



Third Session - Thirty-Seventh Legislature

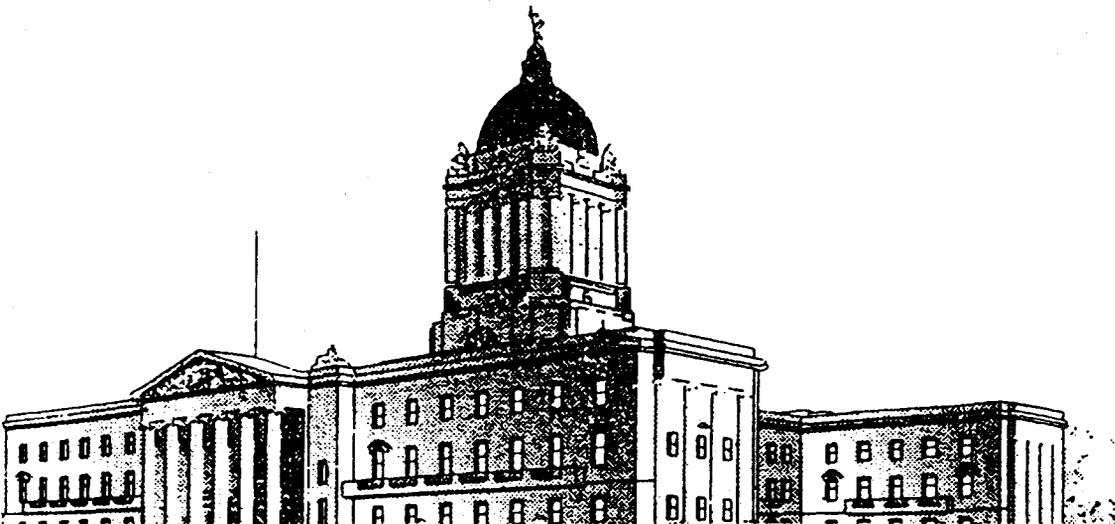
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, August 8, 2002

The House met at 8:30 a.m.

PRAYERS

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you canvass the House to see if there is unanimous consent to vary the Estimates sequence to move the Estimates of the Department of Family Services and Housing into the Chamber for this morning, to be followed by the Estimates for Healthy Child Manitoba? Just for the advice of the House, as well, there are only two sections of Supply sitting this morning: the section in the Chamber, and, in 254, they are considering Health.

Mr. Speaker: Is there unanimous consent to vary the Estimates sequence to move the Estimates of the Department of Family Services and Housing into the Chamber for this morning to be followed by the Estimates for Healthy Child Manitoba? *[Agreed]*

Also, there will be two sections of Supply: the section in the Chamber, to consider Family Services, and the section in 254 to consider Health.

Mr. Mackintosh: I move, seconded by the Minister of Family Services and Housing (Mr. Sale), that the House resolve into Committee of Supply.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (08:40)

Mr. Chairperson (Harry Schellenberg): Good morning. Will the Committee of Supply please

come to order? This morning, this section of the Committee of Supply in Room 254 will be considering the Estimates of the Department of Health. It has previously been agreed to have a global discussion in all areas, and then proceed to line-by-line consideration with the proviso that, if a line has been passed, leave will be granted to members of the Opposition to ask questions in passed areas.

The floor is now open for questions.

Mr. Peter Dyck (Pembina): I have got a few questions, and this is specific to the area of Pembina, which would be Manitou, Morden, Winkler.

My first question is—and I know I have asked this before. It has sort of been an ongoing concern that we have, but Tabor Home in Morden, maybe just again to refresh our memory, the Tabor Home, which is located in Morden, represents a community that had a growth of 8.7 percent last year. It was among the three top growth areas in the province of Manitoba. Of course, the neighbouring community, Winkler, had the second highest growth next to Steinbach, I believe.

Anyway, this is a growth area, and this year the Tabor Home will be celebrating their 50th year. It is a facility that is used by the community. Maybe just a little bit more background, I believe, which is important for the record, is the fact that the person who was instrumental in starting the Tabor Home, we celebrated his 100th birthday two weeks ago, Frank H. Friesen. He is still alert. In fact, he is very spry for his age. So we had a good time doing it.

My question specific to Tabor Home is that, under our administration, we had indicated that they would be receiving 20 more beds, that, in fact, we need to rebuild part of that facility. I

think the recommendation, at that time, came out which indicated that they were going to replace the total facility. I would just like to ask the minister where they are with this project, and what is the plan in the future for Tabor Home in Morden?

