had put on the record that it's \$10,000 but it's ten \$5,000 return-of-service grants available.

And the member was asking about the particular area within the Estimates book which represents the Bright Futures program. That used to be under Advanced Education but has now moved to children, youth and opportunities. And the part about Education is referring to the Tec Voc initiative.

Mr. Briese: What is the Tec Voc initiative?

Ms. Selby: It's an excellent question, actually, because the Tec Voc initiative has actually moved over to Education because it was a K-to-12 initiative.

But I can tell the member, and he might want to get a little bit more detail from Department of Education. But the fund promotes Tec Voc—it provides money for demonstration projects and equipment upgrades.

*(16:00)

Mr. Briese: So, Mr. Chair, this was in Advanced Education for a while and now it's moved out. Is that my understanding? Were there any other similar ones, because there are other high schools with vocational aspects to them? Any of the other vocational secondary schools, I guess, would be the question. Are there any of them receiving some funding from the Province toward their vocational programs, I guess?

Ms. Selby: Mr. Chair, I think the member actually just kind of answered what I was going to say. Probably better put to Education. But I can say that

there was a cross-departmental initiative between ETT, AE—Advanced Education—and Education, but these programs are now just run out of Education.

Mr. Briese: And the other line here, Mr. Chair—the other line here then is a program that was moved out of Advanced Education, too, to Children and Youth Opportunities. Is that my—am I interpreting that right?

Ms. Selby: Yes, the Bright Futures program originated under Advanced Education, I believe, but has now moved over to Children and Youth Opportunities.

Mr. Briese: Mr. Chair, just a little bit on some of the expansion projects that are underway, I guess first because it's out more in my area, so I'm somewhat interested, what's the status of the phase 3 of the Assiniboine Community College's move? And what are the—I guess a good question to go with after would be what are the anticipated costs and what are the costs, I guess, of that whole move up to this date?

Ms. Selby: MIT has spent \$5 million into the master plan and site upgrades of the particular project the member's referring to, and discussions on the future shape of the college do continue.

Mr. Briese: Yes, the other part of the question, Mr. Chair—the other part of the question would be the projected—when it's projected to be completed—the phase 3 of Assiniboine.

Ms. Selby: There is no timeline at this point for a full move, but we are still within that master plan site upgrades we spoke of earlier.

Mr. Briese: Thank you, Minister.

What role does the department, your department, Advanced Education and Literacy, play in the expansion of universities and colleges?

Ms. Selby: Advance Education and COPSE's role is to co-ordinate the discussions. We provide analysis of the space and program needs, and of labour market needs.

In terms of colleges, MIT is particularly involved in college role, but institutions, whether at university or college level, are also, of course, fully involved in the process.

Mr. Briese: And it would be my understanding that most funding would come through MIT. Your department isn't responsible for funding on any capital projects on universities or post-secondary, I don't presume.

So you basically play a role of, somewhat of co-ordinating all the—and I may be off base here, but co-ordinating—kind of putting together the deal rather than the funding actually coming out of you. But they—in most cases, the university, out of its own budget, is putting up most of the funding of expansions, or in a partnership with—in a lot of cases, with private funding too, would be my understanding. I don't know whether you want to expand on that a little bit.

*(16:10)

Ms. Selby: Yes, the member's correct. I guess it'd probably be the best way to explain it is that we pay a co-ordinating role for the academic and research needs of the Province. For colleges, the most part, funding is through MIT. At universities the capital funding is sort of a mixture of provincial, federal—provincial and federal governments as well as the institution itself and private donation.

Mr. Briese: Does COPSE play a role in those expansion projects and, if so, what role do they play?

Ms. Selby: On the college side, it would be fair to say that COPSE is more involved in—would—they would chair the co-ordinating, for instance, at ACC, chairing the committee for looking at expansion. COPSE plays a lesser role in universities. They do have a role in the initial approval of the overall project, but once it is approved then the university itself is—has more management of the project and delivery of the project.

Mr. Briese: Project Domino at the University of Manitoba, the government, actually, I think, put in initial funding of about \$47 million. Has anything been added to that, and just—is it still the \$47 million, or is there more funding has gone into that? And what is, once again, what is the status of Project Domino? Is it finished, is it processed, or where are we at with it?

Ms. Selby: Our commitment was \$47 million, and that is still the number that we're at. But I can give the member a list of where we're at in Project Domino. As he understands, it's a large project. The campus—I'd urge him to visit and see. It's pretty exciting to see what's going on there.

As of April 2013, completed projects within Project Domino are the Pembina Hall residence, the ARTlab, the architectural fine art library and the biological science building. There are a number of projects that are in various stages of development and/or construction, which include Taché Hall,

Fitzgerald Building, the music building, the replacement of the Black Hole Theatre. Yes, and that's it.

Mr. Briese: Thank you, Madam Minister. What's the projection for completion on those ones that are in process?

Ms. Selby: Taché Hall is expected to be completed by July 2015. As for the repurposing of the Fitzgerald Building, the music building and the Black Hole Theatre projects, perhaps a little bit too soon, too early in those projects to be able to give you a final date.

Mr. Briese: Are there any expansion projects planned at the University of Winnipeg that the government is involved in or is helping to fund, and I guess the next question—might as well ask two at once—would be, at what cost?

Ms. Selby: At the University of Winnipeg the RecPlex is currently under construction. The total cost for that building is \$40.39 million; \$15 million of that is provincial money. And we're looking at a probable completion date of the summer of 2015.

Mr. Briese: And that's the only project ongoing at the U of W that the Province is involved in right now?

*(16:20)

Ms. Selby: We are, of course, always discussing new projects and potential ideas, but this is the only one that is under construction at this time.

Mr. Briese: What's the status of the Skilled Trades and Technology Centre at Red River College?

Ms. Selby: So it's a bit of a complicated process, but I'll sort of try to break it down to the steps that we're at. So we're nearing the end of the first phase of the planning, which is the functional program planning review. We expect that we'll have a detailed design expected to begin this fall, and if all goes well and according to plan, then we should see the site preparation begin next summer.

Mr. Briese: And this is on the campus property at Red River College? Or Notre Dame—yes—Notre Dame campus?

Ms. Selby: Yes; that's correct.

Mr. Briese: So the Province initially committed, I believe, \$65 million to what is supposedly going to be a \$175-million project. At least that was original. I expect that number's climbed considerably higher

now because that was a—I believe that was a year and a half or two years ago.

What is the project projected at now and what—is the provincial commitment still at the initial \$65-million investment?

Ms. Selby: Our commitment is for \$60 million. The \$175 million that the member is speaking of is Red River's wish list of expansion, but at this point we have no commitment to that; just to the \$60 million.

Mr. Briese: So, the 60—if one seventy-five's their wish list, what's the specifics of where the \$60 million's going?

Ms. Selby: That takes us back to when we were talking about where we're at with the planning phases. So the first phase of the planning was the functional programing review. We're determining at this point what is the highest need in terms of skilled trades in the province and what are the priorities for Manitoba industry for skilled trades at this time. That's what we'll put it to.

Mr. Briese: Thank you, Madam Minister. I'm told that universities and colleges, for some reason, are not able to enter into P3 deals—public-private partnerships. And, first of all, I wonder why they're not allowed to, if the minister could expand on that.

Ms. Selby: To be clear, universities can and do enter into private agreements, but colleges are government-owned assets.

Mr. Briese: Thank you for that clarification, Minister. And that makes a difference? I'm trying to figure out why the colleges—I would—in my mind, colleges are probably where you have more opportunity to partner with the public sector because the public sector is looking for a specific trades and skills coming out of those institutions. And I would think that they would be—the public sector would be quite willing to partner in development of certain courses and certain facilities on those campuses. Would the minister comment on that?

Ms. Selby: Well, at our college level, industry does pay for particular programs to meet their needs. Our colleges, actually, are very good at being responsive on a—on pretty quick time lines, to meet industry needs. We don't have any particular technical barriers for that to happen, and, for example, Boeing is one company, but there are others who do buy training for the specifics that they need for their workers.

Mr. Briese: I would expect, like, industry and business would be able to identify fairly quickly the skilled trades that would come out of places like the colleges. And I just wonder what role the department plays or is most of the role played by the colleges when they say, we project we're going to need a hundred of whatever particular trade or skill two years down the road. That, I hope, is taken into consideration, but who really makes the decisions and does the shifting around? I know some of the funding is provincial.

* (16:30)

How—is that something COPSE does? How—who makes those decisions, and who decides how we're going to stream them? Because I think there is, in my mind, sometimes a bit of a lack of that. We have people coming out of both universities and colleges with an expectation that a job, where it may be in something that there aren't very many jobs exist, and maybe there's a need to stream students a little more toward things that are going to make them employable the day they walk out the door.

Ms. Selby: So, I guess to be generalizing a little bit here, my department is more responsible for the permanent programs that are in place. It would probably fall more under ETT for some of those 'inducee' responsive ones. But I know that we, as long—as well as ETT, co-ordinate with the sector councils to sort of project that sort of thing.

But I can give you a more concrete example. For instance, in the cases of nurses, we've just added a third rotating nurses spot, and when we're choosing where that rotating nursing training program's going to go, it's my department working with the local community, also working with the local regional health authority. So, we're looking at the regional health authority, can tell us on the ground about retirements that they know that they will have coming up, projected vacancies that they'll have. We will work with the community to see that they have the numbers in place to fill a rotation. We will work with the regional health authority, make sure that people in that particular training program will be able to get all the clinical experience that they need in that community. So, that's just one example of how it's co-ordinated with COPSE, but really important to be talking with both the community and the industry to get those ideas of projected vacancies and ability and capacity to train the people in the particular need.

But I think for some of those more industry-responsive programs that you're talking about, probably more under ETT, and we have the permanent, fixed ones that we know are ongoing needs in the province.

Mr. Briese: So, on the, for instance, the nursing programs, you then—you gather information or data from the RHAs. You then—or you, or COPSE, then do an assessment of those needs and then co-ordinate the numbers going through, say the U of M and Red River College and all those different facilities, and increase the numbers into those streams, or recommend that, or how does it go about? Like, you've added—you added one. Obviously, you've seen a need, to add one. So, you make the decision that that's going to happen? Who makes that final determination?

Ms. Selby: Well, I guess it would be—it would be impossible for me to lay out how it works in every faculty and every particular trade or career path. But the example of nurses as—because we were talking about that, it's a collaborative effort between us and Department of Health. But COPSE is the folks that do the review of the needs and capacity to determine that it's a viable program going forward.

Mr. Briese: So does—in, for instance—thank you. So, for instance, in other courses, say at the U of M—going back to what I said earlier about the students going through three or four years or five years and coming out with a degree or a skill that really doesn't do them a lot of good in the marketplace.

