



Second Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

*Published under the  
authority of  
The Honourable George Hickes  
Speaker*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHIELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCIUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 3, 2001

**The House met at 1:30 p.m.**

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Speaker:** The honourable Member for Morris; the honourable member for Springfield (Mr. Schuler). The honourable Member for Morris, to read his petition.

**Kenaston Underpass**

**Mr. Frank Pitura (Morris):** Sir, I apologize for that. I beg to present the petition of R. Lemieux, Tom Stott, Rod Roblin and others, praying that the Premier of Manitoba (Mr. Doer) consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

**Manitoba Hydro Lines Routes**

**Mr. Ron Schuler (Springfield):** I beg to present the petition of Richard Butuket, David McLaren, Jeannie Paulson and others, praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

**Kenaston Underpass**

**Mr. John Loewen (Fort Whyte):** I beg to present the petition of Linda MacIntosh, Don MacIntosh, Thomas Provals and others, praying that the Premier of Manitoba (Mr. Doer) consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

**READING AND RECEIVING PETITIONS**

**Manitoba Hydro Lines Routes**

**Mr. Speaker:** The honourable Member for Springfield (Mr. Schuler), I have reviewed the petition. It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Will the Clerk please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the R.M. of East St. Paul has the highest concentration of high voltage power lines in a residential area in Manitoba; and

THAT the R.M. of East St. Paul is the only jurisdiction in Manitoba that has both a 500kV and a 230kV line directly behind residences; and

THAT numerous studies have linked cancer, in particular childhood leukemia, to the proximity of power lines.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

\* (13:35)

**Kenaston Underpass**

**Mr. Speaker:** The honourable Member for Fort Whyte (Mr. Loewen), I have reviewed the petition. It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the intersection at Wilkes and Kenaston has grown to become the largest unseparated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is 12 times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over eight tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

**Mr. Speaker:** The honourable Member for Morris (Mr. Pitura), I have reviewed the petition, and it complies with the rules and practices of the House. Is it the will of the House to have petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk:** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the intersection at Wilkes and Kenaston has grown to become the largest un-separated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is 12 times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over eight tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

#### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEE

##### Committee of Supply

**Mr. Conrad Santos (Chairperson):** Mr. Speaker, the Committee of Supply has adopted

certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable Member for Selkirk (Mr. Dewar), that the report of the committee be received.

*Motion agreed to.*

#### TABLING OF REPORTS

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, I am pleased to table the Agriculture and Food Supplementary Information for Legislative Review 2001-2002 Expenditure Estimates.

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** I am pleased to table The Fatality Inquiries Act report for the year 2000.

\* (13:40)

#### INTRODUCTION OF BILLS

##### Bill 19—The Crown Lands Amendment Act

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** I move, seconded by the Minister of Conservation (Mr. Lathlin), that leave be given to introduce Bill 19, The Crown Lands Amendment Act (Loi modifiant la Loi sur les terres domaniales), and that the same be now received and read a first time.

His Honour the Lieutenant Governor having been advised of the content of the bill recommends it to the House. I would like to table the Lieutenant Governor's message.

*Motion presented.*

**Ms. Wowchuk:** Mr. Speaker, this bill provides a formal appeal mechanism for leases, use permits and work permits for agricultural Crown lands. It also provides for a Director of Agricultural Crown Lands and enables the director to lease, issue work permits, use permits and provide the transfer of leases and use permits related to agricultural Crown lands and creates an Agricultural Crown lands Appeal Board to deal with appeals from the decisions of the director.

*Motion agreed to.*

### Introduction of Guests

**Mr. Speaker:** Prior to Oral questions, I would like to draw the attention of all honourable members to the gallery where we have with us from Montcalm School five Grades 7 and 9 students under the direction of Mr. Bruce Urquhart. This school is located in the constituency of the honourable Member for Wellington (Mr. Santos).

Also seated in the gallery we have Jane Brenner and Barb Fox who are the executive members of the Marlene Street Tenants Association, who are the guests of the honourable Member for St. Vital (Ms. Allan).

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

### ORAL QUESTION PERIOD

**Mr. Stuart Murray (Leader of the Official Opposition):** Before I ask a question, Mr. Speaker, I would like to just address on behalf of this side of the House and our caucus. We would like to very much say that our thoughts are with the honourable member, Minister Robinson, who, we understand, is in the hospital as we speak, and we just want to ensure that the message goes out to him, his family and his relatives that thoughts from our side of the House are very much with him during this difficult time.

#### Pan Am Clinic Purchase-Business Plan

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I would like to table for the House a letter of January 31 from the Minister of Health (Mr. Chomiak) to the chair of the Winnipeg Regional Health Authority that was made public today, which indicates that his Government ordered the WRHA to buy the Pan Am Clinic.

I would like to ask the Premier: Why did his Government order the WRHA to purchase the Pan Am Clinic without first exploring other options such as contracting with Pan Am and other facilities to do more surgeries or increase operating times at our hospitals?

**Hon. Gary Doer (Premier):** Mr. Speaker, the Pan Am Clinic has not been purchased, contrary

to the words of the Leader of the Opposition. The memorandum of agreement has been released publicly. The due diligence that has been conducted by the Winnipeg Regional Health Authority has been made public. An outside due diligence that indicates a \$1.2 million benefit to the public of Manitoba has been identified. The doubling of patients in potential surgery with the proposal has been identified. Some issues of information and a business plan as weaknesses have been identified, and those matters have gone back to the Winnipeg Health Authority. I think the member should correct the record.

**Mr. Murray:** Well, Mr. Speaker, it is clear, I guess, what was not done in this absolute process that the Premier refers to was that there is absolutely no business plan and cost benefit analysis to the people of Manitoba.

Attached to the minister's letter to the WRHA there is a document called the "Proposed Operational Plan for the Development of Not-for-Profit Speciality Care Clinics."

The document states, Mr. Speaker, and I would like to read: The RHA will recommend to the department a decision to purchase this option with a specific clinic, which will be based on a sound business case addressing the rationale for this decision along with details regarding qualitative and financial impacts.

\* (13:45)

Can the Premier explain why his minister ordered the WRHA to begin discussions to purchase the Pan Am Clinic when his Government's own decision and document states that it is the WRHA who should be recommending to Government which clinic is a good candidate for their so-called not-for-profit specialty care clinic?

**Mr. Doer:** Mr. Speaker, in the Leader of the Opposition's first question, he alleged that we had ordered the purchase. Now he is stating in his second question we ordered the discussions for the Pan Am Clinic. I am just reading the letter. I think it talks about a couple of issues that—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you very much, Mr. Speaker. In the letter that has been referenced incorrectly by the Leader of the Opposition in his first question, it states clearly that we would obviously want this to be straight and sure that it is not in a potential conflict of interest, that the issues have to be dealt with in a transparent way. I would imagine, given the situation at the Lions Club with the findings that took place there, that was very prudent advice.

**Mr. Murray:** Well, Mr. Speaker, the Doer government had no business plan, it had no cost-benefit analysis, and it did not explore all options available. While the plan indicates that the WRHA first make a recommendation based on a sound business case, the Health Minister disregarded that and ordered the WRHA to immediately begin discussions to purchase the Pan Am Clinic. Can the Premier explain why his Minister of Health demanded that the WRHA buy the clinic without first exploring other options and without having a business plan?

**Mr. Doer:** Mr. Speaker, the external review was released publicly. It did indicate \$1.2 million over a five-year basis in terms of the advantage to the public. It did identify a doubling of the number of patients available for surgery. This was later confirmed by Doctor MacDonald. These documents have all been made public prior to any finalization of any, quote, agreement. I would compare that to the transparency or lack thereof of the SmartHealth proposal that cost the taxpayers—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. I would compare the transparency, the external reviews, the due diligence that have been made public with this proposal to the frozen food and the lack of a business plan. You know, in the frozen food decision, they did not even include when you went to a private operation that you would have to pay the GST, \$1 million per year. That was

not included in the frozen food plan, and when you look at the PricewaterhouseCoopers—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. When you look at the issue of the GST just for an example, with the PricewaterhouseCoopers report, where it very clearly identifies that as a potential saving subject to the work that must be conducted by the Winnipeg Regional Health Authority, on the one hand you have no transparency, no plan and no accommodation for a million dollar cost to the patients of Manitoba for a private facility—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. For a million-dollar mistake made by members opposite after the fact, here we have all the information on the table. I suggest when you compare that to the transparency of the Hydro takeover of Centra Gas, with the good will proposal of \$65 million, it is a fairly transparent process and for that I think all the public will be thankful, particularly on behalf of the patient care.

I, finally, would like to thank the Leader of the Opposition for his thoughts about our member Eric Robinson, the member from Rupertsland. We will certainly pass on the comments from all sides of the House in appreciation of his medical situation and we will pass that on to his family as well.

\* (13:50)

#### **Pan Am Clinic Purchase—Business Plan**

**Mrs. Myrna Driedger (Charleswood):** In the Minister of Health's own rules regarding turning a clinic into a non-profit centre, he says the decision must be based on a sound business case. Yet we know that there was no business plan developed for the purchase of the Pan Am Clinic. Can the Minister of Health tell us why he broke his own first rule and demanded that the

WRHA buy the clinic without having a sound business case to support such a move?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I think unprecedented since I have been a member of this Chamber was the presentation to the public of an independent, third-party due diligence review presented to the public in advance that indicates a profit through this venture of \$1.2 million plus extra services. I think in that instance it very much speaks for itself. That is in stark contrast, in stark contrast to the experience I saw when I sat on the other side of this Chamber with all of the schemes and deals and fiascos that were perpetrated upon the people of Manitoba.

**Mrs. Driedger:** I would like to ask the Minister of Health if the reason he did not request a business plan from his department was because his department recommended against the purchase of the Pan Am Clinic, as we have heard reference today in Winnipeg's media.

**Mr. Chomiak:** Mr. Speaker, we also heard reference to that by the member opposite yesterday. I asked her to table the information that she was alleging. We have not seen that information. The department gives all kinds of advice to this minister. We weigh the advice. One of the areas of advice—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, one of the areas of advice that I asked the department for, prior to this, was that they do a review of the government's Assiniboine Clinic exercise.

It was entered into secretly by the former government, and a number of recommendations came from the department including involving the regional health authority at the very front end of a thing like this ensuring appropriate conflict-of-interest provisions are in place prior to embarking on a deal like that. I asked the department to review the Assiniboine Clinic experiment of members opposite which was not made public, but I asked to learn from the lessons from that as we move into our—

**Mrs. Driedger:** The minister did not answer my question and I would like to ask him again: Is it

not true that his department recommended against the deal to buy the Pan Am Clinic because it was a bad deal for Manitobans? It is not going to improve patient care, Mr. Speaker.

**Mr. Chomiak:** No, Mr. Speaker.

### **Pan Am Clinic Purchase—Conflict of Interest**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, the public is becoming more and more concerned about the relationship between the Premier (Mr. Doer), the Hildahl family and the purchase of the Pan Am Clinic. In fact, this morning on CJOB radio the Minister of Health admitted it was a concern of his when he wrote the letter that was tabled earlier here today. My question for the minister is: Can the minister tell us what those concerns are?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I indicated on the radio this morning, I was a lawyer both in private practice and in public practice. In fact, when I was involved in public practice one of my areas of expertise was to advise on conflict-of-interest matters.

I indicated in the letter, very clear, because we are moving into a public-private mix that it is very difficult sometimes for people in the private sector to understand the very high standards that are attached to public sector ventures.

We knew of the experience with the Lions Club, what the Auditor said, a mix of businesses and private cause grave difficulty. I knew about the experience with the Assiniboine Clinic, and I indicated that it would be very cautious on the conflict-of-interest matters relating to all conflict-of-interest matters relating to a public-private venture.

**Mr. Tweed:** Again, Mr. Speaker, the minister refuses to answer the question. The question was, and I will ask, and he references the comments he made this morning.

He stated when he was asked if there was a conflict of interest: That was not foremost in my mind. He later went on to say: There is no question that there was.

I again ask the minister: Can he explain what he was referring to in his letter when he was talking about conflict of interest?

\* (13:55)

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, when I was on CJOB and asked about that particular letter I indicated what I indicated earlier, that I, both in private and public practice, have dealt with matters of conflict of interest. Very, very often people in the private sector, and members know that very well from their experiences during the past nine, ten, eleven years do not understand and appreciate the level of conflict of interest or perceived conflict of interest that is associated with a private-public venture.

The interviewer did ask me, Mr. Speaker. He said: Well, were you considering about the Wayne Hildahl? There are all kinds of considerations when you have an owner who has several businesses, and there were considerations as well concerning the board structure. There is a wide variety of considerations, and I wanted to be absolutely certain that all matters of conflict of interest or perceived conflict of interest were reviewed, and that is why I wrote that letter.

**Mr. Tweed:** What the minister really said was that he was accusing us of peddling this issue around when in fact he wrote the letter dated January 31 and the first question raised was less than—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** The member is engaging in a debate and making accusations and allegations, and he should be reminded. I ask you to draw his attention to *Beauchesne's* Rules 409 and 410 where supplementary questions require no preamble.

**Mr. Speaker:** The honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr. Speaker. It was very clear what this member was doing. He was answering an accusation made by this minister. This minister accused members on this side of the House of putting forward statements that he did not agree with.

Mr. Speaker, this letter which we are referring to, the conflict of interest, was written on January 31, which was a long time before we started to sit in this House. There was a much longer time than from when we started to ask him the questions. If this minister continues to provoke debate in this House, that is how you are going to get the answers from this side. If they ask them, we are going to answer them.

**Mr. Speaker:** Order. On the point of order raised by the honourable Government House Leader, he does have a point of order. *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble. I would ask the honourable member to please put his question.

\* \* \*

**Mr. Tweed:** I want to ask the minister then, when asked this morning, how he explains the conflict-of-interest statements in the letter, that he suggested the Conservatives were peddling around the difference in the times when he wrote this letter and the issue that he presented today.

**Mr. Chomiak:** Mr. Speaker, last Friday on April 27, the Member for Lac du Bonnet (Mr. Praznik) said, and I quote: As the Premier who goes on regular fishing trips with Brian Postl. The Member for Lac du Bonnet stated publicly that the Premier (Mr. Doer) went on regular fishing trips with the head of the Winnipeg Regional Health Authority. That was wrong and that is what I was referring to regardless of what the member has been peddling.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker.

*Beauchesne's* 417: Answers to questions should be as brief possible, deal with the matter raised and should not provoke debate.

This is exactly what we are speaking about. We are talking about a letter dated January 31, not two weeks ago. The accusations he made on CJOB this morning were referring to that letter of January 31. This minister is wrong.

\*(14:00)

**Mr. Speaker:** The honourable Minister of Health, on the same point of order.

**Mr. Chomiak:** Yes, Mr. Speaker. If you look carefully, I believe, at the question of the member, he said that I made a statement on a particular radio station. He quoted part of the statement, and the statement was about the Conservatives peddling, I believe, misinformation. I was explaining what misinformation the Conservatives were peddling.

**Mr. Speaker:** Order. The honourable Member for Turtle Mountain, on the same point of order.

**Mr. Tweed:** On the same point of order, Mr. Speaker. To make the information completely correct, the question was: So conflict of interest would have nothing to do with the relationship that Gary Doer has had over the years with the Hildahl family. He goes on to say: That was not foremost in my mind. To clarify he asked: But what do you really see, and he says: There is no question.

**Mr. Speaker:** On the point of order raised—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. May I remind all honourable members that a point of order is a very serious matter. It is very difficult to hear when members are speaking on the floor. I would ask the co-operation of all honourable members.

On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order. *Beauchesne's* Citation 417: Answers to questions should be as brief as possible, deal with the matter raised and to not provoke debate.

\* \* \*

**Mr. Chomiak:** Thank you, Mr. Speaker. As I indicated, I was very concerned about conflict of interest because of the private-public mix of this nature and because of my past practice as a lawyer, because of the experience we had from the audit with respect to the Lions Club, because of the way and tactics that I know members opposite have employed throughout the time since they have been in Opposition and when they were in government, and the interviewer asked me whether every issue was up for consideration when it comes to conflict of interest. You have to be very, very forthright and up-front on this kind of stuff, because the standard is quite high in the public sector.

#### **Pan Am Clinic Purchase—Conflict of Interest**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, I have never witnessed in 25 years of business a situation where a purchaser of a business outlines the strategy for purchasing the business in a letter to his agent and then sends a copy of that letter to the vendor of the business.

My question—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. I am sure we all want to hear the question.

**Mr. Loewen:** Thank you, Mr. Speaker.

My question to the Minister of Health is: Why on earth would he send a copy of a letter outlining the proposed strategy to buy a business to the owner of that business?

**Hon. Dave Chomiak (Minister of Health):** You know, Mr. Speaker, it is interesting. In the first line of questioning, as the member said, we ordered the purchase. Now they say it is a proposed strategy that has gone to both sides.

We laid out the pattern of going a different route with respect to trying different options and being innovative in the health care system. We tabled in this House a due diligence report unprecedented in this Chamber, a due diligence report done by a respected, with far more experience than, I think, any members opposite, consulting firm that indicated a \$1.2 million

profit over five years on this kind of plan. More important—

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter and should not provoke debate.

The question was clearly: Why did this minister copy this proposal that he sent to his department off to the gentleman that he is buying the company from? Mr. Speaker, why would he tell Doctor Hildahl the facts? Why would he tell Doctor Hildahl all the proponents that he is advising his staff to go into negotiations on?

**Mr. Speaker:** The honourable Government House Leader, on the same point of order.

**Hon. Gord Mackintosh (Government House Leader):** It appears from the point of order, Mr. Speaker, the Opposition is trying to dictate an answer. Unfortunately, what happened was that the Opposition got up and interrupted and stopped the minister from answering the question. That is exactly what he was doing in answering the question.

**Mr. Speaker:** Order. I was listening very carefully to the honourable Minister of Health. On the point of order raised by the Official Opposition House Leader, at this point I would have to rule it as a dispute over the facts. I was listening very carefully to the answer.

\* \* \*

**Mr. Chomiak:** Thank you, Mr. Speaker. As I indicated, we have provided more information on this particular venture than on any other venture that I have seen since I have been in this Chamber, which indicates a profit of \$1.2 million.

**Mr. Loewen:** I ask the Minister of Health: Given that he has stated he was very concerned about conflicts of interest, why would he send a

copy of a letter outlining his directive to his staff to buy a business? Why would he create a conflict of interest by sending a copy of that letter to the very person that he was buying the business from? Why would he create a conflict?

**Mr. Chomiak:** As the letter indicates, this was a notification to the parties involved of the creation by Cabinet of a new category of non-profit, specialty-care clinics. [*interjection*]

You know, Mr. Speaker, members in a previous question dealt with conflict of interest. This outlined our concern regarding conflict of interest. It outlined some standards to deal with conflict of interest that would have to be part of any kind of a final deal that was entered into.

**Mr. Loewen:** I would ask the minister: If he has just stated that this letter is just notification to the parties, why did he include in that letter, and I quote, Doctor Hildahl has a major building expansion program planned, and I can foresee that his current corporation may need to exist to act as project managers until the project is complete?

Why would this Minister of Health tell the very person he was buying the business from that he was going to need to keep that person around?

**Mr. Chomiak:** Mr. Speaker, (a) we wanted to keep all the doctors around and we wanted to retain doctors, which was one of the primary motivations behind this; (b) it is funny how the member's questions keep changing around and keep changing what they are trying to say.

With regard to this particular operation, one of the reasons that this operation has been around from '79, in fact, the Member for Lac du Bonnet (Mr. Praznik) entered into a contract with this very group. The principal entered into a contract that saw over a million dollars go to that particular group. They did very good service, and they are recognized across the province as one of the leading clinics involved in this field. We think that opportunity is very important and Coopers & Lybrand indicated a profit of \$1.2 million over five years.

\* (14:10)

**Pan Am Clinic  
Purchase—Conflict of Interest**

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, one of the questions my constituents and I think all thinking Manitobans want to know from this minister is why, when he is embarking on purchasing an asset, he would write to his agent and say: We have decided to buy it; We have created this category. You will go and work out the details. But you will buy it, and then send a copy of that letter to the vendor so the vendor knows they will get a deal. The only question now is how much more can I get on my asking price. His constituents want to know why he would tell the vendor that they had a deal before they even had agreed on a price.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, there are various options and ways to approach this. Yesterday members wanted us to enter into a contract with an untested, untried private clinic that is here in Manitoba. They demanded that we sign up with that clinic. That is one way of doing it.

The other way is when you develop, and I said for the past year publicly and otherwise that we are developing a different approach, a made-in-Manitoba approach that would mix the private efficiencies with the public sector to try to increase surgeries, to try to reduce waiting lists and to try to keep doctors here. It was a new and an innovative model, Mr. Speaker. I looked at the experiences that the member had when he did the Assiniboine Clinic and looked at a lot of the difficulties that occurred there, and we are trying to ensure that we did not go in the same area and cause the same difficulties that their experiment with Assiniboine Clinic resulted in.

**Mr. Praznik:** This is exactly the crux of the matter.

**Purchase—Business Plan**

**Mr. Darren Praznik (Lac du Bonnet):** I want to ask this minister: We all know that there are many ways that you could expand surgeries in our province. I just want to ask him why the Pan Am option was not tested with a business plan against all of those other options.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. May I remind all honourable members when the Speaker rises, all members should be seated and the Speaker should be heard in silence. I would just like to kindly remind all honourable members.

**Mr. Chomiak:** Thank you, Mr. Speaker. For the first time since I can recall being in this Chamber, a third-party, independent due diligence report has been presented to the public on an arrangement that has been entered into, an agreement in principle. It has been provided, the public can review the details of this. The member is right. There are all kinds of different options that are available. Members opposite want us to do the U.S. model, the pay, pay, pay model. We wanted to try something different.

**Mr. Praznik:** Mr. Speaker, I just want to ask the minister again why he did not do what this side would want him to do, what the people in his department and the WRHA would want him to do, what the people of Manitoba would want him to do, to have a proper business plan prepared by the regional authority to test all options? Why did he order them to buy the Pan Am Clinic when he had no business plan and when it was not even in the health plan of that regional authority?

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, I have indicated for the past year and a half, when we attended First Ministers', Health ministers' meetings, the single biggest problem that was facing other Health ministers was the proliferation of private hospitals in various jurisdictions.

There are various options. Alberta had a very difficult time with Bill 11. Ontario is now going to private. We said we were going to look for a made-in-Manitoba third option that would mix the best of the private with the public.

Mr. Speaker, yesterday the member wanted me to enter into a contract with a clinic that does not even have a patient and has never operated on a person. Now he is saying that it is wrong to go to a place that has been in operation since 1979 and with which he signed a contract. And in addition—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker. *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate. And it is getting a little loud. I am also having trouble hearing him.

**Mr. Speaker:** The honourable Government House Leader, on the same point of order.

**Hon. Gord Mackintosh (Government House Leader):** Yes, Mr. Speaker. The answer was forthcoming from the minister. All we are getting is interruptions both from the seat and members standing up to interrupt on so-called points of order.

**Mr. Speaker:** Order. Before I make a ruling on the point of order, I would just like to ask for the full co-operation of all honourable members. It is very, very hard to hear the questions and the answers. I have to be able to hear the honourable member that has the floor in case there is a breach of the rules or unparliamentary language. I would ask the full co-operation of all honourable members.

For the point of order by the honourable Official Opposition House Leader, he does have a point of order. *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.

\* \* \*

**Mr. Chomiak:** Thank you, Mr. Speaker, and that is why we provided a third-party, independent due diligence report to the people, to the public, in order to look at all aspects of

this decision, because we provided the information to the public.

### Health Sciences Centre Out-patient Pharmacy

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, earlier in the Minister of Health's mandate, he brought together hospital and home care under the Winnipeg Regional Health Authority, and he advanced a vision for seamless movement between in-patient and out-patient care. This week the minister has reversed direction and has separated in-patient and out-patient pharmacy services for children with cancer and created his infamous shuffle service. I ask the minister to admit that he has a very confused vision of how health care should operate in this province and that he does not know where he is going.

**Hon. Dave Chomiak (Minister of Health):** As I indicated, the member asked about the vision with health care. As I indicated in my speech to the MMA, the first thing to do was to restore professionals. That is why we introduced the diploma program, that is why there are more nurses in training than in any time in the past 10 years, that is why we have increased at the Faculty of Medicine—the cuts that were put in place by members opposite.

Secondly, we put in place, we dealt with the SmartHealth. Thirdly, we did the frozen food. Fourthly, Mr. Speaker, we put in place systems to deal with some of the major irritants in the health care system. We put out significant costs and significant services to rebuild the system last year. This year we are moving to a more public, community-focused system. We introduced the first PACT Program in the history of the province.

Mr. Speaker, the member picks out one example and one instance and indicates that somehow that was ordered. The member, who was a minister at one time, ought to know better than that.

**Mr. Gerrard:** Mr. Speaker, I thank the minister for frankly admitting that his approach for a vision for seamless hospital and home care is

being chopped and smashed to bits by his hopelessly inadequate planning approach.

Now I ask the minister when he will stop trying to say, as he did yesterday to the mothers and parents of children with cancer, that he is trying to accommodate the needs of patients by creating his shuffle service. When will he listen to people and end what is happening at the moment and bring back the out-patient services at the Health Sciences Centre?

\* (14:20)

**Mr. Chomiak:** As I indicated yesterday when I met with two of the parents, the parents did raise some valid concerns that we are attempting to address. I also asked for a review of some of the allegations that were made with respect to some of the problems that occurred. We are attempting to follow up on those. We also have spoken with CancerCare Manitoba and other related agencies and asked for a very high-level meeting with respect to trying to determine how we can deal with these problems.

**Mr. Gerrard:** I thank the minister for acknowledging that there are problems, but I would like to ask the Minister of Health why he is throwing millions of dollars at purchasing private clinics when he is not paying enough attention to the fundamentals of making sure that children with cancer get proper, adequate, good quality pharmacy services?

**Mr. Chomiak:** It is not an either/or. We indicated that we were going to take some steps and do some innovations to try to deal with waiting lists and keep doctors here, something I would have presumed the member opposite is in support of. We are investing \$4 million in capital in order to do that. We are going to expand surgeries and keep doctors here. The member ought to talk to some doctors who are there who are going to stay as a result of this.

In addition, we are trying to advance community-based services. There will be more advancement of community-based services probably than at any other time, I believe, in the history of the province.

There is a problem I indicated two days ago to the member opposite. Yes, there is a problem with pharmacists and hiring pharmacists and

maintaining professionals. For the past decade, all professionals in the health care sector were treated, shall I say, in less than good fashion. We are in a very serious situation right across the board.

### **Cultural Industries Federal Funding**

**Ms. Nancy Allan (St. Vital):** My question is for the Minister of Culture, Heritage and Tourism, and Sport.

Recently the federal government made an announcement that \$560 million would be given to cultural industries across Canada. I am wondering if the Minister of Culture could inform the House if Manitoba's arts community and organizations will benefit from this announcement.

**Hon. Ron Lemieux (Minister of Culture, Heritage and Tourism):** I thank the member for the question. We welcome these new federal commitments and certainly look forward to hearing the details and the benefits to Manitoba in weeks to come.

Certainly this is a tremendously important announcement, but, on the other hand, when I hear the comments of the critic of the Alliance Party and the Official Opposition in Ottawa how the federal government has no business giving any money to cultural industries or the arts, I am really disturbed by that, because, on the one hand they say there is no money being sent out to farmers and so on and then, on the other side, they criticize the federal government when they are trying to do something for the arts community that is desperately in need of help.

We on this side are very supportive of cultural industries and the arts community. I would trust that the members opposite would also encourage the federal government to support these industries here in Manitoba.

### **Pan Am Clinic Purchase-Expansion**

**Mr. Leonard Derkach (Russell):** My question is to the Minister of Health.

Over the course of the last few weeks or last week and a half we have learned some things.

First of all, Doctor Hildahl approached the Premier (Mr. Doer) of this province and the Government. We know that Doctor Hildahl approached this Government about the grant monies for the expansion of this clinic. We know that when that failed the Minister of Health wrote to the WRHA demanding that they purchase the clinic. We know that there was no business plan, and we know that Doctor Hildahl was identified as a project manager for the expansion.

My question to the minister is: Why would the minister have identified Doctor Hildahl's group as being a project manager for an expansion when there were no plans made by this Government to expand the clinic at that time and the WRHA had not even approached the Pan Am Clinic about the purchase of that facility?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, one of the points that members on the other side fail to grasp is that one of the major motivators behind this particular venture was to try to retain some very high level, very sophisticated surgeons who provide service—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, Doctor Hildahl has been running this clinic since 1979 and is quite involved obviously and is quite aware and is recognized as a leader in terms of innovation. All during the Bill 11 debate he was approached by media with respect to innovation. Who else but Doctor Hildahl would be an appropriate person to manage a clinic that is moving towards an innovative model?

**Mr. Speaker:** Time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### YM-YWCA Women of Distinction Awards

**Ms. Bonnie Korzeniowski (St. James):** Yesterday evening I had the honour of attending the YM-YWCA Women of Distinction 2001 awards ceremony. This year was the 25th year the ceremony has taken place in Winnipeg. The tradition began in 1977 when the members of the

Winnipeg YWCA decided that a forum was needed for recognizing the often-overlooked achievements of Winnipeg women. Last night's event saw Winnipeg women honoured for a diverse range of activity and involvement. Women were honoured in 10 categories.

The awards ceremony began with the presentation of the Gerrie Hammond Memorial Award of Promise to Susan Keller. Though still a high school student, Susan has dedicated herself to her community and particularly to her fellow peers as a presenter and organizer and as a volunteer with Klinik's Teen Talk program. We can all learn from Susan's example. It is never too early or too late to become involved in our community and to do what we can for others.

I would like to offer my congratulations to all of the nominees and award recipients at last night's event. These women serve as role models to other women and to the community at large. The awards were presented to Shari Hogan, Young Woman of Distinction; Devi Sharma Rocan, Community and Voluntary Services; Barbara Rudyk, Education; Jane Evans, Science; Leslee Silverman, Arts; Merrell-Ann Phare, Business; Marilyn Williams, Communications; Sally Longstaffe, Health. The 2001 Woman of Distinction went to Jo-Ann Paley.

I would also like to thank YMCA-YWCA for continuing this important tradition of recognizing Winnipeg women for their hard work and dedication to our community.

**Mrs. Louise Dacquay (Seine River):** Mr. Speaker, I am pleased also to place a few words on the record about last evening's event that several of my colleagues and I had the pleasure of attending. It is disappointing that the Doer government, and in particular the Minister responsible for the Status of Women (Ms. McGifford), does not see this as an extremely important event and recognize it with a ministerial statement.

Last evening's event was the 25th anniversary of the Women of Distinction Awards.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Point of Order**

**Hon. Diane McGifford (Minister of Advanced Education):** Mr. Speaker, on a point of order. I would like to bring to the attention of the House that I was absent from the Y Women of Distinction Awards because my father-in-law had just died.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Ms. McGifford:** Did you hear? Mr. Speaker, my father-in-law died; therefore, I was with my family. I would have thought the member opposite would have checked her facts before trying to embarrass me publicly.

**Mr. Speaker:** Order. The honourable Official Opposition House Leader, on the same point of order.

\* (14:30)

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr. Speaker.

The member never said that she should attend the dinner. She said that the minister should have today replied in the House about the event with a ministerial statement. There was no disrespect meant. Excuse me, Mr. Speaker, this member was not aware of the situation.

**Mr. Speaker:** Order. On the point of order raised, the honourable member does not have a point of order. It is a dispute over the facts.

\* \* \*

**Mrs. Dacquay:** Thank you, Mr. Speaker. Last evening's event was the 25th Anniversary of the Women of Distinction Awards. Since its inception, 142 Manitoba women have been recognized. These women are our grandmothers, mothers, sisters, daughters, nieces, friends and neighbours. They are innovative women who inspire us, give us strength, provide us with

vision and offer their compassion. We are truly blessed to have them in our lives.

The 26 women nominated for awards last night are indeed special. They come from all walks of life and are proud representatives of their families and their communities. They are volunteers, students, professional women and business women.

I would just like to reiterate the names of the winners: Susan Keller, Gerrie Hammond Memorial Award of Promise; Shari Hogan, Young Woman of Distinction; Devi Sharma Rocan, Community Volunteerism. I would like to add that this vibrant young woman is the daughter-in-law of my very proud colleague the Member for Carman (Mr. Rocan). Barbara Rudyk, Education Training and Development; Leslee Silverman, Arts and Culture; Merrell-Ann Phare, Business Trades and the Professions; Marilyn Williams, Communications and Public Relations; Sally Longstaffe, Health and Wellness; Jo-Ann Paley, Special Award.

I would like to close by congratulating not only the winners of the awards but all those who were nominated. I would like to congratulate the YMCA-YWCA—

**Mr. Speaker:** Order. Is there leave for her to finish the comments?

**An Honourable Member:** No.

**Mr. Speaker:** Leave has been denied.

**Premier's Volunteer Service Awards**

**Ms. Linda Asper (Riel):** Mr. Speaker, many of us attended the 18th Volunteer Awards luncheon on April 26 this year. The Premier's Volunteer Service Awards included the individual category won by Gabe Langlois, Arnold and Eileen Collins, Darrell Warren, Martin Gosselin and Linda Shapiro.

The youth category winners were Joanne Zahaiko and Heidi Fraser-Kruck. The community group awards were given to the Breast Cancer Centre of Hope Peer Support Team, the Delta Kappa Gamma Brandon Chapter and the Emergency Inter Act 88 Incorporated. These outstanding volunteers certainly deserve the

honour bestowed on them by the Premier (Mr. Doer).

I would like to highlight Linda Shapiro, a Riel constituent who was recognized for her 10 years of volunteer work in the development of the support group for parents of high-risk adolescents.

Ten years ago, Linda was a single parent of two teenage daughters engaged in high-risk behaviour, endangering their lives and their mother's own well-being. Linda realized no parent should live through such experiences without support. She developed and facilitated a parents' support group of the Training and Employment Resources for Females, TERF, program. She helped countless parents cope with the loss of their children to the streets. Linda has shown great determination and strength in her fight to have families of street-involved youth acknowledged, given a voice, and respected.

Congratulations to Linda Shapiro and the other award winners for caring. They represent the volunteer fabric of our community of which Manitoba is so proud. Thank you, Mr. Speaker.

### **Leave a Legacy Month**

**Mr. Jim Penner (Steinbach):** Mr. Speaker, I notice in a government news release that three of the ministers of our Manitoba government have signed an official proclamation that May is Leave a Legacy month. I would like to put a few words on the record this afternoon regarding the proclamation of Leave a Legacy month.

Indeed, I feel particularly honoured to speak to this proclamation since I have the privilege of representing a constituency that is year after year, along with the area represented by the Member for Pembina (Mr. Dyck), among the best in Canada for per capita charitable giving.

Members of this House are well aware of the generosity of all Manitobans. Representatives in the Conservative caucus received another first-hand demonstration just recently as we spent an hour taking pledges from generous Manitobans during the Variety Club "Show of Hearts" Telethon. As pledge after pledge came in, we

were amazed at not just the generosity of Manitobans but also by how warmly they gave their gift.

While accountants and actuaries are able to qualify the amount of dollars, Mr. Speaker, that are given every year by Manitobans, there is no way to account for the difference those dollars make in the lives of thousands and thousands of people. It is for that reason that the Leave a Legacy initiative is so vital and offers the opportunity to leave a remarkable testament.

I had the opportunity recently in this House to comment on the importance of organ donation and the difference it can make in the lives of individuals. I would suggest that Leave a Legacy initiative is on a par in terms of the potential it has to make a lifesaving difference to many Manitobans. The lifetime generosity of Manitobans is beyond question, Mr. Speaker. I would encourage those same Manitobans to consider the legacy they can provide and to take the time to make these preparations. Those extra minutes can make a lifetime's worth of difference.

So, Mr. Speaker, on behalf of the members of my caucus, I would like to join with the ministers and congratulating them for proclaiming Leave a Legacy for the month of May.

### **E-commerce Strategy**

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, I rise today to draw the attention of this House to the provincial government's initiative in creating an e-Friendly Manitoba strategy for information and communication technology.

The implementation of this strategy focuses on four key initiatives, many of which this Government has already begun to develop: (1) The educating and training of Manitobans in the use of information and communication technologies, which is now well underway, through investments such as a \$31 million Red River community campus built in downtown Winnipeg; (2) Bringing communities across Manitoba on-line, a process that has already begun through government investment in the Community Connections program, creating 440 public access sites across the province; (3)

Attracting business and helping made-in-Manitoba businesses to grow, which we are already facilitating by the introduction last year of Canada's most comprehensive e-commerce legislation and the Invest Manitoba program; (4) Improving public access to government services through the expanded use of on-line technology and e-government through new services such as on-line student loan applications and the on-line Personal Property Registry.

The strategies unveiled by this Government recognizes that business, education and government all play a role in making this vision a reality. To help keep this strategy on track the Government will prepare an annual report on the state of information and communication technology development within the provincial government.