Hon. Dave Chomiak (Minister of Health): The member is correct. We have had this discussion in Estimates, I think, for the past several years, and I am aware of the situation and the demographics. We have had extensive discussion. The members provided some interesting suggestions vis-à-vis different forms of housing and different forms of supports in that and surrounding communities to deal with the demographic shift. The member and I had the pleasure of not only opening a new hospital in that area, but a personal care home in Winkler, as well as attending at the anniversary of Eden Mental Health Centre, which was also located in that area.

The announcements with respect to capital projects have not been announced at this point. I do not think, substantively, the numbers or any of the criteria have changed dramatically since our last discussion, except to the extent that, curiously, several reports have come out, particularly CIHI, the Canadian Institute of Health Information, that have demonstrated that Manitoba has, per capita, the highest number of personal care home beds per capita. As well, the Manitoba Center for Health Policy and Evaluation has done a review of the bed count in Manitoba and has projected into the future not a substantive need for additional beds. I said curiously, because it sometimes defies logic from what we know. Also, what it does not recognize is, I think, the point the member will make, which is the fact that in certain locations of the province there is growth. The member has indicated statistically that there is growth in that and surrounding areas of his community that requires attention.

Having said all of that, I am not in a position at this point to give a specific response to the member. I do not think things have changed dramatically with respect to the development. It was one of the few projects that had had approval. It was approved, I believe, in the spring of 1999 and then subsequent to the election as I have gone through with the member

on numerous occasions. We went through a re-evaluation of a series of projects, and it was one of the few projects that was re-evaluated. I am not in a position to say yea or nay to the member at this point, except to validate the information that he has put on the record.

Mr. Dyck: Further to that, I think when you look at the demographics, and the minister has indicated that we have got the highest number of beds per capital, I think we need to recognize the fact, too, that there are certain areas that attract people for retirement and that can at times also then skew the numbers somewhat. That would be my one comment to the answer that was given. I think that we need to seriously look at that part of it.

You indicated some of the other resources that we have out there such as Eden Health Care facilities, again a wonderful facility, but I think we also need to recognize the fact that when you have good facilities, when you have good areas where people like to retire or they get their health needs met, they gravitate towards those areas. A case would be, in Morden you have a retirement community and so people obviously like the safety, the security they can realize out there, and so they move into the area. I think that needs to be taken into consideration as well when you look at the numbers and when you look at the beds that are out there on a per capita basis.

That would be one thing I would like the department and the minister, if nothing else, to reconsider, but the other area of it is that the facility is 50 years old. There are rooms in this facility for safety reasons, I believe, that need to be relooked at. They cannot move the beds in and out of some of the rooms because of the size of the doors. There are some mechanical problems in this facility and, as I indicated, it is 50 years old.

I would ask the minister whether, even putting aside the whole area of possibly people waiting for beds, would he consider looking at the fact that structurally and also for safety reasons, consideration needs to be given to building a new facility?

Mr. Chomiak: I thank the member for those representations, and we will take them into consideration.

Mr. Dyck: Another area I would ask specific to, I guess that would be the Boundary Trails and the whole southern region, is midwifery. I believe that is in limbo, if that would be a term used. Is it back on track? Where is the department at with that?

Mr. Chomiak: With respect to midwifery, I assume the member is making reference to the Central Region. I have indicated publicly and otherwise that we are proceeding to continue to develop midwifery, and would be making incremental expansion of the program based on need area, et cetera. So I think, in general, I do not believe there is anything significant that the member should have to be concerned about at this point.

* (08:50)

Mr. Dyck: Just to add to that, not to be concerned, on the other hand, though, is the program being utilized as we hear in the press releases, as it is ongoing? Is the program being utilized, and is it being supported by Manitoba Health?

Mr. Chomiak: The program is supported by Manitoba Health and has seen not only its development, but continued growth. There are a whole series of issues surrounding midwifery. There is the question of the workload at the college. There is the question of ongoing accreditation of the issue of credited individuals who are trained as midwives, or have experience as midwives. There is the question that it is not, at this point, available in every region. There is the question of the capacity of the present group of midwives to deal with specific volumes in their particular areas. There is also the question that it is a program that is in its, no pun intended, infancy. It is in a developmental phase.

There are several issues that we as government are looking at with respect to the program: high risk, high need communities that do not have, for example, access to other forms of birthing, as well as volumes and numbers of births, et cetera. We are supportive of the program. We are supportive of the program in the Central Region.