Does COPSE or your department try and stream students into career routes that would give them more opportunity for employment as soon as they come out of there? I know I was told once that the dental school, for instance, they came out with the most debt, but they also were the most employable right off the bat as soon as they walked out the door.

Ms. Selby: I feel I should warn my critic; he is weighing into a huge debate on the role of universities. And, if he's so inclined, I'm going to some day at some mutual cocktail party at University of Manitoba just say, hey, this is the—the critic has a question on this, because I can tell you that this is quite a debate amongst academics as to what the role of a university is.

But I do think, in all fairness, University of Manitoba would probably dispute the question of whether or not a degree prepares someone for employment, in that their post-graduate employment

results are actually quite high at the University of Manitoba in particular.

But I will say that any new programs that universities are proposing are given a full labour market needs review as part of their approval or not approval process.

* (16:40)

Mr. Briese: Thank you, Madam Minister, by whom? By your department?

Ms. Selby: By COPSE.

Mr. Briese: I know your department actively looks for foreign students to come to our universities, at least I expect your department actively looks for foreign students to come to our universities. Could you give me a little information on how you go about that: where you concentrate your retention, your acquisition of foreign students?

And I understand that there's certainly a financial angle to the number of foreign students we can get into our universities and—so could you give me kind of an overview on that?

Ms. Selby: Yes, there is a significant effort to encourage international students to choose Manitoba as their place of study, and the member's absolutely right. International students contribute more than \$154 million annually into the Manitoba economy. Of course, international students aren't just about providing money to our economy. We also know that they provide a world view in the classroom, and for those of us who are unable to study outside of Manitoba or outside of Canada it does give us an international education in our own backyard by being able to have access to opinions and experience of people from around the world.

The top countries that we receive students from and therefore the top countries that we are looking to recruit in are China, Nigeria, Saudi Arabia, India, Korea, Germany and the United States. However, we have been very, very successful recently with Brazil's science beyond borders students as well, and I believe we came in second for the number of students who chose Canada, chose Manitoba as there second most popular destination, which is really exciting for us because, of course, as much as we know what we've got to offer in Manitoba, people don't always think of Winnipeg first when they think of Canada.

So—our current focus of our efforts right now are China, India, Brazil and Mexico, and so the countries

I read before are the ones that we have students from. But the ones that we're focusing our efforts from on our new emerging markets were—we know that the number of students is increasing that are looking to find. But I could, if the member—like, we'd be happy to have a briefing on sort of a more detailed briefing on the process at a later date, if he'd like that as well.

Mr. Briese: Thank you, Madam Minister. So do you recruit at large into all the faculties or are there specific faculties you're looking for recruitment in it?

Ms. Selby: The rule of our international department is just to sell Manitoba as a whole. We try to represent the benefits of coming and studying in Manitoba. The individual institutions also do their own recruitment into various markets. So University of Manitoba, for instance, will do their own, University of Winnipeg, Brandon to a lesser degree. But our rule is more just to encourage people to come to the province.

Mr. Briese: So does the department send people to other countries to do recruitment or is that left up to the post-secondary institutions?

Ms. Selby: The International Education department co-ordinates and leads the other—the various institutions when we attend recruitment fairs.

Mr. Briese: Two questions arise out of that. How often in a year do you send teams to these—on these recruitment missions and what's the cost? I guess there's a third question, is that cost out of your department?

Ms. Selby: I don't think we can use the word team because we only send one person at a time. We try to get to four of the major markets in a year.

And we spend at about \$60,000 in order to get to those four major markets, with a return of \$154 million annually into our economy—for a \$60,000 investment.

An Honourable Member: That's pretty good.

Ms. Selby: It is good.

Mr. Briese: I don't think I want to go there. I could argue a little different math on that, but—and I take it, you said you only send one person at a time, and they go as a part of a team with other—with people from the other institutions and so on.

Ms. Selby: The person from our department goes as the head, the leader of the delegation, which would include various institutions.

Mr. Briese: So how many foreign students have we got in our universities here now? And I probably have got a graph somewhere that shows that number, but I'm not very good with those things.

Ms. Selby: The numbers I have—the most current number I have on that are from 2010; there were over 5,700 international students studying in Manitoba. But I should be clear that we have students studying not just at university and college level, we have them at the K-to-12 level as well, and at some of the private vocational schools as well.

Mr. Briese: And that, we're talking strictly foreign students, not other places in Canada? We're talking strictly foreign students.

Ms. Selby: That is correct. That's 5,700 international students from outside of Canada.

Mr. Briese: What's our retention of foreign students upon graduation in Manitoba?

Ms. Selby: Just to clarify, is the member asking how many of our international students stay in Canada and become Canadian citizens? Probably more an Immigration question than us.

Mr. Briese: I've been told some pretty high figures, and then I've been told a different figure. I was just trying to see if I could get some clarification on—and the figures I was told was as a percentage. And I was just wondering if you had some idea of the retention of students that have finished their education.

Ms. Selby: I think it would probably be Immigration who could probably better give you those numbers.

Certainly, when we are looking at recruiting students, our recruitment is about selling our post-secondary—well, not post-secondary—our education system: K-to-12, post-secondary, private vocational is really what our focus is on, is them coming to being students. But I suspect you could probably get some of those numbers from Immigration.

Mr. Briese: I would presume, though, when you're doing your recruitment, that you're looking for an opportunity to—you're bringing in some pretty bright young people to attend post-secondary here; you are looking to, hopefully, to retain them in Manitoba. And, if not Manitoba, at least in Canada, as to pursue their careers. And I don't know whether you'd—you use that as a selling point when you go to these fairs, these recruitment deals, or how you do that, but I'm sure you want to plant the seed that we're a pretty good country to stay in.

* (16:50)

Ms. Selby: There was a time that institutions did talk about study in Manitoba as a foot in the door for immigration, but under current federal rules, we aren't actually allowed to talk about recruitment in immigration. We are hoping that they stay, because you're right; these are amongst some of the brightest and best in the world and bring not only their ambition, but also, of course, their experience and help us to become better on the global market, as well. We are hoping that the federal government will change some of these rules. We're optimistic at it—of it, but current rules, we actually aren't allowed to discuss that when recruiting international students.

Mr. Briese: Thank you, Madam Minister. I expect that's part of your portfolio to try and convince the federal government of that, then.

But where the—just backing up to the number of foreign students in our institutions, was that this year's numbers? Was that current number?

Ms. Selby: Yes, we are asking for the federal government to make those changes. It was allowed before. These changes are fairly recent and we are asking for them to look at that and to allow us a little more freedom to talk about potential immigration opportunities for students.

The numbers that I gave you were from 2010. There is a bit of timeline in terms of gathering the numbers from the institutions, and then looking at that data, as well. So the 5,700 international students number I gave you was our number for 2010.

We are expecting new data this summer which I could forward to the min—to the member.

Mr. Briese: Sorry, I missed that last comment.

Ms. Selby: We are expecting updated data on our numbers of international students sometime this summer, which I can share with you when we get it.

Mr. Briese: So that was 2010. So you're expecting 2011, I take it. Like, we're three years behind here somehow.

Ms. Selby: We are expecting '11-12 this summer.

Mr. Briese: And you will share those numbers when you get them?

Ms. Selby: We will probably brag about those numbers when we get them. Well, now I've said it.

Mr. Chairperson: No pressure.

Mr. Briese: I just—if I can find it—I want to back up on—to the funding thing. There was a question that I forgot to ask. I had it in my mind and I forgot about it.

When we talked about programs that we fund in other provinces—and you alluded to it slightly—are there any programs that we provide that are funded from other provinces in Manitoba?

Ms. Selby: We've had some preliminary interest in some of our health-care fields, but nothing in place at this time.

Mr. Briese: So there's some preliminary interest. Do we have the capacity, I guess, would be the next question, to—or would we have to expand something fairly significantly and—to take in some health-care fields?

Ms. Selby: That's part of the analysis we're doing right now to see if there are areas where there's opportunity where we do have the capacity to bring in students from outside of Manitoba.

Mr. Briese: I just lost my train of thought. Be right with you, just a second. Trying to think. I have another question on my mind—oh, I've got the mike?

Mr. Chairperson: Yes, you're still on, but, yes. Honourable member for Agassiz.

Mr. Briese: Thank you, Mr. Chair. I know what I was thinking of. And Bill 44 that's coming up, and I think I made the request when I was at the briefing. If not, this isn't too serious of stuff. You referred to about 50 possible providers that would be under this bill. And I think I requested a list of those providers, but if I didn't, I would like to request a list from you, if you can provide that to me. I don't need it today, but I would like a list.

Ms. Selby: We can get you the list of the major ones. The smaller ones, we're still waiting to see if they're going to apply. This is the list that we're putting together for the federal government, but we can give you the major providers, most of which, of course, are the public institutions that you're already familiar with.

Mr. Briese: And, yes, on that same subject, the public institutions already have systems that are fully trustworthy, I would think. It's the other ones that I was kind of curious about. And I know there's some smaller ones too that are the public institutions, but then there's other recruitment entities, I guess, would be the word.

Ms. Selby: And they have to apply in order to be considered for the list, so we're still at that point where they may not have done that.

Mr. Briese: Thank you, Madam Minister. I see it's getting close to 5 o'clock here. I had wanted to discuss the funding somewhat for the universities, but I've—I think we'll get bogged down on this one somewhat and it's probably not a very good time to start that. So I guess I'll just ask you a quick question on a different issue.

How many faculty associations and universities—and there aren't a lot of universities, but how many of these institutions are near—

Mr. Chairperson: With sincere regret, I must announce that committee is in recess and stands in recess until tomorrow morning at 10 o'clock.

LOCAL GOVERNMENT

*(14:50)

Mr. Chairperson (Tom Nevakshonoff): Order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Local Government.

Would the minister's staff and opposition staff please enter the Chamber.

We are on page 148 of the main Estimates book. As previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

Mr. Blaine Pedersen (Midland): As we left off last time, we were on urban development initiatives, page 46. There are—I believe it's three different organizations that are receiving money through child and youth opportunities so it's a—it was enhanced inner-city recreation, urban art centres and Urban Green Team, and the total of that is \$2.4 million. So that money then, as I understand, gets transferred from Local Government to child and youth opportunities?

Hon. Ron Lemieux (Minister of Local Government): Yes, like other departments, they spend it first and then they recover it from Local Government.

Mr. Pedersen: So is there a reconciliation of how that money is spent?

Mr. Lemieux: I'm not clear where my critic is either going or what exactly he means by that. I'm not sure.

Mr. Pedersen: Okay. Child and youth is proposing to spend \$2.4 million and then claim it back from Local Government. Is there a breakdown on how that money is spent on each of these programs, where it's spent within the program? When child and youth opportunities sends the bill to Local Government for this \$2.4 million, is there a breakdown on how that money is spent?