Manitoba is making important investments in technology infrastructure across the province, and this Government strategy provides a framework that will quickly move Manitoba into the digitalized world. Thank you, Mr. Speaker.

#### TABLING OF REPORTS

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Mr. Speaker, I would like to have leave to table the Supplementary Estimates Information for the Department of Transportation and Government Services and move to expenditures.

**Mr. Speaker:** Does the honourable minister have leave to table—*[Agreed]*

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, would you canvass the house please to see if there is agreement to waive private members' hour today.

**Mr. Speaker:** Is there agreement to waive private members' hour for today? *[Agreed]*

#### COMMITTEE OF SUPPLY (Concurrent Sections)

#### CONSERVATION

\* (14:50)

**Mr. Chairperson (Harry Schellenberg):** Good afternoon. Will the section of the Committee of Supply meeting in Room 254 please come to

order. This afternoon, this section of the Committee of Supply will resume consideration of the Estimates of the Department of Conservation.

It was previously agreed by this committee to have a global discussion on the entire department, and once all questioning was completed, the committee would then pass all lines and resolutions.

We are on line 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$458,800. Shall the item pass?

**Mr. Larry Maguire (Arthur-Virden):** I believe, Mr. Chairman, we will not pass that at this point. We will continue with the general discussion. We were in the process of having some questions answered just before the break this morning. So I would check with my colleague to see if he wants to re-ask that question, or if the minister is comfortable with it, we could ask the minister to reply.

**Mr. Glen Cummings (Ste. Rose):** I defer to the minister. We were part way through that question if he would like to finish the response.

**Hon. Oscar Lathlin (Minister of Conservation):** I believe, before we adjourned this morning, the Member for Ste. Rose was inquiring as to whether there would be an adequate supply of water with respect to the Simplot plant. *[interjection]* Irrigation, okay.

As far as we know today, based on current information that we have, I am advised that, in the driest year, for that area around the Portage area, the amount of water that is available to the Assiniboine River, I am told, is about 20 000 acre feet of water. Now I am told that is 20 000 acres with a foot of water.

In phase one, Simplot's requirements would be 10 000 acre feet, so that means that, again, we are talking about the driest year. In wet years, of course, it could be more. We are talking about the driest year. So if Simplot's requirements would be 10 000 in phase one, that would leave 10 000 for other uses, including existing

irrigation requirements for the other potato plants. That would leave 10 000 acre feet.

In phase two, I understand the requirement would be an additional 10 000 acre feet. Now, I am told that one potential source of supply could come from adding gates to the Shellmouth Dam, which would create approximately 10 000 acre feet if we were to add additional gates to the Shellmouth Dam. But we are currently, as I was saying earlier, conducting a study right now, a detailed study of the Assiniboine River. Once that study is completed, I guess we will be in a position to verify with much more accuracy the numbers that I have just given.

**Mr. Cummings:** More of a statement than a question, I guess, given the planning window that is necessary to make any kind of additional reserves happen and some of the sensitivity of the discussions including environmental concerns, I hope the minister will work with the Ministry of Agriculture to deal with the long-term opportunities.

My biggest concern—and some of my colleagues may wish to expand on this so I will not dwell on it at the moment—is that when the opportunities for investment do present themselves, and I am no wiser than the next person about how fast the potato market or production is going to grow. It seems like there is a world-wide demand that is quite insatiable. There are companies who have invested in Alberta in order to simply try and cut off the supply to their competitors. So it means that sometimes these questions come to bear very quickly on a jurisdiction, and if another company were to show up in Manitoba looking for potato production, it would be a problem. If the minister has knowledge of ongoing long-term work that may lead to further water retention or further development of water, then I would be pleased to hear about it but simply want it on the record that for the development of this industry and others that are associated with it, potatoes need not be the only source.

Frankly, the weather-related issues may drive things. We are currently in the middle of a drought in southern Alberta apparently, and I am told that there are irrigators there who are going to be rationed and may not be able to get the

volume that they want. You do not need me to explain that that could suddenly translate into an urgent request to expand here if we have water.

So I leave that with the minister and I will be giving the same message to the Ministry of Agriculture, that this is not just hometown talk, it is also the huge economic spinoffs that occur to agriculture. I will just put one example, that being the construction of one potato shed is a quarter of a million dollar undertaking. Last summer and the summer before in that part of the province the contractors could barely keep up with the demand to build those sheds. Competent storage along with the ability of the producers is one of the things that will help extend the economic opportunity in that part of the province. So I will just leave that with the minister.

I have one other aspect to that and I think my colleagues might want to expand on it, but the gates of the Shellmouth Dam are not exactly non-controversial. That is why I said what I said over the last couple of minutes. There are other alternatives, and there is certainly a community there that has felt they deserve some spinoff from giving up the shoreline and simply the volume of the artificial lake that we created there. Going back to when it was first created, there are still outstanding issues. So it is not a non-controversial or simply a done deal when somebody decides to put the gates on. So again I urge that long-term planning, and that includes probably the Assiniboine management board and other studies that you currently have underway. You have already touched on that but I will just leave it there, and probably my colleagues will want to expand in that respect.

I have one other question that I would ask. It is not a constituency question, but it does fall into the area of a question that has arisen. I know the ministry has undertaken to deal and take action in regard to a flooding problem that an individual has had a piece away from Ninette, and the individual I do not think would mind me putting his name on the record. It is one Mr. Sykes. I would give the department credit and this minister credit for having moved forward with his problem and have attempted to deal with it more than has been done in the last few years. But there is still an outstanding issue and one which I do not think too many people are

aware of or have been apprised of, and that is that there is potentially a road, highway construction and a municipal construction that may have cut into the top of an aquifer, and he may be getting water out of an aquifer that is now coming through and continuing with his problem. Those likely would have been licensed undertakings.

I just simply would put it on the record that if the minister would undertake to review that situation, if what I put on the record is true then it is probably a serious situation. Because of high water levels, the lakes may be pushing water out through the aquifer and then into a drainage ditch that then cuts across his agricultural land. All I am asking is if the minister and the department would agree to undertake that. I am not trying to jumpstart anybody here. In fact, I want to give the department credit for what they have done, but there seems to be another problem there that nobody anticipated including him and obviously including the people who may have put these ditches in. So I will just leave it there, and I will turn it back to my colleague.

\* (15:00)

**Mr. Maguire:** I just would ask if the minister had any comment in regard to that particular case. Has there been any awareness of it?

**Mr. Lathlin:** No, I have not been apprised of that situation as yet, but I will make a commitment to the Member for Ste. Rose (Mr. Cummings) that I will very shortly look into that, review it and endeavour to get back to him with a report.

**Mr. Maguire:** Mr. Chairman, I will continue with the discussion we were having in regard to some of the structure, but one of my other colleagues will be along and have some questions in regard to flooding in southeast Manitoba and so I may defer to him when he comes as well.

Mr. Chairman, just looking at the organizational charts that the minister has provided me, and I thank him for his response and bringing this to my attention, replying to our

request from yesterday and giving us the organizational charts of the old Natural Resources and Environment Departments and the one from last year as well. I notice there are some changes there, as he pointed out yesterday, with the Oil and Natural Gas Conservation Board. That board, then, is being handled now by the Mines department, is it, energy, mines, or can the minister tell me who is looking after that area now?

**Mr. Lathlin:** That responsibility has been transferred over to Industry, Trade and Mines.

**Mr. Maguire:** Mr. Chairman, that was part of the shift. If I could ask the minister if that was part of the announcement that was planned, all of the staff and everything in that board and the work that it was doing would be just removed from the Ministry of Conservation and went to Mines.

**Mr. Lathlin:** Mr. Chairperson, the answer to that question is, yes, the board, including the staff, have been transferred over to the Department of Industry, Trade and Mines.

**Mr. Maguire:** Thank you, Mr. Minister. I guess I am wondering a little bit about the Manitoba Hazardous Waste Management Corporation and wondering if the minister can give us any update on activities that are taking place in that area in regard to some of the landfill sites and that sort of thing that they may be dealing with in the province.

**Mr. Lathlin:** The Manitoba Hazardous Waste Management Corporation is still functional and operating. The board is still there. As the member might be aware, there is an entity called the Miller Environmental Corporation which basically runs the day-to-day operation of the facilities that they have acquired from the Hazardous Waste Corporation. That is to say, they have a waste treatment plant and they also have a landfill site. I understand they also have a waste storage facility that they manage on a day-to-day basis, but the Manitoba Hazardous Waste Management Corporation is in partnership with the Miller Environmental Corporation. The board is still quite active.

**Mr. Cummings:** Has the minister had a chance to meet with the board and/or representatives of Miller Environmental, which, in fact, are part of a shared operation?

**Mr. Lathlin:** Mr. Chairperson, yes, I have met with the Miller Environmental Corporation. I have also met with the Manitoba Hazardous Waste Management Corporation. When I met with all these groups, the main purpose of the initial meetings was to get acquainted. The board had the opportunity to advise me of their purpose as a board or a commission or whatever, the groups that I was meeting, their history with government and the kinds of things they have achieved. In some cases they told me about what their future plans were. Then further meetings that were held were usually intended to talk about future activities. Some groups presented me with business plans. Some of those business plans are under review.

\* (15:10)

Generally all the groups that I have met, that is how the pattern was, an initial get-together and then if second meetings were held they were intended to outline future direction. The second meetings usually presented me with the opportunity to tell the board or a commission about the future direction that I wanted to take as a minister and also to advise them of government priorities and so forth. We have had some pretty useful meetings already.

**Mr. Cummings:** Does the minister have a change in direction planned for the Manitoba Hazardous Waste Corp and Miller Environmental?

**Mr. Lathlin:** I guess if I can call it a new direction in the absence of a comprehensive hazardous waste collection program. In Manitoba we are preparing currently a regulation to bring in such a comprehensive waste collection program. In the meantime, though, we are contracting with this Miller Environmental Corporation, as I referenced earlier, to provide the household hazardous waste services.

We are also exploring and establishing a household hazardous waste stewardship initiative to replace the contract that we have

currently with Miller. I expect that to be finished within the next year. By this time next year, hopefully, we will have something in place.

**Mr. Cummings:** It was my understanding that based on prosperous operation here in Manitoba, Miller might well invest further and expand their operations now. I would be the first to admit that hazardous waste management has been a rapidly changing field. This contract was only a small part of their business, but I would imagine it would be fair to call it a core part of their business.

Does the minister have any understanding, or been given any understanding by Miller, for what their future operations would include in the expansion?

**Mr. Lathlin:** I am afraid I am going to have to propose to the member that because I do not really have adequate information with respect to the other activities that Miller might be involved in, I am not able to answer that today. I want to propose to the member that: Can I come back with that information after I have researched it a little bit more?

**Mr. Cummings:** Is the operation in compliance with its licence?

**Mr. Lathlin:** I understand that we have regular inspections carried out on the Miller operation, but I also have to point out to the member that I think he will probably recall the fire that happened at a Miller facility. As a result of that fire, there are still 10 outstanding charges in place. Those are with the Department of Justice, currently. Beyond that, we do not have any immediate concerns, with respect to adhering to licensing requirements.

**Mr. Cummings:** I guess that was a concern that I had. There are those who might raise their eyebrows at this number. Is it fair to say that these would likely be classified as housekeeping issues that they had not taken adequate care of, or are they of such a nature that they would be considered more significant?

\* (15:20)

**Mr. Lathlin:** I think the Member for Ste. Rose (Mr. Cummings) will probably understand if I were to indicate to him that because these charges have been laid before the court system,

that perhaps it would be inappropriate for me to get into further detailed information with respect to Miller. So I would respectfully ask the member if perhaps we can go in another direction.

**Mr. Cummings:** That is understood. I recognize that probably I was getting in an area that the courts would frown on too much comment from the regulator. I realized that after I asked the question.

In the end, what I am really concerned about is if we are potentially losing long-term investment from Miller, and that is why I asked the question earlier. The industry has changed, but they are a well-respected corporation operating largely in eastern Canada. They did bring considerable money to this operation, and there has been a steady consumption, if you will, of waste, to the best of my knowledge.

I certainly would encourage the minister to have his people continue to be involved with this organization and others to make sure that there is an adequate and profitable waste collection system in the province.

Certainly the taxpayers of this province have a significant investment in that corporation as it stands. It is considered probably one of the two more competent sites in terms of degree of protection that is available in the area, the isolation of the site and all those things.

It is something that I hope the minister would share our view that it is also an opportunity for economic expansion if the opportunity presents itself. I do not expect him to share corporate secrets, but I do want to bring to his attention that he has a finger and a window through the membership on the board, the management board, to encourage further investment in the province, if that is at all profitable.

**Mr. Lathlin:** I can indicate to the member that our staff continue to meet with Miller, and I have not been advised of any apparent problems that are insurmountable. I can safely indicate to the member that those meetings will continue and the work will probably continue with Miller.

**Mr. Jim Penner (Steinbach):** I have some concerns that I would like to share with the minister and his staff. The Steinbach constituency which is, of course, south of the Trans-Canada Highway and a bit east is part of the Red River Valley water collection. The water from the La Broquerie municipality, the Ste. Anne municipality and the Hanover municipality runs into the Red River, and it runs from the southeast corner of the province just about to Winnipeg. I will wait for you to get a map. I would like to even share some pictures with you a little later if I can.

I noticed on page 74 in the Estimates book that money is set aside for Surface Water Management. I guess, my first question would be: Is the southeast corner a water management district?

**Mr. Lathlin:** I can indicate to the member that, first of all, there are no conservation districts there, but apparently, and I remember talking to somebody from that group, there is some sort of an association of municipalities who have, on their own, gotten together to address some water issues for that area. I cannot recall the name that they gave themselves, but there is an association of municipalities there.

**Mr. Jim Penner:** It seems to be that it constitutes whether it is in writing or not; it constitutes a drainage district or a watershed area. There are regulations in place, are there not, to govern the construction of ditches and the opening of roads?

**Mr. Lathlin:** Yes, there is a requirement for a licence in order for one to dig a ditch or open any kind of a channel. Anywhere where one is contemplating on moving water, one would require a licence.

**Mr. Jim Penner:** This spring again there have been a number of problems in the southeast corner with overland water and the snowfalls in the forest reserve in the Whiteshell, Sandilands, seem to build up, particularly in the wintertime. If it is a moist winter, the south seems to get quite a bit of snow, even more so in North Dakota and South Dakota, but the snow stays in the bush and all of a sudden the temperatures reach 15 or 20 Celsius, and then there is a rush of water late in spring. So various independent

moves, I guess, are made. I went to tour the area and looked at road cuts that kind of amazed me. May I show you these? It might be unusual but it is a problem.

These are the kind of road cuts that I witnessed two weeks ago in the area. I will not tell you where it is, because the fight is between municipalities. I do not want to get into that. One mile into Hanover, this Christmas tree farm, it is destroyed.

You see, when the water gets to the Manning Canal, then it is okay, but when it comes out of eastern Manitoba, we have ruined farmland. We have flooded farmland. We have Christmas tree farms where people are standing up to their backsides in water. *[interjection]* This year, yes, all this year. It is all in the last few weeks. I will leave those with you.

I will not identify the farmers and I will not identify the location because I do not want to come into dispute. I just do not understand the regulations. I know the R.M. of Hanover is very concerned that a group of residents have filed a complaint with you, and the R.M. of Hanover is asking for understanding, as well, to see if we can get the drainage from the borderline, Mr. Chair, between La Broquerie Municipality and Hanover Municipality. The water seems to come suddenly into Hanover, but it does not have any place to go until it gets to the Manning Canal, which is a long piece off. That is on the west side of No. 12 highway.

So we have a really difficult situation there where the value of this land has gone way down. Farmers both south of Steinbach and north of Steinbach have lost their trees. I am just wondering: Are there laws in place and is there funding available under surface water management whereby we can do a study? This does represent a large population in the province of Manitoba.

\* (15:30)

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Mr. Lathlin:** I was going to ask the member: Is that you here in the picture?

**Mr. Jim Penner:** No, that is a friend of mine who knows the countryside very well.

**Mr. Lathlin:** Mr. Acting Chairperson, I really can relate to—this one here I can say I am able to relate to that situation that the member is referring to because during the, well, the flooding danger is starting to go down a little bit, but when it flooded I toured Breezy Point. That was kind of different, but then I went to St. Laurent, I went to Ashern, and I saw exactly the same thing as you are talking about.

This time of the year when there is water coming over the land and onto your land or onto your street, people do what they have to do this time of the year. We do not go and jump on somebody that has cut a road temporarily just to get rid of the water that is building up there and it is flooding homes and such as what happened in St. Laurent and Ashern. After the water has receded, then we go around and try to help the communities restore, backfill whatever road cuts may have been made and so forth.

The other thing, when I was in St. Laurent and Ashern, people there were very quick to point out to me, they said that if these culverts were a little bit bigger, we would not have this problem. So on the one hand they blame highways and transportation for having installed culverts that were too small and did not have the capacity. Then I go and talk to the next person, and that person tells me, well, you know, when these culverts were installed, that was for a different day. Things have changed. More people have moved into the area. More people, legally or illegally, have done their own thing to move water. He was trying to give the message that the culverts, the ditches that were put in, that were installed at the time, served their purpose. I guess as time goes on, added pressures came on as a result of people moving into the area, more farmers, in some cases more cottages even, in one area that I visited. So I understand what the member is talking about.

The bottom line is there are requirements for a licence to remove water, and that is why we introduced The Water Rights Act last year to try to have better management of it. I remember some of my colleagues from the other side, from the Opposition telling me, well, you know, if you pass this bill, does that mean you are going

to go and put this guy in jail just because he is trying to move water from his yard so he is not flooded? The answer that I gave at that time is the same as today. No, of course not. Common sense will prevail. We are not going to charge anybody for trying to save his property. After all, that is what everybody is doing, and that is what these people are probably trying to do. Technically, I guess, they are breaking the law, but practically, I do not think we will jump on anybody for trying to do the right thing for that purpose.

After having said that, we also made a commitment to the people, to members of the Opposition, to public hearings, presenters, that we were going to be launching or devising a plan that would address water management needs all over Manitoba. Whether we are talking about drainage or irrigation—as we talked about earlier today—supply, or just good drinking water, the health of the water that is in the streams and lakes—hopefully, whenever we get done, we will have enough information that will enable us to develop a management plan all across Manitoba.

The way we are doing it right now, you know—I guess over the years there were regulatory regimes in place, but people decided to do things on their own here and there, and that contributed to the problem. Whenever there is development, that contributes to the problem. When Mother Nature speaks, that contributes to the problem. So I think, hopefully, in the next little while, I am hoping within one year, or around about one year, we will have in Manitoba a comprehensive water management plan that hopefully will alleviate or address some of these things that the member has given me evidence of.

**Mr. Jim Penner:** Mr. Acting Chairman, when you drive south and east of Winnipeg, by the time you get to Steinbach—I should put it this way. If Steinbach were going to get flooded, the Fort Garry Hotel in Winnipeg would have to be under water, and that is a distance of about 70 kilometres. If you go the next 50 kilometres south and east, the ground rises much more quickly, and you see the banks of the prehistoric Lake Agassiz. Lake Agassiz, I guess, covered most of Manitoba at one time. It is that runoff that has been there for probably hundreds of years, although that runoff used to flow south.

The Red River was blocked by a glacier halfway across Manitoba, so the water could not flow north. The water flowed south. I have read that in archeological text, and so on. Since the melting and moving of the glaciers, the water flows north, and we are actually sitting right here in a lake bottom. So much of Manitoba is this drainage system.

When I see that water management districts have been formed in some areas, but not in the southeast corner, I am wondering if the water management district has stronger supervision and better regulation than what we have in the southeast.

\*(15:40)

**Mr. Lathlin:** Mr. Acting Chair, the issue that the member is talking about—when I first became minister and when I was being briefed, they told me what conservation districts were, how they came about and what their function is and how they are being funded, which department is responsible for conservation districts.

So I was immediately sold on the idea of conservation districts, because based on what I was told, I thought they were a very useful and appropriate vehicle that municipalities could use in their management of water. So I asked the question, the question you are asking today: Why is it that we do not have conservation districts in the Red River Valley, because there are conservation districts all over the place. We have one in The Pas that was just recently formed.

The answer that I was given was apparently we have encouraged communities along the Red River Valley to form conservation districts, but because people in those areas know how severe flooding can be whenever it comes about, I think that is the one reason why people are shying away from conservation districts. Another reason I was given is that once they get into a conservation district arrangement, that would lead to municipalities having to fork out more money to maintain the conservation districts, because the Government would start backing away and leave municipalities having to carry the ball, as it were.

So I am with you there. If we can convince municipalities along that area to get into some sort of a—the conservation district concept I think is a very useful one, and I wish people, municipalities in that area, would go that route. I guess we will have to have more meetings to explore further the idea, but that is one way of addressing the problem. It certainly would not address the whole problem, but it would certainly go a long way to alleviating some of the difficulties.

**Mr. Jim Penner:** Thank you, Mr. Minister. I would like to just define the situation a little bit more carefully. I mean, we can go back to the original Lake Agassiz which forms the landscape, I guess, but what has happened in the last few years has changed the landscape again totally. The farmers who build these 10 000-, 12 000-, 15 000-hog operations park their barns in the middle of sometimes fairly useless land. It is swampy land; it is stony land; it is brush land. It is not fertile land. It is clay and sand, and so this land is ideal probably for what we call "hog alley." So that is southeast of me. Steinbach, when you go east towards La Broquerie on Highway 52, it is now being called "hog alley."

But these farms required drainage to use the land, they required roads to move the feed in and move the animals out, and they required areas to dispose of their waste. So with the development of hogs—I am told there are 10 hogs for every person in Manitoba. The problem is, they cannot vote. If you take a small plane, as I have done, and just circle around in the southeast corner, you will see unbelievable developments. I just could not believe the size of these operations.

This development, along with moving people in, staff in, and a lot of Europeans are coming in, has changed the landscape so amazingly that there is the opportunity for water to be penned up and released, and when it hits the farmlands around Steinbach—the word "steinbach" means a stony brook, and it is actually a swamp. It was full of artesian wells.

When I moved there in 1946, it was full of artesian wells. Any time you pushed a pipe in the ground, the water would squirt four feet high. So what happens is the water coming

through the municipalities of La Broquerie and Ste. Anne or La Salle, whatever is east of us, just comes rushing suddenly through in spring. You have seen those pictures of how the area gets just swamped, and it is getting increasingly worse. Because the landscape has changed, it is getting increasingly worse.

I am just looking at your Budget and I am hoping, Mr. Minister, that we can identify the problem. I am a business person; I am not a naturalist. I do not claim to fully understand and identify the problem, but it seems to me that it is re-occurring and it is growing, and somehow or other it has to be addressed. I do not want to have animosity between the municipalities. We have very productive municipalities there. I think it is a good place for the hog farms to go. It is not going to offend anybody. These people are paying taxes. It is helping our schools.

At the same time, we have a drainage situation there. I was just wondering if the southeast would be included, since about 80 percent or 90 percent of the people, I think, live within 50 miles of the U.S. border. They are creating a problem besides having to suffer from the problem. They are both the problem.

Still, it seems to me that it behooves us if there is money in the budget to do service water management, that it needs to be addressed in southeastern Manitoba as much or more right now than areas where even understanding it will not make a difference. I think we can make a difference in southeastern Manitoba if we study it.

\* (15:50)

**Mr. Lathlin:** Yes, the member has accurately described the situation in the southeast area of Manitoba. Right now, for this year's budget, I do not have any funds specifically earmarked for that kind of activity. What we are doing, though, is we are continuing to work with those municipalities in that area to try to make sure there is some consistency or co-ordination with the development that they are getting into. I am talking about the barns that you are talking about.

If one starts digging a ditch around his farm or place of residence, around a hog barn, that directly impacts negatively on somebody else downstream. We try to work with those people to try to avoid those kinds of situations.

For example, I related a story here yesterday, I think it was yesterday. When I was touring the Interlake area, St. Laurent and Ashern, there was this great big ditch crossing the highway. Right after it crossed the highway, I am sure it was some kind of a farmer had built some kind of a crossing across the ditch. I am telling you, that person, whoever it was, was creating a lot of problems. I was wondering why people, his neighbours, did not go up to him and ask him to remove that crossing that he had built across the ditch.

I appreciate what the member is saying. All I can tell him right now is that we will work with those communities with the idea that we can come up with a better way of doing it. I know our livestock panel has gathered a lot of information. There is some useful information contained in that report. I think once we have implemented some of those recommendations it would go a long ways to alleviating some of the problems that the member is referencing here, although ahead of the report and the panel we have already started to implement programs that will hopefully resolve some of the situations that the member is referring to here.

For example, we have more—what do I call those?—community development plans. Since we have started, I believe we have approved 12 community plans, municipalities and those community plans, hopefully, will contribute to the resolution of the problem in the end. The other thing we have done is, we have made it mandatory for these technical review committees to be activated whenever a project is proposed. We have also said to municipalities that there will be no construction started until the technical review committees have completed their work and have forwarded their recommendations to the municipalities.

I think I will stop there for now because I want to ask staff to give me additional information on the livestock part of my response. I do not want to give you the wrong

information, but I am telling the member this because I want to assure him that we are moving along, maybe too slow, but nevertheless we are moving along, to address that very serious situation.

**Mr. Jim Penner:** Mr. Acting Chairman, I might mention that when I toured the southeast with some guides who showed me where the cuts were and where the ditches were dug, one ditch, they claim, was 25 feet deep. We could see in the road cuts, the teeth from the backhoe and the marks from the tires of the backhoe, so these were not accidental road cuts, they were quite intentional.

One of the solutions would probably come in cleaning out the Manning Canal and the drains into the Manning Canal running east, let us say, from No. 12 highway, where the Manning Canal runs under No. 12 highway, to the R.M. of La Broquerie. If a machine was to operate and remove the silt and the underbrush from the canal. The Manning Canal west of No. 12 highway seems to be adequate, and may have been cleaned, as far as I can see, but the Manning Canal and the drainage system east to the R.M. of La Broquerie appears to be clogged and overgrown and filled with silt.

*Mr. Chairperson in the Chair*

When I am looking at your budget, it is long on spending and short on detail. I am just wondering. Is there a chance that the farmers, along this low spot between the R.M. of La Broquerie and almost to Ste. Anne, could be accommodated in some way with the cleaning of the drainage channels?

**Mr. Lathlin:** I can indicate to the member that apparently we did some brushing there in the fall. I am also advised that this summer, we are doing some survey work there to determine what additional work has to be done. We are going to go back there and try to further improve the Manning Canal.

I must agree with the member, though. You know, I have toured other places, and I, too, have pictures of ditches and canals and drainage ditches where trees are actually growing, and tall grass, and plugged-up culverts, falling-down

bridges, and so forth. I did that to try to impress upon Treasury Board, when I went for additional monies that I can use in drainage. We were able to receive an additional allocation of \$500,000 strictly for drainage work. So that means this year, for the first time in about 10, 12 years, together with Intergovernmental Affairs, there will be approximately \$1.5 million that will be earmarked for drainage work.

Now, I should qualify that statement by saying that \$0.5 million of that is in Intergovernmental Affairs under the Water Services Board; \$1 million is in Conservation; \$500,000 in the regular Budget; and we were able to get an additional \$500,000 new money to add on to our budget. So it is a start; it is not much. I am told that I could probably spend all of it this summer just doing one project.

\* (16:00)

**Mr. Jim Penner:** Thank you for those remarks. I appreciate that fact that I believe the minister and I have seen similar things, and we have an understanding. The position, as Minister of Conservation, I love to see natural environment conserved and retained. We have a beautiful forest reserve in southeastern Manitoba, for those of you who have not been there, Sandilands, you know, south of the Whiteshell. It is just a marvelous place. It was my playground when I was a kid, and I still love to go there. If I get visitors from anywhere in the world I take them there. We do not want to see that change.

When you get closer to the populated areas like La Broquerie, there have been intense changes in the landscape due to farming changes and population changes and so on. Then when you get in around the communities like Mitchell, which is four miles west of Steinbach, we identified nine hog operations within a two-mile radius of Steinbach. We have applications on the board right now in the Mitchell area which are very seriously being objected to.

Let me know if I understand this correctly. I understand that the approval needed for a hog barn, the laws were changed last year, that you had to have permission or consultation with people within one and a half miles, but it used to be a mile. Do I understand that correctly?

**Mr. Lathlin:** I do not have that level of detail on the information that the member is seeking. Distances, I do not have that, but I will endeavour to get that information for the member and maybe give him a report next week.

**Mr. Jim Penner:** It is difficult as the MLA for the Hanover riding, Hanover constituency really, it is not the Steinbach constituency, it is the municipality of Hanover. We have some fairly large population groups like Mitchell and New Bothwell, Kleefeld and Grunthal where the farms are getting closer and closer, the big hog barns are getting closer and closer to the communities.

I am caught in the middle. I have a farm four miles from Steinbach, and it is no longer usable for picnics because there are too many barns close by. As I was trying to describe before, the prevailing water runoff is from the southeast corner to Winnipeg. The prevailing wind that we experience 80 percent of the time is from the northwest.

When you have an 8000-hog operation being built one mile away from a new school that is being built in Mitchell and directly northwest, the citizens are up in arms.

I have to admit to you, I do not understand how the law was changed last year and what the time limits are on the applications. If I could get some information to that to my constituents, they are asking me these questions. I do not have the answer. I say go to the Minister of Conservation, but maybe I could be of help if I understood these regulations and how they have changed. I need to know the old regulation and the new regulation. I would be happy to meet with one of your colleagues if I could do that.

**Mr. Lathlin:** I would be more than happy to help out the member. In dealing with his constituents what we will do is, you know, we can do it either way, if you want to meet with staff and they can give you information, you know, not just on distances.

You say the regulation was changed, but also a step-by-step description of, say, a proponent coming in. What does he do? What does the Technical Review Committee do? The municipality, what is their responsibility? What is the responsibility of Conservation? We will

try to describe that to you in a step-by-step way so that it will be easier for you to explain to your constituents.

**Mr. Jim Penner:** Mr. Chairman, I thank the minister for that. I am happy to meet with one of his staff members. I am just waving in front of you a stack of letters that I have on the hog issue. It is a major issue in that corner of the province. I really do need to know when the law was changed and what the changes were, because this seems to be the largest part of the dispute. Were the permits granted under the wire or were they not granted under the wire? So if I am understood on that, I thank you very much for that help.

I just have one more issue that is confusing to us. That is on the Manitoba Product Stewardship board. Does that come under your purview? I have a letter here signed by Darlene Augustine [*phonetic*] and Karen Neilson [*phonetic*] that says that the Earthbound environmental, which, I think, is a consultation organization, has supplied information to the Manitoba Product Stewardship board that is grossly inadequate and outdated.

I am wondering who the Earthbound environmental organization is that is the group consulted by the Manitoba Product Stewardship board.

**Mr. Lathlin:** I believe the group that the member is referring to is a private consulting group. Since I have been here, I have never had any dealings with them, so I am not able to, with any certainty, say who they are. All I can say is I believe they are a private consulting company.

\* (16:10)

**Mr. Jim Penner:** I guess members opposite, as we say in the House, will find what I am going to say now very humorous, but as a grocer for 36 years, I felt like everything we did was collecting taxes. When this last tax came on, this environmental tax which I know you did not put on, we had to change equipment at a cost of a million dollars because we could not add another tax to our cash registers. It was very disturbing to me because it affects what it costs the consumers to pay for their groceries. You had to add that cost of change-over to the price of the

groceries. Customers pay for everything and they end up paying for everything.

Anyway, one of the things I was disturbed about was that the environmental tax was only done on beverage containers. I think that was kind of unfair, but I guess we cannot change that. I do not know how the tax came about, but what I get to hear from time to time is that there is a lot of money being collected each year under the Manitoba Product Stewardship board's tax, or levy they used to call it. I think it is a tax.

Do you know how much money comes into the tax coffers or the levy coffers through this two-cent levy?

**Mr. Lathlin:** I am really glad that the member has raised that because I did not run a grocery store, so I did not have to worry about putting in an additional button for my machine to accommodate the—it is called a levy. It is not really a tax. That is what I was told when I was in Opposition.

My criticism of the program at the time was, I go into a store, the IGA store on the reserve in The Pas to buy a Pepsi and the grocer, our own grocer—mind you, we own the store, the Band does, and two cents extra, and what for? Well, the Government is collecting two cents now for every bottle that we sell you, and that will go to a bank account that will help cover the cost of recycling. I thought, well, that is a good idea, except I kept asking around town and the reserve to see whether we had a recycling centre, and I was told, no, we do not have one. Then I thought, well, it is not a good idea after all because if I pay two cents on the reserve, I want something to come back to The Pas community because, after all, everybody pays two cents there.

So, when I was looking through the annual report at the time, I indeed found out that most of the recycling activity that was done, carried out by the Manitoba Product Stewardship Corporation, was in those areas, I guess, where it was convenient to set up a recycling centre. If you set up a recycling centre up North, the cost of transporting the recyclable materials to collection depots or recycling centres in Winnipeg was, I guess, expensive. Apparently, that is what prohibited some of the communities

up North to apply for that program because it was just too much, too expensive to get into.

So what we have done since we have been in Government is to try to apply the program throughout the province. We have actually expanded the program northward a little bit. There are now major northern centres, places like Thompson, Flin Flon and The Pas. They have centres now. They have catchment areas. It is not just the town of The Pas. For example, the catchment area would include Moose Lake, Cormorant, Grand Rapids, Easterville, the reserve where I come from. So I think that is a good way to go.

You are asking me how much money is collected. In 2000-2001, about \$6.6 million was collected, and for that year about \$7.6 million was spent, and that money is used for communities to collect recyclables, and only certain recyclables, by the way. That is another criticism or shortcoming of the program, I guess. They collect so many tonnes of material. They are shipped to Winnipeg and then they get paid by the Product Stewardship Corporation so much per tonne after they get it into Winnipeg. So that is what the money is used for. The idea, of course, is to divert all this material from going to landfill sites and filling up our landfill sites prematurely.

I just want to give you an example in terms of funding—and it is mostly municipalities that are setting up these recycling programs. In Winnipeg, the corporation pays \$128 per tonne of recyclables. For outside of Winnipeg, they pay \$152 per tonne. Northern communities can receive an additional \$40 per tonne to subsidize the freight costs of getting their materials to the south.

**Mr. Jim Penner:** I had a little background and experience, Mr. Chairman, with recycling because when Eastman Recycling was started in Steinbach, Loewen millwork and Penner Foods put up 50-50 the seed cash to start Eastman Recycling, so we could start the property, buy the land and buy the building to get this going. It is being run by the mentally handicapped, and I have a mentally handicapped son who works in that vicinity. Eastman Recycling also picks up in

Blumenort and La Broquerie and St. Pierre and Kleefeld and Grunthal, all around that area. In that Eastman health region there are 52,000 people, and a good part of that is covered by Eastman Recycling, so Steinbach is a good employer of the mentally handicapped and has a good operation of recycling.

But it seems to me that there are some leaks in the system that involve consultation groups. I do not know who Earthbound Environmental is, but I understand they get a fair chunk of money. I know the City of Steinbach gets \$15,000 out of the Eastman Recycling allotment, and I do not know why. Now that we have this recycling thing in Manitoba—and I am not really just totally against it. I was disturbed as a business person at the cost that it was to me, but, obviously, I wanted it there or I would not have contributed to the land and the building, and I have a son who is involved. So I think it is a worthwhile thing. I am not saying it is illegitimate. I do not like to be a tax collector, but if that is what I am, that is what I will be as long as I am in business.

But as far as I am concerned, the fact that we spent a million dollars more than what we took in, that might not be necessary. In fact, the reason for part of that million dollars is the catchment system which I think is going to pay off in the future, but it cost quite a bit. In the Falcon Lake-Whiteshell area, there is a central collection catchment area right now for all of the surrounding communities, and I think it is very effective. It is very clean. It is very neat. I use it and it is very well run, but these are new facilities and they have been created, and I am sure that the cost of creating them was partly in there.

Would it be possible for myself who has been very interested in recycling and in conservation and the environment to get a copy of the breakdown of the financial statement of the Manitoba Product Stewardship board?

**Mr. Lathlin:** I think the best place to get that information is in an annual report. That is where I got all my information. It is pretty complete. I can give you a copy of the latest annual report, or if you want, I can give you maybe even a year before, so that you can compare.

\* (16:20)

**Mr. Jim Penner:** I think that might be the most helpful, is to get factual information instead of hearsay and innuendo that often arouses suspicions. I think that the key issue with southeast Manitoba is the drainage issue, and I think one of the main problems with drainage is that the drains are plugged, but at the same time I think that our corner of the province is very clean, Mr. Minister, because of the activities at Eastman Recycling and the industriousness of the citizens. But being a rapidly developing corner of the province, we really do need some review of our drainage systems and some co-operation between the municipalities.