Mr. Dyck: I want to move to another area, and that is doctor recruitment.

Mr. Chairperson: We will give the floor to the Member for Emerson.

Mr. Jack Penner (Emerson): Mr. Chairperson, just a week ago, I had a conversation with one of the midwives that was practising in a South Central Region. I am quite perturbed at the lack of interest and support, departmental support, from a budgetary standpoint.

She believes, as many of us did when we first started initiating the midwifery program, that there were some significant economies of scale to be gained and services of, if you will, better provided to those that would prefer a midwife attending birthing. It appears to them and to us that this Government has moved significantly from the position of supporting those kinds of initiatives.

It appears to me when I listen to the people that are directly involved, departmental and other, that the whole matter of economies, the scale has been set aside and there is an agenda out there somewhere that would indicate that we do not have much faith in the midwifery program and that we really are not terribly supportive of the midwifery program.

Can the minister indicate to this committee what direction his Government is intending to take this whole program in, and is there any serious effort being made to provide proper funding to that program to get it off the ground once and for all?

Mr. Chomiak: Not to start off the morning in a fashion, I just note that this Government has funded midwifery about 250 percent more than members opposite when they were in government, Mr. Chairperson, and the member acknowledges that. So I just want to clarify that.

When the midwives visited here on the steps of the Legislature, when the midwives came down to the Legislature about six weeks or two months ago and I met with the midwives here at the Legislature, we discussed a whole range and series of issues.

I know the member has been in government. The member has to appreciate that there are various perspectives that are brought to an issue.

I have been and we have been very supportive of the midwives view of the situation, have funded them accordingly. As I indicated to them, and as we have discussed during the whole course of our development of the midwifery program, we incrementally continue the development of the midwife program throughout the province. That is what we have done and that is what we intend to do.

On an individual basis, there are a variety of concerns expressed by midwives with respect to circumstances. As a government, we are as supportive as ever and, in fact, are continuing to enhance, expand and put additional resources—additional resources—into the midwife program.

The member talks about economies of scale. When I was making reference to my bad pun to the Member for Pembina (Mr. Dyck) a few moments ago and talked about the program being in its infancy, the member can appreciate that issues like economies of scale do not necessarily manifest themselves at the very beginning of a program. Obviously, we have to allow the midwife program to grow and develop before we quantify it on the basis of economies of scale.

One of the purposes for the introduction of midwives, aside from the fact that it is a service that was asked for and is required and needed and is felt to be a very important choice for families to make, aside from that issue, there is always the hope and the perception that it will result in something of a shift in terms of ability to offer different types of care across the system.

We have been very supportive of midwives. It has been a net growth. It will continue to grow and I anticipate, like in all areas, as I have said over and over during the course of these Estimates, there is probably not a group or an organization or a region or an institution that would not want more resources. I think that if one, on balance, is to look at the growth in all of the areas, I think generally there has been a significant increase and there will continue to be.

Mr. Jack Penner: Having been involved in agriculture all my life, in other words being called a farmer all one's life, one would appreciate what the minister says when he uses

the term "nurture and grow." We know what it means to nurture and grow.

We know that it needs the right kind of ingredients. Number one, it needs the right ground. The base needs the right preparation. It needs the right nourishment. If the minister were sincere about the midwifery program succeeding, it would appear to us that he would have provided those ingredients. One of those ingredients is enough funds to be able to buy the kind of inputs that you need to make it grow. If you do not do that, it is not going to grow nor is it going to be successful.

We believe that our initiative when we started the midwifery program, the approach towards it, we thought this would provide significant benefits especially to rural Manitobans, because many of the European backgrounds in rural Manitoba understand the midwifery program. Many of the older folks taught and were appreciative of how midwifery and midwives function and work. They understand this. So we thought that many of the rural parts would have a significant benefit, and it would lend some level of comfort to young women having children and raising families that they did not have before. We believe the success of that program was dependent in large part on the sincerity of the Government.

Now, I ask the minister: When will this Government truly demonstrate its commitment to the midwifery program? When will there be proper and adequate funding provided to regions such as the Central Region where there is the staff available, the training available, and yet the program has withered and died? It is not available currently as we speak, and it is under this minister's watch that it has deteriorated. We would like to see it grow.

Mr. Chomiak: Not only has the program expanded from the initial phases of the program, but it will continue to expand, and resources are in place this budgetary year.