Mr. Lemieux: This department, like others who recover from us, they administer the program, they govern the program, they set the criteria, they look at the criteria, they make the choices and selections, then they recover from us. So I—with all respect, I would humbly suggest to the member opposite to ask, in this particular case, the minister responsible for this area to get into some specifics, because I don't have them at my fingertips because they are totally responsible for the program. They just recover it from us.

Mr. Pedersen: Oh, I'm sure I will when that Estimates come, but at the same time, why is the money then—why does it allocated under the budget of Local Government and then transferred to a different minister? Why isn't it just go to child and youth opportunities in the first place? And I'm just trying to understand the logic of the paper trail in here.

Mr. Lemieux: I have been advised that this is—and the process and the allocations have been over successive governments. It's—this is not necessarily anything new where a percentage, for example, of lotteries would go into one pot of money where it sits with a particular department, and all ministers and all departments still would—and would still have to go to Treasury Board to put forward their proposal or what they would like to do in a particular program.

And essentially, what local—if I can put it this way, and I'm not sure if there's a correct way to do it, but I'll ask my staff—but it's the Department of Local Government or Intergovernmental Affairs or Municipal Affairs, whatever it was called in the past, is a—is the holding area for this contribution from Lotteries, and other departments have programs that tap into this fund of money and this is just one example.

Mr. Pedersen: So is this \$2.4 million that you're transferring—or proposing to transfer to child and youth opportunities, is that lottery money that comes from Lotteries, then?

Mr. Lemieux: Yes. That's what UD is, and it's specific to Winnipeg, and a portion of lotteries goes to that particular pot of money. But also rural economic development, I understand, is similar for rural Manitoba, and it is a portion of lottery dollars.

Mr. Pedersen: So on page 5 of the Estimates book, it says, transfer to function child and youth opportunities, and it's a credit for 238. Can you explain what that is?

Mr. Lemieux: That's a contribution to Police in Schools program, which has been a very valuable program, certainly, within Winnipeg, but it's something that—I believe that amount of money addresses the Police in Schools program.

*(15:00)

Mr. Pedersen: But this is a credit back to you. This is coming from child and youth opportunities then and where does it go then? Like, I'm confused here.

Mr. Lemieux: Yes, this was a program that was with Local Government prior, but the whole program, including dollars, have been moved and transferred to children, youth and opportunities.

Mr. Pedersen: If I heard you correctly that's it a credit back to this department from child—it's a credit to the department, \$238,000, from child and youth opportunities to Local Government?

Mr. Lemieux: Yes, it's a negative in the sense of accounting. It's taken out of our department, taken out of Local Government totally, with dollars, and moved to a different minister and different department.

So it's a total program that's in a different department now; it's not with Local Government.

Mr. Pedersen: So then it is—just clarify for me then—it's money transferred from Local Government, \$238,000, to child and youth? Or is it coming from child and youth back to Local Government? I just need clarification on this.

Mr. Lemieux: Yes, the first statement was correct. It's going from Local Government, dollars and program, to Children and Youth Opportunities. Yes. It's their program now.

But it has to show someplace and it has to, I guess, I'm not sure what the proper accounting term is, but reconciliation; it has to show someplace that that's taking place, that that happened. Thank you.

Mr. Pedersen: Mr. Chair, going back then to page 46, culture and heritage is \$1.155 million dollars. It's the same thing there; there's no accounting back for how this money—this is just a block of money that goes to culture and heritage?

Mr. Lemieux: I thank the member for the question. Just to maybe talk a little bit about this initiative, just talking about where these dollars go—for example, General Council of Winnipeg Community Centres, which my critic asked before about this particular organization, Manitoba Arts Council, Urban Art Centres; these dollars are spent, administered by Culture, Heritage and Tourism but are recovered from my department.

And the dollars that are shown on page 46, yes, are essentially that. It shows that they are, you know, it's spent but they recover it from us.

Mr. Pedersen: Just—I've had more questions on this. But just a question to the minister, do you have EMO staff here in this room? There was—one of my colleagues asked a question in MIT and was told that the EMO staff is in here.

Mr. Lemieux: Yes, I'm very fortunate and so is the Minister responsible for MIT, the MLA for Thompson, we share a deputy minister when it comes to that particular portfolio. The—my deputy minister is also responsible for Emergency Measures. And Infrastructure and Transportation will be coming up, and so they'll have an opportunity to speak to that minister at the time.

Mr. Pedersen: Well, MIT committee is on right now. Estimates are on right now, happening at the same time, simultaneously. So I'm wondering if—committee's indulgence to pass it over to my colleague from Brandon West to ask some EMO questions of—through this minister, and if the deputy could answer that—answer.

Mr. Lemieux: Well, I'd like to make a suggestion. First, the answer is, no, that those questions have to go to the Minister of Infrastructure and Transportation (Mr. Ashton), Manitoba. My deputy minister would gladly go to a different committee room to assist the minister, but the answers have to come from the minister. They can't come from a deputy minister, and I think that's the protocol.

And I'd be more than pleased to answer any question related to Local Government. My deputy minister is here to assist me, but there's other staff here to assist me on Local Government questions. My deputy minister would be more than pleased to

go to a different committee room and assist that minister, but it's that minister that answers—the questions go to the minister; they don't go to the deputy. Thank you.

Mr. Reg Helwer (Brandon West): Yes, I just was in MIT and did ask the question, and he said he did not have EMO staff present there, that they were in Local Government at the—that point, and he couldn't answer the question until he had a discussion with them. So I can either ask the question in here or I can go back in there, and they can help him answer the question.

Mr. Lemieux: I just asked my deputy minister, because she is the deputy minister responsible, also, that has a portion of the Emergency Measures, to go to the other committee room, to sit with the minister there, and I would just ask the MIT critic, or at least the critic responsible for Emergency Measures, maybe, who has a question regarding the Emergency Measures, if he wouldn't mind going to the other committee room and asking the minister that question, because I think really that's where the protocol or the appropriateness is.

I apologize for you going from room to room, but I understand it, and I just hope you'd understand, you know, that's the protocol. So I'm sorry to you and my deputy minister to have to go to a different room, but she's multi-talented and we're fortunate to have such good people. So I thank the member for his indulgence to go to the other committee room.

Mr. Pedersen: So now I get to ask a question that the minister is going to say is not his department, and I understand, but I'm going to take a stab at this anyway, because I'm going back to page 5 in the Estimate books, where his transfer of function to child and youth opportunities is \$238,000. When I look in the Manitoba child and youth opportunities Estimate books, transfer of functions from Local Government, it says \$375,000. Is there any—it's a different amount. Why is this?

Mr. Lemieux: The member is correct in the sense that he is noticing the recovery by the brackets showing. On one, it shows a brackets, which means a negative, and the other department shows a no-brackets, which means it's a positive side. But we'll endeavour to find that information out, why there may be a difference in numbers. I'm not clear where that comes from, and—but we'll get the answer for that. Thank you.

Mr. Pedersen: Yes, that would be helpful if you can, because it looks like it's—the numbers aren't—one's a credit, one's a debit, and—but they're not the same numbers. So why are they different numbers?

* (15:10)

And—all right, so, on this Urban Development Initiatives, it's a \$26-million budget under Urban Development Initiatives, and you've got just over \$5 million allocated in your budget—child and youth, culture heritage, Entrepreneurship, Training and Trade, and then other—\$862,000, but that accounts for just over \$5 million. So where does the other \$21 million get spent in this part of the budget?

Mr. Lemieux: Yes, I thank the critic for the question. On page 46 [*inaudible*] and we talked this before with the different departments, whether it's Culture, Heritage and Tourism or Children and Youth Opportunities, it's giving—it's just a snapshot of some of the kind of—the type of programming that is provided through UD and through the percentage of lottery dollars that comes to the Province. And so, obviously, there's more money there and—have been allocated to programs, but that is just meant to be just a snapshot of the different kind of programs that those lottery dollars go towards.

Mr. Pedersen: So is this \$26 million, is that all lottery funds that's—that comes from Lotteries, or this is part out of the Local Government budget or—I know it's all in Local Government budget, but is it—the total source of that \$26 million lottery money?

Mr. Lemieux: Yes. The answer is yes.

Mr. Pedersen: Lotteries only may—well, only—Lotteries made around \$35 million last year—or \$32 million, and your department gets \$26 million of that?

Mr. Lemieux: Well, I guess then my first answer is, I'm not sure how much money Lotteries made last year. I'm not privy to that amount of money. I'm certainly aware of how much money is in UD or—and that portion is—comes from lottery money. So I'm not sure what the total amount is, but I know that this is what has been allocated through the budgetary process through the budget to Local Government.

Mr. Pedersen: All right, so we're still unaccounted for \$21 million of where that money's going to be spent. So somewhere—I know this is—this activity identification on this page is just a snapshot of some of the activities. There must be a breakdown of the budget to spend the other \$21 million. Can I receive

a list of the budget—there must be a budget breakdown of where that \$21 million is being spent. Can I get that?

Mr. Lemieux: Yes, I don't have that at—I don't have it at my fingertips. I'm sure the member opposite can appreciate that. I'll certainly endeavour to see where it is and what kind of projects are under that amount of money, because there is a—there is an accounting to show that the—where the dollars have been spent with regard to the UD or UDI money, and—but we'll—I'll look into finding out where that is.

Mr. Pedersen: Thank you. I'll look forward to seeing that, because it's—I believe it's important to know where all money is being budgeted. And we realize this is a budget, not necessarily where it will end up being spent, but I'm—it's important to see what the breakdown of the budget is.

I'm going to move on to a different subject. It's the Rural Development Institute. They commissioned a study for Local Government; the study is dated April 25th, 2013. I'd like to know when the study was commissioned.

Mr. Lemieux: The staff that are with me right now are looking to find out the specific dates because we want to be accurate.

But, with regard to the study that was commissioned and the results—or the executive summary of the results, point to 3,000 as a base limit for municipalities to be successful into the future, going years forward and also to have a \$130-million tax base. And this is something that this commission based their study on, on taking a look at what was done in New Brunswick, because they were commissioned to do a very similar work in New Brunswick, they used that particular study taking a look at some comparables. They also used Stats Canada, looking at populations and population shifts and movements, as I understand it, and where there are growths and declines, and also they took a look at the—a document that was worked on between AMM, Association of Manitoba Municipalities, and our department a number of years ago. I'm searching for the number and the name. I think it's—yes, they looked at Tools for Change document, which was put together, I believe, around 10 years ago that AMM worked with the department to put the Tools for Change checklist, which essentially takes a look at all the criteria and all the benchmarks that makes a successful municipality and the kind of things that you either have to work for—towards, I should say, and the things that, you know, if they're lacking in

certain areas the things they would have to improve on.