I would very much encourage, if possible, that if it is not included in this Budget that it be taken into consideration, because I know that people do not mind contributing tax dollars. I think they are very substantial. When I look at the assessments in Manitoba, the tax dollars coming out of the southeast are probably the highest per acre. At the same time, we do not ask for a lot. I think the average amount of money we get for health care is \$660 per capita, and I think western Manitoba is \$2,300 per capita per person. We get the least amount of money in the province. Mind you, as I said in my address to the Budget Speech, we do not feel that throwing money at issues is going to solve problems even in recycling or whether it is health care. We need money, yes, we need money and maybe we are underfunded in the southeast, but what we need is really good management and examination and studies and make sure that we are getting the bang for the buck.

I would like to encourage you, once more, to take special note of our drainage problems in the southeast, and I thank you.

**Mr. Lathlin:** Mr. Chairperson, I think I probably answered partially, in the previous question, the member's question. I would just like reiterate it. The direction that I had given to my staff was because I do not anticipate—certainly next year we will go for additional funding. I think our Government and our Cabinet, Treasury Board, recognizes the fact that the amount of new money that my department received this year is not nearly enough, it is not adequate, but everybody did the best they could.

I know there is an understanding in our Government that there needs to be more money allocated for drainage. So, given the very scarce resources that I have with respect to funding drainage issues or addressing drainage issues, I have asked my staff that the five-year capital plan that we have for water—I have two budgets; one is a five-year capital plan that outlines what area we are going to spend and what location, drainage, ditches. As I said earlier, in our department there is \$1 million for drainage. In Intergovernmental Affairs there is a further half a million dollars that the two departments are going to get together and see where we can spend in the most strategic way that we can come up with.

I have told my staff, let us not spend money in that area if it is not going to have a positive effect for a bigger area. In other words, if that community screams at me the most and if I spend money there it will only have a positive effect for that little area and nothing else. What I would like to do, because of the scarce resources, I want to spend money in that area where it will have an effect for that community for sure, but it will have a positive effect for communities around the area like downstream, upstream and so on. I do not know if that is achievable, but that is what we are trying to do. I have also asked our staff for us to review once more this five-year capital plan with a view to streamlining it more, so that we spend money where it is needed the most.

**Mr. Maguire:** The minister mentioned the Budget in regard to drainage, the million dollars that has been announced, that was part of the Budget documentation. He has indicated that there is another \$500,000 in Intergovernmental Affairs.

**Mr. Lathlin:** I should indicate to the member that when I say \$1.5 million, I want him to understand that only \$1 million of that is in my direct control; \$500,000 is in the shop of the Intergovernmental Affairs minister. For the most part, that \$500,000 is, I believe, earmarked for conservation district work. Conservation districts are involved in various water management projects anyway.

In my capital budget, we have a total of just about \$5 million, but when you take away the non-drainage-related expenditures, we have

\$1 million. Now that is capital. I have another budget that is about \$4 million, and that is what I call the maintenance budget. I was trying to determine the other day when I was meeting with my staff, because in my earlier life in another life where I worked the definition of "capital" was "new asset." You are going in. You are building a new facility, so therefore that becomes a capital project.

In Conservation, when we are talking about drainage capital we are not really talking about digging new ditches or new waterways. What we are talking about is really maintenance, where trees have grown in ditches, cattails, tall grass, willows, where it is going to require major work. In Conservation that is deemed to be a capital project. The maintenance part is where we have about \$4 million, and that money is earmarked for where you need a backhoe, a small piece of equipment, you need a backhoe to go in and unplug culverts or clean up the bottom of the drainage ditch. That is apparently maintenance.

To me, when I look at both, it is really maintenance work that we are doing. We are not set up to, at least financially, go and dig up a whole bunch of new drainage ditches. We are simply maintaining what is there now.

\* (16:30)

**Mr. Maguire:** That was my understanding, that most of that money would be going to maintenance. The minister has indicated that the \$4 million would be used for maintenance. I believe in the Budget, though, there was \$1 million to be used for drainage. My question is to the minister: Is that the million dollars or are we talking about two different million-dollar packages here?

The one I was referring to, that I understood in the Budget that came out for drainage was for the cleaning of drains and that sort of thing, that there were funds put in this Budget for the maintenance, I guess if you want to put that way, of drainage systems that are already in place, certainly not for the drainage of new systems or the construction rather of new drainage ditches.

**Mr. Lathlin:** Yes. I did not want to go that way because when I first looked at it it was

confusing, just by the definition. We are not acquiring a new asset. Those ditches are already there, but I guess the way it is differentiated is the amount of work that is going to be needed to fix this drainage.

Let me give you an example of what we do. The water maintenance activities that are carried out by our regional engineering people and by branch staff, this activity, I guess, is divided or subdivided into three categories: one is water on occasion, then there is flood damage reduction, and then there is waterway maintenance, which includes, of course, associated labour costs.

All the regions operate dams, as directed by the branch. When I say branch, I mean the Water branch including maintaining the facilities. Flood damage reduction activities mitigate flood damages and maintenance of such structures and equipment to ensure future service to the public. Water maintenance activities maintain provincial waterways and waterway crossings, in this case providing service primarily to the agricultural sector.

The other water maintenance activities that are carried out in this branch is spring snow surveys, addressing litigation matters, special studies for waterway maintenance, Mr. Chairperson, such as some of the things we have been talking about for the last couple of days, or other infrastructure projects, including the development of provincial standards and monitoring the safety of provincial dams. Other waterways issues identified by municipalities are addressed through a contingency fund that is set aside for those purposes.

So I guess if I were to put it in a nutshell, minor work required to clean up drainage ditches, that could be called maintenance, but if we are to go and do a major piece of work in a drainage ditch, maybe strengthening the banks or dredging or any major work like that, that would be called capital.

When I say capital, that is where we have that \$1 million in Conservation and \$500,000 in Intergovernmental Affairs. The \$4-million maintenance is also housed in Conservation and the activities for maintenance I just read out.

**Mr. Maguire:** Mr. Chairman, I would like to ask my question then again maybe in another way. I understand that those dollars are there for those projects, that the \$4 million will be for maintenance then, regular maintenance, that type of area, that there may be \$500,000 in Intergovernmental Affairs that is used for capital as described by the minister, but I understand it is also there to do work for development of conservation districts or conservation districts mainly in that whole area, as opposed to probably the dredging or bank support that the minister has referred to here.

The \$1 million then that was targeted in the Budget or earmarked is there for capital, as well, under Conservation. Is there then a separate \$1 million? Because it was my understanding that there was \$1 million earmarked in the Budget for cleaning of drains and that sort of thing, for removal of brush and those types of items from present drains that are already there or present creek bottoms or not necessarily even drains. Was there a program like that then announced in the Budget? It was our understanding that there was.

\* (16:40)

**Mr. Lathlin:** The capital budget that I was talking about is comprised of \$4.9 million, the capital. We also have a maintenance budget. I think that one is about \$4 million, maintenance budget \$4 million, capital budget \$4.9 million.

Now what we have is a five-year capital plan. If we were to maintain the budget level of 4.9, we have a list of projects that we want to do for the next five years. Some of them are over a one, two, three period. They are phased in. For example, just to give you an idea, the capital that I am talking about in 2001-2002 provincial waterway crossings, I am told that it is not just one crossing.

Okay, so provincial waterway crossings, for example, in 2001-2002, according to our capital plan here, our five-year plan, on the \$4.5 million a year we are planning to spend \$775,000 this year for provincial waterway crossings. I am told that there are 10-plus crossings that we are talking about, for a budget of \$775,000.

I will give you another example. The Buffalo Drain for 2001-2002, we are planning to spend \$300,000 and then in 2003, 2004, 2005, we are projecting to spend about \$600,000 a year. In other words, for Buffalo Drain, by the time we get done in 2005-2006, we will have spent \$2.1 million, and that is over four years.

Netley Creek, same thing there. This year we are proposing to spend \$500,000, and then in 2003, 2004, 2005, we are proposing to spend a half a million dollars a year for each of those fiscal years. By the time we get done in 2005-2006, for Netley Creek, we will have spent \$2 million to do that work.

In other words, what I am trying to point out here is for 2001-2002 just for those two projects this year, we are going to spend \$800,000. And here I am talking about \$1 million capital in Conservation. Well, already we are proposing to spend \$800,000 just on those two projects.

**Mr. Maguire:** Yes, I understand there is no end to where the money can go, Mr. Chairman. I would like to reiterate just so that I am clear then. A year ago in Estimates, I know some of the constituents in my own particular area, and I had calls from other areas of the province. We were wondering if there were going to be dollars in the Conservation budget in the future or if there were ways that dollars could be found for the maintenance of some of the present creek bottoms and that sort of thing that are becoming clogged with trees that have fallen in or silt that has been built in and that sort of thing. I guess that is what I was asking the minister.

It was my understanding that there were some dollars in the Budget, a million dollars. I know it does not go far in regard to even doing that, but when I heard that in the Budget, I was under the understanding that there would be some funds at least, and the million dollars was a number that we thought we heard in the Budget for clearing brush and trees and that sort of thing out of present drains so that they could cause less backup and flooding in some particular areas.

**Mr. Lathlin:** The kind of work that the member is describing, the \$4-million maintenance budget

that I referred to earlier, that is what that is geared for.

**Mr. Maguire:** Can the minister give me or give us any indication then, have they decided on where those projects will be and can he give me any indication of where the main maintenance, that \$4 million will be targeted for then this year?

**Mr. Lathlin:** In the department I do not have a breakdown of what each region will be spending. The funds are allocated to the different regions, and they set their priorities because, for example, in the west region, they probably have a wish list and then they probably have a priority list and then sooner or later once this process is finished, then they are going to have to put things on paper and dispatch their workers out to go and implement their plans. What I can do, though, is we can for example in the west region, ask that regional office to provide me with a list of activities that they are contemplating on doing this summer with respect to cleaning up and stuff like that.

**Mr. Maguire:** That would be helpful if the minister could provide me with that for the different regions of Manitoba; that would certainly be helpful looking at what their priority list would be. I know the group that came forward was the R.M. of Pipestone I think that was talking to me a year ago. I mentioned it to the minister in these Estimates a year ago and there is a lot of Dutch elm and that sort of thing and a number of older trees have fallen into some of those creeks, not just the Pipestone Creek but others, and I was wondering if the minister could tell me if any of those funds were targeted for that particular location.

**Mr. Lathlin:** I can indicate to the member that we will identify those once I get the breakdown from the regional office.

**Mr. Maguire:** Thank you, Mr. Minister. That will be quite helpful. I will be able to hopefully report something to them, progress that is going on in that area. There are a number of points that have been raised as we talked earlier with my own colleague from Ste. Rose who was here.

The flooding and the problems that have been caused by water that the member from Steinbach has talked about, those are throughout the province at the present time and we have had quite a discussion about the Assiniboine River, but I wonder if the minister could just give me a quick update for the House in regard to any flooding that is taking place on the Assiniboine River west of Brandon up to the Shellmouth area and what impact the Qu'Appelle is having on the levels in the river west of Brandon at this time?

**Mr. Lathlin:** Mr. Chair, once again, because I cannot remember when I made the last flood forecast update, but around about that time because I knew things were starting to improve. I no longer have that level of detailed information, but I am going to make a commitment to the member that staff is going to find out where things are at in terms of the province with flooding for that particular area that the member is referring to.

I want to further indicate to the member that I believe we can get that information before the day is over.

**Mr. Maguire:** Thank you, Mr. Minister. We would appreciate just an update as well. My question is specific to in that region there was some flooding in the Virden area in the summer of 1995. I was wondering if the minister could give me any indication of the severity of flooding that might have taken place in that particular area again this year. I know there has been some, and it is an area that needs to be looked at as well.

Also on the Souris River, you know there has been flooding. It has not been, to this point, as bad as what we had initially thought it might be through the winter just because of the way the thaw came. It was nice and slow for a change. A little bit of cooling in between the warmer times helped it either soak into the ground or get away in a much better manageable situation than what it had tended to do out there, particularly in '99, in most recent history.

\* (16:50)

A lot of snow in the east Saskatchewan area, coming out of the Moose Mountain area into the three creeks in that area Stony, Jackson, and

Graham, and a lot of water has come into the Souris River from that area as well as the south. I know that the three creeks—they call it the three creeks proposal out in that area—are working with the people in Saskatchewan. The municipalities are working together there in those areas to cross-border to try to come up with some solutions to kinds of ways and means of being able to manage water flow in the future.

I know this is part of the ongoing role of conservation districts, as well as the minister's intention to establish more watershed management districts, where there is co-operation to do so in the province. It is an area that I would urge him to continue with. It is certainly one that I think needs to be implemented and enhanced, but I guess it is not with just drainage in mind, certainly, it is water management that needs to be done in these areas. I know they are looking at it in these areas. Can the minister give me any indication or an update on the intentions I guess in that three creeks area along the Saskatchewan border, and if they have had any further update?

I know it is about a year since I had the opportunity of being at one of those meetings myself with the municipalities and the districts, towns, on both sides of the border, municipal officials. There were some departmental people there at that time. I just wondered if he or his staff here at this point can give me any indication of what level of discussions are going on in that area now, and just what some of the intentions are in that area.

**Mr. Lathlin:** Mr. Chair, I can indicate to the member that there are two or three rural municipalities who apparently are still working on some sort of a water management plan for the three creeks area. I understand they are not quite finished yet. I am also given to understand that our staff are working with those rural municipalities so that we anticipate that the water management plan will probably be finished within the next little while.

**Mr. Maguire:** Mr. Chairman, that would be helpful.

I am going to leave that area for a bit. I know there area a couple of issues that I want to

raise. We were talking about the Hazardous Waste Management Corporation when the Member for Ste. Rose was here, and I would just like to proceed in that area a little bit at this time, Mr. Minister, if I could, Mr. Chairman.

I would like to ask the minister if he could give us an update on, first of all, just the general fire situation in the province at the present time with some of the burning that is going on. While there are some areas that are wet in the province, it appears as if we have a considerable amount of burning going on in the province at this time. I wonder if I could get an update on just exactly where that is, if the staffing complement that is there now is enough or if they have had to put extra people to work early to try to control this situation.

**Mr. Lathlin:** Well, it just so happens, Mr. Chairperson, that I have the latest fire update report here, dated May 3. It was about 11:30 this morning. All together, I guess, 68 fires have been reported to date. I will indicate to the member where these fires are occurring. In the northeast, apparently there has not been any fires there to date, but in the northwest we have had three reported to date. In the western region, there have been 11 fires reported to date. According to this update, there are 5 active in the western region. In the central region there have been 37 fires reported to date and 4 still active. In the eastern region, 17 fires have been reported to date; 5 are active. So those totals give us 14 active fires and 68 have been reported to date.

Just to give you an idea of the amount of area that has been burned, it says here in total 2675 hectares, I guess that is. So far we have put into operation 6 helicopters, 14 water bombers and 55 extra firefighters. I can also indicate to the member, I think it was the Member for Arthur-Virden (Mr. Maguire) who earlier stated, or it could have been the Member for Ste. Rose (Mr. Cummings), but anyway it was mentioned that Alberta was having a very dry year. There is going to be a drought there. I have been advised of that as well. Apparently it is pretty dry in Alberta. They are going to have some problems. It is not any better in Saskatchewan, I am advised, especially the northern part. Of course, in Manitoba up north, I can say because I have

seen it, in The Pas area anyway, and I think they may have had more snow in the Thompson area, but I know in the central region there has not been that much snow there this winter, so I think it is going to be pretty dry there, as well, this coming summer. I hope we do not have too many fires this summer.

\* (17:00)

**Mr. Maguire:** Thank you, Mr. Minister. Mr. Chairman, having farmed all my life, I take heed with what the minister has said all right, because it can be dry one day and wet the next or vice versa virtually, but we hope that we do not have any greater problem throughout the rest of the summer.

To go back to my question in regard to the Hazardous Waste Management Corp, it is not that it is an issue that they are dealing with directly, but I wonder if the Minister can give me, while I am asking for some updates here, if he can just fill us in on where the situation is out in the Rosser area on the west side of the city with the tires that were, the tire fire, if you want to call it, that we had here. It has been burning for about two weeks, I understand. I do not know if it is wrong to say is it under control, but it is a situation where it is my understanding that it was being let burn out virtually at one point, so I wonder if they could give us an update on where that is at, what we can expect there.

**Mr. Lathlin:** Yes, I can indicate to the member that the fire has pretty well burned itself out, I guess, is the best way to put it. I understand there are two small areas still burning. The water has been tested. I am happy to report to the member that the quality of the water has not been compromised as a result of the fire. Apparently the tests showed that the water is still secure.

**Mr. Maguire:** These water tests, how many have been done? How frequently have they been done?

**Mr. Lathlin:** I can indicate to the member that the surface water has been pumped out, I guess, at various locations. There are four or five locations where testing is being carried out. I understand this testing has been carried out for

the past two or three weeks, in any event ever since the fire started.

**Mr. Maguire:** My question, Mr. Chairman, I understand there was a berm put around this location at the time. Is that correct? Was there work with heavy equipment trying to then create a situation where there was air provided to this fire to try to get it to burn a little faster than it would have if it had just been left on its own?

**Mr. Lathlin:** Mr. Chair, I wonder, before I answer this question, if you can canvass the members here whether they would be agreeable to taking a very short break.

**Mr. Chairperson:** Is there agreement in the committee to have a five-minute break or a short break? [*Agreed*] The committee will recess for five minutes.

*The committee recessed at 5:07 p.m.*

*The committee resumed at 5:12 p.m.*

**Mr. Chairperson:** The meeting will come back to order, and we will just continue where we left off, and we will hear the minister.

**Mr. Lathlin:** I believe the member for Arthur-Virden (Mr. Maguire) was asking a question with regard to the tire fire.

Apparently, when the fire first broke out—and I think people know this by now because it was reported in the media quite extensively—our people went in to try and put it out. It did not do much good. As a matter of fact, I am given to understand that it made it worse, so they pulled back but continued to try to contain the water that was inside this area. Efforts were continued to try to contain the water, so it did not flow all over the place and start contaminating other water in the area, the streams and any other waterway that might have been in the area. That is how we handled that fire.

As I said earlier, since then tests have been carried out and have tested negative. There are only two small fires still burning.

**Mr. Maguire:** Can the minister indicate to me, Mr. Chairman, well, I guess if there are two small ones still burning, how long it would appear as if it will take to burn it out and indicate to us what kind of clean-up measures will take place when it is completely out?

**Mr. Lathlin:** Apparently, those two small fires that are still going, our best estimate today is that they will probably burn themselves out by the end of the weekend, after which we will go in and try to determine the best way to do the clean-up work.

Mr. Chair, the type of clean-up work that will be carried out will obviously depend on the soil conditions, how badly is the soil contaminated. We are not going to be able to determine that until we go in there, probably by early next week.

**Mr. Maguire:** I would assume then that they will do soil tests to see whether they have to remove any of the soil, as well as the ash that might be left. I assume that it would have to be removed in some form, or is there a process whereby it could be left there as well?

**Mr. Lathlin:** I would like to indicate to the member that we have a consultant on site advising us. Early next week, this consultant and our staff will put their heads together, I guess, and determine the best method that will be used to clean up the area. I am not a professional in this area, but I would think that the most common-sense practical approach would be taken.

Mr. Chairperson, I remember, when we had soil contamination in East St. Paul, I went to visit the site at one point. That is what they did. They put a berm around the contaminated site. They removed the soil. The soil was transported to a waste treatment, as a matter of fact, the Miller facility, where all that contaminated soil was taken for treatment. That may not happen in this case, but I would assume that, if there was any contaminated material, whether it is the soil or otherwise, it will probably be removed and taken to a waste treatment centre.

**Mr. Maguire:** Can the minister give me any indication of the expense that has been incurred so far in that untimely fire?

**Mr. Lathlin:** I would like to advise the member that, although we have conducted the tests there, as I indicated earlier, we still do not have any costs attached to those testing activities. As well, the consultant that is helping us will—well, he has obviously got a fee right now. I do not know exactly how much expense we will incur as a result of a consultant helping us in this case. I can further indicate to the member that, for now, I believe the contract is for \$25,000 for the consultant.

**Mr. Maguire:** You are indicating that the consultant is on site, and he will be doing the monitoring on the conditions of the soil and has been reporting on the water to date.

**Mr. Lathlin:** Yes, that is correct.

**Mr. Maguire:** Were there any other encumbrances for neighbours and people in that area? I am wondering if there were any people who had to be relocated as a result of that fire.

**Mr. Lathlin:** I can indicate to the member that apparently, again, I watched this on the news on TV when this thing was unfolding. At that time, it was reported that some families had been offered accommodations elsewhere to get away from the effects of the fire. I think now I am able to say that two families were evacuated and I think probably spent two nights and probably in a hotel room, but only when the winds were going in the wrong direction, I guess. Apparently, there is also an elevator in the vicinity, and employees in that elevator apparently had to be sent home, I believe, at least one or two days, just to make sure that they were not affected by the smoke from the tires.

**Mr. Maguire:** Can the minister indicate to me, Mr. Chairman, if the compensation or costs of those people was defrayed by the department, or was there compensation for the costs involved in these people relocating for the few evenings that they did?

**Mr. Lathlin:** Yes, I can indicate to the member that apparently our department made a

commitment to reimburse any lost wages from those employees from the elevator. Apparently we had made arrangements with the two families that the Government would, through Emergency Measures, cover the costs of the accommodation.

**Mr. Maguire:** Just a further question was the business, the elevator involved, the minister has not indicated that there were any other businesses, so I assume that was the only one. Was there any loss of business insurance or loss of business compensation for that time as well?

**Mr. Lathlin:** I would like to advise the member that apparently that was the only business employer in the vicinity of the tire fire. Whether they have made a claim to their insurance company, we have no idea. They will do that on their own, I guess. We apparently advised the elevator that if they paid their employees for the time that they were sent home that we would reimburse the employer.

**Mr. Maguire:** Mr. Chairman, as far as the minister knows then the department, the Government, did not pay any kind of business loss for that particular time.

**Mr. Lathlin:** Mr. Chair, the answer is no.

**Mr. Maguire:** I am assuming then, Mr. Chairman, that was the elevator at Rosser, or can the minister indicate to me which elevator was involved?

\* (17:30)

**Mr. Lathlin:** I gather the member is familiar with the area. I am not familiar with that area, but I will indicate to him that this elevator was apparently about a mile and a half west of the Perimeter. I am also advised that it was not the new elevator. The new elevator apparently went by the name of Patterson, so I really cannot say with any certainty as to which elevator, what name was attached to the elevator that was in the vicinity.

**Mr. Maguire:** Thank you. I believe I know which one it was at that point then, yes, if it was a mile and a half west of the Perimeter.

I guess my final question there in this regard was we have heard in the media, I guess, that

there were charges laid in this area. I wonder if the minister can indicate to me what kind of action has been taken in regard to the dissolution of this issue, if you will.

**Mr. Lathlin:** I can indicate to the member that so far no charges have actually been laid in this incident. We intend to recover our costs by going after the three people. I understand those being the landowner, a company by the name of Reliable Tire, and we are also going to be visiting the Tire Stewardship board. Either all three will be made to account or one or two, but in any event, that is what our plan is.

**Mr. Maguire:** Thank you then for that update in that area, Mr. Minister. It is an unfortunate incident that has happened, and I guess it is a lesson to all of us as to how to look at some of the recyclable material that we have and make sure we do have it properly managed and looked after in the future.

I think with all of the good work that is being done in the province by the department and by individuals, and certainly by volunteers in many of these communities, we are on the right path in regard to being able to recycle and reuse some of the products that we have today. I just want to be on record as saying it is unfortunate because there are so many good things going on that it is one of those things that, I guess, obviously, as we all know, you cannot control everything. So we hope that it has been able to be cleaned up without any further problems to the environment in that area.

Mr. Minister, there are a number of issues that I want to talk on yet or to ask questions on in regard to a number of issues, but I still do have just a few here today that I would like to touch on. One of them, while we are on fires, is an agricultural situation that arose last fall in the western part of Manitoba, I guess, in regard to the stubble burning in western Manitoban, in that area.

Being a farmer myself, I know of which these people speak, because I would certainly not hope that any of those 11 fires that you have burning in western Manitoba are five active ones today, were caused by anybody that lit stubble this spring that could not burn it last fall.

Anybody that was burning anything last weekend—I understand there were some pretty hefty winds. Those are just conditions that are unpleasant and unfortunate. If fires get away on days like that, it can create quite a bit of problems.

We certainly know why the rules were brought in by the former government in the first place in regard to stubble burning around the city of Winnipeg. I do not wish to see anything done in regard to reducing the responsibility in that whole area, that sort of thing. I guess what I would ask on behalf of a lot of the calls that I got, I know the department got last year, was just around the whole issue of distances. It seemed, I guess, from the optics of the people who were fined for first time offences in the region of, all over virtually western Manitoba, that I got calls from, that they felt it could have been handled in a different way, that some greater notice could have been given.

The reason I raise that is because while they have had rules in place for many, many years in that area of the Red River Valley and around the city of Winnipeg, it is my understanding that they have been more recently enforced in the other parts of the province. Can the minister indicate to me whether that is correct or not, whether initially those stubble burning rules applied to all agricultural areas of the province or if it was more within a certain distance of the city of Winnipeg?

**Mr. Lathlin:** No. Apparently this new regulation was not intended to just address stubble burning around the Perimeter Highway and the Winnipeg area. I understand that it was intended to cover actually all of Manitoba.

I do not have the statistics with respect to the number of fires reported, charges laid, fines levied. I suppose we can get that information, but I am also advised that this spring, starting immediately, I guess, or in the fall, we will put out fair notice, advertisements so that people can be alerted to this measure and what would happen if one were not to follow the regulation.

**Mr. Maguire:** Thank you, Mr. Minister. I want to explain to the minister, as well, that on behalf of these, not only my constituents, but others as

well in that region, it goes all the way around the city of Brandon. Many of the smaller communities are involved because of the smoke dispersion and that sort of thing.

These were sound rules to put in place when they were brought in. I guess some of the situation that I heard of at least, I want to reiterate to the minister were that first-time offence situations were being fined \$1,500. Many of these farmers just felt that that was an extreme level of fine. I know the intent perhaps was to make it severe enough that it would not happen again, but most of these farmers were not even aware of the fact that all of the rules even applied in the rest of the province. They thought they knew at the time it had been put in place for the area around Winnipeg because we have seen some very horrendous situations with smoke here in the city. They respect the fact, as well, in the rural areas that they want to make sure that they are doing these things in compliance in as many ways as they see practical. I think that is what created some of the difficulties.

I was in constant contact with the office in Carman that does the reporting for the province in regard to that whole time. I understand last fall that there was an inversion that might have been there for some extended period of time, but it seemed to many of the farmers in those areas that many practical days went by with very little breeze and absolutely clear skies, which is not a great day for dispersion in the upper atmosphere, so I am told. But it takes a combination of events.

\* (17:40)

In many of these particular cases, it got to the point where, well, if they fine me \$1,500, now if I see anything going on in the country, I am going to report it as a fire myself. Some farmers know that fires have to be out by dark. In one case he was absolutely sure that it was, and yet he got a knock on his front door about 10 minutes after dark from the Mounties saying that there was still a fire going on out there. It had started up again. It was in a little bush completely surrounded by a black field. There was consternation that because of a situation that he had watched all afternoon and felt that he had

got it out and maybe irresponsibly he had not got it all out but nevertheless was fined \$1,500.

I do not know whether those fines were upheld. I wonder if the minister can indicate to me if those were the fines that were actually paid or if they were reduced somewhat, if they did take them to court or if they were appealed. Can he indicate to me if it is their intention to continue to do that in the future as well?

**Mr. Lathlin:** I want to indicate to the member that I remember when this regulation was first talked about. I think I was in opposition. I think I was an MLA already. Being one that has got problems with lungs I thought there were not too many things that I applauded the previous government for doing, but that was one initiative I thought the government was bang on, but I think that was because I had a personal bias. I have asthmatic conditions myself.

I remember even if you were in Transcona, which is where I was staying at the time, you could see the smoke coming in. So I applauded the government for doing that. The regulation was, of course, put in place to protect air quality because smoke is harmful to those like me that have respiratory problems. So in that sense all Manitobans are susceptible, not just those who live in large cities. Even in The Pas we have not too many farmers there, but I am telling you, when they start burning it does not take long for that smoke to get into town and into the reserve and people start complaining.

I can also indicate to the member that apparently during the first few years that this regulation was in place, warnings were given, were issued for first-time offenders. Then for the last three or four years, anybody committing this offence was liable to getting a fine. The base fine apparently was anywhere from \$1,300 to \$1,500, again depending on the judge you appeared before. I do not think it was set by the department, but I am sure the regulations set out a range that judges could use when imposing a fine. So that is the information that I have.

**Mr. Maguire:** First off, I must commend the minister for thanking the previous government for bringing the rules in. As I said in my opening statement, I do not think we want to see the rules

changed. I think the only concern that the farmers who were hit with the fine of \$1,500 for burning were first-time offences. I have not had anybody approach me who said they had been warned before. I think that was their concern in western Manitoba, that really there was very little publicity, and I do not remember any myself on radio or in the papers, until after the situation came up. Then there was some advertising, but there was really no other notice on a daily basis that indicated to them earlier that this was going to be the situation.

I think many of them felt in their practical day-to-day lives they do not want to do anything to impact on the community or their neighbours. I know from my own experience that one has to take that into consideration before you are going to go out and clean up a field of this nature, if, in fact, you feel that you have to. Most of the farming practices have changed so that we are leaving all the stubble in the fields now. It is being managed in a completely different way than it was 10 to 15 years ago. I think the biggest area of concern, I know there are rules in place for if you are using some harrows and bunching some straw that you can work around it and you are allowed to burn that little part off in a field, but I think the main concern was perhaps from flax straw. A lot of that is even bailed today in a responsible manner to be used in the industry, but they would only take that product if perhaps there were not a lot of weed problems in it, and that sort of thing.

As a result of the '99 flood in western Manitoba, the residue that was leftover from weeds and that sort of thing was not able to be all controlled. It made it even tougher last year. I have to share with the minister that many of those farmers saw the \$1,500 as another tax on farming and another lack of government understanding from a flooded situation, from the flood of '99, and even as one more nail in the coffin, if you will, in regard to them trying to clean up their land. I am not blaming the minister for this. I am just letting him know what the feelings were out there of that area, with the situation.

One of the requests that I make is that the minister and his department look at making sure that, come fall, at the time when these

restrictions are in place—you can correct me if I am wrong, I do not believe they are in place in the spring, I believe they are in place in the fall—that public announcements be made of the situation earlier and more regularly. That would be my recommendation to the minister. I would ask if they have had discussions within the department to do that for the upcoming fall season.

\* (17:50)

**Mr. Lathlin:** I appreciate the member's comments and his recommendation. I would just like to say that in many of these cases where there has been an offence under that regulation, it is the rural RCMP who will come in to enforce the regulation. It is not always 100 percent of the time by Conservation staff that go in. When fires are ongoing, it is really the landowners who are responsible to make sure that the fire is manageable and also that it is out when it is supposed to be out.

As I said earlier, each case is dependent on the opinion of the judge where the offending party might appear. As I said earlier too, the regulation would have set out the range, minimum and maximum fines that would be imposed. As I said earlier, I do not want to be partisan here, but that has been a long-established regulation. I cannot remember how many years ago it was put in place, but it has been a few years now.

Also, the program, as I understand it, is well-advertised in the local media, as a result of, probably, complaints that were put in. Apparently, mail-outs are sent out to the producer organizations, and there is apparently an advertisement in the Association of Manitoba Municipalities quarterly magazine. Now, this coming fall I am going to make sure that that advertisement alerting people is carried out. I am going to ask our people to advise me when these notices are going out. I want to get a copy of the magazine where this notice will be advertised just to make sure that people are given adequate notice and warning, I guess.

We also, on an annual basis, review the previous year's program with the Department of Agriculture and Food and will, of course, bring

these advertisement concerns to the attention of staff from both departments. As I said earlier, I will take a personal interest in knowing when these advertisements will be going out in the fall.

**Mr. Maguire:** If I could make another suggestion, the easiest way to get hold of a farmer in the fall and get his attention on this matter is either in the tractor cab, and some radio announcements might help him there, and the other one is in his local community newspaper. If he does not have time to read it, his wife does, or if she does not, he does. I would say that those are two good mechanisms to use in that area.

You know, it was not even the fine so much. Most farmers indicated to me that they do not have a problem with the regulation. It may have been the frustration that built last year because of the number of length of days. You know, they are used to going to the Internet now at eleven o'clock every morning to find out what they can do. They are in that area, and, believe me, most of them look at the Internet. That is another means. They know instantly whether or not that is a day they can burn or not. They would like to find out a little earlier, but I understand the problems of being able to do that from talking to the department. So that would be a suggestion.

It became an issue. I will explain the cost here because we have a few minutes, but it became a greater issue because, as the fall went on, it got later, obviously, and later, closer to freeze-up, limits to the amount of time that you have to be able to get your fall work done and get ready for the next spring. I mean, as the Environment critic, I can tell you I came that close to being one of those farmers affected by this. I almost lit the match. Then I decided, well, maybe that would not be a very good thing for me to do even though the quarter section that I was working on was surrounded by black ground for a half mile.

I went back to the yard and on the Internet and found out I could not do it that day. There never did come a day after that that I could do it. The only day that was prescribed to burn in western Manitoba that I had in that last month and a half before freeze-up, when we could have done it, was about a 50-mile-an-hour wind, and you do not do it in a 50-mile-an-hour wind even

if the Internet says you can, and then we got rain. The flax stubble, I can tell you, is still in the field today that was there last fall.

So, by not getting my nitrogen on that particular piece of ground, at about an 18-cent a pound increase in 100 pounds of nitrogen breaker, has cost me about \$18 an acre by not being able to do that. So I am just indicating to you that is roughly a \$2,700 cost per quarter section, an \$18-an-acre cost that those farmers who did not get it done last fall, who abided by the rules and the law. Certainly there is a cost attached to these things. Many of them were very frustrated by the fact that day after day what appeared to be an absolutely clear, decent day for burning, very low winds went by, and weeks went by like that, I have to inform the minister.

So I am wondering if we need to take a look at the kinds of climatic levels that we are using to determine what is a good burning day or an allowable one or not. I would urge the department to look into that. I understand it may not have been good for dispersion further up, but I can also indicate to the minister that there were many, many days went by when it seemed to those people—and that is why, I think, many of them got so frustrated. It came up to the point where we are going to do this fall work. We have got all the rest of the land worked, and we are still waiting to burn this little bit of stubble off. As I say, there is not much stubble. There is not a lot that gets burnt. Most of them will work it back in. There is zero tillage, minimum tillage, but there was more flax grown last year, and the indications are there will be more this year, if you look at the crop. I am just alerting the minister that there will probably be more acres of that crop seeded this year, and it may lead to a larger problem in the fall again.

If it had not been for the two weeks plus those real windy days when they said they could not, and just practical common sense said you would not do it, then it turns back into an inversion again. They lost about three and a half weeks there that they could have actually done the burning. The farmers were saying, well, they actually phoned in on those windy days, and they were told they could burn. They said, well, common sense tells us we do not burn today, but

when the common sense told them they could, the rules said they could not.

I guess that is all I am asking the department to take a look at and see if there is not some way we can look at that. Maybe there was a very extremely abnormal situation that arose last year with the inversion lasting that long over our area, a high pressure area that was there, but I just wanted to raise that because I know it was a very widespread concern in the whole area of western Manitoba, as it has been here in the valley at some times as well.

Just to maybe end up on that, Mr. Minister: Can the department—I know they have means of monitoring the calls—can the minister give me any indication, Mr. Chairman, of whether or not there was an extraordinary number of complaints received last fall in regard to the stubble burning issue, particularly in the southwest area of Manitoba?

**Mr. Lathlin:** First of all, I would like to thank the member for those suggestions that he has given us that we can incorporate into our information that will be given to the communities being affected in our advertisement, in our radio announcements, the Internet vehicle. We will incorporate those into our program.

The other thing I want to indicate to the member is that, yes, it is a good program. It is a good regulation. But I think, I, for one, we should use common sense, practical things—

**Mr. Chairperson:** Order. The hour being 6 p.m., committee rise.

## TRANSPORTATION AND GOVERNMENT SERVICES

\* (14:50)

**The Acting Chairperson (Mr. Gerard Jennissen):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be resuming consideration of the Estimates for the Department of Transportation and Government Services. When the proceedings were interrupted earlier today the Official Opposition critic for Government Services had just begun his opening

statement. Would the Member for Gimli like to resume his statement?

**Mr. Edward Helwer (Gimli):** Do I require leave then to continue or did I get leave before?

**The Acting Chairperson (Mr. Jennissen):** No.

**Mr. Helwer:** The minister in his opening statement talked about some of the recycling efforts that are going on in Manitoba, and I think this is certainly a step in the right direction. I know this was started by our government back in the '90s. I have an organization in my constituency there and also in Selkirk's which is the eastern Interlake regional recycling co-op and they want to build a regional recycling depot that involves a number of various municipalities right around Selkirk and the St. Andrews area.