Mr. Dyck: I would like to move on now to physician recruitment and maybe just a little bit of background there as well. I know that you have hired a neighbour of mine, Dr. Don Klassen, to be working in this area, and a fine

gentleman he is. I think it is a good choice. Certainly, he brings a lot of expertise and experience to this.

I do have a concern in all of this. I am going to speak a little bit from a personal story that I can relate to the minister here. From our area, I guess historically we have been talking about wanting to encourage young entrants into the field of medicine. We are looking for rural people because it is the rural staffing that is a real concern. In many cases, we are looking for the female gender to enter medicine.

* (09:00)

It is interesting to note that from our area, this is a period of over three years now, but there have been three young ladies who had all the requirements to get into medicine. They went through the total process of their degree programs in sciences in university, followed by the MCAT exams, which they did well on, followed by the interviews. That is where the breakdown came. The interesting part of it is that these three ladies applied, went through that whole process two years in a row, were denied entry into medicine.

Just a bit of a follow-up to this, this is where I find it somewhat interesting, but my understanding is when you look at the percentages of rural people entering medicine and being accepted into the school of medicine, it is only 15 percent from rural Manitoba who are accepted. What I find somewhat interesting is obviously the others who are accepted into medicine come from the urban area. Again, the statistics there point very clearly that only 15 percent are allowed from rural Manitoba.

I am concerned about this because, again, we are trying to get ladies involved in medicine. We are trying to get rural people involved in medicine so that they in fact will be able to fill some of those positions in rural Manitoba. Yet we are not achieving this simply by the indication to the people that they are not accepted.

It is a concern. I know it is a concern to not only myself but to many people. I would ask the minister: Does he have a plan in place where this

is going to change, or are we going to continue to do this and rather get physicians in from out of country? What is the long-term plan here?

Mr. Chomiak: I am glad the member asked that question because it allows me to go specifically into the program we have put in place. Let me just commence by dealing with several issues the member raised. I do not think there is a member of this Chamber who has not had an individual who was close to being accepted into medical college contact them. That has been my experience over the years. We all do what we can to go to bat for our constituents.

Now, the member's point about rural Manitoba is valid. The last time I looked, I stand to be corrected, but if memory serves me correctly almost half of the class at the Faculty of Medicine were women, if memory serves me correctly. If not, close to half of the class. That is the first point. The second point is that one of the reasons the college has gone to a larger percentage of the entrance into medicine being part of the interview is a recognition of flexibility and a recognition of a different type of approach to medicine, different types of qualifications for one to enter the Faculty of Medicine.

It used to be, again, I am only going from memory, 90 percent based on academic record and 10 percent on entrance exam. It is now based on a scale of academic entrance exam and an interview, which is a significant component. That has been done for a reason. That is one of the reasons, I think, we have seen some growth in areas of the Faculty of Medicine to be more representative of Manitobans.

The entire government strategy for rural and northern physicians is based on a premise of retention. That is the first point, an acknowledgment and a recognition that, while we have to and will always continue to recruit, the best way to maintain Manitoba doctors in Manitoba is to retain them and the best way to do that is to get them out of their own communities, get them into training and then they go back in their own communities or related communities. That is the first point.

We looked at a number of successful programs across the country. One of the most

successful provinces for retaining its medical graduates was Saskatchewan. It was something like 65 percent. Manitoba has been historically something like 30 or 35 percent. So we looked to a number of Saskatchewan programs and we looked to the committee that had been working for years with respect to recruitment and retention of doctors.

To that end, the member knows we firstly put in place an expanded number of positions at the Faculty of Medicine. Secondly, we expanded the number of residency positions available. Residency positions are important. We also expanded the number of family residency positions, which is also important, because those two issues permit us to have people trained as doctors much faster than the long period of time. The long-term issue, one of the ways of addressing it was to expand the Faculty of Medicine, which we did. In the short term, by expanding the number of residency positions and expanding the family residency positions we were able to, in the short term, train more doctors in family medicine and provide more opportunities for residency.

The member will know that we put in place a program for students who are in their last year or in their residency year of medicine to repay or provide a forgiveness, essentially a bursary that is repayable in some cases on a return of service and in some cases for a variety of other factors. The last time I looked it was something like over 150, which someone had said to me equates to 150 years of returned service that are available as a result of that program. We put that program in place. All of this costs considerable resources of all of us but was all aimed at rural and northern Manitoba.