One example is single-industry communities. We've seen what happened in Pine Falls with paper mill, and you can see what is happening also in southwestern Manitoba. A lot of those communities are dependent on, I hesitate to use the term booming oil industry, but the fact of the matter is, there is a lot of oil being produced in Manitoba that was not even as least amount of years as five years ago or 10 years ago. It's amazing the kind of oil they're taking out of the ground now. So the Tools for Change checklist takes a look at communities and maybe a one-industry community and the challenges around that, because once you lose your one industry, we can see and we have seen examples, regrettably, in Manitoba what happens to communities when that one industry leaves the town. And so Tools for Change was an important document that the Rural Development Institute out of Brandon, Manitoba, used and they based their study—taking a look at a number of different criteria to decide or to at least comment on what they thought in 2013, what would be the right number of population and what kind of a tax base would be necessary for communities to be sustainable but also to be able to progress in the years ahead. So staff are looking for the date when it was commissioned and, of course, when we received it. And then, of course, we introduced legislation in the Chamber on amalgamation.

* (15:20)

And amalgamation was 1,000, and I know Mr. Lett wrote an article in the Free Press making a comment on, you know, if the Rural Development Institute did—if you had a study, and the study was done, and the study is showing 3,000, you know, maybe it might be a good idea to use 3,000 as a benchmark.

Now Garry Wasylowski, a mayor in the Interlake, said at a meeting, publicly said, it should be 5,000. He was using the number closely—a lot closer to what Duff Roblin's study showed in the early '60s. What the Duff Roblin study pointed to as to what they thought how many municipalities—approximately 40 there should be in Manitoba. And that was in the early '60s. It was never acted upon, and nor was the consultation in 1997 acted upon, on amalgamation when the government of the day did consultations, I understand, for over a year. Could have been Minister Derkach at the time, that did the consultations, but many others went around the

province consulting with municipalities, or at least talking to them, and asking them, what number would be suitable. So they put that in a—when they did amendments to The Municipal Act, they put that number of a thousand to show that any, going forward, any municipality should use the thousand as a number, and that was 1997.

Rural Development Institute in Brandon is saying 3,000. And in a question that Mr. Lett—Dan Lett put to me, saying why would you use 3,000 or 5,000 for that matter, because you don't want to do this again in ten years' time, why don't you use three then and move forward on that? And I said, that because I made a commitment to the Association of Manitoba Municipalities and their president, that we felt, based on timelines, based on the work that was needed, that a thousand would be the benchmark. It's not a race to a thousand. There are many municipalities that are going to be—oh, way over a thousand when they come together, and there are larger municipalities that are also looking at amalgamating. But they will—they're currently over a thousand population, but they're looking at all the advantages related to municipalities amalgamating that will make them more sustainable in the future.

So, to answer the question directly, February 25th was when a contract was entered into with RDI. And around the middle of April, I believe April 25th, is when it was received, and I believe it was May Day, May the 1st, Bill 33 was introduced into the House.

So the decision was made by me to use a thousand in the legislation as a benchmark, I would say, in large part because I made a commitment to AMM that that would be the benchmark that we would be using in the timelines all allocated and the department supported me by saying those timelines can be reached, based on the threshold that we're using, as far as the thousand benchmark.

Mr. Pedersen: And did you—did the Minister of Local Government, the Local Government Department, pay RDI specifically to do this study? I know that RDI receives funding on an ongoing basis, but was there a specific cost to this study, to the department?

Mr. Lemieux: Mr. Chairperson, and just to maybe make a further comment, that on RDI itself, they do have an excellent reputation, part and parcel why it was commissioned. They have a great reputation in rural Manitoba and, indeed, even with the previous government. They did some work for the previous

government. And it was around \$30,000 that was the amount paid, around \$30,000—I stand to be corrected, but it's within a few thousand dollars of that—and RDI, you know, as I mentioned, in their conclusion they concluded that 3,000 and a taxable assessment of at least \$130 million would be something that would be the amount or level that they would indicate would be important. And I mentioned Tools for Change was used, the study in New Brunswick, Stats Canada numbers. So they have a very good reputation, and their reports were intended to contribute to the ongoing discussion of this important topic, obviously, and it's certainly hoped that RDI's reports are going to be very informative, I think, to everyone. And there are many municipalities, of course, that are concerned that the 3,000 number is a number that I as minister will be using, but I've tried to reassure them that a thousand was the one, based on the timelines, that we felt that was important to stay to the 1,000.

But there are many who are looking larger, and Garry Wasykowski is a good example of just one councillor of many who have suggested we really should be looking higher. Instead of going back in 10 years or—10 years' time to redo this one more time and to look at amalgamations in 10 years' time, that we should be looking at a higher number, but as a government—without repeating myself too much—that we use the 1,000 benchmark or threshold.

Mr. Pedersen: As an aside, and it's not specific to this report, but the—is it Local Government that finances RDI entirely? And if so, how—or what is Local Government's contribution if it's not the total budget?

Mr. Lemieux: I can find out, but the answer's, no, we don't fund RDI at all, I don't believe. I believe if anyone gives any contribution at all to the Rural Development Institute, it would be, possibly, MAFRI. That's Agriculture, I believe, might give a small amount of money invested to RDI. But I—it's not Local Government.

Mr. Pedersen: I have this report that was dated April 25th, indicators and criteria for strong municipalities in Manitoba and, on page 4 of the report that I have, it says, in summary, and I'll move down a little bit, there is not a single indicator that guide municipal groupings, but, in fact, several relevant indicators are needed.

So that—I just would like to know the minister's opinion, then, if he agrees with that, because obviously it cannot be just one indicator. What are

the indicators the minister feels would guide municipal groupings?

Mr. Lemieux: I'm sir—I'm sure my credit—critic realizes that this document, yes, was commissioned. This document is what it is. It's a document that is giving advice to government, giving advice to my department, but I guess the key word here is advice. It's not mandatory. It's not, in any way, shape or form, chiselled in stone and rock with regard to the 3,000 recommendation or \$130-million tax base. But what it is talking about and does talk about in many ways, and maybe indirect ways, about, you know, taking a look at what makes a successful municipality.

And I'd use the Tools for Change criteria that they used talking about one-industry communities, for example. If you have one-industry communities, you know, it—there's can be huge challenges related to that.

But, also, if you take a look at why amalgamations happen, it's talking about reducing administrative costs or investing those savings, if any, into better services, talk about sharing assets like water treatment facilities or recreation centres to reduce operational costs or buying supplies in bulk to realize savings, achieving economies of scale, and sharing staff and expertise. You have throughout Manitoba there are many municipalities now that share—I know, I believe, of three that share one CAO. Difficulty in getting good CAOs that have the proper training, and that's what I mean by sharing staff expertise to better meet local challenges as well as attracting more businesses with the common regional regulations that they have to address, so, having said that, amalgamations, when you take a look at the large picture of why amalgamations happen, they happen for various reasons. And this commission is just one piece of the puzzle that's to add or shed some light on a group that is well respected in rural Manitoba and anything they would say would be of assistance.

*(15:30)

And I know we feel strongly, I feel strongly that thing—you know, studies like this help. They help, but they're not the overriding or ultimate decision making, obviously, and you have to take a look at a large picture and many, many different issues that come to fore. Thank you.

Mr. Pedersen: So, if you commissioned the study on February 25th, 2013, but you announced in

November 19th, 2012, in the Throne Speech that you were going to amalgamate municipalities and thousand population would be the threshold, why bother doing the study?

Mr. Lemieux: Well, when premier deer—Doer—deer, Doer—when Premier Doer, in 1999, was elected, one of his first comments and first speeches that he made was talking about regionalization. We didn't have a study then either, but we knew that, you know, if you're going to have a province that's going to grow and you're going to have a province that needs new infrastructure, a province that needs new lagoons, water treatment plants, that to go regional and to go large and serve a larger area is really the optimum way to go. And that was the decision that we made many, many years ago, so the discussion about amalgamations, as I see it, has gone back many, many, many years, not just back to the Throne Speech. We have talked about regionalization for at least 10 years, at least 10 years that I can remember. Every minister, no matter what their portfolio was, including the Minister of Health, Minister of Education—which I was part and parcel, I was minister when amalgamations in school divisions took place. The member for Brandon East (Mr. Caldwell), my colleague from Brandon East, was the minister for the most part of the amalgamation of school divisions. But we've taken a look at regional health authorities and taking a look at what it's like and what it would be like and have done so to look at bringing regional health authorities together into larger—smaller entities into large entities.

And, so, as a government, we have taken a look at regionalization, modernization, taking a look at many different aspects of many different entities that we interact with in the province, and municipalities are just one. And we have a—you know, I have talked about school divisions and regional health authorities and what they've gone through.

So, as a government, throughout the 13 years we have been government, we have talked about regional opportunities, not only in the Building Canada Fund, but how it is better to take a look at, whether it's recreation centres, lagoons, water treatment plants—and there are many to point to in Manitoba that are truly successful that have gone that way. And we would certainly would like to see some more, and I know the federal government are pushing that as part of their criteria on the new Building Canada Fund that starts next spring, April the 1st.

So, yes, this study was commissioned. We're pleased to have it. What if nothing else, it confirms and reaffirms that we're on the right path, and it's not perfect. But, again, it's just one piece in the puzzle, and if it were perfect, we might be using the 3,000 benchmark, as opposed to the thousand. But, again, it's just advice to the minister, advice to the department, on what they have found, as of this date, 2013. It might change in five years, I'm sure it would, but in this year of 2013 this is what they came up with.

Mr. Pedersen: There's a table, it's called table 3 in this study, and it goes through a series of indicators, positive implications and negative implications. Has the— is the minister familiar with this table 3?

Mr. Lemieux: Yes, I am, with—on—if he's referring to page 6. I mean, these indicators, these growth indicators, are just an indication of items that are used across the country. Many checklists of different provinces use similar indicators where there's population change or tax assessment or growth of population of different age groups, taking a look at depopulation. I know in question period I talked about how many of these municipalities were talking about, that are below the 1,000 threshold, their decline in population happened 70 years ago; 70 years ago their population started to decline. And many of them have just been declining ever since and have not rebounded in population.

I'm not pointing a finger at any, you know, any government in that 70 years. But you can see what has happened over that period of time that they continue to go lower and lower and lower in population. It has a huge impact, of course, on education, on the kind of schools they have in their communities and many other services that those municipalities are asked to provide. But Manitobans, like any other level of government, municipalities have said repeatedly, including Doug Dobrowolski, the president, has continuedly said, and we hear it every day about how municipalities want more money. Why? Because the demands of the public are greater and greater and greater, no matter what their populations are. Even though the population is small, they still expect nicely paved roads; they still expect, and should deserve, clean water; they expect sewage treatment plants that are up to date; they expect good schools, good hospitals, good personal care homes, good daycares.

So the demand goes on and on and on, and the challenges—I believe there lie the challenges as to

every government has been asked to look at modernization and the evolving change that is happening in our province but across the country.