I think this is probably a step in the right direction. It is an innovative idea, and I would hope that the Minister of Government Services will certainly look at this very closely with the minister of the environment to see if this is feasible and to try to help these municipalities come up with a regional recycling plan that would serve those particular municipalities.

One of the other things that the minister mentioned in his opening remarks is the town of Churchill and the railway line. But there is a cost in us operating the town of Churchill, and we will get into a little bit of questioning on that if we have some time.

Also, the minister talked about snowmobile safety. This is a very important topic especially after last winter when a number of people lost their lives. I happened to be with Mr. Aitken, who is the Executive Director of Snoman, and I think he does a good job. They do a great job there. They had a demonstration for some municipal people and the public at Gimli just last winter mainly to discuss safety for snowmobiles.

I think it was very well done and a good opportunity for municipal people and people like myself, some of the leaders in the community to see first-hand some of the snowmobiles today

and some of the safety features on them, and some of the things that the people who have snowmobiles, so that they are made safer. I think that is certainly great and that it is a step in the right direction.

The other thing, I will have a couple of questions later on on the industrial park at Gimli where Government Services still has some property and where they are disposing of some of it, but there are a number of questions that I will have on that.

So, with that, I look forward to having the opportunity to discuss some of these things with the minister.

**The Acting Chairperson (Mr. Jennissen):** I thank the Member for Gimli for his remarks.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. At this time, we invite the minister's staff to join us at the table and we ask that the minister introduce his staff in attendance.

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Yes, as I had indicated before, my Assistant Deputy Minister is not here currently on the Transportation side. My apologies for giving short notice, but John Hosang, Assistant Deputy Minister, Engineering and Operations; Marlene Zyluk, Assistant Deputy Minister, Driver and Vehicle Licensing; Paul Rochon, Assistant Deputy Minister, Administrative Services; Gerry Bosma, Director of Finance, Administrative Services, are in attendance. I will perhaps introduce the Government Services staff later on.

**The Acting Chairperson (Mr. Jennissen):** Thank you, Mr. Minister. The floor is now open for questions.

15.1. Administration and Finance (b) Executive Support.

**Mr. Harold Gilleshammer (Minnedosa):** I had just suggested earlier I would like to start with some questions on the graduated drivers' licences, I think an issue that in many ways has captured some attention across the province, particularly with people who are nearing that rite of passage for young folks to get that first

driver's licence, a little bit of confusion out there and people searching for good information. Parents who are also wondering just how this is going to affect their family situation because of their dependence in many areas, certainly rural areas where there is no public transportation, where it is not unheard of for family vehicles to be going 2, 3 and 4 different directions, and just people concerned with the impact it may have on their situation.

I have read the report that the minister referenced earlier today, a report done by members of his caucus after having public hearings. I have looked also at his press releases of December 15 and of April 27 which reference the direction. I have also looked at his bill which he gave introduction to today at second reading. The bill of course does not tell you a lot because much of the detail is going to be done by regulation. If the regulations have been completed, I wonder if the minister would be prepared to table those regulations with the committee today.

**Mr. Ashton:** Just by way of background, the regulations have not been completed. I must look at the option of perhaps including specifically in the bill, if we can do that, some of the basic provisions. One of the reasons we proceeded with the enabling legislation is that has been the trend in other jurisdictions. It also gives some ability over time to deal with the fact that this is a major overhaul of the licensing system and give some ability to identify perhaps unforeseen circumstances down the line and respond to them without a formalized change in legislation.

I can indicate to the member that I am also looking at the possibility of bringing in by amendment, if that can be done technically, the key components of the legislation, largely because if at all possible I think I would prefer if the debates and discussions were around something that is fairly clear and up front.

In fact, one of the reasons I made the announcement on Friday was to make sure that, prior to the second reading, both members of the Legislature and members of the public had a clear idea, not only of the concept, because obviously I think most people understand what GDL is, and perhaps there needs to be some

further education. Obviously GDL in principle is one thing; GDL in details is another. So I will try and provide more information as time goes along, and I am more than prepared to discuss the details here this morning. As I said, I am looking at the option of perhaps, in the legislation, including some of the fundamental aspects that would be involved in the implementation.

**Mr. Gillehammer:** I thank the minister. I think that is important, because if you read the report and read the first press release and then the second press release and look at some of the detail, it is sort of an evolution going on here. We want to act responsibly, but people are looking for the detail as to how it affects them.

*Madam Chairperson in the Chair*

\* (15:00)

I notice in looking at it that things have changed somewhat from the report to the first press release to the second press release, and it seems to me that one of the terms I have heard is that it has been watered down considerably from what was first reported.

I just want to check out some of the things that I see. In the early report there was to be some designation on the vehicle of a learner sign plate or a novice sign plate. Has that now been taken out of your thinking? I did not see it in the last presentation.

**Mr. Ashton:** Right, and I agree with the member that there have been some changes. I think watering it down would be going a little bit too far. To be fair to the task force, the task force did a lot of work on the overall parameters of GDL which I thought were very well drafted. When I looked at some of the specific components a lot of the concerns related to not just individual components of GDL but how they all joined together. So, for example, one of the obvious questions that did come up, I mentioned in my opening remarks the fact that KAP, in particular, Keystone Agricultural Producers, put forward some very focussed suggestions. What they pointed out was the impact of, if you like, putting all the trees together and what the forest looked like, in this case taking individual components and getting the overall program. That is where we have made some changes, and

I am certainly prepared if the members want to ask questions to identify what they are.

In terms of the learner novice signs, it is not one of the key components of GDL in other jurisdictions. B.C. does have it. I am currently looking at some of the experience in that province, but the reason we decided not to proceed with the signs at this point of time is that it is not really a key component of the graduated driver's licence. I would point out for example in the drivers' ed program currently in high schools, the student drivers are encouraged to put the student driver signs up, so there is some element in place, but in British Columbia it is mandatory. Although it is mandatory in some other jurisdictions, it has not been a key component of GDL here in the province. So that is why it was not included in the announcement.

One of the basic things I wanted to do on Friday was basically twofold. One was to give members of the public plenty of advance notice of what our intentions are, subject to discussion and debate in the Legislature on details and subject to passage which I also identified very clearly as being part of what is involved here. The experience of every other jurisdiction on GDL is that it is really important to recognize how complicated the changeover can be, and we have learned from other jurisdictions on that, and also to give some fairly clear indication up front, in advance of what is going to happen. So that is why for example we wanted to give clear indication of the time lines, October 1 for the zero blood-alcohol and April 1, 2002, for the new process.

So the announcement Friday focussed in on the key components, when it is going to start and what the basic elements are. The learner novice signs are not a key component of GDL in other jurisdictions so that is why it was not part of that announcement. I am not saying down the line that it might be something we would not look at, but it really is not a key component. Given the fact that there is only one other jurisdiction, we felt it was advisable to do some further work on whether it really is making much of a difference.

Everyone we have talked to in jurisdictions generally have said zero blood-alcohol has the most impact. Passenger restrictions probably has

a very significant impact as well. With some of the other items, it is much harder to determine whether they are having much of an impact, if any, largely because in some cases the provinces that brought in these features have done it more recently, so there really is not the track record to look at it. We wanted to go with what is clearly proven, and that was part of the package on Friday.

**Madam Chairperson:** Let me just take a moment for clarification. I would like to advise members of the committee that the correct procedure for consideration of departmental Estimates in the Committee of Supply is in a line-by-line manner. In order to skip ahead or to revert back to lines already passed, unanimous consent of the committee is required.

Is it the will of the committee to engage in a more wide-ranging or global discussion?  
*[Agreed]*

**Mr. Gilleshammer:** Another component that is referenced here is the passenger limitations, vis-à-vis the balance of seatbelts. I am wondering, is there something I am missing here or is this redundant, because passengers have to have a seatbelt on. I know we have all maybe even seen cars loaded with teenagers where maybe there was 10 or 12 of them in there. The law is that you have to have a seatbelt on. Your reference here, I am just wondering if it is redundant or if I am missing something.

**Mr. Ashton:** I want to confess here too, because before I became minister I was of the same view. In actual fact, the law requires that individuals have to use seatbelts, if a seatbelt is available. Under our current laws, if you have eight people in a car and there are six seatbelts, so long as the six seatbelts are used, you can have eight people in the car. I was quite surprised with this. It is something that certainly is something that I would like to see reviewed, and we are currently reviewing that.

I can tell you from personal experience of a case—I will admit here on the record that I had some interesting discussions with family members of a certain age and relatives, and people generally, I am sure members of the House—there is something about being Minister

of Transportation, when you are doing graduated drivers' licences all sorts of people want to find out what is going on.

I had this discussion with my daughter, who, currently, is a fully licensed driver. I said the reason for the passenger restrictions is because there have been cases where there have been too many people in a car and it has created accidents. She said: Oh, you mean like my friend. I said: You mean the one with the neck brace. She said: Well, yeah, that is what happened to her. There were four people in the front seat and four people in the back seat and one of the wrong feet got put on the accelerator pedal and it ended up in an accident.

So that is what it is intended to do. It is intended to protect against distractions in the front seat, recognizing that there are enough challenges facing novice drivers generally, and to deal with the fact that—I suspect it goes back to if you think to 1983 when this legislation was introduced, that these are the days before minivans, larger families than you have on average now. So I assume at that time the legislation was drafted recognizing that there would be situations where there would be more people in a vehicle than there are seatbelts.

I want to indicate that I hope people will continue to use seatbelts and will not put people at risk, notwithstanding what the law is. I would not want to have seven passengers in a car, six with a seatbelt, six with the protection, one without. That is why it is there. It is not redundant. Unfortunately, or fortunately, however the case may be, that is the current law in Manitoba. So, to limit the number of seatbelts, we had to bring in a specific provision under GDL.

**Mr. Gilleshammer:** I am interested in the age limits of the learner stage, that you can proceed at 15 1/2 years with driver education and at 16 without driver education. I believe that driver education is probably the key to this whole process that we are going into here. The MPI-sponsored driver education, I think, has been a successful program.

My concern is: Is it available to all young people in the province? Is a component of the

driver education also driver education institutes or businesses which exist in some areas? I think what we need to look at as a component of this initiative is the availability of driver ed and who is going to deliver that service.

So I would ask if the minister has been working with the Minister responsible for MPI to see that we have province-wide coverage in that area, or, where that perhaps is lacking, whether private entrepreneurs who offer that service are also a legitimate part of the training that is required for this graduated driver's licence?

\* (15:10)

**Mr. Ashton:** In fact I have been working both with the minister responsible. Also, actually, the chair of the task force is on the MPI board and has raised these issues I know.

What is interesting, by the way, is that MPI, quite apart from graduated drivers' licencing, does have fairly significant coverage. They basically offer it anywhere where the involvement threshold is met. They are expanding currently quite apart from GDL. What is interesting about GDL is if we proceed with this particular configuration, there will be much more of an incentive now for young people to access driver education in high school, because currently the main incentive is that you can actually start learning at the age of 15 1/2, but it really does not change, apart from that you can at 16 write a full licence. It is only a benefit maybe of a couple of weeks if you are in the driver ed program as compared to someone that maybe decides not to take the education, not to go through the more extended learner's stage, and just walk in at 16, 2 weeks later, you know, once they have had their learner's at 16 years, 2 weeks, you can have a full licence.

In this case, it will make a difference between if you enter at 15 1/2, you will be able to move to the intermediate stage as early as 16 years, 3 months, whereas obviously if you do not enter the program, it would be a longer period of time, because you would enter at the age of 16.

What is interesting is that MPI does work with the private sector. I know it is often the

private sector that is providing the driver training portion of it, but I have raised this with the minister. I do not want to speak for the minister per se, but I think the minister recognizes both the fact that there is going to be an increased demand for the training and that while MPI is currently expanding their services anyway that this is also another reason for them to review and make sure it is available across the province.

I can add by the way that it is already available in a number of cases through, for example, Frontier schools. It has already been available in a number of remote communities.

That will be a consideration as well, to make sure that in both rural and remote communities we can provide this service, because, as I said, there is going to be a real incentive. The intake will go up significantly. The member has raised a good point. That has to be a companion piece to graduated drivers' licencing. We have to make sure we can meet the demand and make sure it is available throughout the province.

**Mr. Gilleshammer:** Madam Chairperson, if the minister took a snapshot of where driver education was available today, has he done that? Does he know what areas of the provinces are underserved or have no service at all in this area, where young people wanting their licence have no choice but to start at age 16 then because of a lack of driver education? Do you have a handle on what the environment is out there right now?

**Mr. Ashton:** Yes, it has been available I think in the vast majority of schools. I can try and get some more detailed information. As I said, they are already expanding their focus anyway. There is a lot of demand for it quite outside of graduated drivers' licencing. I think a lot of parents, in particular, are really encouraging young people to get involved in the program at 15 1/2. So I can get that information. Not being the Minister responsible for MPI, you know, I would have to get more detailed, updated information for the member, but I can get information on the current enrolments. I could go by memory, but I would rather give him some specific statistical information. It has been available, in the vast majority of areas in the province. Currently, it is run on the basis of

meeting the enrolment thresholds, which I believe are 12 students. If there is a demand in a certain area, it may be offered one year and perhaps not offered the next year, if there is not the demand.

That will change with GDL, because there is going to be that much more demand. I would say 100 percent pretty well of young people entering the system are going to want to go through the driver ed program if they want to get a licence. I will try and get the detailed information where we are at. I assume we will probably be sitting next Monday. If that is the case, I will see if I can get some information by then.

**Madam Chairperson:** Does the Member for Lakeside still wish to—

**An Honourable Member:** Can I just defer to my colleague?

**Mr. Harry Enns (Lakeside):** Thank you to my colleague. To the minister, I heard the Chairperson's ruling that we would be able to range a little broader in the discussion. The minister's office, the minister is aware that I have tried for the last several months to arrange a meeting with the manager of the Marquette Consumer's Co-operative Ltd. for discussion on a particular road of interest to me, and more importantly to the citizens in and around Marquette. I have, in fact, the manager of the co-operative with me, Mr. Wayne Manweiller, whom we were supposed to be meeting with at three o'clock. I am not being critical of the minister. The minister is a busy man, particularly in his other portfolios, Government Services as well this year, with the high water and so forth, but, with his indulgence, the committee's indulgence, I want to raise the issue, because it is a general issue.

The community of Marquette is located on the junction of Provincial Highways 248 and 227. Of particular concern to the community and to the co-op is the relatively short stretch of 10 or 15 clicks on 227, from Highway 6 to 248. It received an AST treatment back in about the year 1990. Your department has responded to the Municipality of Woodlands, which has also supported improvement to this particular section of the road.

Mr. Minister, I want to make it easy on you. I appreciate that you have only X number of dollars to spend and you have a long shopping list throughout the province of Manitoba. What is being requested is simply an upgrade to allow heavier loads to travel on that road. I am advised by the manager and by the people and I know from my own experience that the road has no weight restrictions placed on it.

I can recall from my tenure as Minister of Highways, when we built these roads, that the basic base was put into them, the sub-base. Admittedly, it only has an AST surface on it. I am not requesting, nor is the manager from Marquette requesting, that we get an expensive three-inch hot asphalt treatment on that road. It is critical to the operation of the co-op to enable that co-op to accept heavier loads, particularly for their fuel deliveries, and perhaps also for their fertilizer deliveries, I am not aware, for these bulk loads. It is putting the co-op at a disadvantage, if I might say, by not being able to bring in those heavier loads on this particular piece of roadway.

I note that the department indicates that one of the reasons is maybe there is only one bridge structure on that road that might create a problem, but I am going to lean on the good minister to recognize that this is a very important issue for the community of Marquette.

Marquette is one of those issues. I cannot really describe it as one of the great metropolitan areas of Manitoba, but it is one of those communities that is providing services to the farmers and residents in that southern part of my constituency. In particular, the co-op at Marquette is really what holds that whole community together. It is a thriving co-op, recently expanded. It does in excess of \$7-million worth of business, which is not shabby for that little community. On behalf of the Marquette Consumers Co-op, on behalf of the manager who is with us, I make an honest appeal to the minister to have his shop take a hard look at seeing how we can get a half-decent load of fuel to service the Marquette Consumers Co-op.

If the minister can tell me if I am correct in assuming, I make the assumption from my experience in Highways that the subgrade below that AST is there. I was always told by my officials, when I had the privilege of being Minister of Highways, that, when they were building these roads, they put the engineering required subgrades into these loads, even if the surface itself was the cheaper AST treatment. I would ask his officials to take this request seriously and see what they can do on behalf of the Marquette Consumers Co-op.

**Mr. Ashton:** Actually, I am glad that the member is here and the manager of the co-op is here because, as soon as I got notified at five o'clock yesterday by the House leaders that we were being asked to fill in on short notice for Estimates, I looked at my schedule and said, oh, not again. I think last time, if I remember correctly, I think it was checking out the flood situation, actually, in another part of your constituency. I think it was St. Laurent last time. I appreciate that. I also appreciate the member's previous role as Minister of Highways. I am trying to remember which years you were Minister of Highways. I was going to say, because—

**Mr. Enns:** '67.

**Mr. Ashton:** '67. Well, I was just going to say some of the roads in the system have not been fixed since, so they held up rather well. We are getting to a few of them this year. They have done remarkably well.

What I can indicate is this is an area that the department has been working actively on. The information that I have is that one of the issues right now is land acquisition. I am not aware of the details of it. I assume there may be some problems with some of the individual land-owners. I checked our overall scheduling and some of the work we are doing. This is a project that has received some significant work. It is right now at the land-acquisition state. It is something that I know the department is aware of. What I will try and do is get some more information on specifically what land-acquisition issues are involved. I know the member, being former minister, will know that obviously we go through various different

processes of moving ahead. Land acquisition has always been a fairly critical stage, and then afterwards it is a question of moving ahead in terms of the final designs, always the more difficult stage, but the cash-flow end of it. I can indicate to the member it is an area that is of concern to the department, and they are actually working very significantly on it.

**Mr. Enns:** I am aware, of course, that further west, on the same 227, there is still substantial work to be done and, as the minister indicated, perhaps some additional land acquisition to be required. That is not the stretch that I am talking about. I am being much more modest. In fact, I am being an ultra-conservative here. I do not want the minister to spend a nickel. He can spend it all in his beloved northland, where the minister hails from, if he chooses to on this case. The stretch of road that I am speaking about is all built. There is no land to be acquired. It is built to spec. It is an AST-covered piece of road. It has never had any restrictions placed on it. At this point in time, there are restrictions on it. It is a paved piece of road that leads from No. 6 highway at the community of Warren to Marquette joining at Provincial Road 248. It is just a designation, a letter.

I was going to say you do not have to spend a nickel, Mr. Minister, but that is not quite right. I would be belying my age when actually postage stamps were a nickel or six cents. They are now, of course, forty-nine or fifty cents. So all you have to do is send a letter saying just upgrade the classification of this highway, and that is all we are asking for at this time.

If, for the record, his officials can just make note of it, I am not speaking about that further stretch of 227 where, indeed, upgrading work needs to be done, which no doubt will have to fit into the priorities over the coming years, but this is simply a designation of an existing constructed road with no additional construction being required. I note that your department has questioned the capacity of a bridge. There is only one bridge over a provincial waterway along that stretch of the road, but that might need some strengthening before upgrading it to a class A highway.

With those few comments, I know that the minister will take this to heart. I know that he is ideologically supportive of co-operatives, as I am. This is an important farmers co-op in my constituency. This is very important to their continued success. With those few comments, I want to thank my colleague, particularly my colleague from Minnedosa for allowing me to intrude at this stage of the committee hearings.

**Mr. Ashton:** Yes, I will actually undertake to get more details even by Monday in the committee. Maybe we should just do this without scheduling, because it seems to me we jinxed this process all the way through. My apologies for this happening again. This was beyond our control here, both from the critic side and from my side as minister.

I have actually been on that road. I know of what the member speaks, and I will get back to him with the details. There may be some issues with the subgrade; it may be bridge related. I appreciate that the other longer-term upgrading, it may not be the immediate issue, but I will also undertake to get full information for the member on that, as well. I thank him for raising it, and my apologies again for the cancellation.

Maybe what I will do sometime, certainly Highway 6 I know well. It is not that far off the highway. Instead of you coming in—I am referring here to the manager—maybe I will take a swing by there, a slight detour on my drive back to Thompson.

**Mr. Enns:** Mr. Minister, I am sure you would be very welcome if you decided to drop in at the Marquette Consumers Co-op anytime. Thank you. I am going to leave these documents with your officials.

**Mr. Gilleshammer:** Madam Chairperson, I thank the minister for being somewhat flexible here. The minister indicated that he would get for me the driver ed coverage throughout the province, and if we could have that Monday that would be great.

I just want to be clear. The other part to my question was that perhaps there is an opportunity here for private-sector driver education instructors who maybe are not as handcuffed by regulations about the number of students or

where they offer the course. The minister then would see no impediment that would prevent private driver education instructors, companies, whatever, from getting involved and providing the training required here.

**Mr. Ashton:** Well, we currently have the private sector, but it is through the MPI program. I think one of the issues that has come out of our review of GDL is it is an ongoing issue and that is issues related to driver education, generally, to make sure that there are clear standards met. It is not something I would rule out.

A lot of it, I think, is going to depend on initial review in terms of MPI and their ability to provide it. As I said, in a lot of cases, they are essentially using the private sector anyway, I know in my own community it is the local driving school that for years does the actual aspects of the training, but I will undertake to review that because if there is some ability to do it using other mechanisms, I think the target should be to make it as broadly available as possible, subject to it meeting the standards.

When I say standards, there are really two components as I am sure the members is aware. One is the classroom training. I know that is a fairly important part of it. I have just attended with my son recently so I know what is involved in that end of it, and then the in-car training as well. One of the questions that would have to be dealt with, presumably with the in-car training it would be easier to establish a relative standard because essentially that would be no different that what occurs currently. The real question would be the in-classroom training which is a component of it. I will undertake to (a) to get the information and (b) to review the member's suggestion. In fact, I do have a meeting coming up fairly soon with the driver-training community specifically on this issue and the broader issue of driver training and standards.

\* (15:30)

I want to acknowledge, by the way, that the driver-training community more broadly defined this. Most people I have talked to are very supportive of what we are doing in GDL and want to be part of working it through and be a

significant part of the learning experience, the novice driver experience.

**Mr. Gilleshammer:** Well, I would suggest you have got a built-in evaluation, because ultimately these people have to take the practical test and the written test. The success rates would be an evaluation of the instructor, the company, the program and certainly no one is suggesting that standards have to be altered. I am just saying that sometimes with the MPI-sponsored, there are regulations about the number of students to make up a class. There have also been from time to time difficulties getting vehicles from dealers because they do not want the car used on gravel roads often. They do not want the mileage too high. They do not want different damage to the vehicle because ultimately they want to sell that. The corporation does give them a break on the price but I am saying sometimes with the private-sector people, they are devoting a car to that and those issues are not as important. I think what I am looking for is the availability of programming so that young people who want to access training have every opportunity to do so. I think by using a broad-based approach to who can do the training, that can be achieved.

I want to ask next about age. The age requirements have been changed in your latest press release, and I think makes it more palatable to many who have been turning a critical eye to this process. Are there any other provincial jurisdictions where the learner stage perhaps kicks in earlier than 15 1/2 years and the licence or the opportunity to challenge for the licence occurs at an earlier stage than 16 years, 3 months?

**Mr. Ashton:** PEI has the same 15 1/2 provision. The only jurisdiction that has an earlier age is Alberta. Every other jurisdiction the earliest age of entry is 16, not 15 1/2.

**Mr. Gilleshammer:** What are age requirements in Alberta at the present time?

**Mr. Ashton:** 14.

**Mr. Gilleshammer:** Age 14 for the learner's stage, and then they achieve a driver's licence at what age?

**Mr. Ashton:** I can get the details on the information when they can access a full licence. I can indicate that they do not have graduated drivers' licencing, but they are proceeding to implement graduated drivers' licencing very shortly, and their proposed graduated drivers' licencing program, I understand, is very similar to ours in Manitoba.

**Mr. Gilleshammer:** I just indicate to the minister that age incentive, and he has indicated his own children have been involved and mine have as well, is very important, and I do believe that those students who take the driver education program, as opposed to learning from their siblings or their parents, probably end up with far better instruction and far easier on the parents, so I would ask the minister to look at that age incentive and whatever other jurisdictions are doing and see if it could be reviewed to even having people start the driver education training at an earlier age. Find out what the Alberta experience is and see if that might be part of this initiative.

**Mr. Ashton:** One thing I should indicate is we have maintained the incentive for the 15 1/2 entry in the announcement on Friday. That is one of the areas that is somewhat different from the task force report. The task report had recommended maintaining the 15 1/2 entry point but did not count the six months that would take place up to the age of 16 towards the learner's period, so we did listen on that. The general experience with GDL is to start it actually at 16. I felt and others felt certainly that the current system at 15 1/2 is relatively positive. I think the real issue about lowering it below that is the degree of maturity and even some of the physical issues that would be involved in lowering it beyond what it is. That is why we did maintain 15 1/2 and reinstate the incentive but not lower it beyond this point.

While certainly we could look at the Alberta experience, as I said, they are looking at changing their own system. I cannot comment on whether they are likely to change their initial age of entry, but they recognize the area in terms of graduated drivers' licencing and our general view is that, you know, 15 1/2 is, relative to other jurisdictions, still actually a fairly early age. A lot of international jurisdictions have 18

years as the entry point. Going much beyond that, there is some real question as to whether people may be at some greater risk not having the maturity, both physical and otherwise to handle a vehicle, but I certainly appreciate the member's point, and that is why we did at least reinstate the 15 1/2 as a real entry point, a point which under this system you will start moving towards the next step. Every day you are in the learner's licence, no matter what your age is, will count towards the minimum nine months.

**Mr. Gilleshammer:** This initiative applies to adult candidates for drivers' licences as well?

**Mr. Ashton:** Could he repeat that?

**Mr. Gilleshammer:** This initiative applies to adult drivers who are accessing their first driver's licence? They would first go through this same program?

**Mr. Ashton:** Yes, and that is an important point, because novice drivers of all ages have a much higher accident rate. Novice drivers of both genders have a much higher accident rate. So this is not targeted towards young drivers; it is targeted towards novice drivers. If you are 15 1/2 or 55 1/2, the same provisions apply.

**Mr. Gilleshammer:** Does it also apply to drivers who immigrate to the country who have existing licences? Will they go through the same process?

**Mr. Ashton:** There are actually two sides to the reciprocity. The one side is if we do not move on GDL we put our drivers at some risk of having our licences recognized for reciprocal purposes in other jurisdictions, so I just want to mention there is that end as well, making sure that our licence is reciprocal.

Essentially we do have provisions for recognizing licences in terms of transfer. If someone is entering without a licence, if they immigrated from another country, they would have to go through the process, but we do have reciprocal arrangements certainly within North America. Our intent is to work through similar provisions now that we have a new GDL system. It really is going to be a totally new licensing system, so we want to make sure that our drivers

have reciprocal recognition in other jurisdictions and can work out similar arrangements for people coming with an existing licence to Manitoba.

**Mr. Gilleshammer:** I am not clear on the answer, but maybe I could just ask it another way. If an adult with an existing licence from a European country immigrates and his line of work happens to be a truck driver, he is not going to have to wait nine months or longer to practice his vocation here in Canada. You are saying there is another system that would take care of that individual.

**Mr. Ashton:** Essentially the intent here is it would remain unchanged. If you come with a licence that is recognized currently, then you are able to obtain the licensing privileges here without going through the full process. The same thing would apply.

The only reason I flagged the other end of it is if, by moving to GDL, we are actually in a much better position now to ensure that our drivers, when they go to other provinces, will have their licence recognized, if they wish to, for example, move to Ontario. Just to give you a quick example of some of the difference between here and Ontario right now, we have a two-week minimum learner's period; Ontario I believe is up to a year. They have a 12-month learner period in Ontario.

If you start looking at that and some of the other differences, I mean they restrict novice drivers on the 400 series highways. They cannot drive on those highways. We really do put our drivers at some risk, if they move to another province, of having their licence not recognized if we are not part of GDL.

On the one hand, we are going to have to maintain the reciprocity of people moving into Manitoba, but we are also going to be making sure we can ensure that people moving to another jurisdiction, especially within Canada, will have the ability, if they have a Manitoba licence, to go to Ontario and not have to start from square one, to make sure that their Manitoba licence is recognized when they transfer residency.

\* (15:40)

**Mr. Gilleshammer:** For the beginning driver then of any age anywhere in the province, they are going to have to go through this process. You do not anticipate any exemptions for anyone related to age or location in the province. All drivers are going to have to go through this process. There are no exemptions.

**Mr. Ashton:** Yes, that is the case. In fact some of the provisions we brought in on Friday were to ensure that we recognize some of the specific circumstances, but we did it in a way where there is uniformity across the province. Everybody will be subject to a longer learner's period. Everybody will go through the same intermediate and final stage. It is not specific to age. That is basically the approach with graduated drivers' licencing in pretty well all the jurisdictions, certainly the ones I am aware of, that is that you determine what the standard is and then you apply it as evenly as possible.

In this particular case, I think because we did listen to, I do not want to say rural concerns, because some of the same concerns were expressed by people in the city of Winnipeg, for example, relating to the learner's licence, allowing people to carry passengers, which is going to be the case, and also the feedback we had about allowing people to enter at 15 1/2 and accumulate time at that point in time. Once again, it would have had more of an impact in rural Manitoba, I recognize that. KAP made that point quite forcefully, and we have responded. So once again, it is not through exemptions, the eventual goal is that if you graduate from the GDL program, whether you are in Thompson or Minnedosa or Winnipeg, you are capable of driving and driving safely. That is important because I stress this, and I know it is not always recognized this way, but driving is not only not a right, clearly it is a privilege.

It is a privilege once you have a Manitoba licence to drive pretty well anywhere in the world. It is important to make sure that our drivers, no matter where they are, if they are driving in Ontario on the 401 or they are driving in the many countries that recognize our driver's licence, either directly or through the International Driver's Licence, that they are going to be safe. That is why we feel this is a reasonable

minimum standard and one that is sensitive to the particular needs of various parts of the province but still is going to end up where if you graduate through the program, we will have done our best to make sure that you have been able to get the chance to develop the skills to drive as safely as practicable.

You can never turn out perfect drivers, I recognize this, but the underlying premise of this is we can significantly reduce the much higher accident rate amongst novice drivers, and it does save lives.

**Mr. Frank Pitura (Morris):** I have a question about GDL, and I guess what is brought to my attention by the stakeholders, which in this case are students, is that quite a few students who live in my constituency, especially that part of the constituency which borders close to the city of Winnipeg, depend on their summer employment in the city of Winnipeg and even after-school employment, especially since all of the development has taken place at McGillivray and Route 90, that a lot of students have part-time jobs and summer employment there.

I guess the difficulty that they were pointing out to me was that, if they are in that first level of the learner's stage, it would be mandatory to have a supervising driver with them. The question they asked me was that, in the morning and evening, they would be required to have a supervising driver accompany them to go to the workplace, which could be the IGA Garden Market or Canadian Tire, what have you. They thought that would be a fairly major inconvenience for their parents, especially if their parents are as well working and off to different directions, as to how they would get back and forth from their employment as a beginning driver, and maybe it is a non-issue, I do not know. That was the question put to me, and I would leave that with the minister.

**Mr. Ashton:** There are two kinds of concerns that have been expressed, some of which are based on misinterpretation of what is being planned, partly because the task force document was exactly that, it was a task force. It is equivalent to a white paper, really, it was not something that was a specific legislative agenda. So obviously some people are reacting to what

was in the task force document, and that has been fairly positive. In other cases, it is based not so much on that document but real misinformation. I have had letters from people saying, well, my son or daughter, or from young people saying, I will not be able to drive until I am 19. In actual fact, the real issue here is, yes, there is a longer learner's period, but by reinstating the ability to start as early as 15 1/2, if you went for 15 1/2, you know there may be some variation depending on birthdays and whatnot. What it will mean, yes, there will be a longer learner's period, but the relative impact could be as little as two and a half months extra, not so much in the learner stage but in terms of age because the earliest you can get a full licence currently is essentially 16 years. If you enter at 16, there is a two-week waiting period. The earliest you can get a licence now is 16 years and 3 months.

I think the key thing if you are communicating to young people or their parents, at that stage, the intermediate stage, you can drive unaccompanied 24 hours a day. You can drive with limited restrictions, and I mentioned this earlier to the member from Minnedosa, for most of the day. It is restricted in terms of front seat passengers and number of seatbelts in the back of the cars. Even between midnight and five, we adopted the taskforce model which is not to have a specific curfew. Some jurisdictions have gone with curfews but usually what happens when you have a curfew, there is also some provision made for exemptions.

We looked at it and it seemed to make more sense rather than having a curfew and then exempting people for work, school and farm purposes, to recognize that a lot of young people in that stage will be working as you mentioned, or will be attending school events or will be out between 12 midnight. A lot of novice drivers will be out during that period of time so what we have done is we allowed at that period of time that you could drive yourself and one other passenger. That will mean that, if someone is working in your constituency in the city of Winnipeg, as soon as they enter the intermediate stage, they will be able to drive unaccompanied 24 hours a day, and the only question, then, is how many passengers, which is related to the time of day.

I can indicate, by the way, there is a very significant impact from other jurisdictions and some rather frightening statistics about just how many people are on the road between 12 midnight and five o'clock who are drunk. I know, in my own household, my wife is always the one who used to worry about our daughter driving late at night, and I always used to say that it is not that unsafe.

One of the problems sitting in this chair as minister sometimes is you see some of the statistics and it is quite staggering. It is quite noticeable. When you add in the fact that you are a novice driver, just learning to drive at night in itself is a real challenge. That is why this provision is in there.

But if you can communicate back to the young people and novice drivers generally, once they are out of the learner stage, they can drive unaccompanied period. They can drive themselves to work or to any other activity.

\* (15:50)

**Mr. Pitura:** Madam Chairperson, I appreciate the minister's comments because I guess the time when I am nervous driving home is when I leave the committee here in the middle of the morning and drive home. The chances of having people driving drunk on the streets of Winnipeg are fairly high or even on the highway.

But I guess, and it is still a concern, that if a novice driver hits the age of 16 in June, and 16 and 3 months is required to get into the intermediate stage, it has the potential of blocking them out, I say, of summer employment where you might have to drive to and from work. So that is the concern there that just in that, and it does not affect everybody. It just affects those that happen to have their birthdays at what they say is the wrong time of the year. I would also leave this with the minister as well, that our sons both worked in the city when they were in summer jobs when they turned 16, but Autopac or MPIC reflected that, in terms of the use of the automobile, with regard to commuting from a rural area to an urban area to go to work and that is reflected in a use-package of insurance. So that is already in there in terms of

the probability of having more accidents if you are travelling into the urban area.

So it probably will not affect a large number of people, but it will affect some people who require that summer job and who might be restricted as a result of having their birthday at the wrong time.

**Mr. Ashton:** I appreciate that, but the real issue here is about what is the correct minimum time in the learner's period. In this case, based on what has happened in other jurisdictions, based on the feedback from the public and the fact that within nine months you can ensure that learner drivers have exposure to all-weather conditions, that is why the proposal we brought forward is nine months. It is somewhat reduced from the twelve months that was originally in the task force report, but it still maintains that element.

As much as there will always be people in that certain situation, it has always been that way to a large extent. Birthdays never line up perfectly with what you need to do and what you do not need to do. I have been through that on numerous occasions. My birthday is, actually it is February 29, so I only get one every four years. *[interjection]* I am 11. Maybe I am not eligible for licencing yet. The important thing to stress again is if there is clear evidence that, first of all, a two-week learner's period is totally inadequate. I would say historically in this province we have been putting out drivers after two weeks who should not have been on the road because they did not have the necessary skills. Simply being able to pass the drivers' test itself does not make you a skilled driver, skilled enough to survive. So, at a minimum, we have decided nine months.

The real debate can be over the length of that period. Nine months puts us in the range of other jurisdictions. One thing I want to stress too is drivers' education, I think, is an important component of driving, but it also can lead to a false sense of security. The evidence in other jurisdictions is that drivers' education by itself does not reduce accident rates, and in fact, can lead to a false sense of security.

I am making sure now with my son, who is going through the drivers' process, that I am

spending some time with him because it may be less wear and tear. I know the Member for Minnedosa mentioned this on parents, but simply having drivers' education as of itself actually can be a substitute for the kind of exposure people need to drive in. That is the bottom line here. My suggestion to the member is, basically, the real discussion should be over the minimum learner's period. Some people may disagree with the nine months. I think that is a reasonable period of time.

The real answer to young people and novice drivers of all ages, and this is what I have said to people, is actually most of them agree that two weeks is not adequate. It is getting to be considered a bit of a joke by the young people I have talked to. They know it. The real issue then is, as much as it may impact on people, what I have said to people, I have said particularly to parents, because I have had some concerns originally about the fact that it is really nice to have a licensed driver who can then take over a bit of their taxiing responsibility you have as parents, and I know myself, but the real issue is, yes, the convenience of that, but are they in a position to safely drive unaccompanied? In this case, what we are proposing is that nine months is the minimum in which you can do that. While that may impact somewhat in some certain sets of circumstances, if we reduce it below that, we could always keep the two-week period. It is clearly proven that that will impact on accident rates.