We also put in place, the member will know, our program for foreign medical graduates. We put in place a specific program that would look at the credentials, that would go outside of the regular process, would look at the credentials of an individual who received their medical training; who were Canadian, but received their medical training outside of Canada, would assess them over a period of time and then allow for a year with assistance, a whole series of training measures to upgrade that individual and help that individual be capable of going right into

residency. That program is continuing. The first year we did not have as much uptake but, the last I checked, the second year we had significant uptake in that program.

A whole series of measures all geared towards the issue of retention on a variety of factors and a particular emphasis on rural and northern Manitoba. The member has already spoken of the appointment of Doctor Klassen as the director. The intention under that program, this is where it gets interesting, because I had at one point said we are going to do this, this and this and should Doctor Klassen not be doing this, this and this. I was reminded Doctor Klassen is the expert and Doctor Klassen is sort of going down this road, going down this road and going down this road.

Part of, as I understand it, the role and function is he is going to be going to the high schools. He is going to be going into rural Manitoba and talking to students, giving them background, encouraging them, providing supports, et cetera, all across rural Manitoba to develop, to have students and to assist students in attending.

To get back to the member's original point, three women in rural Manitoba who want to be doctors, who have not been accepted, that is precisely the type of issue we have to focus on. We have to focus on rural and northern kids, children, our kids, getting into medicine and going back to their communities to help out.

I have several anecdotal stories but this is the member's time, not my time, so I will not go on. That generally covers the area.

We have done a whole bunch of other things, things like Saskatchewan has done, of trying to court graduating students, sitting down with graduating students and saying what would you like, what would you need, what do we have to do in Manitoba to keep you here. We have done that. We continue to do that.

Various incentives are also available. If the member has any specific suggestions he can talk to me, but he should talk to Doctor Klassen. We are in this one together. If there is anything that can be done anywhere that will help and can

improve the situation, we are open to it. We are open to considering it. We are going to take a lot of direction from Doctor Klassen and the group of people he is working with.

Mr. Dyck: I appreciate what the minister is saying. On the other hand, my point of this is we do not need to go out there and encourage students to enter the Faculty of Medicine and then go and turn them down. It is not only these three. I am citing these three as an example. My point is there are rural students who are prepared to get into medicine, who are prepared to pay the extra costs.

There are extra costs for rural people living in Winnipeg going to the Faculty of Medicine, and, believe you me, that is not cheap. They are prepared to do all of these things. I do not think we need to go and ask anymore to go and fill out the forms and go through this whole process. In talking to these three young ladies, they are discouraged. They are now getting out of it. They are saying I have taken, whatever it is, 5, 6 years of my life, put things on hold, I wanted to get into medicine. The credentials, according to what we hear, are right. In fact, one of these young ladies, her father is a doctor. When you hear the statistics that only 15 percent of those who want to get into the Faculty of Medicine, only 15 percent from rural Manitoba are accepted, I do not think we need to go out there and try to do any more recruiting. I think we have the numbers out there.

* (09:10)

I think what we need to do is, in this system, somehow solve the problem if we are serious about the fact that we want rural people to get into medicine. We need to somehow find a way, provided again that their credentials are adequate, are sufficient to meet the needs, that we give them that opportunity. It is not only in this area. I find this from other rural areas where the young people are saying the opportunities for us to get into medicine in Manitoba are not good and, consequently, they are just leaving.

I come to my original point. If it is true, and I know the minister has not spoken to that part of it, but if this is true that only 15 percent from rural Manitoba are accepted, then I think we are

not meeting the mandate as we had originally intended it to be. I will leave it at that.

Mr. Chomiak: I have indicated that one of the reasons for the appointment of a director of Rural And Northern Health, and an individual who is both experienced at the Faculty of Medicine and experienced in practising in rural Manitoba, is to serve just that point. I have had this discussion with other members of the Legislature concerning specific students. We all have admitted, whether members opposite when they were government, and when we are in government, that we do not have enough rural and northern students in medicine. That is the reason for the myriad of programs that we have put in place and the fundamental role, the *raison d'être*, the reason to be for Doctor Klassen, is to reverse that trend.

I have done follow-ups on specific individuals, on specific cases just to try to understand the process, and I am willing to do that. I cannot, obviously, effect change. I cannot dictate decisions. I have done follow-ups when I have had permission from individuals as well just to see what the scenario was and why certain things worked out certain ways. I am prepared to do follow-ups on individual cases if the member would like. Sometimes it has come out differently. We all know there is a variety of factors. The point of the number of people from rural and northern Manitoba in medicine being low is true and we have to reverse that. I suggest to the member that we have taken significant steps to do that, and if there is any specific advice he has, pass it on to me or pass it on to Doctor Klassen, because we are open to any and all suggestions.