I mean, infrastructure, for example, requires ongoing renewal. Emergencies such as floods, forest fires, create pressure. Population shifts, tax bases changing—all of that is happening. So, when you take a look at the indicators on page 6, this is just, you know, it's meant to be an indicator to consider when you're doing a study, and many checklists across the country, no matter what province you are looking at—and there are other provinces that are looking at amalgamations and are looking at annexing communities, because, well, for the same reasons that we are proceeding with amalgamation. And I believe for all the right reasons, so it's again—it's just an indication, an indicator, of what this particular study looked at, but there are many different indicators that different reports or different provinces and companies have used to take a look at the health and the viability of, and sustainability of, municipalities across the country. So maybe I'll just leave it at that, but I know the member has other questions to ask, so maybe I'll just wait for further questions.

Mr. Pedersen: So the growth indicators on this table, does the minister agree that those are valid points, valid growth indicators? Each of those, there's four, six different indicators; a couple are context indicators. But four growth indicators and two context indicators. Does the minister feel that that's a valid way of measure for municipalities?

Mr. Lemieux: Mr. Chairperson, it's RDI who did this. Yes, they were commissioned to do it. This is something that they looked at, but others have used very similar. I mean, I would throw the question back to the member opposite and say, do you think it is valid that one councillor should be responsible for 35 people in the municipality? I mean, you know, you take a look at the municipalities around the—not only the province of Manitoba but around the country, the challenges that municipalities are facing now, they realize that they have to enter into agreements with municipalities beside them. Many have. All kinds of agreements that have been entered into, whether it's sharing road clearing, whether it's sharing fire departments and fire suppression activities, entered into those agreements because they know that they can't do it on their own, and then when the Building Canada Fund came up, many came to the microphone when Doug Dobrowolski and I went around doing our consultations, they said

we don't have a hope in heck of getting any money at all from the feds because we don't have the financial wherewithal to do it. We could do it regionally maybe, but we just don't have the opportunity ourselves to contribute to a one third, one third, one third sharing of a new program.

*(15:40)

So do I agree with every single word in this document? No, not necessarily, but it's—they are the experts and they are the ones that used the healthy communities checklist, I believe it was called; they used StatsCan information; they used a study that they did for New Brunswick. And they put that all together and did the best they could to kind of give us an idea, a bit of a snapshot, on what's going on in Manitoba in 2013. Five years, it'll change; 10 years, it'll be different again. And I firmly believe, and I guess I'm optimistic, that Manitoba will be a far better place, a far greater place than it is now, because we will be making a lot of progress with regard to municipalities and their ability to be sustainable. And I think this is just one piece of it, and history will—I believe, will show that this is absolutely the right move to make.

It does take some leadership, and I have to tell you that some of those meetings that I attended weren't easy meetings to attend, but they had their say, people had their say when we consulted with them as to what did they want to see for—in their municipalities in the future. Many were very passionate, they were respectful and they were very firm in how they felt. They didn't want to lose their distinct—distinctiveness, if there's such a word—and they didn't want to lose their identity. And this, by no means, is taking anyone's identity away.

When Winnipeg became Unicity, Winnipeg—when you talk to someone that's from this city and if they are in Dauphin and you ask them where they're from, they'll tell you they're from Transcona, for the most part. Or they'll tell you they're from St. James or Fort Garry or Fort Rouge and—or St. Boniface. When they're outside of our borders, they'll say they're from Winnipeg. In fact, even people from my own hometown of Lorette will tell people they're from Winnipeg; it gives them a base to kind of zero in on where they're from. So, going around the province, people made comments about how it was the right thing to do, and unless the government was able to show some leadership in doing it, it would never get done. And, of course, that, of course, to me, is truly important, because that's why we've

endeavoured to take this path. We really believe that it makes, and will make, a huge difference to Manitoba years going forward.

Mr. Pedersen: The reason that I found this table very interesting, this growth indicators and context indicators, is I looked at the province. And I looked at population change per year—very slow growth in Manitoba as compared to other provinces, some of our neighbours; tax assessment per year—our tax assessment is rising on a municipal level, you're having to raise taxes each and every year to keep up with your spending, as a province; our growth rate of females aged 20 to 39, if you took out the First Nations growth rate in there, because they don't count in terms of unemployment or in terms of many of the indicators; our growth of seniors is growing; our debt per capita is growing; our percentage change in debt is negative. I think the province should amalgamate based on these indicators.

Mr. Lemieux: Well, I know the member opposite is, you know, making comments tongue-in-cheek, but, you know, I'm sure, you know, when I hear him say, oh, yes, we're in favour of amalgamations, oh, we'd love it; people should amalgamate all over the place—but only if they want to do so. Well, if the member's going to be here 300 years from now, he might see a few amalgamate. And this government has taken on a leadership role that says, you know, we want to work with you; we want you to determine your destiny; we want you to talk to your neighbours; we want you to submit a plan that'll show how you will work as a region and how you will be better for it, and many have done so.

But, please, I hope the member opposite is not criticizing this report or RDI, because the indicators they use were developed by experts, which I'm not; the standards and statistical methods used were developed by experts, which I'm not; they tested all their data by different means, and I wasn't there to see how it was tested. And it makes sense. I mean, it makes sense for everyone. I mean, people understand.

You know, if you had municipalities that have a councillor who's representing 35 people, that that municipality is going to have huge challenges, or smaller municipalities are going to have huge challenges going forward in the future. Manitoba's developing, and the economic opportunities are there. And we want people to get on the economic development train. We don't want any community missed in Manitoba. And members opposite can say

what they will. They can—and they have often commented about, you know, how it's rhetoric. Well, it's not rhetoric to me, because people—I've been a rural Manitoban all my life, except for the few years I lived in the United States. I've lived in rural Manitoba, and rural Manitobans want the kind of services, they want the kind of benefits of being a Manitoban that people in the city of Winnipeg get. We want to ensure the best we can that they get it, and amalgamation is just one piece in the puzzle to try to work with municipalities in a system to get there.

So this study that was commissioned, this document, was done by experts; they're highly regarded in rural Manitoba. We support them a lot in the way that they've conducted themselves and what we've heard back from rural Manitobans. And, as I said, I'm not an expert and they are, and I appreciate the hard work they put into it. No one's saying it's perfect. I mean, there's nothing—you know, I mean, no one is saying is that this study is perfect, but, for them, when they took a snapshot of where we are in Manitoba today, it sure—what the numbers they were looking at is far greater than a thousand—at the population of a municipality to be able to be sustainable in the future. They're talking about three times as much—3,000 people and a tax base of a hundred and thirty million. So that, to me, is showing that we have some catching up to do in Manitoba, and we're not there yet. And there are many municipalities recognize it; they see the study for what it is; and they're really opening their hearts and minds and talking to their neighbours about how they can make things work. They're sitting down and actually talking to each other for the first time maybe in a long time about how they can make their region stronger and better.

Mr. Pedersen: Was Bill 33 drafted prior to receiving the RDI report?

Mr. Lemieux: I was asked this question a few times on some of the—when we did the consultations in talking to municipalities. When we announced the—that we were moving forward on amalgamations—you know, the drafting process takes a long time. The drafting process, from the time we received the report until we—when we introduced it May 1st, in the House, it took a lot longer than a couple of weeks to draft a document like this.

Yes, parts and parcel—pieces were taken out of the current and taken—sorry, yes, they were taken out of The Municipal Act and put into this new act, and

so the long and the short of it is that, yes, it was being worked on prior to the document—you know, prior to receiving this document.

But that's not to take away from the document in any way, shape or form, but we did announce in the Throne Speech and have talked about regionalization and amalgamation for many, many, many years now.

Mr. Pedersen: So I'll take that as a, yes, it was drafted prior to receiving the report. Was there any changes that you made after you received your report?

Mr. Lemieux: Mr. Chairperson, the document itself, of course, when commissioned, it's designed—it was to help municipalities. I mean, that's the basis of the report. The report is there to help municipalities amalgamate; it's not whether or not the government was going to amalgamate or have amalgamations to take place or work with municipalities to—or AMM to make sure—or we could do everything we can by having field consultants and others to help the amalgamation process. This is just another piece in the puzzle to help municipalities towards amalgamation.

* (15:50)

And so, you know, when the executive director, you know, approaches the deputy minister, when the announcement was in the Throne Speech, it's something that people wanted to offer services to help municipalities, because we knew that municipalities are going to need some assistance. And that's what the field consultants are for; that's what the template is for; and, in part, that's why the—this document was commissioned as well, is to help municipalities work their way through the amalgamation process.

Mr. Helwer: Mr. Chair, I have a question for the minister with respect to some of the financials when I look at the Estimates here. We're, of course, dealing with a department that's dealing with forced amalgamations and they pay lip service to some of the costs of getting there. And the minister that has voted for a PST increase, and yet, when I look at the Estimates here, I see that a good portion of the increases are going to funding pensions, as much 30 per cent increase in some instances. And, when I look at the other numbers, there's 22 per cent, 26 per cent, about a—30 per cent really quite sticks out, and how that is defensible to Manitobans that are going to be paying this PST increase.

Mr. Lemieux: If I could ask the member for Brandon West (Mr. Helwer), what page he's referring to just so I can have something to go by.

Mr. Helwer: Sorry, Mr. Chair. We have page 41. There is a large increase to a pension liability there from 64 to 79 thousand. We look back to page 31; again, we got salary, benefits, pension liability going up from 10 to 13—that one when you look at—those are small numbers, but that is a 30 per cent increase nonetheless. So all of these numbers that I look along here, page 27: Allowance for Pension Liability going from, you know, from 38,000 to 43,000—all substantial increases on the public dime here.

Mr. Lemieux: Yes, just a comment on the pension question or comment that, because the government or the employer matches the pension, this pension phase is, if I can put it that way, were put in place a while ago, and so those steps have increased and so the amounts have increased and—or the amount that is reflected with regard to pension. And I'm sure the member opposite is very supportive of pensions for civil servants and not taking away from that, but that's the reason why that is there. It's an important piece of why we have good civil servants and—because they can see not only do they have a great career with the Province but they also have a good pension plan in the end.

Mr. Helwer: Well, nonetheless, it is, as I'm sure, the minister will understand, a hot button for the public who are paying increased fees and increased taxes. And seeing these types of increases for the civil service, how much of this pension liability increase is an unfunded liability?

Mr. Lemieux: Well, first of all, I take exception to the point the member opposite is making. Employed civil servants of the Province of Manitoba have a right to a pension, have a right to a good living after work, and I'm sure the member opposite is not wanting to take away anything with regard to the pension plan that civil servants have in the province of Manitoba. In fact, indeed, there was a huge liability when we came into government on the whole pension issue. It hadn't been paid—I can't remember the exact number—for how many years there hadn't been any contribution from the employer, and this government put a huge whack of cash to try to catch up, and, you know, often that is missed. But the civil servants of Manitoba realize that we recognize that the pension liability had to be addressed, and we support our civil servants and realize how can you have good civil servants without

providing them with indeed a good pension when they leave the workplace. And I believe that has a good reason why we have strong civil servants and strong people coming to government—is because of the pension plan we have.