The safest period of driving, statistically, is the learner's period, by far. The most unsafe drivers' period is the novice period, by far. So what happens is, the longer you can keep people in a learner's period in which they can obtain the necessary skills and the more you can put in restrictions, reasonable restrictions that eventually are lifted in the novice stage, what you do is you can extend that safer period and you can take that novice period and you can compress the accident rates. I think that has got to be the answer. That is certainly what I have been saying to young people, to parents, to people concerned of all ages because it affects all novice drivers, that yes, there will be some inconveniences. There are always going to be inconveniences when you have something that is safety related. We have tried to keep them

reasonable, but the bottom line is that if you have not passed the learner's stage, there is a reason why you have to have a supervisory driver. It is because that period of time is necessary for you to be a safe driver. I know the member knows this, and I appreciate he is flagging some of the concerns.

I know in the end you cannot satisfy everyone, but I think we have to focus the debate on what it is all about, and in this case a longer learner's period is, I believe, long overdue in the province. I am not pointing fingers here because I think all governments have just left it in place. I was actually shocked when I found out it was still two weeks. I was absolutely shocked that Manitoba was two weeks. Every other jurisdiction, certainly the GDL provinces, they range from three months in one province and a couple, I think, at six months. Virtually everybody else ranges up to a year. In our neighbouring jurisdiction of Ontario, for example, one year.

**Mr. Gilleshammer:** In the intermediate stage, I think it is referenced some place that participants in the intermediate stage may drive farm trucks. Can you just explain what that is, because I see a lot of farm trucks from pretty expensive half tons to grain trucks and semis and what have you. Is there any differentiation within the system when you say they may drive farm trucks of what you actually mean?

**Mr. Ashton:** Right now with a Class 5 licence, which is a full licence, you can drive a farm-plated vehicle which would be equivalent to a Class 3 licence normally but it has a farm plate. That will be possible in the intermediate stage. So it essentially keeps the ability of farm families for new drivers to be able to drive farm-plated vehicles that would otherwise require a higher licence, a Class 3 licence, but in this case because they are farm plated they would be able to drive with a Class 5.

**Mr. Gilleshammer:** Okay. I think we spent enough time on the GDL. You will recall I believe that the companion piece that is missing but is not that far away is a good education program to ensure that young people or entrants into this are going to have that education piece where they live, when they need it. I know that

this is a concern of MPIC. They perhaps have an interest in spending more of their reserves on something and I would suggest that maybe a driver ed program would be acceptable to Manitobans.

I think what I would like to do is maybe move into some questions on staffing within the department of highways and transportation and ask some of the questions at this time that I have on staffing, if that is okay with the minister.

\* (16:00)

**Mr. Ashton:** If I could, I just wanted to get some more information. The basic situation with driving class for vehicles is basically unchanged from the current status. Once you are out of a learner's, you can drive a Class 3 which is a truck with more than two axles. That is what KAP pointed out. It would be a significant hardship if it was not available in the intermediate stage, so that is what is in place. I just want to clarify on that and certainly would be willing to move on in terms of other questions.

**Mr. Helwer:** Just a clarification on this agriculture. You said anyone with a Class 5 licence could drive any farm vehicle. Does this mean a tandem truck where normally you would require a Class 3 and what about the endorsement? Does that apply to farm vehicles also?

**Mr. Ashton:** It does not apply. Basically we are not changing the current situation for farm vehicles. The real thing we have done is clarify that you do not need a full licence or even the final stage of the licence. You can drive at the intermediate stage. This reflects the fact that in a lot of cases farm families, farm kids, do have additional practice outside of the highway system. I think that is fairly standard. I mean, people start off at the age of 12, 13 or 14. That has never been restricted. That will not be impacted by this, but I just want to make it clear that Class 3 situations, with a farm plate, you can drive with a Class 5 licence, a farm plated vehicle that might otherwise require a Class 3 licence, and air brake endorsement is not currently required, as I understand it. That is unchanged.

**Mr. Gilleshammer:** Okay, perhaps the Minister did not hear. I was wanting to look at staffing within the Department of Transportation and Government Services. I have got the work chart in front of me. Just to begin with, what is the total number of staff years in this combined department at this time?

**Mr. Ashton:** 2945.04. I am not sure who the .04 is.

**Mr. Gilleshammer:** That includes permanent staff plus seasonal?

**Mr. Ashton:** Yes, that is the total FTEs, full-time equivalent.

**Mr. Gilleshammer:** I am just sort of interested in this without any specific agenda. Under the Engineering and Operations, Mr. Hosang, there are quite a number of branches. How many of these would be in that sort of operational part of the department?

**Mr. Ashton:** The member is talking about the regional offices and other offices?

**Mr. Gilleshammer:** It is where the bulk of your staff would be.

**Mr. Ashton:** What I was going to suggest is, it is just a matter of doing some calculations. It is not broken down that way per se, but perhaps we can get those calculations, and even as we progress, I can put on the record, not to waste committee time.

**Mr. Gilleshammer:** Maybe we could talk about the minister's office then. He may be more familiar with that. How many staff are in the minister's office?

**Mr. Ashton:** I just want to clarify if you are talking about the minister's office, including the deputies, or strictly the minister's office, because currently the minister's office here has four staff people plus my special assistant and, I guess, by extension, the executive assistant who is in Thompson. In terms of the combined offices, there is a total of 12, which is unchanged from last year.

**Mr. Gilleshammer:** So just for clarification, in the minister's office then, you have got four clerical support staff plus two political appointments, O/C appointments.

**Mr. Ashton:** My executive assistant, actually, is based in Thompson. With the amalgamation of the two sides of the department, essentially, it eliminated one EA position a couple of years ago and one SA position, and there was some consolidation of the staff side. There is no longer, obviously, a separate minister's office, Minister of Government Services and minister's office of what was then Highways.

**Mr. Gilleshammer:** So you have one special assistant and one executive assistant on staff. Who are they? Who holds those positions now?

**Mr. Ashton:** My special assistant is Brock Holowachuk. My executive assistant is Val Rach.

**Mr. Gilleshammer:** Thank you. Then on the deputy side there are six staff years as well, and they are all civil servants.

**Mr. Ashton:** That is correct.

**Mr. Gilleshammer:** Okay. Then that is the deputy on the Transportation side. You also have a deputy on the Government Services side who would also have six staff working in that office.

**Mr. Ashton:** Actually, yes, if we are going to get into some combined questions, the Government Services staff is actually here. I know the deputy minister on the Government Services side is also here, so I was going to suggest, perhaps, Gerry, if you wanted to come now.

If I could—sorry for the interruption—I would just introduce Gerry Berezuk, acting deputy minister, Government Services. Also here is Tracey Danowski, acting assistant deputy minister, Supply and Services, Stephen Kupfer, assistant deputy minister, Accommodation Development, and I think—yes, Paul is here—Paul Anderson, acting executive co-ordinator, EMO.

**Mr. Gilleshammer:** My assumption is that in each of the deputy minister's offices you have

support infrastructure of six staff years. Is that correct?

**Mr. Ashton:** It is three in each office, to a combined six. So that six includes both deputy ministers' offices.

**Mr. Gilleshammer:** So are there any other Order-in-Council appointments working within the department?

**Mr. Ashton:** Not in the minister's office. There are, I think, a couple of other Order-in-Council appointments, a senior policy advisor on northern issues and also an individual who is doing work on the procurement aspects. These are not in the minister's office.

**Mr. Gilleshammer:** So you have an Order-in-Council appointment who is an advisor on northern issues for Highways.

**Mr. Ashton:** Well, for the combined department, but primarily on Transportation issues, yes.

**Mr. Gilleshammer:** Is this a new position that has been created since the minister came into office?

**Mr. Ashton:** It filled an existing position but has a focus that is something that we have initiated. One of the reasons we put that in place is the significant amount of work we are doing in northern Manitoba, particularly on issues such as remote access. It takes an existing position. It is not a new position per se, but it is a newly focussed position, as a new mandate of an existing staff year.

**Mr. Gilleshammer:** So the minister has made an Order-in-Council political appointment into an existing staff year, if I get what he is saying.

**Mr. Ashton:** That is correct, yes.

\* (16:10)

**Mr. Gilleshammer:** Who is it that has been appointed to that particular job?

**Mr. Ashton:** It is Rod Murphy.

**Mr. Gilleshammer:** What are the qualifications for this individual to fill this position?

**Mr. Ashton:** We wanted somebody who had a good knowledge of the North, particularly on Transportation issues, someone who had knowledge of the federal government systems, because primarily most of our negotiations on remote access are going to involve the federal government, given their responsibilities and jurisdiction with First Nations.

Rod Murphy, I am sure, is no stranger to the member. He was a member of Parliament for 14 years, worked in a senior position in Ontario in the Department of Northern Affairs. He was actually chief of staff of the minister's office in the Department of Northern Affairs in Ontario, so was an individual that had the broad perspective of northern issues but also experience in government both provincially and obviously federally for 14 years.

**Mr. Gilleshammer:** So he was a member of Parliament you said for 14 years and worked for the Ontario provincial government. I assume that was the Bob Rae government that he worked for.

**Mr. Ashton:** That is correct.

**Mr. Gilleshammer:** A lot of political background and experience that you have put into a civil service position.

**Mr. Ashton:** Well, you know, it is an Order-in-Council appointment. We are up-front because it is an individual that one of the things we needed is someone who knew the lay of the land politically in Ottawa, someone who had that experience. Rather than bypass the civil service procedures, as I know happened in some cases I am aware of in the past, what were essentially political appointments were pushed through in that way. It was felt that the more appropriate way is to do what has always been the accepted basic principle, that is, if it is essentially an appointment that has a political base, you appoint it through Order-in-Council. It actually takes a staff year position, but it is not bypassing the civil service process. It is not a civil service position. So what we did is we took an existing vacant position and decided to be up-front about it. It is certainly no secret. I know Mr. Murphy

has been with us for a period of time now, and it is well known publicly.

We thought it was important to be up-front, not to take a civil service position per se and try and put a political person in it. I know the previous government, in cases, used the same sort of approach as well. I believe it is far better to be up-front through the Order-in-Council process.

**Mr. Gilleshammer:** The minister indicated that there was a second O/C appointment, and I did not get the position or the name of the person who was in that position.

**Mr. Ashton:** The individual is Sig Laser, and a similar process. He has been doing work. The individual has significant business experience. We are currently working on a significant overhaul of our procurement. I know last year—and this is on the Government Services side so the critic will probably remember—we indicated a new initiative on the procurement side where Procurement Services of Government Services is now going to involve co-ordination of government-wide procurement.

In fact, I was actually quite surprised when I became minister to find that only 20 percent of our procurement really is handled through Government Services, Madam Chairperson, that individual government departments handle a lot of their own purchases. We are trying to co-ordinate that. We are also trying to make sure there are more opportunities for Manitoba businesses, including developing some provisions that will reflect the need, for example, for increased Aboriginal procurement. That is where that individual was put in place.

Once again, rather than do anything that might involve anything other than being up-front, we made it through an Order-in-Council appointment. I am sure the member knows, I mean the member has been in Cabinet, what an Order-in-Council involves and some of the different positions.

**Mr. Gilleshammer:** I am not familiar with this name. What is the background of this person?

**Mr. Ashton:** This person has been involved on the business side, has run a business, most

recently an art gallery, has also been involved on the business side. We wanted someone that had some contacts with the business community. One of the long-standing complaints, which I am sure the member is aware, in a lot of cases, businesses are not even aware of what our procurement policies are in the procurement opportunities. This individual had the contact knowledge, and that is the basis the appointment was made on.

*Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair*

Once again, it is a technical appointment, Order-in-Council process, and this is one of the two Order-in-Council appointments we have made in the combined departments.

**Mr. Gilleshammer:** On the total staffing of almost 3000 staff years, how many vacancies are there at this time in the department?

**Mr. Ashton:** Yes, 131.2 staff years vacant. That is a vacancy rate of 7.48 percent.

**Mr. Gilleshammer:** The high vacancy rate, is that related at all to seasonal work, or this is permanent staff years where you are carrying a normal vacancy rate of over 7 percent?

**Mr. Ashton:** It is caused primarily by attrition and reflects, I think, across government the intent of—I hope there is no flooding outside; if I hear helicopters or small planes, I have that association. My apologies. Yes, we are dealing with a fair amount of turnover. The reality is in a lot of areas the average age has increased fairly significantly. We are getting a lot of retirements, and across government by managing our vacancy rates it allows us to certainly replace vacant positions but at the same time recognize the fact that we can also by managing our vacancy rate through that approach as compared to, for example, a hiring freeze, you can keep your average cost down and still provide the basic service. But attrition is the basic form of it.

**Mr. Gilleshammer:** Has the staff year complement which you have indicated as 2945.04, has that level of staffing been consistent through the latter part of the 1990s. Is it up or down from, say, '97, '98, '99, 2000? I

recognize that there has been the amalgamation of two departments, but I am just saying in terms of staff years attributed to your department, is that the consistent pattern.

**Mr. Ashton:** I can indicate there has been no major change certainly since I have been minister. If the member wants historic information, we can provide him with that.

**Mr. Gilleshammer:** Is the minister indicating in some of his comments to do with vacancies that there has been a higher turnover rate? I know people are retiring earlier and people are taking retirement and then going on to other careers. Is there a turnover rate that has been consistent for the last number of years that the Government is faced with, and is this department any different than any other government department in terms of turnover?

\* (16:20)

**Mr. Ashton:** I think the member has pointed to what is happening. A lot of it, quite frankly, is that at the senior levels we are getting an increasing number of retirements. I know it is going to be a challenge for us in the next number of years in dealing with potential skill shortages as a result. That is one of the reasons, by the way, our department is already involved in discussions with education institutions. For example, in northern Manitoba we face a double problem with keeping and attracting qualified staff, and so we are involved with discussions with KCC over a civil technology program.

Part of that was to anticipate the turnover that is going to take place over the next number of years. It has been reasonably consistent the last number of years, but it is going to accelerate even more over the next four or five years. A lot of the people who started with us and traditionally viewed employment with the department as a career, or were hired in the 1960s, 1970s, Mr. Chair, when a lot of the expansion of the activities of the various aspects of the department took place, are now reaching retirement age and certainly will be over the next four or five years. So it is going to be a real challenge and we are already facing some difficulty in recruiting in some areas where specific qualifications are required.

**Mr. Gilleshammer:** What is the average number of staff years that you would fill in a year then? You were going to indicate the level of retirements that have been taking place, but in a ball park way can you indicate how many new staff you bring on in the average year, over the last five or six years?

**Mr. Ashton:** I can undertake to provide that information. I would have to correlate it, but I will provide it to the member.

**Mr. Gilleshammer:** I am assuming the bulk of your staff are in the operations part of the Highways Department where staffing has always been necessary for the activities undertaken by the department.

**Mr. Ashton:** That would be correct. A few of our policy area, regulatory area, there is some appointment, but the bulk of employment is basically in the regional offices, the engineering offices, on the operations side. That is correct. I can actually indicate, we have the details on the engineering side and the operations side, it is 1760 employees. More than half of the combined department is basically involved in front-line service.

**Mr. Gilleshammer:** And that is a combination of full-time employees and seasonal?

**Mr. Ashton:** That is correct.

**Mr. Gilleshammer:** Did you give me an answer on the average number that you would hire in a year? You will get back to me? Can you indicate whether all of those go to competition or whether you make direct appointments into some of those positions?

**Mr. Ashton:** They are through competition.

**Mr. Gilleshammer:** There have not been any instances of jobs being filled without a competition then in the last two years?

**Mr. Ashton:** I cannot recall any, and staff cannot recall any either. They have all gone through the normal process.

**Mr. Gilleshammer:** Can I go to the Transportation Policy unit next, Mr. Norquay's unit? This is policy service development systems

planning and corporate policy. How many staff years would be in this particular group?

**Mr. Ashton:** There is a total of 28 full-time equivalents which is unchanged from last year.

**Mr. Gilleshammer:** I wonder if the Minister of Transportation knows whether we are being invaded here.

**Mr. Ashton:** Well, I know tomorrow is the kick-off for Emergency Preparedness Week and I am just wondering if they are practising—

**Mr. Gilleshammer:** In the transportation regulation area where you have your compliance people, regulatory people and safety people, how many people would be in that particular group?

**Mr. Ashton:** 64.31.

**Mr. Gilleshammer:** The compliance officers, these are generally individuals who are out on the highways and byways of Manitoba checking weights, other regulations. How many people do you have in that particular area?

**Mr. Ashton:** 35.

**Mr. Gilleshammer:** Is there any seasonal aspect to the number of compliance officers you have or are these full-time people working 12 months of the year?

**Mr. Ashton:** We do access, I am advised, some of our seasonal people that might be called back earlier for spring research in addition to our full-time inspectors.

**Mr. Gilleshammer:** I notice, on the org chart, the Human Resource Services Consolidated Unit. What departments does your human resource service deal with? Is this just highways and Government Services, or do they also offer their services to other departments?

**Mr. Ashton:** Government Services also works with ITM and Finance. On the Transportation side, Conservation and Executive Council are also served out of that human resource capacity, pardon me, Northern Affairs as well.

**Mr. Gilleshammer:** So these are two distinct human resource groups then. One has highways and Transportation plus some other departments, and one has Government Services plus some other departments. Is that correct?

**Mr. Ashton:** That is correct.

**Mr. Gilleshammer:** Thank you. The division that Ms. Zyluk is responsible for, how many staff years do you have under the Driver and Vehicle Licensing?

**Mr. Ashton:** 295.

**Mr. Gilleshammer:** Then your admin services, I presume this is an admin group that looks after both sides of your department and probably was brought together as a combination of the two departments. Is that correct?

**Mr. Ashton:** That is correct.

**Mr. Gilleshammer:** How many staff years do you have there?

**Mr. Ashton:** Actually, it appears on schedule 5. If you look at the Administrative Services, 9.5; Financial Services, 26; Information Technology Services, 38; and, pardon me, Occupational Health and Safety as well, which is another 3.

\* (16:30)

**Mr. Gilleshammer:** Could you provide me with a list when we meet next of the members of the various boards that you have on your org chart here, the Licence Suspension Appeal Board, the Medical Review Committee, the Taxicab Board, Highway Traffic and Motor Transport Boards, the Land Value Appraisal Commission and the Manitoba Disaster Assistance Appeal Board?

**Mr. Ashton:** Certainly. Once again, they are all done through Order-in-Council. There is probably information, but we will collate the memberships and provide it at the next meeting.

**Mr. Gilleshammer:** I will maybe stop here and let my colleague do a little work on the other side of your department.

**Mr. Helwer:** Before we get on to Government Services, I have a couple of highway things perhaps that we will—*[interjection]* You just stay a few minutes and I will get them.

I guess the first one I have is the specific issue with Highway 9 between Selkirk and Winnipeg. Now this road, I guess, very little work has been done on it for many, many years, and it is a very dangerous piece of road. There is a real safety issue there.

The area continues to grow. It is an urban area whereby a lot of the residents along Highway 9, along River Road and along McPhillips Road, they all basically are commuters to Winnipeg, and very interesting but No. 9 especially.

I think at one time there was a plan for the Selkirk corridor which would relieve the traffic on, I believe, Highway 231, no, McPhillips Road, anyway from Parkdale to the Selkirk bypass.

The reason this is so important is because a number of years ago the bridge was built—I think this was when Mr. Uskiw was the Minister of Highways, built a number of years ago. Then, when we were in government, we built the road to and from the bridge along from Highway 4, I believe it is, from Selkirk bypass, around over to No. 59.

When you come to the Selkirk bypass, from there to Winnipeg or Highway 8, it is McPhillips Road and it is a two-lane road, something should definitely be done with that one. The whole area should be looked at there, No. 9, McPhillips Road and also the Selkirk corridor. This not only serves my constituency but it also serves the community of Selkirk, which is a growing city now and also the area on the east side of the river. Highway 59, the beach traffic goes right up to Grand Beach and the east side on 59 up to the beaches. So it does create a real heavy traffic situation there all year-round, not only in the summer. There are commuters during the week. On the weekends, it is tourist traffic so it is a very, very busy area. I certainly would like to ask the minister when and what is going to be done in that area.

**Mr. Ashton:** The member has raised, I think, about half a dozen fairly significant issues. Then again, I know he had indicated interest in meeting with me privately to discuss some of these items as well. I certainly, subject to Estimates, indicate willingness to do that because I do take the issues the member has raised, that all MLAs raise, seriously.

I want to indicate just briefly, Highway 9, there has been some work done on the surface. I think going back the last number of years has been fairly significant. It has received a fairly positive reaction. The whole issue of the corridor, I think the member knows some of the background of the lack of consensus even within the area itself of how to proceed, and of course, the overall issues related to resources. Highway 59 north, there are ongoing issues there in terms of the ability actually to even extend, but certainly it is an issue I am aware of in terms of the improvement of the highway. It does have fairly significant traffic volumes.

It is compounded by the fact that there is a very significant seasonal spike because of the lake, because of Grand Beach. So certainly in both cases, we are doing in a lot of other areas, doing some forward planning and maintaining the ability to provide those kinds of extensions if and when we can do it.

I can indicate to the member he is quite correct. In terms of some of the pressures in the ex-urban areas that are putting pressure on our highway system, it is very significant. But I am sure the member is aware the department has been fairly active. Certainly I know Highway 8, for example, if you look at some of the work we are doing currently—it is funny, I seem to have the Interlake lobby here today with the Chair as well here—there has been some significant work done in other areas in the region and that again focuses in on the fact that there is some significant and increasing traffic volumes in the whole area of what you might call generally the Selkirk Interlake region.

So I appreciate the member raising this, and then I see the Member for Selkirk (Mr. Dewar) walk up to the table, and I am wondering, Mr. Acting Chairperson, if this really is a Selkirk Interlake conspiracy here to lobby the minister

and the department. But, in all seriousness here, the member has raised some legitimate points and there has been some significant work by the department in the area, and I would certainly be prepared to discuss the issues further with him.

**Mr. Helwer:** I appreciate the minister's response, but I think, No. 9, and the number of times it has been looked at by the department, there certainly is a safety issue there, and that is very, very important I think to the residents along that road.

First of all, I think something should be looked at whereby maybe we can have a turning lane in the centre with a four-lane road with maybe another lane in the centre as a turning lane because the problem where most of the accidents arise, and there have been a number with one again here just the other morning, whereby somebody turns off into a driveway and somebody runs into them from behind because of the fact they have to stop right in the lane of traffic. It is so busy, and if you get two or three cars stopped, you cannot see the signal lights or whatever and it really is a safety issue there.

I would hope that the planning and design people would look at some kind of resolution to that. I think there would be enough room to widen it out on each side and have a lane in the centre as a turning lane. I think that would alleviate a lot of the problem there and make it a lot safer. What has the department done in that behalf?

**Mr. Ashton:** The department has looked at that option. It would have a significant impact on the landowners and would require a significant amount of land acquisition. As the member knows, that has been part of the difficulty with those kinds of options as apart from the alternate route option, as anything the department would do would have a pretty significant impact on people along the highway and other users of the highway as well. This has been one of the difficulties in getting any degree of consensus in the area as well because what may be a good solution for some people often can be a very significant problem for others, and land acquisition is probably the major drawback of the option that the member is talking about.

Part of the difficulty, quite frankly, and I think the member alluded to it, if you look at the highway itself, it has become not dissimilar to a lot of the urban roads, similar speed limits, similar population density, so it is a challenge in the sense that on the one hand it is a highway but on the other hand it is almost a suburban extension of Winnipeg. It may not be in the city of Winnipeg boundaries, Mr. Chair, but it is highly residential in the same way that obviously when-ever you have these kinds of issues in any urban area, including the city of Winnipeg, which is beyond our jurisdiction, we have to be careful to balance the needs of the through traffic, but at the same with the residents of the area as well.

\* (16:40)

I know I have talked to the Member for Selkirk (Mr. Dewar) about this. He has raised these issues as well. There are no easy solutions, but what I think has made a significant difference, and this predates my time of being minister as well, was the efforts by the department to improve the surface of the road. I will add one other thing as well. I think this is fairly important, and that is to ensure that people do obey the posted speed limits. Even though it is not an urban area per se, I mean, there is a reason why the existing speed limits are there. I might add, I will probably mention this later on if we cover this area, there is a real problem with enforcement in this province right now in terms of traffic violations.

*Madam Chairperson in the Chair*

If you look at the trend in terms of issuing of tickets for offences, it has dropped significantly. I wish it was because we are all safer drivers. Unfortunately, I do not believe that is the case, and that has an impact particularly on that stretch of highway as well because it does not take too much, given the traffic volume, for somebody that is travelling at excessive speed to put themselves and others at risk. But, anyway, I do take the matter seriously and would certainly be more than willing to sit down with the member, as we have discussed before the Estimates, and discuss other road issues in his area.

**Mr. Helwer:** I appreciate the minister's response there. I realize the speed limit is already down to 70 on most of that road and 80 for a very short distance there, but it is, I think, patrolled quite well, and probably the speed zones are pretty well adhered to there. Just one other question on the highways here, on No. 8 this year, it is intended for improvement for a layer of asphalt from Highway 17 north to 29, I believe it is. There is three miles of road of gravel there on Highway 17 between 8 and 9 that was the road that was traded with the R.M. of St. Andrews a number of years ago. It was rebuilt there a few years ago and built to provincial trunk highway standards, but it is still gravel. I wonder if that three miles of road could be included with your contract when you are doing your paving on Highway 8, Mr. Minister.

**Mr. Ashton:** I am glad the member has recognized some of the work we are doing on Highway 8. I did mention that it is a little bit more complicated, as the member knows.

I mean, even a few kilometres of asphalt is not inexpensive. In a lot of cases, as well, too, you have double the cost of, first of all, upgrading the highway to be able to have the surface, and then you have to obviously cover the cost of the surfacing. I could get into a long story about how actually the price of asphalt has gone up, so it going to be even doubly, triply difficult.

I think I know the stretch of road that the member is talking about. I can indicate our main focus is going to be Highway 8 itself. Highway 8 is an important arterial road. It is seeing some significant pressures. There are some significant developments. In fact, in that area, generally, there has been a fairly significant growth pattern. The member knows this. He is the MLA for part of the area that is involved, so I maybe cannot be as encouraging on the other stretch, but Highway 8 has been a significant focus of the department and will be over the next period of time.

**Mr. Helwer:** The other part of Highway 8 that is north of Gimli, where it is narrow and it runs into the Interlake constituency all the way to Riverton and all the way to Hecla Island, I would appreciate that you would look at that whole area because tourism is a big factor in that

area, and certainly, at the present time, it is very narrow from north of Gimli, I guess, all the way up to Riverton, all the way to Hecla pretty well. There are very little shoulders. Is that highway in the plan? Where is that in the process now for widening?

**Mr. Ashton:** There is a significant drop in terms of the amount of traffic that does take place further north of Gimli. I assume that is why it has not received the attention in the past. I can get that information. I know it is of concern. We are faced with a lot of highways in similar situations, even where there is not sort of the ability to fully upgrade.

Looking at shoulders, it is very much a part of the challenge with the system generally. I will certainly undertake to look at it. I know that highway. I have been on it fairly well. In fact, I went into Riverton last year, and I am pleased to indicate that we will be proceeding with the Riverton main street upgrading. That was in the program put in last year. We will be going to tender.

I notice the Member for Interlake (Mr. Nevakshonoff) is here. He certainly raised this issue with me, and we met with the mayor and council. For some reason, it has been on the books for awhile, been talked about for awhile and had not been flowed. I think it was an important recognition of the fact that this will make a significant difference in Riverton. In fact, we had a very similar successful situation in Moosehorn last year, a very successful project. People in Moosehorn I know are very pleased with it. It is part of our commitment where highways jurisdiction applies to work with communities, and certainly we have been working with Riverton again this year.

Just in case anyone thinks that it is only the Interlake, we also have a very significant project in Winkler this year on the main street. I went out there personally last year to announce it in the Budget, and it is our intention to proceed with that this year. So, while we cannot always address all the highways needs, any more than we can address all the individual community needs, that will make it very significant to that community. As I mentioned, I think it is going to be very important for Riverton, the home of

Reggie Leach, known for many things, and certainly it is long overdue. I look forward actually to go into Riverton to see—

**An Honourable Member:** Clif Evans.

**Mr. Ashton:** And Clif Evans. Well, Clif, yes, he still lives there, I will tell you, and I have visited him on a few occasions since. I acknowledge, too, that in opposition he raised this issue as well, too. So both the former member and the current member have been very vocal, and it is going to happen. I appreciate the efforts. We are certainly aware of the needs across the province, including the Member for Gimli's area and the Member for Interlake (Mr. Nevakshonoff), the Member for Selkirk (Mr. Dewar).

**Mr. Helwer:** Yes, I think the improvements made on Highway 7 last year, and I understand they are going to be completed this year. The work on Highway 8 I think is very much appreciated, and will certainly make 7 and 8 better, safer roads in the Interlake. Also, the main streets in Riverton, I think, is a good project. Arbog was completed last year, I believe. It certainly makes that town look a lot better. The main street looks good there. So I think those are improvements that are important, and I am glad to see the department continue with those main street type of projects.

Perhaps we will move over to Government Services now. I have a number of questions on the project that is going on here at the Legislature, although I did not have a tour yet of the improvements of the work that they are doing. I guess there are a number of issues though. Number one, I guess: What is the schedule for completion? I understand they are a little behind right now, but where are they in the program at the moment?

\* (16:50)

**Mr. Ashton:** Well, first of all, I am really pleased the member has raised this particular project. It is one that I think is very important. It is long overdue. Having had the opportunity after many years in this building to actually go up both inside the dome and outside the dome, I was struck by the fact that it is work that is needed. Also, having seen the Golden Boy, I think I mentioned this earlier, the Golden Boy is not very gold. A lot of those pictures must have

been digitally touched up to attain that sheen. I think given the fact the Golden Boy is one of the most recognizable symbols of its kind anywhere, let alone in Canada, across the world, and given the huge importance of this building, I am really proud of what our department has been doing and also very pleased that we are able to move ahead on it.

I can also indicate that I hope to be able to take the member up and others as well. Obviously, our prime focus now is getting the work done. I would just caution the member and anybody else who is interested in going up that there are stairs, there are ladders. If you are afraid of heights it might be better to get somebody else to take a picture of it, but we are trying to work out a way in which we can safely and properly take the member up.

I should mention that my Deputy Minister of Government Services has been all the way up. He says it is 223 feet. I suspect, knowing Gerry, that he has counted every one of those feet going up. I will not say that if the deputy minister can make it all the way to the top that anyone can make it all the way to the top, because I know there are a lot of people like Gerry given the motivation to do it, and he has done it. I have done it myself. I do anticipate I want to get the critic up and other members of the Legislature and, if possible, members of the public as well. We have to be aware of some potential liability and safety issues, but we are working on that currently.

In terms of the schedule, there is a minor delay but it is not seen as critical. I can give you a bit of an update that work on the Golden Boy is expected to be completed by mid-August, perhaps late August at the latest. We are basically in a position now where the work is fairly much on schedule and it is fairly important. Obviously, we appreciate the fact that the Golden Boy is a major symbol for the province, but also the Legislature, and I hope people will bear with us as we make sure that the Golden Boy is ready for another 50 years of lightning storms, rain, pigeon droppings and everything else that is thrown the Golden Boy's way.

**Mr. Helwer:** I am glad to hear they are fairly well on schedule because I understand they were supposed to have the scaffolding up by November and they did not get up until some time during the winter. I understand there was some delay there but that is fine. Just in the cost of the total project, I think it was supposed to be around \$7 million originally. Is it still on target or where is it on the budget?

**Mr. Ashton:** Unlike the original construction costs for the Manitoba Legislative Building which were significantly higher than first budgeted and resulted in a Royal Commission and a resignation of a premier and most of the Cabinet and criminal charges and people being put in jail, it is on target.

**Mr. Helwer:** Good. I am glad to hear that and hopefully as it proceeds, as the project gets closer to completion, we will be able to get a better understanding of where it is at.

A couple of questions on some of the work that is being done. I understand some of the ironwork is done out of province. Is there any particular reason why this could not have been done in the province or whether a Manitoba company could not have done this work?

**Mr. Ashton:** It was tendered. They submitted the best bid, combining both lower price and the quality of workmanship that was required.

**Mr. Helwer:** Were there any other tenders that were done on any of some of the other repair work such as the windows, or was that all done by Manitoba companies? Were there any other out-of-province companies involved in the construction?

**Mr. Ashton:** I can indicate for example, some of the other work, the wood window and door components will be done by Yarrow Sash & Door, in Winnipeg.

**An Honourable Member:** From Burrows.

**Mr. Ashton:** From Burrows constituency, I am reminded by the Member for Burrows (Mr. Martindale).

The main contract was through tendering, and the company is a Manitoba company. Obviously, they may have subcontracted the work out of province, for example the scaffolding I believe is provided by an out-of-province company. That is standard certainly across government with a project of this magnitude. We deal through the tendering system, whether it is on the Government Services or the Transportation side.

**Mr. Helwer:** Some of the masonry work that has to be done, is this strictly a summertime project? Does it have to be done during the summer, or when will the masonry part be completed?

**Mr. Ashton:** Yes, it is going to be done over the summer.

**Mr. Helwer:** A number of years ago when we were the government—did the front, did it in phases so that it would not interrupt tourism to any great extent. Has there been any plan for the summer to try to limit the construction so that it does not interfere with tourism or visitors to the building?

**Mr. Ashton:** It is actually a very limited impact even on the use of the building. As the member is aware, the scaffolding is on a side entrance. The work essentially is done during normal business hours. The one significant problem was addressed rather quickly, which was the dust that came into the Chamber. We identified the source, we have put in place measures to make sure it does not happen again. Also, noise being a problem in the Chamber, we identified why that occurred and that is no longer taking place.

In terms of tourism, we are not anticipating any significant shift. In fact, I can tell you this has probably enhanced interest in this Legislature with the Golden Boy. I know it probably would have been very nice if we were able to basically have brought the Golden Boy down from its current location. There was some discussion of that. Based on expert advice, we decided to keep it in place, given some of the risk elements that were involved.

I do not know if a lot of people are aware, but essentially the Golden Boy is basically, there

is a big nut and bolt to keep it fastened where it is, so some of the complications of getting it down could have caused some damage. It is not that thick either, it is about a quarter of an inch, you know. It is bronze; it is a quarter of an inch thick. So we did not want to risk the Golden Boy having any dents or scrapes from the work. It has done quite well. Actually, it is in remarkable shape.

If anything, one of the areas we are going to have to examine is the lighting that was put in place prior to the centennial, and the member will see this when the member gets an opportunity to see the Golden Boy directly, but quite literally they cut holes into the Golden Boy and then have a clamp that is put, they put the light there. So there are some real questions about if it will affect the structural integrity of the Golden Boy currently.

We are actually anticipating there may be some enhanced interest. I can indicate, if there is any possible way we can open up part or any of the construction site, either before, during or after, we will do that, and not only to the member. I think, as critic, we certainly would like to get him up there as soon as possible, but we are working on seeing if we cannot get access for the public, because I will predict right now that if there is any way we can do that this will create a huge interest in the Manitoba Legislature, and so it should. If anything, I think we will probably see enhanced tourism.

\* (17:00)

We have a Web site. We are keeping people posted on the Net. There is significant interest obviously from local media in terms of what is happening. It is interesting because you start getting a bit of the background. You realize, like the Member for Interlake (Mr. Nevakshonoff) was telling me, his dad worked in 1951 on the last gilding of the Legislature. So it is quite interesting, some of the family connections. In fact we are hoping to track down some of the people who worked in 1951 and families of people who worked in 1951 on that. We have been contacted by one family already, and I, on the public record, indicate that, once again, if there is any possible way of showing them what is happening, we are more than willing to do it.

I can indicate, too, that regardless of what we are able to do with the Golden Boy, there is also an opportunity, and we are working on it to see if we cannot arrange this, the original plans for the Manitoba Legislature included the ability for this to be used as an observation point. There were plans, I have seen the plans, for an elevator, actually, an escalator and elevator to go right up to the top. If there is any way I can find it in the budget, I would love to do it, but I suspect that there are other priorities out there.

It is quite fascinating because, even just on the observation deck, you get a tremendous view of the city of Winnipeg, and you also get to see the building up close. So we are working on that to see if we can get that open to the public for this limited period of time while we are doing it.

Who knows? Perhaps down the line, and I suspect, knowing some of the history of the building, that the reason some of these plans were shelved was because of the significant cost overruns. Governments of the day were no different than they are today. There are financial restrictions.

I am actually ready to believe that some of the work has been done. The member mentioned the steps. Some significant work was done there. Now we are dealing with the exterior. There are some challenges on the interior of the building. We have met some of the challenges in this committee room, I note to members. I think the member is probably aware of what I am talking about right now. This building should be a priority. There are a lot of other priorities in government, but when you see the deterioration that is up there, I liken the work that is going on to a visit to the dentist. We are having to take out a lot of the mortar, and we have to replace that, make sure there is the structural integrity for the years to come.