Mr. Dyck: I have one more question before I turn it over to my colleague from Emerson. This has to do with the South Central Region, again, the pending deficit that they are running out there and the concerns that they have in being able to continue to run the programs. Just being specific, with Boundary Trails: in my discussion with them, with the CEO of the Central Region, there are a number of people who are utilizing, from out of the region, facilities at Boundary Trails and possibly at Portage and some of the other facilities, but I am more acquainted with Boundary Trails. It is a wonderful facility, and it

is great that it is being utilized. The concern that they have is one of funding.

Is the minister looking at this in order to be able to recapture some of the dollars that are being taken from the South Central Region and basically giving services to people, clients from out of the region? Is there some sort of recognition that there are dollars that are being used and that there in fact will be some dollars that will be put back into the South Central Region to compensate for that?

Mr. Chomiak: We did discuss matters concerning Central regional quite extensively the last several days of Estimates and I know the member was in another committee doing other work and cannot be here for both, so I appreciate the question. The resources to Central Region are considerable. We are working with Central Region. You will not see the formula that we went through, considered a whole variety of factors, including wage settlements, including specific individual needs of the area, increased drug costs and a variety of other factors. We have been significantly effective in terms of deficits. We have gone from \$78 million down to \$13 million across the system, which is a pretty significant change, quite a dramatic change. There are some areas that have deficits. We are working with them. We have managed to reduce them. We are going to continue to do that. We do understand and appreciate the fact that Boundary Trails does perform a significant function and has attracted individuals from other regions.

* (09:20)

It is a fascinating discussion. I know the Member for Emerson (Mr. Jack Penner) is going to be discussing related issues, and it is a fascinating issue as to how one allocates resources and how one puts resources in place. One of the fascinating things that I found out in one centre when we opened a CAT scan, the utilization of that CAT scan went right through the roof. I said, well, that is terrific. Therefore, we must be able to take the resources from the CAT scans, the people who were coming from, and reduce it so we can offset it at the location where the CAT scan had gone through the roof. Well, what happened was that the resources of

the CAT scan that was existing, as well, were rising.

It is a fascinating experience. I think people in the Central Region, we have had a discussion. There have been minutes cited from Central Region. We continue to work with them, and I think that our experience in the past few years is that programs, not only continue to function, but expand during our tenure.

Mr. Jack Penner (Emerson): We all know that the changes in society today and the demands of society and the dramatic changes in technology in the health care system have added a significant cost. I think we have all experienced that, but I think it has also, Mr. Chairman, added a level of service and probably better care than we have ever, in the history of humanity, been able to offer from a health care perspective.

Regardless of which party is governing, those costs will, in my view, keep on rising. What I found most interesting during the last election campaign was when the now-government of Manitoba promised the people of Manitoba that they would fix the health care system with \$15 million, and they would do it in six months. They would get rid of hallway medicine. Everybody knew within the system, and all of us who were involved in the political arena knew, that was a fallacy, yet the minister continued to drive that point and eventually won the election based on that, I think.

That is unfortunate because to try and deceive people into thinking there was something that you cannot deliver, from a political standpoint, it does not serve the political process well at all. It only leads people to be more skeptical and provide an arena of mistrust. I think that we all, as politicians, need to be careful that we do not use fear, especially in the health care system, to drive our own little political agenda. It adds a measure of uncertainty to those that have to deliver, and it provides a difficulty for especially the management teams that are in place in the regions.

One of the things that I have always found interesting is that, when I look at the disparities that have been created within the health care

system from one region to another in the province of Manitoba, whether by design or by accident or some other reason, it is immaterial. It has happened over many years, I believe, but, when I look at the southeast region which I represent and very proudly represent because there are some very innovative people living in that area and very aggressive people that have caused tremendous growth from an economic standpoint in the province of Manitoba, the southeast region being recognized internationally now and in Canada as being one of the areas in Canada that has continually seen the highest percentage of growth anywhere in Canada, except maybe outside of the Niagara region in Ontario, from that perspective, when one looks at how we deliver health care in that region and the cost.

Maybe one should use the cost benefit ratio that is supplied there versus other parts of the province. It is an interesting study. I believe when one hears and listens to the regional health board administration as well as the board of directors in their attempts to provide services on an ongoing basis to their client, one must respect the concern they have. There has been constant questioning by the health care administration in the southeast region, as well as the board, as to why it is that the Province of Manitoba funds to a lot lesser degree health care in southeast Manitoba than it does in the balance of Manitoba. One could use all kinds of regional analysis.