Mr. Dave Gaudreau, Acting Chairperson, in the Chair

Mr. Helwer: And the minister is putting words in my mouth. I am not attacking the pension plan or the access to it by civil servants. It has long been accepted that it's part of their role and part of what they achieve and get as they go through the process. What I am questioning here is the large increases that I see here to the pension liability, and how those are defensible to Manitobans that are increasingly paying a large amount of PST and fees.

And what is the unfunded liability at this point in your department and how much is it—have you addressed that unfunded liability this year?

Mr. Lemieux: The employees have increased their contribution. The employer has increased their contribution to match, but it has everything to do with the unfunded liability or that liability that was there for years. I mean, I'm not, you know, I'm not—and I hope they don't—my critic and others opposite don't take this the wrong way. It's just there was a huge gap there, so somebody had to address it sooner or later. So our government decided to tackle it.

And so it may look to someone from the outside saying, wow, has there been a huge increase to civil servants' pensions. Well, no. It's making up that gap, that liability that was there for so many years that this government took it upon themselves to address it. So, and we believe civil servants and others in this province deserve a decent pension when they are finished their years of work, whatever they may be. And so we apologize—we don't apologize for anything, quite frankly. And I'm not sure where the member opposite is going on this. And I'd like to hear from him. Does he agree that civil servants in the province of Manitoba should have a good pension?

Mr. Helwer: Well, the fortunate part is that I get to ask the questions of the minister and not the other way around, and, as much as he wants to put words in my mouth, I'm just trying to find what the numbers are here and follow the numbers and that usually tells the tale. What is the unfunded liability in the pension plan in his department?

Mr. Lemieux: Even though I'd like to have this discussion about pensions, but it's the Department of Finance and the Civil Service Commission that have those numbers. And, with all respect, I would refer the member to them because they have those numbers and would have that—I—we don't have those.

Mr. Helwer: This is a game that ministers play because I have gotten bounced back and forth from various departments on this type of question, and it had been suggested that these are the types of questions we need to ask of the particular departments, not of the Department of Finance. So we're getting sent back to the Department of Finance, who is no longer in Estimates; we'll have to ask in concurrence. And I'm sure I'll get the answer there: You have to go back to the particular department to ask that question.

So the question is a very simple one: Is what is the unfunded liability in the pension plan in his department? I am quite astounded that the minister's not able to answer those basic questions.

Mr. Lemieux: Well, it's something that, as I mentioned before, that the Minister of Finance and the Civil Service Commission are the ones that had that; we certainly don't have that at our fingertips, other than to say we're very proud of where we have moved with regard to pensions and pension liability in this province. And we were left with a huge gap. I mean, without getting too political, I mean it took us 10 years to get out of the health-care mess that we had to work our way out of, and all of those kinds of costs—well, investments, quite frankly, are made by this government, by successive ministers of Health, minister of Education. We had a huge catch-up—catching up to do.

And I'll get off my political soapbox. But I—and it's not meant to bounce the member from Brandon West around to different departments, I don't know how the question was answered by other ministers. All I can tell you is that I don't—if I had the numbers at my fingertips, and you shouldn't be shocked by this because I don't think very many ministers would have that at their fingertips, on the pension liability within their department, but I'm sure the Minister of Finance (Mr. Struthers) or Civil Service Commission will have it. And there's nothing to hide about it; it's public. And will be—we're pleased to provide that, I'm sure.

Mr. Helwer: Well, lots to ask but where to go, I guess, seeing that we've seen these increases this year as part of the department's budget, one would

anticipate that the department would understand the budget and be able to answer questions about it, and if he can't answer questions about the budget, how do you plan to, you know, follow that budget and in turn, indeed, hit those targets?

*(16:00)

So given that we've had a 20 to 30 per cent increase in many of the lines here for pension liabilities and pensions, what is the target for the next year? Is it going to be 30 per cent again?

Mr. Lemieux: You know, Mr. Chairperson, the whole line of questioning with regard to pension, I understand the financial part. Ask us any question you want with regard to our budget, yes, we'll be pleased to answer it. But the slant with regard to civil servants getting a pension—now, member opposite has his own views with regard to the private sector compared to the civil servants of the Province of Manitoba. That's fine. So with regard to pensions, I think it doesn't matter what province you look at, people realize you have to give a good pension to your civil servants and people who work for you. They're not going to be around very long because of the tireless hours they work, the time they put in, they should have a good pension when they leave their workplace and they make that decision to retire.

Ask any question you want on our budget, we'll try to answer it. If we don't have it at our fingertips, we'll get back to you, and I think that's reasonable. But with regard to pension, regrettably, I don't have it at my fingertips. It doesn't mean there's a lack of understanding of the staff I have with me of our budget, they absolutely know it. But with regard to this particular question, we don't have it at our fingertips, but we'll endeavour to find out what it is and, even, if you have an opportunity in concurrence to ask the Minister of Finance, and he would have those answers.

Mr. Helwer: Well, again, the minister is putting words in my mouth. I have made no comparison to private sector. I was merely asking about numbers that were in his budget that show a substantial increase, and he said I could ask any question about numbers that are in the budget—they're in the budget. So I guess we will go try to find somebody else that can answer those questions. Thank you.

Mr. Lemieux: Yes, I think it's maybe important just to maybe to conclude with regard to comments on the pension, is that employee contributions have gone up. I'm trying to get this straight and make it—I

guess make my comments straight. So to match that, the Province of Manitoba, the employer had to match this amount. And so, people are—and I don't want people putting words in my mouth either that the pension's somehow skyrocketed and increased. All it is is keeping up, if I can use that term. So employees have increased, the Province is matching it, so it's actually catching up and trying to get—and trying to make the whole plan sustainable, quite frankly, moving forward. And it's a unfunded liability that you try to address. You want to make it sustainable into the future. And I think governments, hopefully, have turned the corner in the country to address this situation in each of their provinces. I know we have.

Mr. Pedersen: So when I look at your total budget, your main appropriation is \$398 million this year versus \$363 million last year. Is that—I'm understanding this correctly, that's your total department spending. Correct?

Mr. Lemieux: Yes, the quick answer is yes.

Mr. Pedersen: So how much—that's a 9.6 per cent increase from—of Estimates of last year's expenditures to Estimates of—for the current year, 9.6 per cent increase. How much of that is salary and pension costs?

Mr. Lemieux: I'm referring to page 7, and there it shows from last year, going from \$21,503,000 to \$22,027,000 that that is an increased—with regard to Salaries and Employee Benefits. And, if you take a look at the very bottom total, that out of that, \$398,000—or million, sorry—\$678,000 is dealing with monies, for the most part, that go to municipalities. I mean, that money is provided to municipalities.

So, other than that salaries, because—and those salary increases are regular salary increases that are mandated or they're in place. So, as a department, your employees are getting a regular salary increase, so that has gone up from \$21 million to \$22 million. But, the bottom line is, as it was put by my critic—what is the bottom line? Well, the bottom line is \$398,678,000 and the majority of that goes to municipalities.

Mr. Pedersen: Now, a couple of answers ago the minister stated that employees' share of pensions has increased. Is that indeed a fact? Have—are employees paying more of their pension? Are they contributing more to their pension as a percentage of their salary?

Mr. Lemieux: The, yes—the answer is yes. But one thing I'd like to point out, when we're talking about the bottom line, not only Salary and Employee

Benefits in the increase. But, if you take a look on that page 7, it talks about Capital Grants. It has gone up from \$259 million to \$291 million. That's a \$32-million increase to municipalities—\$32 million. Not very many provinces across the country can point to that kind of an increase from a provincial government to their municipalities. And it's something that I've repeated in question period and elsewhere. Even though municipalities keep asking for more—currently they're getting larger than 1 per cent of PST that goes to municipalities, so I just want to reaffirm that amount of the total amount from the Department of Local Government. Thank you.

Mr. Pedersen: I restate the question or, because he digressed into some—a different area. I asked if the pension contributions, as a percentage of salary, did they increase for this fiscal budget year?

Mr. Lemieux: Yes, the employees are increasing their contribution, but it started back, I don't know if it's two years ago or—trying to go by memory. But it kind of increases like a half per cent, I think, a year, but their contribution is greater and greater and greater. Their contribution is getting larger—from employees to, as I understand it, as least that's what I've been advised, to their contribution to their pension.

Mr. Pedersen: Their contribution will rise as their salaries rises, because it's a percentage of their salary. What I want to know is the percentage. Has the percentage changed from last fiscal year to this fiscal year—the percentage of contribution to their pensions?

Mr. Lemieux: Yes, a half a per cent or more, I guess.

Mr. Pedersen: Well, what is it? You said, half or more. I didn't ask ballpark range; I asked specifically, because I'm sure that employees know. They have a specific amount that they're contributing a percentage. It's not a ballpark figure that shows up on their paycheque.

* (16:10)

Mr. Lemieux: Yes, a half a per cent.

Mr. Pedersen: Thank you. A long ways to get around to get one answer, but that's okay. We'll persist.

Now in this book, there is Administration and Finance, page 10, Administration and Finance, 14.5 per cent, and Community Planning and

Development, which is non-programming. It is planning and administration; works out to about 39–almost 40 per cent. Is that correct?

Mr. Lemieux: If I understand the question correctly, it's 40 per cent of the staffing is there.

Mr. Pedersen: So that would mean administration of local department is about 40 per cent of your total budget?

Mr. Lemieux: The answer is absolutely not. Well, I'll leave it at that. No, it's not.

Mr. Pedersen: Has there been a—there are—when, as I go through this book, there are, and I look at managerial salaries, full-time equivalents. There is a fairly significant increase in costs. Have salaries been determined for this year?

Mr. Lemieux: Yes, salaries have been determined by the contract, and that's what is followed.

Mr. Pedersen: It's a salary percentage increase. Was it across the board? Is it—it will be by classification, and what was the salary increase? You're obviously budgeting in here. You know this for sure, so what is the salary increase?

Mr. Lemieux: Yes, there's a per cent across the board, as I've been advised and, I mean, we'd have to check, of course. But this per cent is across the board to all employees, but, again, it's related to the contract that has been entered into. So it's, you know, through—well, I was going to say Civil Service Commission or through the government of Manitoba as an employer. So it's across-the-board increase that these employees are receiving in every department, including Local Government.

Mr. Pedersen: Well, has that contract been signed? Is that contract signed, or is that a budget estimate of negotiation still happening?

Mr. Lemieux: Yes, there was a contract signed about four years ago, but it's either the last year of the contract or the second last year of the contract. So it's ending the end of the contract, because I believe it was like a four- or five-year contract that was signed, and we're ending—we're either on the last year of that staggered or staged increase or we're on the second last year. So it—we're nearing the end of the contract.