Having some interest in historic buildings and architecture and having seen one in particular, the Parthenon that stood there for 2500 years, our goal is to make sure that this one is here for 2500 years. Thanks to all the Manitoba limestone that is out there, it seems to be going pretty well. People should not overestimate any damage to the building that has

taken place. Yes, it is a \$7-million facelift, but I consider it a bit of a brush-up really rather than dealing with any structural problems. This building is in remarkable shape, and we are just making sure we protect that over the years.

**Mr. Helwer:** I agree it is important. It is a historic building and it is important that we do bring it up to standards that will make it last for many, many years to come. I understand that the Golden Boy has not been touched for some 50 years. The torch was put in, I guess, in 1970 approximately, but prior to that it was about 1950 that it was redone.

I think that is all the questions I have on the Golden Boy and on the work that is being done on the building here, unless some of the others do. Perhaps I will pass to my colleague here. He has questions.

**Mr. Pitura:** I just have a few questions. I know that the previous government did have some discussion and was looking at the possibility of the correctional institutions—I know that the Headingley jail was being built as a new building, owned by the provincial government, operated by the provincial government, but there was some discussion going on and some investigation going on with respect to having the private sector provide the building, the bricks and the mortar, and then turning around and leasing it to government for use as a jail. It would actually reduce the Government's annual operating costs, and it would also provide flexibility for the provincial government with regard to tailoring facilities to meet needs.

I was just wondering if any discussion has been forthcoming recently on that, because I know my colleague from Portage la Prairie brought up the issue in another Estimates with regard to the women's prison in Portage. Of course, one of the possibilities would be to have the private sector build and operate the facility for the provincial government. I was just wondering if you had had any discussion on that or investigation on that.

**Mr. Ashton:** I am curious, because essentially my understanding with Headingley is that the decision was made, going back to when the member was minister, not to look at the private option. I want to indicate that there are areas

where, obviously, government deals directly with private sector, for example, in terms of leasing requirements. That is made on a case-by-case basis. We follow the same procedures the previous government followed. We look at the build-and-own option, we look at the private-sector option, but certainly in terms of key public facilities I think the previous government, despite the fact it might have had some enthusiasm for privatization in some areas, I do not think went as far as to include correctional facilities.

I assume when the member says own and operate he means the physical facilities. I do know there have been some, I call them experiments, with a privatized prison system, and the information I have seen is that the results have not been very positive. Quite frankly, outside of the bricks and mortar, which you know is a bit less risk involved—I say this as an MLA here rather than the minister, because I am not responsible for the operation of a prison system directly—I am not sure we would want to have a for-profit prison system. I would not want to be at year end trying to figure out how to get the profits and then try and come up with correctional practices that would deal with that.

I think there are certain parts of government on the service side that are better off left in the public sector. I am not sure if the member is suggesting complete privatization of the jail option, but essentially we are following the same policies as the previous government had. We have not really moved on privatizing even the bricks and mortar of the prison system. That is still within public control, and our facilities are still publicly owned and operated.

**Mr. Pitura:** The reason I brought it up was that, during the discussions with respect to building the Headingley institution, some investigation had taken place at that time into that establishment or at least looking at a supply of having somebody in the private sector supply the building and probably operate and maintain the building and then in turn leasing it to the Government. I understand that has been tried in some states. I guess, I gather from the minister's comments that he was indicating that the results that you have seen to date would indicate that it

is not a very favourable private-public partnership.

\* (17:10)

**Mr. Ashton:** What I am talking about is, there are two elements of this, really. One is the actual physical premise; the second is the actual programming. There are jurisdictions where both elements have been privatized. The reports I have seen are not that favourable.

Essentially, my understanding with Headingley is that option, if it was examined, was rejected by the previous government. We essentially completed and opened the project with the bulk of the work and the planning. All the other aspects of the project were essentially done by the previous government. So I assume it was rejected at that point in time, and I cannot really comment on why or why not it was rejected, largely because the project was well underway when we entered the Government.

**Mr. Pitura:** Madam Chair, I just would like to ask: the minister, in his opening statement, made reference to a new procurement policy, and I was just wondering if the minister would be able to share the details of that policy at this committee.

**Mr. Ashton:** Yes. In fact, Madam Chair, I mentioned this earlier. It is a significant new initiative. We actually have traditionally only had 20 percent of the procurement of government, handling government services through our Procurement division. That in itself has led to, I believe, situations in which we have had lost opportunities to do what other companies are doing right now.

I look at the Wal-Marts. I look at some of the major corporations. They really have revolutionized procurement and the whole logistics of getting products they purchased into other stores and sold. So we have moved to co-ordinating the procurement of government as a whole. When I say co-ordinating, we still recognize the role the individual departments, but we believe that will allow us to save money. It will also allow us to get better information to businesses, particularly Manitoba businesses. That is a very important aspect of it because we think, notwithstanding some of the limitations

we are faced with, with the internal agreement on free trade which does limit some of our abilities, by getting more information to Manitoba businesses, we think we will be able to enhance business opportunities.

We are also looking at, as I mentioned, procurement policies that would allow the businesses and Aboriginal businesses, for example, to have greater access to government procurement policy. We think there are some very significant opportunities there.

I want to mention as well that we have adopted sustainable development procurement guidelines. I can indicate, through The Sustainable Development Act and through the work of Conservation, our department, Finance, Treasury Board and Information Resources, we have a government-wide procurement council that is going to make our procurement practices as green as we can make them. I think that is really important at a time when sustainable development should be on everybody's mind. We have a real ability to deal with that.

Just to give the member a quick idea of the kind of things we will be focussing on, they will be protecting human well-being, promoting environmentally sustainable economic development, which is important, conserving resources, conserving energy, promoting pollution prevention and waste reduction diversion, and evaluating our processes from start to end. I can indicate, I mentioned this earlier, I am also in the process, through the department, of setting up a committee and an initiative that is going to try and target 100% recycling within government.

A lot of people do not realize that essentially government is a passive recycler in the sense that we collect, in this building, for example, what is recyclable in the city of Winnipeg, so we rely on municipal systems. One of the things that struck me is glass is recycled in Thompson, where I live, because the recycling centre has found a market for it. In government, glass is not recycled because there is no glass recycling in Winnipeg, for example. Glass cannot be recycled. That is one of the issues. I am often asked in this building, I am sure the minister may have been asked similar questions in the

past, but Manitoba government, if you were to take the number of employees we have, it is a bit bigger than Thompson but it is not much different from Thompson or Portage or any of the municipalities out there. One of the areas we are taking on as a challenge is going to be able to focus in on finding markets for the recycling goods. We are trying to deal with the intake, which is procurement, what we take in, in a sustainable way, but also recognizing the Government can make a big difference on the exit side, so to speak, if we can reduce the recycling.

Those are significant new initiatives. We put some additional resources in place. I think we are making some real progress, and I think the goal here is to bring the Manitoba government's procurement policies in line with some of the best practices of the private sector, which has made significant strides in this area, and also accept our responsibility as a government to be leaders on sustainable development.

**Mr. Pitura:** I gather from the minister's remarks that he indicated that all of the departments now are procuring through one central agency.

**Mr. Ashton:** What we are trying to do is co-ordinate. That is the level it happens. Obviously each department has its own abilities in terms of procurement, but that is the big difference that we are moving in. Instead of having either central procurement or departmental procurement, not having much in common between the two, we are trying to coordinate.

What I found in talking to some of our procurement people and senior staff, in a lot of cases it is a matter of getting some of the information out there and getting people to think of some of the things that can happen.

We anticipate some significant savings in this area, just by making people aware of some of the procurement practices that we follow and some of the advantages, not the least of which is in terms of the economies of scale that are out there. Quite frankly, there is a flip side too. It is important to have the co-ordination so the departments are not spending a lot of staff time. It does not make much sense to go to a local office supply to get paper clips a couple of cents cheaper if you are sending staff out for a couple

of hours' staff time to do it. By co-ordinating, we think we can bring in some significant savings to procurement within government.

**Mr. Pitura:** I am wondering if the minister could comment: Are you still on the electronic tendering system? I am not sure if its MERX anymore, but if he could comment on the electronic tendering.

**Mr. Ashton:** Madam Chairperson, we currently have that in place. We will be continuing for another year.

We are also looking at other options now in terms of, for example, the increasing potential of the Internet, and I can indicate as a department we are looking at where we can use the Internet across the department.

I think that is another thing where it is important for us to keep up with the public expectations, and we took initiative last year in terms of e-commerce, but my vision for the department, and I think our Government's vision, is increasingly based on the fact that there are a lot of areas you can use the Internet right now. If you go on the Internet you can book a holiday, you can buy goods from around the world.

It is also important that we have that option for people to access government, certainly information and increasingly services. People are used to a 24-7 world, you know, 24 hours a day, seven days a week. The private sector, I think, is increasingly recognizing that with a significant Internet presence, a consistent focus on customer service. I believe that government should be a leader in this.

\* (17:20)

*Mr. Doug Martindale, Acting Chairperson, in the Chair*

I believe we are all about service, service to the public, and I think what we are working on now is based on a very simply premise that we want to expand the kind of service, and I mention about the 24-7. Not every government service or operation can be offered on the Internet nor should it be. Human contact is still the most important aspect of what we do as a department, but still there are a lot of areas of

potential, and I know the Member for Elmwood (Mr. Maloway) is something of an expert on this, I have had some discussions with him; for example, look at some of the experience in Australia where e-government in a number of states is significantly ahead of where we are at.

So in general we are looking at not only using the Internet for this specific focus. We think it is very worthwhile looking at it but also a broader approach to providing services both to the public at large but also recognizing that we have stakeholders. When we procure products we have the private sector that obviously accesses government contracts and opportunities.

On the Department of Transportation, that side of it, we are involved on a contractual basis, and in fact one of the common themes of the department, apart from some infrastructure, is the fact that we are involved with a lot of contracts with the private sector, and once again we are looking at ways in which we can improve our ability for the private sector to access business opportunities and contract opportunities with government and the future is going to be, I believe, Mr. Acting Chair, increasingly with the Internet, particularly in the private side. I think in terms of the public generally, they are still going to want a significant degree of human contact. There will be some who will prefer the Internet contact, but when you look at just how things have been revolutionized on the business side, I mean, it was not that long ago that there was a debate over whether faxes were legal documents or not. Faxes are now a standard part of any kind of business operation, including for contractual purposes. E-commerce legislation really moved us significantly ahead in the ability for us to have that apply on the Internet. This is for the public as a whole, and I think it is important for us to be practising what we preach as a government, and I believe there is a commitment across government to be leaders in providing access to the public and the private sector on-line in whatever electronic form is the best.

**Mr. Pitura:** Mr. Acting Chair, to follow up on that, I would like to ask the minister with regard to municipalities that were required to come on-line for electronic tendering I think about a couple of years ago under the AIT. I was just

wondering how the system is working for municipalities. I know that the staff of your department spent quite a bit of time training municipal officials on accessing the system and using the system. Is it the intention now to transition the R.M.s over to the same system that the provincial government is now transitioning to?

**Mr. Ashton:** What I would say to the member is, under the Agreement on Internal Trade, there is a requirement that municipalities above certain thresholds do make opportunities available. In fact I have specific figures here: \$100,000 for goods, \$250,000 for services. One of the options does include going electronically. They can use our system. They are not required to do so. They can use alternate systems, but the basic general principle is not so much the requirement of being available electronically but being available in a general form so that all contractors can access the opportunities. Yes, they use our system but it is not mandatory.

**Mr. Pitura:** Just a final question on procurement. The minister had talked about having better access for Aboriginal businesses to access procurement selling to the provincial government. My question is: The federal government has, I believe, a 10% threshold of procurement, where 10 percent of the goods and services that they procure come from Aboriginal businesses. Is it the intention of the minister to adopt a similar practice here in Manitoba or has any discussion taken place? I would just appreciate your comment.

**Mr. Ashton:** Actually we are consulting currently with various stakeholders in Aboriginal businesses and I am aware of the federal guidelines. Somewhat different circumstances with the federal government, particularly given their fiduciary responsibility for First Nations and the fact that a lot of the tendering does involve First Nations directly, so there are some rather unique situations.

For example, on the highways side, we are required, and I think it is a good, positive requirement, but when it comes to building winter roads, since it is cost-shared with the federal government, we are required to work directly with the communities as a source for the contract opportunities. That is a unique situation

which is quite distinct from, for example, our normal construction processes which are dealt through the tender process.

What I would say is we are awaiting a report, but we are looking at the spirit more of what the federal government is doing, not necessarily the actual specific wording of it; because what I think is important as we try and improve opportunities for Aboriginal people, whether it be in terms of employment and in terms of business, is to develop the opportunities, develop the capacity to fully take advantage of those opportunities.

On a bit of a side note, I think it is really important to indicate that for example on the employment side, there is a real tremendous opportunity here.

We are facing some staff shortages. I mentioned in northern Manitoba we are finding it difficult to necessarily attract people to northern Manitoba. One of the advantages, quite frankly, is the demographics show that the growth part of the labour force is going to be Aboriginal people. It is a very young population. It is growing.

So if we can meet the challenges of providing the training, education and the opportunities and mentoring, in some cases, to get people into the system, it serves two goals. One is the goal of more economic opportunities for Aboriginal people.

The second, quite frankly, is a workforce that will provide for our immediate employment needs, in the case, for example, in northern Manitoba, but I think applies here in Winnipeg, as well, a workforce that is stable. It is not a workforce that is going to relocate if there are other economic opportunities. It is a general principle we hope to pursue.

So we see some real potential, some win-win on this, and I appreciate the member asking me the questions, because I know, being a former minister, he knows that you always have to be careful.

Obviously, we want to make sure we have an efficient system, a system that can meet our needs as a province in terms of providing goods and services, but I am actually quite confident

that there is an increasing capacity out there, particularly on the Aboriginal side, in everything from construction through to direct commercial services.

If we can improve the ability for Aboriginal people to be part of what we do as a government, we are committed to doing it.

\* (17:30)

Mr. Acting Chair, I appreciate the member asking this question, because I think it shows an interest on his part, and it is something I hope that all members of the House will be interested in as well.

**Mr. Helwer:** Mr. Acting Chairman, just a question on a piece of property that the department has or Land Management Services has for sale.

This is located in West St. Paul on 290 Drury Avenue. This was, I guess, an old school for the deaf or something, all residential schools. It was put up for sale last year, I believe, by Land Management Services. It was advertised.

There was a proposal made by a company, I guess, to develop some condominiums and also some life-lease independent living for seniors, homes for seniors there. It also included making use of some of the facilities that were already there and also maybe making use of some of the shops there for a drugstore or some retail outlets there.

I wonder if you could tell me where this proposal is now, and where and when will something be completed on this piece of property?

**Mr. Ashton:** Without getting into the details of the current situation, we are involved in some discussions with one particular group that is interested in the property and put in a bid. It was conditionally accepted. That was significantly higher than any other bids we received, without getting into some of the details, because these are ongoing negotiations. We are in negotiations with that organization. Obviously, if they were to be completed satisfactorily, they have met the normal requirement, their offer was higher than any other offer that was received. If those discussions and negotiations are not successful,

obviously, we would look at some of the other possibilities, as well, and might open it up again.

I believe there were several other organizations that indicated an interest in the property. So that is where it is at right now, is detailed negotiations and discussions with the group that provided the highest bid.

**Mr. Helwer:** I guess one of the reasons I asked just on this particular piece of property, because I know the municipality has certainly supported the development there, that is the R.M. of West St. Paul, certainly supports this development there. It has been vacant for some time, I guess, and it certainly would be to the benefit of everyone, including the department, I guess, the Province and Land Management Services, to be able to do something with this. I think the municipality would like to see something done with this as soon as possible. So I would hope that a decision will be made in the near future as to what would be done there.

What kind of time frame are you looking at on this property?

**Mr. Ashton:** We are hoping to finalize something with the current group in the next matter of weeks. As I indicated, if we are unable to come to a satisfactory final agreement, then it would be put back on the market, and we would then open it up for interest from either those that have indicated interest in the past or perhaps others out there.

It is a good property. I suppose I should not say that anywhere properties are not good properties, but it has got a lot of potential for use as we did receive a fair range of different possible uses, and I appreciate the fact that it is important for the municipality as well. If it is redeveloped, it may be a real asset for the area. We are committed to doing that.

The current proposal does have some interesting prospects for that building, but as is the case with everything else, our basic principle is to get the best possible price for the people of Manitoba and also make sure that we have an appropriate bid that is able to meet the requirements in terms of price and the other uses. That is where we are at now. It should not be hopefully more than a few weeks before we have this finalized one way or the other.

**Mr. Helwer:** I appreciate Land Management Services has to operate and try to get as much money as possible, but I think the development that has been proposed, I know the one proposal that is on the table would certainly make for a pretty good development, I believe, for the municipality there, the fact that it is right on the river, it is a very important property, and it is important for the municipality to get something done with that as soon as possible.

With that, I will defer to the Member for Minnedosa (Mr. Gilleshammer) and revert to highways, or did you want Government Services?

**Mr. Gilleshammer:** I guess we have a little bit of time left. The minister referenced in his opening comments meeting with Lloyd's of London over insurance issues. I just wondered what international travel the minister has done in the last 19 months.

**Mr. Ashton:** Nineteen months, now let me think back. Well, I am just trying to think because usually when I think of travel, it is Thompson-Winnipeg, Thompson-Winnipeg, Thompson-Winnipeg. In terms of international travel, I met first with Lloyd's in August of last year.

This January, in combination with the Minister of Northern Affairs (Mr. Robinson) and the mayor of Churchill, the representative of OmniTRAX, we were involved in the promotion of the port, both in London and in Greece. The Greek portion, I spent a number of days promoting the port but did so at my own expense. So those are the two main trips that are directly related to the portfolio.

I have travelled internationally, but you know, for example, it was not work related. I have had a daughter in Hong Kong recently, and I did visit her, but once again that was not at government expense, although I did meet with a number of contacts there, particularly one contact that is interested in some of the potential to use some of our rail experience on the transportation side here in Manitoba. Once again, that was not at public expense; that was a private visit.

**Mr. Gilleshammer:** I know I can read this on Monday, when we get Hansard, but I am given to understand that the minister has travelled to London twice to meet with Lloyd's of London, and that is the extent of his travel at government expense on government business.

**Mr. Ashton:** Yes, in fact, caucus is FOI'd, I think. My travel expenses are not; there is no secret there, but yes, that was the basic travel. The reason I want to clarify, for example, in Greece, we did meet actually with the Greek shipping community, which is 17 percent of the shipping fleet, but given the fact that I also had obviously private, you know, personal business there, I did that without claiming any expenses during that portion.

So the two main elements were first with Lloyd's of London in the summer and the follow-up meeting with OmniTRAX actually in place. Actually I mentioned this earlier, and I will just emphasize again, that it was very positive and actually falls in the footsteps of a former minister, John Plohman, who did very much the same sort of thing back in the mid 1980s, I believe, which resulted in a significant reduction in insurance rates at this time.

We are hoping to see a similar result. Lloyd's is doing a comprehensive review of a lot of what they call their special cases, and they are anticipating this being released later this year. But the most significant commitment we have got from them, the most significant for OmniTRAX, in particular, was the fact that they are looking currently on a ship-by-ship basis and have been waiving some of the insurance premiums that are put in place. Without getting into details, they have a tiered system depending on the type of ship and the time of year in the shipping season.

So those were the two main trips. The reason I mentioned the Greek side is the fact that I was there and I was on official business, but I did not claim any expenses for that.

\* (17:40)

**Mr. Gilleshammer:** The minister indicated these were the two main international trips. I am assuming there were no others, that these are the two.

**Mr. Ashton:** Well, I was saying these are the ones I did publicly. I mean, I have a daughter in Hong Kong, and I have visited her. I did have some official business there. I think it is always important if you are in any position to promote the province of Manitoba, to do it, but once again I did not claim any expenses for the Hong Kong trip despite the fact I did have some official business there. I assume it is no different than what the member and other members did when they were in government. It is often a fine distinction between what is public business and what is private business, and I do not want to be critical of any in the past or in the future. You have to make a judgment call about what is appropriate but, yes, those are the two overseas trips both directly related to the Port of Churchill.

**Mr. Gilleshammer:** I make no judgment on that. It is necessary, and I assume the minister has also travelled within the country to a number of ministerial meetings that are called from time to time.

**Mr. Ashton:** Yes, I am involved, I have been the chair of WTAC, Western Transportation Advisory Council. I have attended various WTAC meetings which have been in British Columbia or here in Winnipeg primarily. There was one ministerial conference.

The other significant source of travel has been off to Ottawa either to do with Transportation, Nunavut, for example, and remote access, or southwest Manitoba. I have been to Ottawa probably more than I would have liked to have been in Ottawa this past 19 months, but you have got to get down there. I know the member would know this from his days as a minister. Once again, that information has, I think, sort of been FOI'd. All the information is available, but if the member wants any details I can provide it. I always believe whatever you do is open public record and the same thing with any kind of travel. That is a legitimate question to be asked, and I am more than happy to provide the information.

**Mr. Gilleshammer:** That is fine, thank you. I would just like to refer to some other things you said in your opening remarks. You referenced, I think you said the grain roads program that kicks

in for this year. Can you give me a little bit of background on that and quantify the support that comes through this program? I presume it is to your capital budget.

**Mr. Ashton:** The Prairie Grain Roads Program was announced by the federal government. It recognizes perhaps not in the amount of money that should be a part of that program I guess but it certainly recognizes in principle some of the impacts on the road system, some of the changes that have taken place in the last number of years particularly with the Crow rate. We have agreed with the AMM to support actually in this case AMM having 50 percent of the proceeds of the program go to municipal roads. We recognize that the changes that are happening in terms of grain transportation impact not just on the province but also with the municipalities.

What we are doing, we felt it was important in this case not to sort of take the money from the federal government and reduce our expenditures, so that is reflected obviously in the capital program.

There will be a committee involving the federal government, AMM and from our side we also ask that KAP be included along with some of the federal agencies. We felt that was important that KAP and you know, the representatives of agricultural organizations of the province be there and essentially we hope it will be a strategic approach. We think that is important.

There is no predisposed criteria other than the grain-related aspects. There are some requirements from the federal government I know and some concern in some of the urban areas that urban communities have been excluded, but I have been able to raise that with the federal government. The total funding is \$34 million, 6.8 this year, it is a five-year program and I think it will be significant. I mean, I do not want to sound like I am looking a gift horse in the mouth here. It is not adequate to the need but it will make some difference. If you put it in context, it is about two or three highways projects in a given year and our provincial side it is one or two, so it will make some difference but it will not deal with the global needs out there in rural Manitoba.

*Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair*

**Mr. Gilleshammer:** Just so I understand, the \$6.8 million you are receiving this year, is that included in the \$103.4 million that is announced as your capital budget?

**Mr. Ashton:** If you take the program, half of that is municipal so it does not impact on our program, the other half is reflected in the capital program and that will be going on the provincial system.

**Mr. Gilleshammer:** So the 3.4 million then, the contribution from this Prairie Grain Roads Program is what got you from \$100 million to \$103.4 million in this year's Budget.

**Mr. Ashton:** Unlike early 1990s where the previous government when there was money available from the federal government reduced its capital accordingly, and I know the member will remember that, I think it was '93-94, if I remember correctly. What we have done in this case is this will go to new construction. You know, we will also take a portion of our capital budget, it will be identified specific for the Grain Roads Program. There is a separate aspect of the capital program over there and we thought this was important so that we could send a clear message to the federal government that if they are willing to put more money into Manitoba on our highway system, it will go to the highway system.

That is basically what we are doing in this particular case. We are not using it as a backdoor way of reducing our capital requirements. It is over and above what is in our capital budget.

**Mr. Gilleshammer:** Well, I mean, you can look at the capital budget historically, and there was certainly a time in the '80s when there was far less than \$100 million, and it has been brought up to that and sometimes federal contributions have been add-ons and sometimes there have been other adjustments.

So the provincial tax supported contribution to the capital program is status quo then, there is no change from last year.

**Mr. Ashton:** Well, in terms of within the highways side itself. In fact, if you check Estimates we do identify both the Grain Roads Program and the fact that work that is being basically, according to highways, is essentially a

highways project in South Indian Lake. I know the member has another take on this for another committee in another context, but that is not part of the overall capital budget. It is over and above that.

Once again, what we did with the federal Grain Roads Program is we basically have indicated by this that this will go to construction over and above what would have taken place otherwise. So the federal money will be an enhancement to the system, and given the fact that we as a province spend what we take in on gas taxes, I think—I use this terminology here—our money has been on the table. It has been on the table going back to the previous government. Apart from, I think, '93-94, whether that was the appropriate thing to do—I do not want to get into historical debates—I will say for the previous government—and I said this at the time; it is the same for this Government; it probably is the same going back to the 1980s—that there is a general correlation between what is taken in and what goes out in terms of gas taxes and road expenditures.

If the federal government comes even close to matching that, it will be significant.

I want to stress again that we do not view necessarily this as being a gas tax issue with the federal government. I believe the Prairie Grain Roads Program has a lot more to do with the Crow rate. If you want to put it in perspective, the Crow rate was \$800 million for western Canada and if you take the sum total of this program it is \$150 million total, I think over the next five years. If you put it into perspective it shows that it is a very small percentage of what western Canada lost on the Crow rate. I will defer discussions Monday night on the Agriculture committee, but if the federal government is looking for where it can get additional resources to help the farm sector directly or indirectly, they might want to start with the Crow.

They might want to look at taking this program and enhancing it, because, quite frankly, the challenge we are facing as a result of the loss of the Crow is really twofold; one is it has changed agriculture, I mean, for the good, for the bad. I think everybody agrees on that. So it has significantly changed even the distribution of agriculture in this province. You can get into

discussions about some of the spin-offs and the degree to which they are correlated like, for example, the hog barns and some of the other issues that are out there. I do not want to get into that because anywhere you go in rural Manitoba you have somebody on one side and you have somebody on the other, there is not much in-between.

\* (17:50)

What has happened is we now have hog barns going to a lot of areas that were more marginal agriculturally and putting a lot of pressure on the roads. The R.M. of Stuartburn is a good example, and I can give numerous examples throughout the province. So it has changed the distribution of what is going on, and it has actually significantly enhanced the kind of traffic. The truck traffic is growing very significantly on our rural roads. So the bottom line is we consider this very significant in one way, significant in principle, but we certainly wish there was an enhanced program.

I can tell you what I am hoping will happen, and I will just finish on this note. I remember a number of years ago, the federal government realized that it was losing support in Atlantic Canada.

The issue was EI. The issue was economic development. They made some changes. They did a 180-degree turn on EI, for example, in Atlantic Canada.

If I could suggest one thing here, a bit of gratuitous political advice, and I will give this to all federal political parties. I realize at least one of them may be otherwise occupied right now, but, you know, in the last election I did not hear a single federal political party say anything about roads. Nothing. You walk into any coffee shop in rural or northern Manitoba and you will hear health care, but you will hear discussions about roads. It is an issue out there.

My suggestion is to the federal government, and perhaps the other parties, because I do not want to make this as a partisan statement, but they might want to look at programs like this, go, travel around, find out what the concerns are,

and put some significant investment into western Canada transportation.

If they were to do that I think that would be the equivalent of what they did in Atlantic Canada and will go a long way with dealing what there was talk about as being western alienation. To tell you the truth, I actually think the people would be a lot more alienated if they really realized just what happens, because a lot of people really do not know that 10 cents a litre goes to the federal government, plus the GST. Prices go up on gas, so the value of the GST goes up. I think if people really knew the true story they would have a different perspective.

What I hope to pursue perhaps with the members' critic and perhaps through other members of his caucus is if we could find some way. I think this is an equivalent kind of maybe a smaller scale on agriculture, where we can argue priorities within the provincial Budget and the level of expenditure, but one thing I know is the previous minister, the Member for Lac du Bonnet (Mr. Praznik), was very vocal on this. I have tried to be as vocal as I could. Perhaps this might be another area for some non-partisan focus on the federal government. After we deal with the most important party, which is agriculture, perhaps we can put some more pressure on them to do nothing more than pump back some of the money that they pump out of this province every time you fill up at the gas tank.

**Mr. Gilleshammer:** On top of that \$3.4 million that you are getting through the Prairie Grains Roads Program, you also have introduced additional taxation on the vehicle registration fees of \$10. That is going to net you \$5.7 million in the current year. In effect, you have \$9.1 million of new revenue coming into your department, and your expenditure on highways infrastructure looks to me like it has gone up about \$5 million under the infrastructure works and under the highways and transportation program. In terms of money devoted from existing taxation measures from last year, you are actually spending less on highways in terms of the fact that you have \$9.1 million of new revenue coming in, partially from the feds and partially from a new taxation measure, and you are only spending a portion of that on highways.

I am thinking you had an opportunity there that has been missed and that there would have been an ability, given the new taxation and given the money from the feds, to put more of that into highways construction.

**Mr. Ashton:** Well, in terms of the money from the federal government, it is going to go into highway construction. We are not putting it into our Budget and then taking an equivalent amount out of our capital Budget. That was done in 1993-94, I believe. We are not doing that. The federal money is going into the system.

In terms of highways, since we came into government, we have particularly addressed some of the problems that we face on the maintenance side. Last year, for example, we had a significant enhancement of our maintenance budget. The previous two or three Budgets had underbudgeted maintenance. We increased the maintenance budget by 8 percent. In fact in our first budget I mentioned earlier about our equipment acquisition budget, which is important to the operation of our highways. We were at about \$4.5 million last year. We have also enhanced our equipment fleet this year. The key thing I point out is we have increased expenditures on our highway system on both maintenance and in terms of the equipment side, and that is an important part. I know there is one organization that went out and said, well, this is going to salaries.

Well, I have news for that organization and for anybody who has any interest in this. That is how we maintain our highways. We pay people, and we pay them probably sometimes maybe not even what they are worth.

We do have negotiated agreements and these are some of the cost pressures we face. To put the \$10 fee into perspective, Saskatchewan has a \$58 fee which is currently what we are moving towards; Ontario, and we often get into debate about taxes—there is this perception that Ontario is low-tax Ontario, Mike Harris's Ontario. You know what you pay in terms of a licence plate fee in Ontario? Mr. Acting Chair, \$78, that is \$20 more than we have moved to here, and I think it was a fairly reasonable increase.

I do not want to harp on the past or anything, but I think in '92 to '94 some Manitobans ended up with a doubling of their licence plate fee. For some Manitobans it used to be \$24 before it was increased to \$48. We considered it, but there has been an increase in our overall budget, there has been an increase, particularly on the maintenance budget since we have come into government and on the capital side. I have always said that we need more money on the capital side.

The real question is where that money is going to come from. The member talked about revenues, and I can get the statistics. They may be more available on the finance side, but on the gas tax side there has been a much lower growth rate, if any growth, on revenues the last year or two but partly it is higher prices. That does impact on consumption somewhat. So the bottom line is there is not the growth on that side, but I do not think most Manitobans would support taking money out of health or education to put into highways. I think we should start by getting it from the federal government, the money they take out of the system.

We can discuss this, I am sure, further on Monday.

**The Acting Chairperson (Mr. Nevakshonoff):** The hour being 6 p.m., committee rise.

## ADVANCED EDUCATION AND TRAINING

\* (14:40)

**Mr. Chairperson (Conrad Santos):** Would the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Advanced Education. Would the minister's staff enter the Chamber, please. We are on page 2.(b) of the Estimates book, Resolution 1. Administration and Finance (b) Executive Support.

The committee agreed to a global discussion. Shall the item pass?

**Hon. Diane McGifford (Minister of Advanced Education):** Mr. Chair, when we ended our session at about twelve o'clock, the member had asked me about distance learning and particularly as it might serve rural and northern Manitoba. I would just like to give him a quick update. Perhaps just to recap, I could say that upwards to \$1 million is likely to be invested in Red River College's Distance Education capacity.

In negotiating this investment with Red River College, the College Expansion Initiative has made it clear that this activity must support Campus Manitoba. The purpose here is of course to enhance rural and northern delivery.

Let me point out as well that these are not the only monies being invested in distance delivery. At Assiniboine Community College, the College Expansion Initiative has provided support to complete the development of its business administration diploma in a distance format, and secondly, to transform its childhood education diploma into a distance program.

Although this is not a technology-based format, I think you will also be interested, Mr. Chairperson, to know that the College Expansion Initiative is working with Keewatin Community College to expand its regional campuses. Support was given last year to maintain its presence in Flin Flon and Churchill, and it is currently actively looking at new centres in Nelson House and in Norway House. So you can see that, particularly as I am seeing here, in the North and that was one of the concerns of the member opposite.

KCC is being very active, and we really do appreciate in northern Manitoba and all over Manitoba the importance of this kind of education. I know when I mentioned this morning when I was at Keewatin Community College, I spoke to the students and was told by many of the students that they found it impossible to leave their families, particularly women who are single parents or just simply parents, to desert—I do not want to use the term "desert"—to have to travel to The Pas, for example, to spend a couple of years. It is just impossible when you have a growing family, so

we are aware of the opportunities and the difference it can make in the lives of people.

**Mr. Leonard Derkach (Russell):** While I appreciate the comments of the Minister of Advanced Education with regard to the programs in distance education, I want to zero in more on the expansion of the new campus. I want to know whether or not there has been any thought given to having as part of that campus a major component for the ability of that campus to deliver programming, that it is going to include in its cadre of programs programming that could be developed. You would have to write the curriculums but you would also have to have the ability to be able to transmit that either through computer or some other vehicle to anybody who wants to access that program off campus.

I want to know whether or not there has been any thought given to incorporating that element—as is incorporated in some other institutions, and the University of Northern British Columbia is one of them—within their programming and within their vision for future delivery of programs.

**Ms. McGifford:** I would like the member to clarify whether he is talking about the Princess Street campus or whether he is talking about Red River community college as an entire institution.

**Mr. Derkach:** I will repeat for the minister, I want to know whether or not in the expansion program of Red River, the downtown campus, whether there has been any thought given to incorporating a major component of that campus or of that particular expansion the whole concept of delivery of programming that could be done by a medium outside of having students there physically.

**Ms. McGifford:** Mr. Chairperson, the Red River community college has a distance unit, and this unit can operate out of either Princess Street or out of Notre Dame.

**Mr. Derkach:** Well, Mr. Chair, that does not give me the answer. I am asking whether or not within the concept of the College Expansion program at Red River there has been thought

given to incorporating a major component of the expansion into the whole area of delivery of programs that are going to be delivered to that campus via a medium other than having students there physically.

**Ms. McGifford:** We have funded the college's ability to deliver these kinds of services. As I said, and to repeat, they could be done from either the traditional campus or they could be done from the Princess Street campus. But we have funded the ability to deliver programs of this nature.

\* (14:50)

**Mr. Derkach:** I am going to try a different angle, Mr. Chairman. The minister identified some programs that are going to be delivered at the Princess Street campus, and I support every one of those programs and probably more.

But I guess my question specifically is: with the development of those programs and the expansion of that college, is there going to be an ability or is it being incorporated into the building plans, if you like, or into the project development, the concept of being able to deliver those programs either on campus directly or having those same programs developed in a way by which they can be delivered off campus to any student who wants to access it through the Internet or through a medium other than being there physically.

**Ms. McGifford:** This morning when the member and I were talking, I read him a list of Princess Street programs. We did promise to table those so that he had that information, and we will certainly do that. I am assuming he is referring to that list, the e-commerce option information systems, et cetera, et cetera. Well, then, I think I do understand your question then. The question as I understand it is whether these particular programs that I enunciated this morning could in fact be delivered throughout Manitoba or perhaps places elsewhere using technological innovations.

The answer really is that we cannot finally answer that question because we have developed a multi-year program. We are building our capacity. We are broadening our inventory throughout this phase. The multi-year program

will be funded with \$200,000 per year, and we will keep the member posted as those plans evolve.

**Mr. Derkach:** Mr. Chair, the minister I think has answered as clearly as she can in terms of where they are presently, but I guess I have to impress upon the minister that I do not believe we have gone far enough in this area. It would be possible today to get a degree of any kind. You could get a law degree for that matter from Harvard if you wanted to through a medium other than being there physically. I guess if we are talking about a state-of-the-art campus, and we are talking about a state-of-the-art facility that is going to be able to meet the needs of the students of today for tomorrow's occupations and tomorrow's professions, I think we need to have a vision and a plan that would include the ability of staff at that campus or perhaps any other campus to be able to deliver programming from that campus to anywhere in this province or even outside of this province by being able to beam it through the satellite process or through the Internet or whatever. I think as time goes on we will even develop more sophisticated means of communication in that way.

My question is fundamentally: Is the concept being developed so that campus will have the capability, without great renovation costs, without great additional costs, to be able to do that, should programs be able to be written and developed, should curriculum be able to be developed, that can be transmitted to anywhere in this province or even outside this province?

**Ms. McGifford:** I thank the member for his good advice. I can assure him we will take it very seriously. I think I said this morning, in response to another question of the member's, that we acknowledge that we have taken some steps in this field, that there is further to go.