I am not going to get into that, but I would like to ask the minister what his view is, particularly with respect to providing fairness in the delivery of health care and services being provided to those significant growth areas. I will get into more specifics a bit later on, but if the minister would give us a bit of an overview as to what their Government's agenda is in that region I would appreciate it.

Mr. Chomiak: I will ignore the earlier comments in the preamble of the member's question. The member I know was not here yesterday because he was in another committee, but I have discussed those issues and I think I have almost convinced his critic that he is wrong in the assumptions they are making in those things. He can read Hansard and determine

otherwise in terms of the significant impact we have made on the hallways and changes we have made to the health care system, but I will ignore that.

On the specific issue the member is raising, the member will note that there is both a CEO and the board chair who were the same CEO and the same board chair when the member was government of that region, who have consistently said that their problems with funding are not related to this Government but their problems with funding are related to the formula that was in place prior to the existence of this Government. They have felt consistently and they have said it publicly since inception that they did not get a fair shake in terms of funding. That is the first issue.

I recently met with the board when we announced the repatriation of surgery to Steinbach, Ste. Anne, whenever that was. I had another meeting with the board where we talked about this issue again. To the credit of the board, they are the kind of board that dialogues and always seeks to educate and provide information. The point that they make consistently is that if one looks at funding on a per capita basis both that region and North Eastman are significantly lower than other regions of the province. The flip side of that issue, that I always argue consistently, is that a significant component of funding is based on health status and need, et cetera, and if one were to only use per capita that would not reflect other purposes. To go straight per capita I think is a problem.

Their point about per capita is a point that, particularly when one considers the growth and the type of growth in that region, I have said we will work with them to try to address the nature of the changes in the demographic structure of that region. What I am referencing, and the member knows, is not just overall expansion of population, but population of families from particular areas and particular regions, immigrant families, et cetera, that have different needs and a different impact on the health status of people in that region. I think, and I have said to the region, that we have to look at those factors with respect to the funding scenario.

I have said this to the board, and this is not to downplay the argument or to change the

nature of what I am saying, but when I was in Nova Scotia meeting with the Nova Scotia Minister of Health, we were looking at the Nova Scotia regions. There was a fascinating region in Nova Scotia that is not dissimilar to South Eastman, in terms of the population, the growth and the health status. That region was coming in to talk to the Department of Health and the minister about per capita funding. It was fascinating because it was almost the same kind of demographics and the same kind of situation where there was a region relatively close to the major urban centre of Halifax that was experiencing the same and making the same kind of arguments. The Nova Scotia people were doing the same thing we were doing. They were looking at health status, they were looking at services provided, et cetera. They were going through some of the same issues and discussions we were going through.

* (09:30)

To make a long story short, it has been a long-standing problem, a long-standing point. I do not think I can give the member satisfaction today to say we are going to solve it. There have been significant funding increases. What we do recognize, we do recognize the demographic issues particularly that have been raised by individuals in that region. We are working with them to try to deal with that issue. In addition, there has been some reallocation of resources to that particular region based on need over the past period of time.

Mr. Jack Penner: Thank you very much. Can the minister maybe articulate how much of a reallocation of those funds has actually occurred?

Mr. Chomiak: There was an adjustment to the base of South Eastman during the course of last year, of additional earmarked funds that went into their base, firstly. Secondly, this year we have also recognized the need, in terms of their staffing guidelines, for additional resources and advised them they will be funded in that regard. There has been some specific to that region earmarked funding to recognize particular concerns that has gone into the base of that region.

Mr. Jack Penner: Can the minister tell me how much that is in dollars?

Mr. Chomiak: We will confirm those numbers with the member.

Mr. Jack Penner: There are two areas of significant concern in the southeast quadrant of the southeast region, probably I should say the southern half of the southeast region. One is the lack of services in the southeast quadrant. I know under the previous administration there was initiation undertaken to provide at least some level of service in Sprague to service Middlebro, Wampum, Badger, Vassar and probably even up to Piney to the south area, to provide some level of medical services, such as doctors, at least on a part-time basis, and other services.

We have had a public health care nurse there in that town for a number of years. I think that position was there when I was first elected. Nothing much changed until the previous four or five years when we initiated some level of permanency there in that region, which was long overdue.