Mr. Pedersen: You must know what the salary increase is then. Someone in your department, of your staff here, must know what the percentage of increase is this year.

Mr. Lemieux: Mr. Chairperson, I'll find out the exact details. I'll provide the member with that information.

Mr. Pedersen: And just to go back, I made a mistake, and I'm quite willing to admit that; it's too bad this government wasn't the same way. Operating expenditures, salary and employee benefits, which would make up administration, is 26.9 per cent, in other words, almost 27 per cent of your total budget. Am I correct there?

Mr. Lemieux: It's a more difficult question than it may appear, because some of this is programming—but some of this is also administration and you need people to run the programs. So it's not clear-cut with regard to the amount or per cent.

Mr. Pedersen: Well, I've got the impression a lot of things aren't clear-cut here, so I'll just keep pursuing on this. Nothing is clear-cut, because if you take out UDI money then this percentage would actually raise because you're bringing in \$398 million, you're handing out a number of million dollars to other programs which you do not spend in your department, so that would actually raise your cost of administration. So what I'm looking for is what is the cost of administration of your department.

Mr. Lemieux: Yes, we're trying to be as helpful as we can, but, in the administration part, there's boards for example, like the Taxicab Board or the—which we discussed, I believe on the first day of Estimates, or the Municipal Board, for example, all of that is included in admin. We would have to break it down, and we don't have that right now, right here. But we would have to break it down. We'd have to do the calculations to be accurate, to get the accurate number.

Mr. Pedersen: Well, I'm just curious, because when the minister, particularly in question period, is talking about municipalities that have 40 per cent-plus of their costs in administration, has he broken that down also or is that just total budget global numbers that he's using there? And how is it—how is it, Mr. Chair, if I still have the floor, how does it compare, then, this administration operating expenditures and salary and employee benefits for your department, how does that compare when you say that there are municipalities out there with 40 per cent of their costs in administration?

Mr. Lemieux: Well, maybe we can start with this is that the department of administration is less than 1 per cent of the budget. Now, to go into the

administration of every program and so on, we'd have to do more calculations to determine what it is. And, in other words, to get an accurate number, to be precise, we would have to do that. So we don't have that here today, but the department itself of Admin is less than 1 per cent of the budget.

* (16:20)

Mr. Pedersen: So, there are a few clean-up questions that I haven't gone to yet. How many staff are currently employed in the department?

Mr. Lemieux: Yes, thank you. The total number of staff to date is 263.4, because of some part time and—which is 1.50 staff a year decrease over the previous year and the adjusted vote. And the 1.50 staff year decrease was due to a reduction of a half-time position in Assessment and a full-time position in the Taxicab Board in Winnipeg. That's it on staffing.

Mr. Pedersen: So what's the current vacancy rate within the department?

Mr. Lemieux: Yes, the vacancy rate is 11 per cent, and, as of March 31st, there were 28 positions or, again, that 11 per cent.

Mr. Pedersen: And the staff turnover in the past year?

Mr. Lemieux: Yes, it's a—I know that there have been a number of positions that—I know we're endeavouring to find the number, but there have been a number of positions that people have retired, and that's something that is a challenge not only for this department, but I'm sure for other departments as you get an aging population and people who have been in the civil service for years.

People are retiring and that's putting pressures on governments right across the whole country no matter what level they are, whether it's CAO's retiring at the municipal level or other staff in municipal governments or provincial governments or federal government, you're getting a lot of people right at the retirement age, and it's going to be hard to replace them. But it's a challenge that all governments are facing, and we're currently looking to find that number.

I've been advised that eight people retired—eight retired. We've also filled a number of positions this year, and there were 13 direct appointments in 2012-13, and there were also 22 positions that were—positions filled during 2012-13 through competition. And so, even though you've had the eight retired and there's going to be more, obviously, because of the

aging population. But that's something that we'll have to deal with when that happens.

Mr. Pedersen: And I would like to get a list of all the staff in the minister's department and the deputy minister's office. It's not the political staff; it's the other staff.

Mr. Lemieux: Yes, in addition to the previously mentioned political staff—to other staff—I'll also give political staff, wherever that is, I'll—do you have that handy too. I'll give all the staff.

In the office there's Ann Tardiff, who's my ministerial secretary; Margaret Ali, who's administrative secretary; Kayla Gariepy, who's administrative secretary. In the deputy minister's office there's Linda McFadyen, who's my deputy minister; Amy Jordan, who was assistant to the deputy minister; and Debbie Goodfellow's the deputy minister's secretary; Maggie Lonsdale is also admin secretary; assistant deputy minister has a new assistant, Inonge Aliaga is the new assistant to the deputy minister. And also I have two full-time political staff: one is Eric Plamondon, who is my special assistant in the Legislature, and Amy Pouliot, who is my constituent—in my constituency office in Dawson Trail.

Mr. Pedersen: Just like to know if the minister is—which Cabinet committees the minister is on?

Mr. Lemieux: No.

Mr. Pedersen: When the minister said about staff turnover there was eight appointments, if I understand correctly, those were in—by competition and the 13 were direct appointments, non-competition? Am I correct on that?

Mr. Lemieux: Twenty-two by competition.

Mr. Pedersen: Okay, walk me through this. You had a staff turnover of eight—[interjection]—retired, and you had 13 direct appointments, which is 21, and you're saying you hired 22 people by—[interjection]—competition. So you remain at—that's why your vacancy rate remains at 11 per cent or 28? Am I correct on that?

Mr. Lemieux: Yes, we've talked about the positions filled by competition, we've talked about direct appointments, we've talked about retirements, but there are other individuals who have left to work elsewhere in government and they're not retirements, so we don't have that number—of the number of them who have decided to go for either, I guess—you know, different opportunities, I guess is the word I'm

looking for. So they've gone, they could be lateral appointments or they've gone to another position, which is a promotion for them, of sorts. So we don't have that number, but there's others who have also left too.

Mr. Pedersen: Is there any positions that have been reclassified, in the past year, within your department?

Mr. Lemieux: There was one employee who received a downward re-class, and there's also two vacant positions that were reclassified upwards.

*(16:30)

Mr. Pedersen: Was there any positions been relocated and that would be from rural to urban or northern to southern, et cetera, et cetera, in relocation of the jobs in your department?

Mr. Lemieux: Yes, the question, I believe, was how many positions were moved from rural Manitoba to urban or to Winnipeg or vice versa. No positions were moved from rural to urban and—but there were some secondments, I believe. Yes, there were two positions that were seconded from a rural location to an urban centre, and no positions were moved from urban to rural. But there was one position that was seconded from urban to a rural location.

Mr. Pedersen: So there's three secondments. Can you give me the details of that secondment: why they removed—what the—the person—people, the three people the types of jobs that they were in and what they moved to, and the terms of those—that secondment?

Mr. Lemieux: The one is the—one moved from community and planning—regional planning, sorry, in Selkirk, and they moved to Community and Regional Planning in Winnipeg. And it's a position that's in Selkirk, but the incumbent is—worked out of Winnipeg. The next position was Community and Regional Planning out of Thompson, and they moved to Community and Regional Planning in Winnipeg, and the position is still with Thompson, but the incumbent works out of Winnipeg. And, with regard to the position that was seconded from urban to rural, it's—a person moved from the Municipal Board to a bilingual services centre for the Province, and that is something that—in the new bilingual services centre in St. Laurent.

Mr. Pedersen: Okay, the person in planning that moved from Selkirk to Winnipeg, is that still doing a job for Selkirk, as I understand the minister

correctly? How long is this common and why—what's the purpose of moving that person if it's—if they're doing the same job, why would they move from Selkirk to Winnipeg?

Mr. Chairperson in the Chair

Mr. Lemieux: It's—I don't have the details why. It could be someone just covering, and that's the reason why they're doing this. I don't have the exact details on the specifics as to why a person, for example, is working out of the Selkirk office, which is about, roughly, a half-hour, 25-minute drive in—and is out of Winnipeg or covering in Winnipeg.

Mr. Pedersen: Well, I would like to know just out of interest, I would like to know why that position has been moved, why that job was seconded to Winnipeg. When you—typically, a second is term and quite often it's to—into a different position. From what you're telling me, this is—the person's doing the same job but out of Winnipeg instead of Selkirk. Is that for a specific length of time, or is it permanent? And, if its secondment is not really secondment, if it's permanent—and, also, the Thompson to Winnipeg, I would think it would be a little bit harder logistically to do planning for Thompson if that person is in Winnipeg. So also the details and the term of secondment and if that position will, in fact, go back to the original office

Mr. Lemieux: The Thompson office, just to go with that one, very difficult to fill the position in Thompson, but we do have coverage. The Thompson—the City of Thompson has their own planning office, but we do provide support out of Winnipeg for them.

The one with regard to Selkirk, I don't have the time—the staff doesn't have the time, period, for that particular secondment. We can get that for you but we don't have it today.

Mr. Pedersen: Was that a vacancy, then, in Thompson that you're talking about? You talk about—the person moved to—seconded to Winnipeg, but you're talking about it being very difficult to fill in Thompson. Is that a vacancy then there?

Mr. Lemieux: We—that position, the Thompson position is—that person is in Winnipeg, but can provide support for Thompson out of Winnipeg, and they're—with modern technology being what it is, that is much easier to do nowadays than it was previously. And, yes, it is difficult to have people relocate or work in Thompson, and that's part and parcel of the answer, so even though that person is

here in Winnipeg, they can still provide support to Thompson via technology or by other means.

Mr. Pedersen: I don't question that for a minute that technology will allow them to that, but that doesn't sound like a secondment to me, that sounds like a transfer, because that person is doing the job in Winnipeg, there is no plan in the future that the minister has told me that that position will be filled in Thompson, that sounds like a relocation not a secondment.

Mr. Lemieux: The decision hasn't been made yet to remove the position from Thompson, it's just that that person is in Winnipeg, that position's in Winnipeg and they cover Thompson and they will do anything they need to do to help and work through Thompson. So a decision hasn't been made to remove that position from Thompson, and so that's why I use the term secondment, the person really is in Winnipeg but covers Thompson.

Mr. Pedersen: Does the department do any contracts?

Mr. Lemieux: No, there's no employment contracts.

Mr. Pedersen: But you told me the other day, though, that there was people on contract to do—work with municipalities in amalgamation. Is that not—are those not contract agreements, they're not on—or are they salary people in the department?

Mr. Lemieux: Yes, the member's correct. Yes, those—the field consultants I believe he's referring to, yes, they're consulting contracts, he's correct. And there are, I believe, 14 to 16 individuals who have been on—who are on that contract, and—but there's no employment contracts. It's just—it's consulting. The consultants that we talked about for amalgamation is the one's that we referred to the other day.