We, I believe, pointed out that there are other initiatives underway, perhaps, one jointly with ministers across the country, and we acknowledge that the former government took some steps in this direction. I know the member has several times cited Athabasca, I believe, and the University of Northern British Columbia, and I assured him that I had been in touch with those institutions.

The answer to the final question posed is yes.

**Mr. Derkach:** I thank the minister for that answer. I know that her staff are very much aware of the needs in that regard. I guess, because I have lived there before, I know how sometimes plans can be stifled or can be shuffled aside because of other agendas. I think we lose when that happens, and we lost something in education during those years when we did not advance the causes as much as we should have. I guess the second-best time to do that is now.

I know the minister has not had a lot of time in her portfolio to be able to advance that cause, but I think the opportunity is now, when we are looking at expansion and we are looking at more investment in education.

I just encourage the minister to really take a serious look at that whole concept because that would certainly position our province much better than we are positioned today, to be able to meet the needs of people that she has just identified, young women who perhaps have a young family, who want to advance their state in life and their ability to access education. That certainly speaks to the needs of those people, if we can develop those areas.

I want to move from there, perhaps, to the articulation issue. Again, I do that seeing Doctor Nordman here because, being in charge of the College Expansion Initiative, I think there are other opportunities that sort of speak out to this whole initiative.

One of those is the articulation between the colleges and the universities. With the proximity of the Princess Street campus to the University of Winnipeg, and not that the physical proximity has much to do with it, but the students attending the campuses can certainly go back and forth there.

I want to ask whether or not there is serious discussion at expanding that whole concept of articulation between our colleges and our universities in Manitoba.

\* (15:00)

**Ms. McGifford:** Well, absolutely, Mr. Chair. One of the criterion, when making application for funds or support from CEI, is articulation, and we expect an indication of articulation, whether it be between colleges and universities. As the member was suggesting, articulation between the Princess Street campus, I believe, and the University of Winnipeg is an obvious choice, whether it be between certificates in a college and diplomas within a college, or indeed whether it be between high schools and post-secondary institutions. I know that the member again this morning spoke about being in B.C. and being very impressed with their complex and highly-evolved system of articulation. I did spend half a morning with—I will never get the title right—but I think it is Articulation and Transfers, and it was amazing when they showed me the books. You can look up any course taken anywhere in B.C. and see where it would leave you at another post-secondary institution.

It is something that we aspire towards and certainly are very concerned about. I do ask the Member for Russell to rest assured that we will pursue articulation and linkages, et cetera, as we realize it is very important to the interests of post-secondary education.

**Mr. Derkach:** I thank the minister for that response, but I would like to just pursue the issue for a bit and ask her if she could identify the programs that are being worked on currently to enhance the cause of articulation at the post-secondary level?

**Ms. McGifford:** There are many specific examples, but one that might capture the imagination of the member is we have a program, as the member knows, in health care aid and the Health Care Aide Program articulates to a licensed practical nursing program, which in turn articulates to the accelerated registered nursing program, which in turn articulates to the Bachelor of Nursing.

I am assuming, and I will just check with Doctor Nordman, but I am assuming that could take a student, for example, from ACC to the University of Manitoba where the student would ultimately in this province take the Bachelor of Nursing. The answer is yes.

**An Honourable Member:** Yes to?

**Ms. McGifford:** Yes, the student could, for example, begin his or her education at Assiniboine Community College and move on to the University of Manitoba, or I suppose go through a series of colleges and universities.

**Mr. Derkach:** I will get back to the nursing one. I am glad the minister did identify that because I have some questions that surround that issue, but the question I had asked was: What programs that are not implemented yet are being worked on by the post-secondary institutions right now that will, I guess, lead to—we will use the term "better" articulation between the institutions, say, next year or the following year? You have to have some plans and some programs identified. I am asking which programs have been identified for that purpose and which ones are being worked on currently.

**Ms. McGifford:** If the member is talking specifically about the College Expansion initiatives, the answer is all of them are being examined for articulation because one of the criterion for access to funds from the college expansion initiative is the articulation factor.

**Mr. Derkach:** I do not want to accuse the minister of being evasive but perhaps she does not know. When I spoke with the president of the Brandon University and the president of Assiniboine Community College, they had identified five programs that they had completed the process of articulating the programs together. I guess the question that I have is these institutions have five but they must be working at others that they are looking at implementing in the next year or the next six months or whatever. That is what I am asking the minister about is which specific programs are being worked on now for implementation in the foreseeable future that she can identify as being programs of articulation.

**Ms. McGifford:** You know, I was commenting earlier that the member opposite was all sweetness and light today and now he says well, maybe the minister does not know. Well, of course I do not know the long list of these intimate kinds of details. That is not, and nor would the member opposite when he was

occupying the same position that I am now naming.

I have just been chatting with my staffperson here and again, Doctor Nordman points out that there is, and I point out, that there is a whole range of programs and that all the college initiative programs have articulations, and naming specific programs may not be necessary if the member will accept what I am saying. I could say, for example, the Princess Street proposed programs, the senior technology programs, for example, technology communications diploma and the technology management advanced diploma would be programs that would articulate with engineering at the University of Manitoba.

You know, I am trying to remember where I was, it might have been at ACC, it might have been Brandon, it might have been the University of Manitoba, but the number of articulations that I heard and I cannot remember the number was truly startling. If we are not just talking about the College Expansion Initiative but our whole range of programs, I was quite impressed when I heard this number but it is not in my head right now, I am sorry to tell you. I could add that, furthermore, COPSE, the COPSE program process looks at articulation, where it is appropriate, before approving any program so that there is every effort being made in this department by all officials, by the deputy and by myself to ensure articulation. We appreciate the value of this just as the member does.

**Mr. Derkach:** My thrust at this is that we are lagging behind other jurisdictions in this whole area. I know that from personal experience with my family, but I also know it from being involved in this area. I guess I am just quizzing the minister, because this is an area that I think there is great opportunity in and an area where we need to do some catch up, vis-à-vis other jurisdictions.

So that is why I am posing the questions, just to ensure that in fact I understand as the critic that there is a major thrust in this direction and that at some point in time, whether it is within the mandate of this Government, we will move much more closely to where other jurisdictions are at. I know there may be some

that are lagging behind us, but I am talking about the real leaders in Canada who have moved very quickly and very effectively in this direction.

\* (15:10)

**Ms. McGifford:** Indeed, I am advised by officials that we are not lagging behind. My goodness, there are all kinds of examples. There are all kinds of examples of how we are not lagging behind. I might add that there are dual credits in—*[interjection]* Yes, I am being overwhelmed by paper and we could table it if the member would like, or send it to you at—

**An Honourable Member:** If it has value, yes.

**Ms. McGifford:** Anything that comes out of my department has value.

So if I could just continue for a minute. There are joint degree programs between Red River College and University of Winnipeg. There is articulation between all college business programs in the U of Manitoba Management Faculty, for example. Then I have some lists, as I pointed out, of articulations. I think that the member will be most impressed and realize after perusing these that we are doing very well. So we could table these for the member's edification.

If I might just add, Mr. Chair, we will make sure the member opposite gets clean copies, because there is some writing on those ones. Thank you.

**Mr. Derkach:** I thank the minister for that. Leaving that area, Mr. Chair, I still want to stay on the College Expansion Initiative. The initiative started last year, I believe. Can the minister identify within this College Expansion Initiative what monies are being spent in what particular college expansion programs? For example, just to clarify my question, what initiatives that could fall under the College Expansion program are being looked at in Brandon, in Winnipeg, I think that is obvious, but also in northern Manitoba?

**Ms. McGifford:** I wonder if the member would like me to do that now or whether he would like

me to table, which I can do, a list of what has been funded to date.

**Mr. Derkach:** Well, no, I would like the minister to articulate it for the record, and if she has the initiatives listed to table, I would accept that as well.

**Ms. McGifford:** Mr. Chair, these are a list of programs that have been funded to date, and I am going to start with the Assiniboine College. The programs are as follows: an analysis of precision agriculture, a business administration diploma by distance, note "by distance," a comprehensive health care aide certificate, a feasibility study of the Brandon Mental Health Centre, licensed practical nursing certificate, LPN refresher certificate, PLA in early childhood education diploma by distance, and, again, note the "diploma by distance." I believe there is a total cost. The total cost is \$1.3 million in the past year, and in the current year we have approved a civil technical certificate, a Culinary Arts diploma, a Precision Agriculture diploma, a Web Design technology diploma, and I believe the cost of that is about \$900,000, slightly more.

Would the member like me to continue, Mr. Chair? Then I will move on to discuss Keewatin Community College: the Keewatin Community College General Studies diploma at Churchill; General Studies diploma at Flin Flon; General Studies diploma, The Pas; General Studies diploma, Thompson; Health Care Aid certificate; retention strategy in Thompson and The Pas; tuition subsidy for general studies in The Pas. The total program requirement is \$350,000. We have not yet dealt with Keewatin Community College for the current year, so I cannot bring any more information to the member's notice.

If I might just stop myself for one moment, I am sure the member noticed that some of the programs at KCC are slightly different. Of course, that reflects our intention to recognize the uniqueness of each educational facility and the students who go there and be able to provide proper service to those students.

Red River College, the following programs were approved for 2000-2001: Aboriginal nursing access; networking technology advanced diploma; Aerospace Manufacturing certificate;

Automotive Technician certificate; Civil/CAD common first-year framework; collision refinishing certificate; distance education division; ECE Workplace Model diploma; family support workers certificate; Health Care Aid certificate, Winnipeg; Health Care Aid certificate, regional; a nursing diploma; and the total cost requirements at Red River are about \$3.5 million, a little bit less.

I am sure that the member will be interested to know that in the current year we have approved the Aircraft Maintenance Engineer (AME) diploma. It is currently being announced by the Premier. The cost of that program was \$950,000.

We are finished. Those are approvals to date. Of course, the approval process is ongoing.

**Mr. Derkach:** With \$3.5 million for Red River College, the minister did not identify whether that was the 2000 or the 2001 approval of programs.

**Ms. McGifford:** It was the past fiscal year 2000-2001. The only one I announced for Red River College for this current year is the program that the Premier is currently busy announcing, and that was \$950,000.

**Mr. Derkach:** Mr. Chair, I noticed that the minister did tell me that, as it relates to Keewatin Community College, there are programs that are being announced under the expansion program for the regional areas as well, but I did not hear that was being done for the other two community colleges. Perhaps I could ask the minister what programs under the College Expansion Initiative are being expanded in the various rural communities outside of Brandon and Winnipeg.

\*(15:20)

**Ms. McGifford:** The member might know that the ACC is doing an LPN program in Selkirk. It also has two rotating sites. I cannot remember what they were last year. I think it has not been quite decided as to where those sites will be this year. It has not apparently been quite decided. It is a college decision, and if it has been announced by the college, the member knows more than I do because I have not heard that.

The health care aide program is also offered by all three colleges in off-campus sites. Then there are the numerous distance education components, which we have already discussed. I think there is quite a commitment to offer education off the actual physical bricks and mortar site.

**Mr. Derkach:** The reason I ask the question, just for clarification to the minister, is that I think under the College Expansion Initiative, we need to seriously look at how we can expand programming to students who are having a difficult time affording the costs of relocation to either Winnipeg or Brandon. I know the Government did move on the tuition aspect for students who were affected in the 1999 flood, and of course I know that that was very much appreciated by those individuals.

I think equally important is that we provide opportunities for students outside of the two campuses. Although the minister may not have the particulars, I am hoping that there is going to be some emphasis by the expansion initiative in that regard. I guess the only thing we can do this year is use it as a base line, and then in future years we will be able to see how we have progressed in that regard.

I note that the budget for the College Expansion Initiative has virtually more than doubled, if I am reading it correctly. I would just like to know what vision the minister has in terms of this initiative that has caused the budget to double.

**Ms. McGifford:** Again, we of course thank the member opposite for his good advice, and I appreciate it. We do know, and you have pointed out once again that students do often have difficulty not only affording tuition but relocating. A couple of our answers, and not necessarily answers that solve every problem, of course, have been to maintain the line on tuition, but also to offer \$6 million in Manitoba government bursaries. We think that that is helpful. It does not necessarily, as I said, answer the needs of all students. I am sure as well the member knows that the College Expansion Initiative is a program that is designed over a period of four years and that there was a total of \$24 million identified. So the figure that the

member is referring to is actually an accumulative figure for years one and two. I believe that to be the case. The first year it was \$5.1 million and the second year \$5.8 million, so that is a total of \$10.9 million for the College Expansion Initiative.

**Mr. Derkach:** I do not want to contradict the minister, but perhaps she could explain to me then: The Estimates book shows that the estimate of expenditures for 2001 and 2002 is \$10,000,945. It cannot be accumulative.

**Ms. McGifford:** Mr. Chair, it is right that it is 10.9 for this year. It includes the 5.1 last year, but it is an ongoing 5.1. So the base is built into the new figure of 10.9, plus we have added 5.8.

**Mr. Derkach:** That was my question. Last year, I said the budget for the College Expansion Initiative was \$5.1 million. It has more than doubled this year. My question was: Can the minister identify the additional initiatives that are going to be undertaken this year as a result of doubling the budget?

**Ms. McGifford:** I did when I spoke about Assiniboine Community College's programming. Approved programming for 2000 and 2001 also suggests some of the initiatives, some of the programs that will be in place for 2001 and 2002. I would like to say that I cannot give him much more information than that, other than the program I mentioned the program that the Premier (Mr. Doer) is announcing today because exactly what is going to happen is still under consideration and review. I cannot really articulate everything for this current year.

I can tell the member opposite that on March 22 the Minister of Education and Training and Youth and myself participated in an education summit, which is a kind of a daughter of the Premier's summit, the summit of the century from last year. At that meeting the colleges unveiled their four-year plans, and those are public information. I am sure that the member probably has already seen them.

I could also tell the member of our goals, the framework for the College Expansion Initiative goals, if the member would like me to reiterate

those. *[interjection]* Okay. We plan to address labour market needs by reducing important skill shortages, pay particular attention to the needs of underserved groups, enhance youth participation rates, improve student success by concentrating on retention and graduation rates, encourage innovative means to make the system more efficient and stimulate workplace-based programming that improves the skills of those in the existing workforce.

\* (15:30)

I could provide some examples of what are in the college multiyear plans. For example, Red River community college's multiyear plans include Princess Street campus. It will focus on new economy programming. The campus itself will play a significant role in image building for the college system as a whole. New economy programming will primarily be at the Princess Street campus. Four main program areas are, Mr. Chair, information technology and computer applications, media and entertainment, electronic family of programs and business, aerospace. In co-operation with Stevenson Aviation, a major effort will be mounted to serve the aerospace community.

In 2001 and 2002, the Aircraft Maintenance Engineer Diploma program, known as the AME, will be offered while the gas turbine technician certificate will be made permanent.

Health: This investment will allow the college to produce upwards to 90 nurses and 140 health care aides per year. One or two allied health programs are under consideration.

Distance education will be critical to Red River College's being able to better discharge its life-long learning responsibilities. I am sure the member again was very interested, knowing his interest in distance education.

Assiniboine Community College's multi-year plan includes health sector. The health sector has been largely funded in 2000-2001; \$1 million went toward stabilizing the LPN program, for which ACC has a provincial mandate, and of course toward extending its health care aide program, so the LP program is an ongoing part of their work.

The agricultural sector will be funded in the next three years. The precision agricultural diploma, a flagship program of course for that institution, will place ACC as a leader in precision agriculture training. Related diploma programs will follow, that is, water, waste and soil management.

Secondly, the information technology sector is a growing sector in the Westman region which ACC would certainly like to support. Keewatin Community College's multi-year plans include regional centres, which will be established in Flin Flon, Churchill, Nelson House and Norway House, and which will address the issue of the North's sparse and highly distributed population.

Thirdly, a general studies diploma program will deal with the question of academic preparedness, and monies will be distributed to main campuses in regional centres for instructional resources.

Educational supports will provide support services to improve recruitment and retention. New programs in key sectors will provide training for key northern industries; mining and forestry, human and community services and information technology programming.

If I could also refer to *École technique et professionnelle*, their plans concentrate on two areas, the health sector. This investment will provide French language nurses in a modified, accelerated format. And the information technology sector, IT, is of course one of ETP's strongest areas, and the college has proposed three programs: Webmaster, sound production and graphic design. However, we are not sure that all three will be supported.

Those are basically the four-year plans from the colleges themselves. As I said, they were presented at the education summit on the 22nd of March, and I think they were looked on with great interest by all the members of the community from labour, business, et cetera, who were there.

**Mr. Derkach:** I thank the minister for her explanation. Mr. Chair, to the minister, I would like to ask a question around the whole nursing issue. In the programs that she read, perhaps I was not listening carefully enough but I did not

hear much in terms of the expansion—this could be at the university level, so there could be an explanation there—with regard to trying to meet the needs of the shortage of nurses that we have in our province. I know that the Minister of Health (Mr. Chomiak) announced a particular initiative to expedite the training of, I think it is some 40 or 35 nurses through a special program, and I am wondering whether or not the Minister of Advanced Education has been in consultation with the Minister of Health to look at the entire issue of the nursing shortage and how that could be addressed through either the college expansion program, or perhaps it needs to be addressed through a special initiative.

**Ms. McGifford:** Mr. Chair, as the members opposite are aware, meeting the shortages of nurses in Manitoba is indeed a challenge. We do not really need to go into the reasons why we have to deal with that challenge, but I simply point out that it is a challenge. I am sure the member opposite agrees. I also would like to say since we are talking about the college expansion initiative at this time, that the college expansion initiative is designed to be responsive to Manitoba as a geographical entity. We want to have some programs in Winnipeg, we want to have them in Westman, programming in the North, et cetera, and we also want it to be responsive to the economy. So we have to have, I should not say we have to have, we positively want to have a variety of programs.

We cannot devote all the spaces that were created to nursing, or to allied health or to LPNs, et cetera. The Red River community college program is designed to produce 90 new nurses a year, plus from ETP, the new program there should produce 25 French language nurses, for a total of 115 new nurses every year. CEI's investment in nursing and nursing education has been considerable, a total when we are aware of the work at CUSB, at RRC, at ACC—of course I am referring here to the LPN nursing program—of \$2.5 million from the CEI initiative. I also understand that there is an expenditure of \$5.6 million at the University of Manitoba.

We are very proud of the ACCESS Nursing component at the University of Manitoba which has encouraged 20 to 30 Aboriginal nurses at that program and also 50 nurses at KCC in the North.

**Mr. Derkach:** I assume the 50 at Keewatin are LPN? Or BN? These are the RNs?

**Ms. McGifford:** RNs.

**Mr. Derkach:** I thank the minister for that answer, Mr. Chair. Even the numbers that the minister puts on the table here, I mean, the investment is significant—and I would not want to underestimate that— but even the numbers of students that are enrolled in the programs to date probably indicates that we are going to be short nurses for some time. This is not a symptom of Manitoba alone. This is a situation that exists throughout the country, and because there is a shortage in almost every other jurisdiction, we continue to lose nurses to other jurisdictions after we have educated them because we do not have significant incentives to keep them here in our province.

We can go into that because I believe that it is one thing for us to educate and graduate high-quality people in a variety of professions, but the other part of the formula is that we have to find ways in which we can compete with other jurisdictions and keep them here in our province.

I just want to ask the minister whether or not she has been in consultation with the Minister of Health to look at what our future needs are for our province with regard to nursing, whether it is at the LPN, the RN or the BN level and whether or not there has been a strategy put in place to either utilize the CEI or the university programming to ensure that we meet the needs in the future.

\* (15:40)

**Ms. McGifford:** I have pointed out that there is a CEI investment in nursing of \$2.5 million, so I think CEI is certainly doing its work.

I think we have to be honest and say that we are not going to deal with the nursing shortage simply through training, that other strategies and recruitment procedures will be necessary, and, of course, I speak to the Minister of Health with great regularity. He is one of my colleagues, obviously.

I also wanted to tell the member that there is a working group which involves COPSE and education, and they do meet very regularly to discuss health labour needs. That is an ongoing process, and I bring that to the member's attention.

**Mr. Derkach:** Is the minister aware or can she tell me what the needs are in this area in the next two to three years?

**Ms. McGifford:** I had just spoken briefly on the working group that involves COPSE and health, and I have just received some information about the kinds of issues they had been discussing: physician strategy which is joint between health and education; recruitment, especially rural recruitment; and, of course, Mr. Chair, training and retention are topics that have been discussed.

But the member asked me if I was aware of the needs in the next few years, and I was not sure whether he was talking about needs for nurses, needs for allied health workers. I believe he is nodding his head to indicate that he was speaking about the provincial need for nurses. I think we need approximately 500 nurses a year. That is our understanding, in education, of the current need.

**Mr. Derkach:** So I would like to ask the minister, knowing that we need 500 new nurses—I am assuming that that is new nurses per year for the next two to three years—do we have the training program in place to ensure that we can meet that demand in the next two to three years?

**Ms. McGifford:** If we consider our LPNs, our accelerated BNs and our Bachelor of Nursing program, we are pretty close to the 500 nurses a year. That is as long as we keep them all. We have indicated, I indicated a few minutes ago, that we do not believe that training is the only strategy that is required to build up a cadre of nurses. Other things are required. I am sure that the member may wish to talk to the Minister of Health (Mr. Chomiak) during the Health Estimates about some of the plans that he is working on. But we are pretty close and I can give the member that information.

**Mr. Derkach:** I take from the minister's response that we are going to be graduating about 500 nurses in each of the next two to three years. Whether they stay here or not is not my question. I guess there are other strategies that have to be put in place for that, but in terms of graduating nurses, we will be graduating 500 nurses per year for the next two to three years to meet the requirements of our province.

**Ms. McGifford:** I am advised that that the answer to that question is very close to perhaps somewhat short.

**Mr. Derkach:** Mr. Chair, if we are going to be short, and we are identifying that now, is the minister, through the College Expansion program, prepared to implement more training through the expansion program, like is being done in a couple of cases that have been approved?

I think Assiniboine Community College has a satellite program or at least two satellite programs going per year, the rotational programs. I am asking the minister whether she is prepared to put another either rotational program or put another program in place where we could attract enough students to meet the requirements that we will have in the next two to three years seeing that she has already said we are going to be short.

**Ms. McGifford:** Mr. Chair, I am advised that the University of Manitoba is still ramping up to its maximum number, so I am sure the member is interested in that number.

The College Expansion Initiative is open to the needs of the province. As I said a few minutes ago, the College Expansion Initiative is intended to respond to the diversity of Manitoba needs and to the economic needs in the province of Manitoba. We will be working closely with Health to provide Manitoba with the number of nurses it needs.

Again, let me repeat that we do not think training is the only strategy that is required. There are other strategies in place in the Department of Health that I am sure the member would like to discuss in the Health Estimates. I

think it is important for me to make the point that other sectors besides the health sector have needs, and as a responsible government, we have to be responsible to all 17 sectors of our economy. Mr. Chair, 60 percent of College Expansion Initiative funding went into health in our first year, and we are proud of that work.

**Mr. Derkach:** Mr. Chair, I respect the member's response, but I want to indicate to her that one of the most critical areas that we hear about, and the Government has heard about, is the shortage of professional nurses, whether it is at the LPN level, the RN or the BN level within our province and the fact that other jurisdictions are finding the same difficulties as well. We know that some of the nurses that are going to graduate will be leaving our province. That is just the way it is. The minister indicated that we will be short in terms of the number of graduates in each of the next three years, not much short, she says, but we will be short.

So I want to ask the minister: I know, for example, that Assiniboine Community College have only been given authority for two remote programs for their nursing program. If, in fact, we are going to be short, can we include another component—I do not know what you call them—another chapter of, or another sector of, or another expansion project, for nursing, if in fact we have identified that we are going to be short in each of the next two to three years?

**Ms. McGifford:** I am sure the member is aware that the nursing program at Assiniboine Community College is the licensed practical nursing program and that there are two programs in Brandon, two in Winnipeg and two rotating. Our advice is that we do have enough licensed practical nurses so there would not be much point in training more licensed practical nurses at this point. Thank you, Mr. Chair.

\* (15:50)

**Mr. Derkach:** I am not asking the question to try and pin the minister down or her colleague the Minister of Health (Mr. Chomiak). I am just asking the question to ensure that we have adequately as a province addressed this whole issue, because it has indeed become an issue for all of us as citizens of this province. I know that,

for example, in one of the communities that I represent, at present, two communities as a matter of fact, they have to close the emergency ward from time to time if a nurse gets sick, because they just cannot find anybody in that entire region, in the Marquette region, to be able to fill the needs. I know that is the same problem here in the city, although with larger units you can still shuffle staff around to be able to meet the needs. In a small rural hospital that offers those very essential services to people who are a long way from major medical facilities that becomes a very crucial and critical item.

Not to cast any blame on anyone, I am simply trying to encourage the minister, I know for example, the Assiniboine College expansion program did approve—or maybe it is not official yet—a program in my community for nurse training. Even before they have made it formal or official, I understand that the program is filled to capacity, and indeed that a waiting list has been created for students who want to go into that program.

*Ms. Marianne Cerilli, Acting Chairperson, in the Chair*

Now, in fact, if we have students who are prepared to come into those programs, I ask the minister to think about, perhaps instead of just two sections, allowing an additional section, especially in areas where we have such dramatic shortages where we have to close emergency facilities. Madam Acting Chair, I speak specifically about the Marquette Regional Health Authority. I do know that Hamiota also had an application in. I do not know the status of it, but if there is a possibility of using college expansion funds to create another section so that we can meet the needs of the future then I would impress upon the minister the importance of looking at that again very seriously.

**Ms. McGifford:** I thank the member for his advice again and for some of his suggestions. Government, of course, is very well aware of the need for trained nurses in the province of Manitoba. The member has asked that I think about the need for nurses, and I can assure him I will give it my very careful and detailed attention, and that I spend a lot of time thinking and now I have something else. So, thank you.

**Mr. Derkach:** I know the minister spends a lot of time thinking, but I am serious about this issue, Madam Acting Chair. I guess it is more in the spirit of co-operation that I ask for consideration of this issue because we have had enough debate about the issue of the shortage of professionals in these fields. Now when we have put in place an initiative which has \$10 million in it, I know that we can probably do a lot to address that particular issue.

*Mr. Chairperson in the Chair*

I have to tell the minister I will be watching very carefully whether or not there is any response to that, because indeed the need is there, the students are there, and I think it can become a successful program, notwithstanding that we have needs in other sectors as well. I am not going to dwell on this section much longer except to just perhaps go through the employees of this initiative, if the minister would allow, and then we can move on to other areas.

From my book here, I understand that there are three full-time staff, including Doctor Nordman, that are charged with the responsibility of the College Expansion Initiative.

**Ms. McGifford:** Yes, Mr. Chair, that is the case. The member is correct.

**Mr. Derkach:** Mr. Chair, just for my curiosity, I guess, and a better understanding: Would the minister be so kind as to give me perhaps a bit of an overview of the positions? We have a professional technical person and also an administrative support person. Could she just identify the job descriptions of those areas?

**Ms. McGifford:** Mr. Chair, the managerial position, of course, is that of our director, Dr. Curtis Nordman, who the member knows and therefore appreciates greatly. The professional technical position is that of Sonya Janzen, who is a very skilled person, and we are very pleased to have her work with us. The administrative support person is Pat Ferris, who is equally skilled, and we are equally fortunate to have her.

**Mr. Derkach:** I guess what I would like the minister to do is just perhaps describe the job descriptions of the two other staff positions.

**Ms. McGifford:** The position of the policy analyst is a position of policy development and analysis of college needs and plans. The second position of administrative support is providing administrative support to the program.

**Mr. Derkach:** I guess, in a nutshell, that kind of tells us briefly what it is, and I am not asking those to be any kind of trick questions. It was just simply to describe for me, because it is a new branch, what those people do. I can understand the need for a policy development person and administrative support person.

I just want to ask the minister whether or not she foresees any need for greater staff or human resource requirements in the College Expansion Initiative within the course of the next year or so.

**Ms. McGifford:** I was going to ask the member, if he would like us to table the job descriptions, then we would be willing to do that. He is indicating that is not unnecessary.

He asked about the small human resource component, and my advice is that the people work together very well and efficiently, because they work very close with Doctor LeTourneau's branch. Consequently, there is a lot synergy, and we get a lot of work done by a small number of employees.

**Mr. Derkach:** Mr. Chair, are the College Expansion Initiative and the Council on Post-Secondary Education located in the same building, the same workspace?

**Ms. McGifford:** Well, they are in the same building, although they are on different floors, but they go up and down in the elevator.

**Mr. Derkach:** I appreciate that, and I thank the minister for that.

Mr. Chair, I am going to move to talk specifically about the community colleges for a minute if that is agreeable to the minister. I am interested in the College Expansion Initiative. I think it is one that we certainly are going to take some interest in over the course of the next few years. I think it is a good initiative. I do not know whether this is the area. Maybe the

minister can enlighten me, but if this is the unit that is going to be charged at looking at a new institution in northern Manitoba.

\* (16:00)

**Ms. McGifford:** That work will be overseen by the Council on Post-Secondary Education, and therefore would be the bailiwick of Doctor LeTourneau.

**Mr. Derkach:** I thank the minister for that and we can move on to the community colleges, if that is agreeable with the Minister of Advanced Education. My colleague the member from Portage la Prairie has some questions as they relate to Red River College's campus in Portage la Prairie, I do believe, and perhaps some others. I would like to turn the floor over to him for a few minutes.

**Mr. David Faurshou (Portage la Prairie):** Before I move into that, the honourable minister made some notations in regard to licensed practical nurses training, which is ongoing in Portage la Prairie. We have been most fortunate to have in central region two of the four rotating Assiniboine College LPN training programs.

I will say that I would like to caution her to whether or not the level of training for persons in that particular skilled field is in fact being satisfied. As one looks at the demographics within that particular profession, there could very well be quite a number of retirements in the next little while. I would just like to caution her on that. It does not always seem as it is, year over year, that we are in fact training enough people.

Having said that, I would reiterate what my honourable colleague from Russell said, that I believe that more training in that particular skill site is still in need, and to encourage her to continue with that.

In regard to Portage la Prairie and Red River College, a number of years ago our satellite campus of Red River was near closure because of reduced enrolment. A number of different central responsibilities were hampered, such as recruiting, or the satellite campuses from advertising, and going out and soliciting new students, promoting their programming, because

it all came through the central campus. They had recruiters that would come out from Winnipeg and do that in the various areas. As you know, recruiting and letting one know what programming is available is better done by persons right in that community. That is now changing a little bit and campus sites are flourishing because of that change.

Mr. Chair, I would like to ask the minister in regard to satellite campuses: Is there any consideration for those sites to come under the umbrella of the Red River home campus so that cost-recovery on the courses and programs offered is not going to be a central feature in offering particular programming?

**Ms. McGifford:** I appreciate the member sharing his caution with me. I am certainly pleased to hear that the satellite campus in Portage is flourishing, and I think the member indicated that satellite campuses generally were flourishing.

As far as whether the satellite campuses will come under the ambit of Red River Community College directly, that is a decision that Red River College makes as an independent body. Our Government, of course, is committed to regional education, and I think we have shown that time and time again. I believe encouraging healthy regional campuses is a part of Red River's four-year plan.

**Mr. Faurchou:** I appreciate that. I cannot overstate the importance of being able to add to one's skills through attendance to post-secondary education closer to home, because of not only the cost aspect of relocation but making it available to persons that are already employed on a part-time or full-time basis. They can explore and challenge themselves with courses and maybe a new career without having to go through the big change all at once, so this allows people to test the waters, so to speak.

Currently it is a decision by Red River as to whether or not it is a cost-recovery program, but that does tend to make the programs offered by these satellite campuses more expensive than the program tuition offered that same program right here in Winnipeg. Even though it is a college decision, they bring it back to the point of

funding and direction from the Council on Post-Secondary Education. So I really truly believe the minister does possess the ability to give direction in this regard as an important element, that persons taking the very same course in Portage la Prairie as ones taking the course in Winnipeg see the same type of tuition.

**Ms. McGifford:** Of course, I appreciate the member from Portage has pointed out once again the importance to developing one's skills close to home and how advantageous that is for many people. His colleague and I were discussing that earlier today, both this morning and this afternoon. His colleague and I are certainly on-side on this, and his colleague has been extremely supportive of this Government's position on this kind of programming. So I appreciate the support from the member from Russell.

I also wanted to point out to the member from Portage that one of the goals of the College Expansion Initiative, and I think the member from Portage will find this very interesting, is to stimulate workplace-based programming that improves the skills of those in the existing workforce. You did point out, pardon me, if I might say, through the Chair, to the Chair, and then to the member from Portage, the member from Portage was keen on workplace-based programming, and so are we.

With regard to the problem that the member has pointed to, I think it is a serious problem and worthy of consideration, and we will look into it. Thank you, Mr. Chair.

**Mr. Faurchou:** I appreciate the minister's response. Southport campus is new to Red River. This year they are out there. I do not know if the minister has had opportunity to visit the Southport campus yet, but I am certain if she has the opportunity I would like to welcome her there.

Also located at Southport is an air base south of Portage.

Mr. Chair, I was going to ask of the Chair whether it could be a consideration of committee that we have a break at this time.

**Mr. Chairperson:** Is there an agreement?  
*[Agreed]*

How long? Five minutes? *[Agreed]*

*The committee recessed at 16:09 p.m.*

*The committee resumed at 16:16 p.m.*

**Mr. Faurshou:** I was just expressing to the minister that I encourage her to come to Portage and visit Southport, the air base south of Portage la Prairie that has been used for a number of different programs. In fact, at the present time there are over 800 students at that site in various programs.

Other than Red River campus being located there, there is also located the Campus Manitoba which the minister is familiar with. I was wanting to ask the minister her view and vision for that particular program currently at 15 sites around the province, and the potential of the program and what she envisions in the future.

**Ms. McGifford:** I am pleased to hear the minister ask about visiting Southport. Certainly one of the most interesting aspects of my job has been to visit many of the primary sites in Manitoba. I spent time in The Pas, I spent time in Thompson, a couple of days in Brandon, and I have been to the University of Manitoba several times and University of Winnipeg and also Red River Community College on several occasions. I have not yet been to Southport, and perhaps once the Legislature has adjourned and I have more control over my hours, that would be something that I will look forward to doing.

If I might, just on a point of clarification, we were not certain whether the member was referring to Southport generally or specifically.

**Mr. Faurshou:** Yes, there are a number of points that I do want to bring up regarding post-secondary education opportunities located at Southport but I would like to start with Campus Manitoba.

**Ms. McGifford:** Campus Manitoba, of course, has been growing very rapidly. I know there is a site at Southport and we have been adding programs with great rapidity to Campus Manitoba. I know it is an initiative near and dear to the heart of Doctor LeTourneau, who has spoken about it several times with me.

Now, we do not have the specific details on Southport here so perhaps we could forward those to the member.

**Mr. Faurshou:** For clarification, it was just not specific to Southport, just Campus Manitoba in general, looking forward as to additional programming available through the 15 sites that are existing and whether they are looking to expand to other sites, just Campus Manitoba in general.

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

**Ms. McGifford:** With regard to the current status, Campus Manitoba currently offers 50 courses and operates in 14 sites, I am advised, which include, Mr. Acting Chairperson, Cross Lake, Swan River, Eriksdale, Gimli, Southport, Deloraine, Boissevain, Killarney and Carman.

I could also point out that during 2000-2001 there were 1700 initial course registrations, which was an increase of 12 percent over 1999-2000. In 2000-2001, COPSE provided an operating grant of nearly \$800,000. We are continuing to add sites and courses, and our enrolments are increasing. Other sites include Thompson, The Pas, Flin Flon, Russell.

We do recognize, of course, that Campus Manitoba was initiated when the Member for Russell (Mr. Derkach) was the minister, so it is a good opportunity to congratulate him for work well done.

**Mr. Faurshou:** Yes, the Campus Manitoba concept has been welcomed in the rurals of Manitoba, and I am pleased to hear the continuing support for that program. I would like though to stress with the minister, the initial set-up for programs offered through Campus Manitoba is costly to the various faculties to

originally design each course and to modify them so they are able to deliver them through this mode.

I would really like to encourage the minister that because of this program's success and the need that remains in the rurals to advance one's university education without a second residency cost, that consideration be given towards facilities that show the initiative, that would like to develop the courses for this particular program, and that consideration be given through her department to support those facilities that are wishing to develop courses for this program.

**Ms. McGifford:** I do not know if the member knows that COPSE pays all developmental costs for new Campus Manitoba courses so there is an implicit award. I can see the halo over the Member for Russell's (Mr. Derkach) head as he writes.

Campus Manitoba, the member may be interested in knowing, is developing a proposal for on-line registration which I think will make the process even smoother. Campus Manitoba is also developing a portal for Continuing Education programs which would include all Manitoba institutions. So we are working very closely on Campus Manitoba.

**Mr. Faurshou:** I do not know whether the microphone caught my honourable colleague's comment, but the Council on Post-Secondary Education, yes, does cover the costs. But they are very frugal with their funds, and I think that one has to, in recognition of the success of this program—once again, I believe the minister does exert will in different directions, and if this could be a consideration of hers, I would certainly appreciate it.

Also, I would like to talk about the university for just one moment, a couple of points that have been of consideration over the years. First off is the University of Manitoba. Can the minister tell me whether or not the grants allocated to the University of Manitoba have recognized the increases in municipal taxes over the last couple of years? I know that changes to The Municipal Act allowed for the taxation of the university campus, but the provincial government had, in fact, provided

equal granting in lieu of taxes, but with the rise in taxes, has the grant recognized the additional municipal tax burden?

**Ms. McGifford:** I wanted to respond to the member's comment about Campus Manitoba, the one that he made just before he asked the question about the University of Manitoba. He talked about COPSE being frugal, and I suppose another way of looking at it is accountable. We are a government that is very, very cautious with the taxpayers' money, and the council is, of course, as well. But we hear what you say and I am sure that COPSE will make every endeavour to be as generous as possible to Campus Manitoba because it is something that we support wholeheartedly.

With regard to the grant to the University of Manitoba and whether it specifically considers the question of municipal taxes, in fact it does not specifically consider that. What we do is provide a very generous grant, and from that very generous grant the universities are able to pay their taxes. I am also aware that utility costs have increased enormously, and, of course, universities and community colleges face various cost pressures and we have to give money, but it is up to those boards of those institutions to make decisions about allocation.

Some of the other pressures that I am sure the member is well aware of that universities and colleges have faced are the heating costs, libraries. So there are a number of pressures. Our strategy is to provide a generous grant and allow the boards to make allocations and therefore fund the universities that way.

**Mr. Faurshou:** I do appreciate that it is a block, unallocated type of grant that flows to the universities, but comments had been made that if programming and additional operating and consideration towards taxes, if all those increases were added up, that even though the grant was increased very generously, it still did not reflect, though, if one were to add up the increases in all of the various categories. So I had to ask the question.

In regard to the Campus Manitoba programs and the institutions that are out at the U of M site, one being the Transport Institute, housed in

the Izzy Asper Building. It is a certificate program and, although administered by the University of Manitoba, is not accredited to the university undergraduate degree program. I would like to ask the minister's consideration to look at whether or not this institute's course offerings could have the potential for undergraduate accreditation.

\* (16:30)

**Ms. McGifford:** Ultimately, the decision is up to the University of Manitoba, but I do want to say that it is quite disappointing to us to have an institution develop a certificate within that institution and then not recognize it.

**Mr. Faursehou:** Mr. Acting Chair, yes, those are the disappointments currently faced. The reason I bring it to the notice of the minister is that we must be aware of the significance of the transport industry in Manitoba, as far as the economy of our province.

Mr. Acting Chair, this particular institute is providing programming to enhance that industry. I think it is a very valuable component when one is looking to enhance the growth of an industry, to have the programming to add skill level. That particular institute has been operating. Again, I know that the minister's office, when you asked the questions, it requires that the answers be well researched. So I leave it with the minister to ask the questions of the university as to their consideration toward the Transport Institute, so that she can be apprised of the rationale as to why this has not yet happened. I think that if members of her department could share thoughts with the Ministry of Transportation before this takes place, I believe that suggestion would bode well. Does the minister have any comment to this?

**Ms. McGifford:** Yes, I am advised by department officials that there is a proposal coming forward to create a centre of excellence in logistics and supply chain management from this institute. This proposal, I assume, would come to COPSE, so that may help address some of the member's concerns.

**Mr. Faursehou:** Thank you very much. Yes, I am aware of the initiative, very supportive of the

initiative. However, I would like to encourage the minister that there is also another province that is undertaking a similar initiative. When developing this, there are only a certain number of instructors, professors, if you will, that qualify to provide this programming.

So whoever gets the program up and running first is going to be looking to fill those very valued positions of instructors. I would encourage that discussions be expedited to the best of the minister's ability so that we maintain the expertise that we already have at the institute.

**Ms. McGifford:** Yes, we are in total agreement with the suggestions offered.

**Mr. Faursehou:** On the point of university and university attendance, I would like to ask the minister a couple of questions on the student loan program and the bursary program. *[interjection]* Oh, I am sorry. I am informed that the staff is not in attendance for that particular question.

*Mr. Chairperson in the Chair*

I am wondering then if I might just ask the minister's thoughts on the points that she raised regarding nursing. You said that education is only one component of filling the shortage that we face in our hospitals. The nursing contracts are very specific as to how resources are allocated within our medical institutions, and it makes administration very difficult in a number of instances where Portage la Prairie District Hospital is on reduced wards, and also, too, the emergency and ICU operations are restricted because of nursing shortage. Yet, when one looks to the posted job opportunities, there is, I believe, only one or two full-time positions available.

You wonder when a facility like Portage District General Hospital is in a such a reduced staffing mode that you would only have a couple of vacancies on a full-time basis. The new students, once they have attained their accreditation and graduated, are looking for full-time employment to pay off their loans, to satisfy their debts. I would like the minister's response as to her concerns on this front.

**Ms. McGifford:** Mr. Chair, I certainly appreciate the member from Portage's concern about the nursing situation in Portage. It is a concern that Government shares. We are concerned about nursing shortages, whether they be in Portage or throughout the provinces; I am sure the member is, as well. However, nursing shortages are not the responsibility of the Department of Education. We do train nurses, and we have already answered a series of questions. I am sure that the member will be very interested in perusing Hansard.

I would like to suggest that the member from Portage returns when the Minister for Health (Mr. Chomiak) is answering questions during his Estimates process and brings these questions to him for consideration. Finally, if I might just add this, Mr. Chair, the shortages of nurses is not an area in which I have any expertise, so it would be really untoward of me to attempt to answer those questions, nor is it an area of which my staff really have any expertise. So we prefer to have the experts in Government answer those questions.

**Mr. Faursehou:** I must stress at this point, though, that one cannot be in the Ministry of Advanced Education with blinders only looking at graduating individuals in particular courses. One has to understand what happens to that individual once they go through the door after graduation ceremonies. One particular program which the whole province is most interested in is nurses because of the very great deficit we have in that field. What is taking place with the recruit is that the Minister of Advanced Education Department is doing an extraordinarily good job in providing programming for the individuals in that particular career path.

But what is happening is that those individuals are going into the workplace and finding that they are not able to get full-time employment because of particular contract restrictions.

\* (16:40)

What I am emphasizing here is that the ministry cannot be oblivious to what is taking place in the workplace. It is important that the thought be conveyed to other ministries by her,

saying that there is no point in training all these individuals in a particular career if the career is not available to those individuals once they graduate. We have invested significant dollars in their training. So I understand the minister's response, but it is very important that she convey to other colleagues of the Executive Council the importance of entry-level individuals into varying careers and that we do not continue to want in this particular field.

**Ms. McGifford:** Of course, I would be more than pleased to discuss the member's concerns with my colleagues. Interestingly, the Council on Post-Secondary Education has done a general study of graduates from our universities and colleges, and we would be very pleased to table a copy of it with the member, if he would like. However, as far as the retention of nurses, as far as the workplace circumstances of nurses, again, I think these issues can be best addressed by those in government who have the most expertise in the field—and those experts are not in the Department of Advanced Education. They really are in Health. I do not think that the Minister for Health would be very pleased to have me answer questions on his behalf. I think that he prefers to speak for himself, and so I again advise the member to ask those questions in Health Estimates.

**Mr. Faursehou:** All I was looking for was the assurance from the minister that she would promote, to the best of her ability, the success of individuals that have come through the programming which she is responsible for.

Moving on to centre of excellence which she had mentioned for transportation and logistics, I would like to ask the question of the minister on avionics, and that involves Stevenson Aviation. I know that particular program is administered under the Education and Training Ministry. However, I am aware of a study, an assessment, being conducted—I do not know whether it has been completed just yet—to involve that particular programming under the administration of Red River College. Also within that assessment or study, campus sites were a component within that undertaking which may lead to ultimately the closure of the site at Portage la Prairie, or an enhancement of the site at Portage la Prairie.

So I was wondering whether the minister is aware of the study, the assessment, going on because of her involvement as minister responsible for Red River College.

**Ms. McGifford:** Thank you for introducing me to the word "avionics." A program has been announced this afternoon by the Premier (Mr. Doer) which will expand aircraft training. It is being funded out of the College Expansion Initiative, and I believe the amount of funding is \$900,000. Your colleague and I were talking about it a little bit earlier. As far as Stevenson moving to Red River community college, it is under discussion but it has not been settled. And thirdly—and I am sure the member will enjoy this news—there is no plan to close Southport. Apprentices will continue to be trained there.

**Mr. Faurshou:** I appreciate the minister's news. Yes, the operations at Southport for Stevenson Aviation have been a success story initially starting with less than 20 students, now with almost 200 students involved in that programming. There is a significant demand for aircraft maintenance engineers in the various disciplines and Stevenson Aviation has undertaken to address those shortages.

I would like to provide for the minister, though, the understanding of the apprenticeship program versus the diploma program. The program that, I believe, was involved in today's announcement is a diploma program. It is very similar to that of the apprenticeship program, only it has different components through a different time frame so that one is more concentrated programming. Apprenticeship comes after the actual instruction. Instruction takes place in various components whereas in the apprenticeship program you work, come take another component, and then you work again. It is over a four-year period and the diploma program is over a two-year and then the apprenticeship comes after that.

Having said that, I would like to encourage the minister to evaluate the Portage site for the diploma program as well because duplication of laboratory are aspects of each component of instruction. They are costly and duplication to sites is again consideration one must have. So accommodations for the diploma program at the Southport site, I believe, are very attractive, and

although I think the overall mission when this assessment was undertaken was to have a site in Winnipeg as well, I want to emphasize to the minister to evaluate the program, both the diploma and the apprenticeship program, from a student perspective.

The program should keep the student's interest in the forefront and should analyze the cost to the individual as well as the ability of the student to perform through course materials, understanding that there is significant pressure from industry to have these students available to work while attending the diploma and the apprenticeship programs. That is the perspective that I believe is most important, and I would appreciate the minister's response in that regard, if she would not mind.

\* (16:50)

**Ms. McGifford:** Mr. Chair, of course, this Government is always very responsive to students. That is why we introduced a \$6-million bursary program for example. That is why we are very conscious of tuition fees, and so we are always very supportive of students. As the member is aware then, the pressure to have the diploma program in Winnipeg came from industry, and we are also very aware of our responsibility to industry.

Secondly, I understand that most students in the program come from Winnipeg and commute or move to Portage temporarily, so perhaps the member was not aware of this, but I give it to him as information.

**Mr. Faurshou:** I do want to leave with the minister the understanding that the dynamics within industry have changed from the time that this study was initiated to its conclusion, being the proponents of having the diploma program in Winnipeg, contractual arrangements have been terminated and modified, so that must be kept in mind as well in the decision-making process. But I do want to encourage the minister to come to Portage la Prairie before making any decisions and to talk with individuals that are on site, the students, the instructors, and to appreciate the amenities that are afforded the students and instructors at a facility like Southport.

It is a dedicated air base for students, whether it be in avionics, aircraft maintenance,

engineering courses or for flight training as well as airport operations, all of these undertakings are tailored to train young people or not so young in this type of programming.

So I think the minister would find it very enlightening, and I am certain she would appreciate that opportunity. The long line is: Will the minister attend to Portage prior to making decisions on this program?

**Ms. McGifford:** Well, again, I do want to thank the member for the invitation to Portage and I have already given him my assurance that I will be there and it is just a matter of juggling responsibilities with the House currently in session, but I have a commitment to go to Portage la Prairie, and I certainly will do that. I also want the member to understand that it is in the interests of this Government to maintain Southport as a viable entity. We have no intention of doing otherwise. One of the initiatives that is being undertaken in this department is a determination to increase our international cadre of students. Perhaps there will be an opportunity for some of those students to come to Portage when we are successful in attracting them. So there are all kinds of possibilities, and I do not want the member to worry about Southport closing down. We think it is extremely viable and want to maintain it.

**Mr. Faurschou:** I want to thank the minister for her response.

In the absence of my House leader, I would like to perhaps make the very bold statement that I would be willing to pair with the honourable minister on any given day that she has in her schedule the opportunity to come to Portage la Prairie, so that her House duties would be—

**An Honourable Member:** Here we think Stockwell Day is having trouble.

**Mr. Faurschou:** So, on that illustrious note, I will pass the microphone to my honourable colleague from Russell.

**Mr. Derkach:** Just to continue, Mr. Chair, I would like to move to the Council on Post-Secondary Education. The council has changed

over the course of the last year and a half, and I would just like to ask the minister if she would provide for us the changes that have occurred at the council.

**Ms. McGifford:** I am assuming that the member is referring to council members. I can read them verbally or we could send the member the material. Read them out, okay.

The Chair is Don Robertson, Vice-Chair, Muriel Smith, and those are both new appointments. Germain Perron, I believe Mr. Perron is an appointee from the previous government. William Dumas is a recent appointment. Milton Goble is an appointment from the previous government. Christopher Macdonald is a new appointment. Herman Green is a previous appointment. Linda Jolson is a new appointment, and there is one position vacant. David Turner is a new appointment, and Kenneth McKay is a new appointment.

**Mr. Derkach:** Mr. Chair, I would just like to ask the minister, the name Muriel Smith, is that the former minister in the NDP government.

**Ms. McGifford:** Yes.

**Mr. Derkach:** Mr. Chair, in the appointments to the council, has the minister looked at the representation from various parts of the province or are these mostly appointments within the city.

**Ms. McGifford:** I certainly think that it is a very regionally responsive set of individuals. We are also pleased that our Chair is an Aboriginal person, and I believe Milton Goble and William Dumas, as well, are Aboriginal persons. No, not Milton. Herman Green and William Dumas. I am very pleased to see Muriel Smith and Linda Jolson, two women, on the board as well. I think it is important that we at least work towards gender parity, and certainly that is one of my goals.

So, to answer the questions, I think that the board is geographically responsive and I think it responds to the range of people in this province. We are struggling with gender parity, and we are going to get it yet.

**Mr. Derkach:** Only the minister can respond to that but, Mr. Chair, I ask the minister: Which of these members are from western Manitoba, from southern Manitoba and from eastern Manitoba? We have identified the northern Manitoba ones.

**Ms. McGifford:** I point out that Christopher Macdonald is from Brandon and Kenneth McKay is from Swan River and I believe there is an individual from Carman. Herman Green is from Carman. We do not have a person from the eastern part of the province, but this exercise has pointed that out so I am grateful for that.

**Mr. Derkach:** Mr. Chair, I note that and I know how difficult it is to get members on this council from right around Manitoba but, indeed, I would ask the minister to give us some commitment that in fact for the vacant position she will either look for somebody from the eastern side of the province or the western side of the province. Swan River is considered probably a northwestern part of the province, and there is not a lot of contact with say the Swan River Valley and Brandon. A lot of that activity goes either to Winnipeg or Dauphin is their centre. So I just ask the minister whether in seeking positions she will be looking to fill the vacant position from outside of the city, in rural Manitoba.

\* (17:00)

**Ms. McGifford:** Well, I think I did indicate that there are several individuals from areas outside the city of Winnipeg and there is a representative from western Manitoba, Christopher Macdonald; there is Herman Green from Carman. No, I do not want to make the firm commitment that the member is asking but what I do want to say is that I am committed to a board that is regionally representative, that is, represents a balance when it comes to gender and also that represents the diversity of the population in Manitoba. So those are three factors that one has to balance in creating a board, at least three factors.

**Mr. Derkach:** Once again, I am not being critical of the minister. I am just simply asking that consideration be given to those aspects because I think they are important because we do have students coming to the University of Manitoba especially and probably the University of Winnipeg, from all over Manitoba, from all

regions of the province. I think it is not a bad idea to have input from people on the council from people outside of the area because as the minister had mentioned in her comments, Mr. Chair, she said that the reason the programs are different in northern Manitoba is to meet the regional requirements and the regional needs of people in those areas. Therefore, when you have to have programs approved by the council, as just one element of their responsibility, it is good to have that input on council as well. I have said enough on that, I simply encourage the minister to continue looking positively in that direction.

Mr. Chair, I do believe that the staff for the student loans and bursaries program are supposed to be arriving soon, and because I do not want to keep them waiting or have them wait here and then we will rise as soon as they have arrived, perhaps we could shift into that area and we could deal with that and complete that before six o'clock.

**Ms. McGifford:** That would be fine with me. My understanding is that they should be here momentarily, so perhaps I could just say as we are awaiting their arrival, that I thank the member for his suggestions with regard to the kinds of persons that are needed on the COPSE board and give a commitment to consider geography, gender and, as I said, the diversity of the population.

**Mr. Derkach:** Mr. Chair, the Council on Post-Secondary Education oversees the funding to the universities and also oversees the programming as well. Does this Council on Post-Secondary Education also oversee all of the programming that is being proposed for implementation by the regional college campuses and the programs that would fall under the College Expansion Initiative?

**Ms. McGifford:** Mr. Chair, I am advised that all programs from the colleges and from the College Expansion Initiative do come to COPSE for approval.

**Mr. Derkach:** Mr. Chair, I want to ask the minister whether or not proposals that come from the universities themselves—and I speak, I guess, more specifically about Brandon University, where a new president has moved in.

I know that he has a vision for that university and would like to see some programs implemented, and, of course, all of this depends on his professional staff as well, but I am wondering if programs that he would like to implement at that university flow through COPSE specifically, or do they also have to be approved by the minister's office?

**Ms. McGifford:** I have had the opportunity to spend some time with Doctor Visentin in Brandon and had an update on Brandon and had a tour of the campus and was very delighted to have dinner with him. I think he is a wonderful addition to our province, and he is a gentleman with great vision and exciting ideas. The answer to your question is that new initiatives, new programming from Brandon, and I know that there are many, many new ideas, go to COPSE, but they do not have to be approved by the minister's office. I would consider that unwarranted interference in the autonomy of universities.

**Mr. Derkach:** Well, I was not suggesting that the minister would interfere in the approval of programs, but it is always a good idea for the minister to understand the direction the university is moving in and new programming that is being proposed. I am wondering whether the minister takes the opportunity to become aware of new proposals that are coming from the colleges or universities for approval.

**Ms. McGifford:** I would like to tell the member, and I think I mentioned earlier, that I have been to all our major post-secondary institutions and have been updated on their plans and their initiatives. I take great interest in new courses and in the current programs. No. My policy is not to remain ignorant but to become knowledgeable so there—

**An Honourable Member:** I did not suggest that.

**Ms. McGifford:** Well, you came close to it. Thank you, Mr. Chair, I am finished.

**Mr. Derkach:** Mr. Chair, I do not know what was in that water that the minister was partaking in, but she has become very sensitive.

I have just one slight question with regard to the funding. I see that the total salaries have decreased in the Council on Post-Secondary Education, as well as the total expenditures have decreased somewhat, not a great deal, but slightly. Can the minister explain that, please?

**Ms. McGifford:** If I could direct the member's attention to page 148, which may be where he is already looking, although the total salary cost is up, the member will notice that the allowance for staff turnover is 24.3, so that the total salaries and employee benefits is lower than it was in 2000-2001, and, consequently, the total subappropriation is also slightly lower.

**Mr. Derkach:** I would like to ask the minister are we ready to move to student loans?

**Ms. McGifford:** Yes, we would be very pleased to do that, Mr. Chair.

\* (17:10)

**Mr. Derkach:** With regard to bursaries and the Student Loans Program, this, of course, has become a very important issue for students in our province, and especially for I would have to say recognizing the difficulties that students from outside of the cities are experiencing.

This has been an issue for me for a significant amount of time, where there is very little recognition being given to the differential there is in cost to students who have to commute from outside of Manitoba, take up residence in the city, as opposed to students who can attend a university either from their homes in Winnipeg or in Brandon.

I would like to ask the minister whether or not any advancement has been made in that regard, in terms of recognizing the differential in cost for students between rural Manitoba, northern Manitoba and the city of Winnipeg.

**Ms. McGifford:** Of course, we do appreciate the added burdens in funding education that students have when a student needs to leave his or her community and travel to an institution and perhaps rent an apartment and incur other costs.

What we do with the new bursary program, both the Manitoba Bursary and the Canada

Millennium Scholarship and bursary, is recognize high needs in making decisions about the awarding of bursaries, and a student from rural Manitoba would obviously have higher needs than a student who lives with his or her parents.

So those needs are recognized and there is more loan forgiveness through the two programs that I have mentioned.

**Mr. Derkach:** I have to disagree with the minister in terms of the recognition, because I have at least three examples of students who have applied for student assistance, and in these cases, some have received, others have not.

When I looked at the amounts that were applied for, when I look in a cursory way at their needs and their locations, I was quite honestly very surprised at the award of the student loan and also the reasons for rejecting the student loan. It gave me concern, although I did not pursue it, because it appeared that there was a lack of recognition perhaps of the needs of the student who does not reside in the city. These were cases that were familiar to me in terms of the family background and in terms of the needs of the students. Although it might be an isolated situation, as an MLA I have had to deal with many student application requests that were denied from students from my constituency, and so it causes me significant concern about how students are treated with respect to their applications.

One of the other factors that seems to be taken into account fairly seriously is the assets of the family who are applying for the student loan on behalf of the child. Sometimes, these assets are not paid for to begin with. Secondly, they are not cash assets, and they cannot be converted to assets. Thirdly, in many instances the assets have heavy borrowings against them and so the net worth is just not there. It appears that frustration, I guess, is the best way to describe it, creeps in because of families who see their cases as being desperate, and yet their children cannot seem to get a student loan.

For that reason, I ask the minister whether or not her staff and the department have looked at revamping and perhaps modernizing the

application process and the screening process to allow students who find themselves in those circumstances at least eligible for student loans.

**Ms. McGifford:** Mr. Chair, just before I answer the member's question, perhaps I could introduce the staff who have joined us. The gentleman immediately to my right is Bob Gorchynski, who is Executive Director of Student Financial Assistance, and sitting next to him is Pat Rowantree, who is the ADM of Training and Continuing Education. So we thank them for coming here late in the day and assisting with the members' questions.

Of course, I know that the member realizes that current policies go back to the previous government. Of course, one of the initiatives on the part of our Government has been to redress past wrongs, so we will certainly be rethinking the Canadian student loan in the next couple of years. We realize that there are real issues and that those issues require our attention.

I want to bring two things to the member's attention, in particular, and that is that what we do when making decisions about loans is that we assess family income, not assets, and secondly, there is an appeal process.

**Mr. Derkach:** Mr. Chair, to the minister. I know that these policies have been in place for longer than her Government has been in office, and I know, like her Premier (Mr. Doer), she likes to make grandiose statements about how quickly they are going to move on issues.

I do not expect her to sit there and just cast aspersions on a former administration. It is her Government that is in place now and her Government that needs to make these changes. I do not ask the questions in a critical manner; rather, I am asking whether or not the department and she, as minister, have had the opportunity to examine the shortcomings of the Student Financial Assistance Program because I do believe that there are some severe shortcomings in the way it is approached. I am not suggesting that we can change things overnight, but I do think there are some ideas out there in the field that could be incorporated to make it perhaps a little easier for students from communities who find themselves in significant

financial difficulty today, to be able to access and give those students the opportunities.

I indicated to the minister at the beginning that I wrote to the appeal board on behalf of a constituent of mine at Christmastime, or shortly after Christmas, who found himself absolutely out of money and could not complete his year of education. He got a loan from his brother, and his brother was working on the oil rigs, to tie him over a period of a month. At the end of that month he still found himself unable to meet his needs in terms of paying for his rent, but fortunately he was able to complete his income tax earlier and received a refund from his income tax which allowed him to limp through to the end of the year. We did not hear from the appeal board, and the manager of the appeal board, anything; although the student had appealed. I had written a letter on his request. I did not hear from the student appeal board as to their final decision. I am assuming it was denied.

\* (17:20)

Again, I am not casting blame on anyone. I am just suggesting that perhaps in circumstances of that nature, even though we use the Internet, I believe the direct contact with that individual who finds himself in a very stressful kind of situation needs to be addressed. I am just asking the minister whether or not she and her staff would look at it in a positive way where perhaps we could be a little more service-oriented to the client in responding to their needs.

**Ms. McGifford:** Rather than being grandiose, I thought I had been quite reticent during most of our deliberations together. The member has brought several matters to the floor in his previous remarks. In response to the member's question about whether we have had time to really examine and rethink the Canada Student Loans Program the answer is not really, and we are aware that the Canada Student Loans Program requires overhauling nationally. For example, it does not really address the special needs of adult learners or the special needs of part-time students and indeed as the member has pointed out to us, rural students. So we think rethinking the Canada Student Loans Program in the next few years is absolutely necessary and

we concur with the member opposite in that matter.

In conversation with staff from student loans, pardon me, Student Financial Assistance, I am told that there is nothing outstanding in the way of appeals so that we would greatly appreciate it if the member could bring the specific details to the attention of staff at the Student Financial Assistance office.

**Mr. Derkach:** I certainly will. I do not mean to make an issue of one particular case here, and I certainly will follow up with that individual case. I was using it more I think as an example of frustration than anything. Through the course of the year, I have to tell the minister, and I think it is a sign of the economic times in rural Manitoba; this year, more than any other year that I have been an MLA, I received I would say triple the number of calls and letters of frustration because of the turn down in their applications, so I think this is a matter that needs some attention. I am thankful that the minister is prepared to look at it. I know that this is a national program and requires more than just a minister's attention to it, but anything that we can do from the department side would certainly be appreciated by many people in the field.

I want to go on to ask the minister about the comment notation. I noticed there is an increase in terms of staff in the administrative support area and a notation indicating that increased staff is due to in-house service bureau to deliver the Manitoba Student Loan program, and perhaps the minister could explain that to me, please.

**Ms. McGifford:** I am sure that the member opposite is aware of changes in the Student Financial Assistance and that the banks are not going to continue with the loan program. Consequently, our plan is to administer our own program, and that will require additional staff.

**Mr. Derkach:** Can the minister please explain whether or not other options have been looked at rather than bringing it in-house?

**Ms. McGifford:** Yes, other options were certainly examined. There was an extensive review by a national consulting firm. We have consulted widely with other provinces, and I

think the telling factor is that the cost of in-house servicing is estimated to be about \$5.7 million over 3 years as compared to integration costs, that is, an integrated program with the federal government which would range from \$6.82 million to \$8.3 million. So, although in-house service delivery would necessitate the hiring of 24 additional FTEs within Manitoba's Student Financial Assistance Program, it is obviously the soundest decision from a fiscal point of view. Also, we believe it would provide the best service to our students.

**Mr. Derkach:** Can I ask the minister to provide me a little detail on the national consulting company that was hired to look at this matter?

**Ms. McGifford:** The consulting company is a company known as Cost-Effective Solutions, and it is a national company that has done similar work with B.C., with Newfoundland, with Nova Scotia and, I understand, has worked very closely with the Bank of Nova Scotia. So we have every confidence in this company and believe that the decisions that they have arrived at are sound.

**Mr. Derkach:** Can the minister tell me who the company is, where they are from and what their terms of reference were for the company?

**Ms. McGifford:** I am advised by staff that the persons from Cost-Effective Solutions are all former senior bank managers, so their credentials are impeccable. They have worked in the private sector during most of their lives. The company is from Toronto and their terms of reference were to analyze all options to replace the banks, to evaluate costs and quality of possibilities, and, generally, to examine all the options and present us with them.

**Mr. Derkach:** Can I ask the minister whether other jurisdictions have moved in the same direction as Manitoba has or have they chosen other options?

\* (17:30)

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Ms. McGifford:** I have been advised by staff that most of the other jurisdictions are still considering options, that they have not made a final decision, and indeed we have not made an absolutely final decision. We are still in discussions with the federal government. I think it is interesting that none of the other provinces, I am advised, Mr. Acting Chair, have to date chosen harmonization; B.C., I believe, is choosing a relationship with a service provider.

It is also worth mentioning, I think, that not all provinces have the options that we have. We are very fortunate to have access to credit unions, and that is not the case across Canada. So we do have some latitude to make decisions that are not open to other jurisdictions. We are in the process of creating a relationship and working on a relationship with the credit unions as to how things can best be done.

But I do want to emphasize that we have not made a final decision against harmonization with the federal government. It is still a possibility, but as I indicated to the member a few minutes ago, from our perspective at this time, it appears to be an expensive possibility, more expensive than the option that we think we are likely to choose.

**Mr. Derkach:** So, Mr. Acting Chair, to the minister, is she telling me that the additional costs have not been realized and the staff have not been hired yet? Are the numbers here pending a final decision?

**Ms. McGifford:** Yes, that is true. We have not hired these individuals. We are starting to gear up, and the process of hiring will take place over a period of time.

**Mr. Derkach:** Mr. Acting Chair, let me try and understand this a little more clearly. The minister is telling us that a decision has not been made with regard to harmonizing with the federal government or providing the service in-house or perhaps developing a relationship with the credit unions in Manitoba.

I would like to ask the minister what recommendations this national company specifically gave to the province and whether or

not the minister has made up her mind in the direction that she is moving, because, if she has not, what is the point of putting staff in place if in fact you might be going in a different direction?

**Ms. McGifford:** One of the difficulties that the department has in arriving at a final solution is that the federal government keeps changing the options. There is still some leeway, some dancing going on. We are definitely moving in the direction of an in-house program. We are still open to other possibilities, but we are definitely moving in the direction of an in-house program. That seems to be the most favourable option at this point.

Of course, as the member is aware, we have to have something in place. Students will be going back to school, and we cannot wait forever.

**Mr. Derkach:** Mr. Acting Chair, I would like to ask the minister if the cost-benefit analysis that was done by this national company showed that in fact the in-house solution was the best option.

**Ms. McGifford:** Unequivocally, yes. I think I mentioned the figures when I spoke previously.

**Mr. Derkach:** Mr. Acting Chair, what is preventing the minister from making the decision? I know the federal government is changing some of its options, but is the department tied to what the federal government wants at the end of the day, or, in fact, can we as a province move ahead and implement the most cost-effective model?

**Ms. McGifford:** Mr. Acting Chair, as I have been saying, we are almost certainly moving in the direction of an in-house option, but we have raised with the federal government the option of withdrawing completely from the Canada student loans and running our own program. That appears to be the direction that we are headed towards, but there is one complexity for students, and that would be if we maintained—just a minute, I have to check this—there is one benefit to harmonization, and that is that each student would have one student loan as opposed to two student loans under the other model.

**Mr. Derkach:** Again, for more clarity, is the minister indicating to me that the Province may be severing its relationship with the federal government in terms of the student loan program and setting up its own student loan program and then administering it on its own as well?

**Ms. McGifford:** What we are doing is reviewing the options in order to determine what is most beneficial for Manitoba students.

**Mr. Derkach:** Mr. Acting Chair, is it correct that the money that is provided for the Student Loans Program at the present time is coming out of the federal pool and not the provincial pool of monies?

**Ms. McGifford:** The money here is provincial money. We administer the federal money, but it is not represented here with the exception, of course, of the Canada Millennium Scholarship and the Canada student grants.

**Mr. Derkach:** Just so that I get a clearer picture, the minister is telling us that they may decouple from the federal government with regard to the Student Loans Program which would mean that we would have nothing to do as a province with the federal Student Loans Program that has been in place for every province across Canada and that we would have our own student loan program. In that way, we would administer our own program as well.

Am I representing the situation correctly, Mr. Acting Chair?

**Ms. McGifford:** Yes, basically the member is representing the situation accurately. I am sure that he knows that Québec is not a part of the program.

\* (17:40)

**Mr. Derkach:** Mr. Acting Chair, as I understand it, the pool of money that is provided for student loans at the present time comes to students from the federal government, and we administer the program.

Manitoba has a student bursary program. We have also implemented a student loan program, but the bulk of the overall Student

Loans Program is that money is being supplied from the federal government.

Would students in Manitoba have access to that money after the Province has decoupled from the federal program?

**Ms. McGifford:** Mr. Acting Chair, the student loans are divided as follows: 60 percent of the money comes from the federal government and goes directly to students; the Province is responsible for 40 percent of provincial loans.

If I could just get back to the question of harmonization, et cetera, once more. Apparently, I am advised, full harmonization with Ottawa looks expensive, and that we indicated to the member a few minutes ago. The joint program as at present is the option that we are working towards. A separation entirely would take several years.

**Mr. Derkach:** My question, however, remains. With students in Manitoba, if separation did, in fact, occur where we were not part of the Canada Student Loans Program, would students in Manitoba still have access to the Canada Student Loans Program, even though we had our own student loan program?

**Ms. McGifford:** Students would not be affected at all. If we were to decouple entirely, we as a province would be compensated. We will not decouple if students have less access. Quite clearly, our first interest is in students.

So the federal government would give us the money, and then we would give it to students which, of course, is what happens in Québec currently.

**Mr. Derkach:** Then the money would still come from the federal government. It would be transferred directly to the province, and the province would administer those dollars, together with provincial dollars. Would Manitoba still be adding 40 percent to the federal money for student loan purposes that would be transferred to the province?

**Ms. McGifford:** The answer to all the member's questions is yes, with the caveat that of course money does not really come from the province

or from the federal government but from the banks.

**Mr. Derkach:** Ultimately, it comes from the taxpayers. My question leads towards the costs of the student loans to the province, and the cost to the province of loans that have been defaulted. I would like to know from the minister if in fact we have a change in the harmonization, is there then going to be a change in terms of the cost to the province for the interest and default of loans that occur?

**Ms. McGifford:** Well, we do not have that information yet, which of course requires evaluation.

**Mr. Derkach:** I appreciate that the minister perhaps does not have all that information at this time. I think it is important information to have before decisions of that nature are made, because indeed the Treasury of the province could then be, if we would deharmonize and accept the responsibility, saddled with the costs of the defaults and the costs of all of the administrative and the interest charges for loans that are either not repaid or are delinquent. Then it is our Treasury and our taxpayers that would be bearing the brunt of responsibility for those.

**Ms. McGifford:** Of course, I agree with the member opposite, and that is why we need to do very careful and detailed studies in analysis before making a decision.

**Mr. Derkach:** Can I ask the minister whether an outside firm would be engaged to do the analysis as to the benefits to the province of deharmonizing, or whether in fact that would be done in-house?

**Ms. McGifford:** We have not made any decisions at this time.

**Mr. Derkach:** I would like to ask the minister what her time frame is, because we are now in the month of May and student loan applications are probably going to be coming in in the next three months or two and a half months, and some of these decisions will have to be made, or are we still going to operate for the next year under the same relationship, and is this initiative

something that will not come into effect for another year?

*Mr. Chairperson in the Chair*

**Ms. McGifford:** There are two different considerations. One is a short-term consideration, and one is a long-term consideration. In the short term, we will be delivering student loans, we expect, through the service bureau. This will be delivered, that is the Manitoba portion, in house employing Credit Union Central, and the federal government will establish the mechanism that the federal government chooses to establish.

In the long term, one of the possibilities that we are working toward is complete separation, but that is a long-term initiative. We expect it to take two to three years, and, of course, it will have to be very carefully studied and evaluated. As I said, this member knows we want to make a sound choice for students and for the taxpayers in Manitoba.

**Mr. Derkach:** So, Mr. Chair, I do not understand something. There has been an increase in the staff complement of 24 positions. Is that to deliver the Manitoba portion together with the credit unions?

**Ms. McGifford:** Yes, that is the case.

**Mr. Derkach:** Can the minister explain to me what the difference is in the banks administering the program vis-à-vis the credit union administering the program and why we need the extra 24 positions now that the program is being moved over to the credit unions rather than the banks?

\* (17:50)

**Ms. McGifford:** Well, the reason that additional staff would be required is that previously the banks did all the work. In the new model, the credit unions are not willing to do a whole lot of the work that the banks did, and that is keeping

track of who owes how much money, dealing with defaults, organizing disbursements, repayment. All these tasks that were assumed by the bank would not be assumed by the credit unions. The credit unions would offer access to their computers, to their loan administration systems and their branches for students to pick up the money and to make repayments. So the two models are quite different.

**Mr. Derkach:** Mr. Chair, would the minister consider calling it six o'clock? We are not going to finish this section today. I just ask the minister whether she would be prepared to call it six o'clock, and we can continue next week.

**Ms. McGifford:** Well, I would be willing to entertain questions from the Member for Russell on student financial assistance while the staff from student financial assistance are with us. If he has no more questions on this particular matter, then, of course.

**Mr. Derkach:** Of course, I have more questions, and I said that we would have to continue in another session.

I just need to meet a commitment at six o'clock, and that is why I asked the minister if she would consider giving me the five minutes to be able to make it to my next commitment.

**Mr. Chairperson:** May I clarify it is not only the minister. There are members of the committee around here. They all have to agree; there should be unanimity.

**Ms. McGifford:** I would certainly agree to calling it six o'clock if that meets with my colleagues.

**Mr. Chairperson:** It is agreed that it being six o'clock, committee rise. Call in the Speaker.

#### IN SESSION

**Mr. Deputy Speaker:** The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 3, 2001

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