Mr. Pedersen: So on those field consultants, specifically, is—are those contracts with those 14 to 16 individuals, are they for labour only? Is it transportation—travel costs external from the contract, or how does that work in terms of those field consultants? Do they—are they paid a travel allowance or are they paid salary including travel—is this—are they contracting for a specific job for a number of hours, number of travel or whatever? How are the contracts actually set up?

* (16:40)

Mr. Lemieux: Yes, those field consultants are paid by the hour, but they're given the regular government mileage, whatever it might be, I don't know if it's

46 cents a kilometre, whatever it might be nowadays. But they're given that plus their hourly salary.

Mr. Pedersen: Transportation, actually, it's not a large item in any one of your subappropriations through the book. I just noticed, and it was kind of curiosity, actually, you've budgeted the same amount for transportation this year as you did last year. I don't know where you're buying your gasoline, but it's been a lot more expensive this year than what it was a year ago. Is this just a fact that when you put a budget together, you throw something in there in the same line or is there no allowance for higher transportation costs?

Mr. Lemieux: Yes, using the general manual of administration, there is a set rate per kilometre, and the department has a pretty good idea what kind of kilometres and mileage will be covered. It's not dependent on what it is at the pump, because it could be \$1.05 and then it could go to \$1.55, but it's based on per kilometre, based on the agreed to rate.

Mr. Pedersen: A couple of other cleanup questions here. Travel, ministerial travel: How many times did the minister travel outside the province? The purpose of those trips, the dates, who went? Did he pay for any of the Premier's (Mr. Selinger) travel?

Mr. Lemieux: I attended a provincial and territorial ministers' meeting responsible for local government or municipal affairs, and Doug Griffiths, who was the host and the Alberta minister, and were attended by many local government ministers. It was attended by my special assistant, the deputy minister, assistant deputy minister, executive director of the Building Canada Fund, I call it, or that secretariat. But—and also a policy and legislative staff person for the department.

And on February 3rd to the 4th, I attended a meeting of federal—with a federal minister, Denis Lebel, to discuss the Building Canada Fund and Infrastructure Secretariat and federal programs in Ottawa. And that was part of the consultation with the federal government prior to their announcement in their budget of a 10-year, \$54-billion Building Canada Fund program. And my special assistant and the deputy minister, as well as the person that's responsible for the Building Canada Fund secretariat.

And also, near the middle of February I attended the Alberto—Alberta, sorry, Urban Municipalities Association conference in Edmonton, which had municipal leaders there, as well as the minister responsible for municipal affairs and emergency

measures from Alberta as the host. And those are the trips.

Mr. Pedersen: Now that you mention that Building Canada secretariat, is that in your department in this book somewhere?

Mr. Lemieux: Yes, it is. I will endeavour to find the page for you, and Ms. Karlene Debance is the person that is heading up that particular area, and she has been there for a number of years. It's on page 61—sorry, 61. Thank you.

Mr. Pedersen: And part of the problem when we spread this over many days, I'm—I can't remember if I've asked this before. In this book, on page 60, it says there's 85 projects—this is clean-up projects from other years, I believe, isn't it? These are not new projects? Expected results: 85 projects in construction must be completed. Those are old projects, correct?

Mr. Lemieux: Yes, correct. Yes.

Mr. Pedersen: Maybe the minister's memory is better than mine, then. Did I ask you about new projects for this year that are approved? *[interjection]* Okay, then I will ask the minister if there—for a list of projects now that have—are currently under review and being considered for this, because they are not allocated yet, right?

Mr. Lemieux: Yes, the Building Canada Fund that we're currently in, in Manitoba, in our case, it's been all allocated. Other provinces still have not completed their cycle. It ends March 31st, 2014, and the new Building Canada Fund will start April 1, 2014. So, in Manitoba, all the dollars have been allocated. Basically, all the projects are out the door, so—but other provinces have not completed theirs. They're still completing the current existing Building Canada Fund. We're looking forward to this coming fall sometime, certainly later in the year, starting the bilateral discussions with the federal government as to the criteria on the new Building Canada Fund program.

And we're very pleased, I can tell you, to have Minister Fletcher until a Cabinet shuffle happens or whatever may happen federally; we don't know, but we anticipate that's going to happen. But Minister Fletcher has been really a pleasure to work with, I can tell you, as well as Minister Lebel. And I really have to say publicly to thank him for that. He's really taken into consideration the challenges Manitoba has and has a good understanding of the challenges of municipalities. And we have tried to work closely

with AMM and Minister Lebel and Minister Fletcher locally to give us the flexibility that's needed in Manitoba, and I have to thank the Prime Minister and the federal government for allowing for a 10-year program, first of all, substantial amount of money, \$54 billion, but also allowing us and giving us the flexibility for each province to determine where their priorities are.

Mr. Pedersen: I remember this speech now. We went through that the other day. There we go, so we're good. Assessment Services—*[interjection]*—the minister's got it rehearsed. You've got it rehearsed very well. It was pretty well verbatim from the other day now that I just—Assessment Services—City of Winnipeg does their own assessment, and it's separate from the rest of the province, am I correct?

Mr. Lemieux: That's correct, but they follow provincial legislation.

Mr. Pedersen: And assessments now are on two-year renewals and we're in a current renewal year right now. Rural—is it the same? Does the City of Winnipeg have their own—they run their own assessment branch, correct?

Mr. Lemieux: The answer is yes to the rural and Winnipeg being the same, and 2014 is the next cycle.

* (16:50)

Mr. Pedersen: And is there—when assessments are done, the assessments notice is sent out to a property owner for the tax year 2014 right now. There's current assessment notices are coming out for next year and are those assessment notices, are they—how many years back can you appeal or are they—I'm incurring a problem with a constituent who is able to appeal their current assessment notice, are they able to go back—because there was a huge discrepancy in this current assessment, and then upon discovering going back the last five years, actually, it was over-assessed as comparing to neighbour properties. Are they able to appeal that assessment and subsequently tax—a tax notice then on those properties?

Mr. Lemieux: The best way to say it is that they can appeal from that cycle. They can't go back retroactively two or three or five years back. It's that particular cycle. And the notice is on the website, the Local Government website. But I believe it's also on the tax assessment notice. You know, it tells them, specifically, because I had the same question in my own constituency about how far back you could

appeal, and—actually, it was just a recent question I received, and I haven't even had a chance to give the answer, but—so I thank the member for that question, because I—probably all MLAs are getting very similar questions now that we're in the two-year cycle, and—but—and, hopefully, that answers his question.

Mr. Pedersen: I understand. You can only appeal the current assessment notice, not previous assessment notices, but can—is it up to the municipality or is there provincial legislation? Obviously, if the property owner feels they were over-assessed in the last four years, can they go back and retroactively appeal taxes paid or is that once taxes are paid, there's no appeal to that?

Mr. Lemieux: The answer is, no, they can't. It's just that one cycle and that's it. I mean, they had—well, supposedly the opportunity to do it, but they didn't, and so it's within that one period of time.

And that's a very similar question, almost identical to what I'm receiving, and I'm sure others have received a similar question too. *[interjection]* If I could just add to that, staff mentioned—actually, it's a very good point because it's a two-year cycle, your assessment in that first year one, let's use year 1 or A, you can appeal that. And if you miss that, your assessment in that second year, year 2 or B, you can appeal that.

So really what you do is you get two kicks at it, but then you can't go back, you know, back to your—or three years back, if you know what I mean. So a person gets two kicks at that assessment, year 1 and year 2 of the two-year cycle.

Mr. Pedersen: I think I understand that because you can only appeal the current assessment because it's a two-year assessment, it's done every two years. So you can only appeal the current assessment and you cannot go back and then appeal taxes paid on previous assessments. Okay, that's good. I can clear that up for my constituent then.

Also, just a couple of other cleanup questions I got here. Advertising: Is there an advertising budget within the minister's department?

Mr. Lemieux: I jest. I say we should do more because there's so much to advertise and so much to say of all the great things that Local Government and the department is doing, but I will take my tongue out of my cheek and I will try to give you a very straightforward answer.

So the department doesn't have any funds budgeted specifically for advertising and does not usually do any advertising. But the department does usually have a few sponsorships each year, such as the association of Manitoban municipalities, which we contribute to and which may result in a small print advertisement in their brochure, like their dinner, for example, sponsoring their dinner.

And the department will also have some minor communication expenditures relative to the printing of brochures or mail inserts that relate specifically to the delivering of programs.

And often people will, certainly, look at the website. I mean, now it seems like more and more people are getting information off the website, and we try to post on our website anything new that may be happening as well, so really the answer is we don't—we haven't budgeted specifically for any kind of advertising.

Mr. Pedersen: Well, tongue firmly planted in cheek, I don't think you'd be able to buy advertising, because the budget and the Hydro ads have bought up all the air space. So—and there wouldn't be anything for Local Government to be able to get in there anyway.

But I'm—obviously, amalgamation is a huge part of your departmental initiative this year. What other—and you've already told me that the Building Canada funds are taken up for this year until March 31, 2014, when we get a new Building Canada and there'll be lots of initiatives there once that funding is agreed to. Are there any other departmental initiatives that the department will be working on this year?

Mr. Lemieux: Yes, the department has no new initiatives as such, but the continuation of education with regard to municipalities, election readiness for municipalities, working with councils and others, so no new initiatives as such.

Mr. Pedersen: Is there budget requirements—no new municipal elections will happen actually in your next fiscal year, because they will start May 2014, that nomination period. Does the department financially support municipal elections? And I know in my own municipality right now there is a by-election; I believe that's the total cost is borne by the municipality, but, in the general elections, does the department pick up any of the costs of elections?

Mr. Lemieux: Yes, we—there is no cash as such for elections and—for current or coming-up elections, but we do provide support, whether it's brochures or

pamphlets explaining the process and what council has to go through, or nomination and so on.

So it's more of an education process that the staff help out with prior to any municipal election, but there's no cash delivered to run those elections.

Mr. Pedersen: Is that municipal service officers be the staff doing that, or is there other staff assigned to that?

Mr. Lemieux: Yes, the MSOs and staff, that's primarily their responsibility.

Mr. Pedersen: So you're down two right now. There should be four in the province, and you're down to two. When will those positions—when do you expect those positions to be filled?

Mr. Lemieux: Within the next month we're hoping that—we're hoping to have them in place in the next month.

Mr. Chairperson: Honourable minister—or honourable member for Midland (Mr. Pedersen) has 15 seconds.

Mr. Pedersen: Or I'll use my 15 seconds to thank the minister for his—and I do have, on record, a lot of information that you're going to supply me. I hope that's in a timely basis. I will hold you to that.

Mr. Chairperson: Order. The hour being 5 p.m., I am interrupting the proceedings of the committee. This section of the Committee of Supply will now recess and will reconvene tomorrow morning at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

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