The other area of concern in that region is, of course, the ambulance service and how that is provided. Much of that is now being provided out of Minnesota and at a very high cost per individual. One of my friends was taken ill and had to be transported to a hospital, was transported to Minnesota. I think the bill for the ambulance from just about 12 miles inside Manitoba into Minnesota was somewhere in the neighbourhood of \$800 or \$900. That cost had to be borne by that individual. For people with means that is not a big problem but for people who are not of means that is a very significant problem.

I find with interest the change in the staffing and the requirements, for lack of a better term, the educational requirements now for ambulance attendants, I am not critical of that, however, it has led to a situation where we now have full-time paid staff running these ambulance services, where it used to be all voluntary. One could argue it was paid-voluntary. When the service providers actually did come, most of them were voluntary ambulance and fire attendants, firemen, we only paid when they were actually on the road. Now we pay staff full time.

I found with interest only last week when we were told there was a severe shortage of

ambulance attendants that some of the ambulances could not operate, not only in the southeast but in southern Manitoba. Yet Emerson was an area where they had objected vehemently to the process of having paid full-time ambulance service providers and chose and were finally accepted by the department to still operate a voluntary service. The Emerson fire brigade and the Emerson ambulance service providers have not had any difficulty providing the services when needed in the system. Others have because the paid staff simply were not there, and I do not think we can afford them.

I am wondering whether the minister is having some second thoughts about this and whether we might want to again look at encouraging the voluntary, I call it private voluntary providers, to provide ambulance services in rural Manitoba, because it makes so much more economic sense.

What I found most interesting during the 13 years I have been an elected member is that in many cases those ambulance providers and firemen took training on their own, at their own cost, whether it was fire training or whether it was ambulance service training, and brought their own service levels to a significant level that they could in fact qualify to be hired by the City of Winnipeg. Many of them have been hired by the City of Winnipeg to be ambulance service providers. Yet we chose to ignore that level of service that was there, virtually took away their rights to provide ambulance services and insisted that it become now a paid full-time service provider, the same as the ambulances we had there.

Most of the money was raised locally through voluntary efforts, through donations and all kinds of things. We had some of the best ambulances anywhere in Manitoba in that southern area, without question. What I found most interesting the other day when the new ambulances were delivered, there was not any equipment in those new ambulances. All the old equipment had to be ripped out of the old ambulances, well, they were not old, but ripped out of the ambulances and they installed old equipment. There was a stretcher installed in one of the ambulances that did not have a wheel on one side.

That is what we now call publicly funded, non-private services. Before, when it was voluntary, we had some of the best equipment and we had some of the best services. These people, when their beepers went off, when those sirens in those towns went off saying there is an emergency, within a few minutes those people were on the job and they delivered a service that was as quick as any service you could want to provide. Yet governments knew better and did away with all that.

Just look at the town of Altona and what has happened over there. I walk into the hospital and there are two people walking around in uniform helping the nurses with this and with that, because they have nothing better to do. We pay them full time, when before there were people working in the garage that I worked in at West Park Motors, there were people working at Rhineland Car. They were at CSP. These people all took their training on their own time, paid for it themselves and brought the expertise to the level where they could provide excellent services, from the ambulance service standpoint, to those communities. Yet we chose to say, no, you cannot do it anymore.

I am wondering, Mr. Minister, whether you have taken a close look at the lack of staffing that is there now and the cost that the Government has incurred because of decisions that were made to do away with the voluntary ambulance service provider.

* (09:40)

Mr. Chomiak: Just returning to the previous point that I indicated to the Member for Emerson (Mr. Jack Penner), there was \$700,000 put into the base of the South Eastman budget last year. It was allocation from other areas. In addition, there was an additional \$225,000 put into the base, so close to a million dollars put into the base last year to deal with the needs of that region. In addition, this year there is \$800,000 in one-time funding to deal with some staffing guidelines issues.

So that is all in addition to the increases they receive, and that is in addition to discussions that I have indicated to the member that we are having with that region concerning their funding

ratios and how we can best meet the needs of the entire province, as well as recognize circumstances that they are in.

I do not even know where to begin on the ambulance issue. I could say one thing to the member right now in terms of this area, and I can go into the Legislature or go to another member of the member's caucus or my caucus and will have a totally different demand, literally. Let me try this. If the entire service would stay voluntary, was voluntary and could stay voluntary, it would be considerably less cost to the Government of Manitoba.

The Government of Manitoba is not running around asking for additional costs or additional expenses in health care, believe me. So, if that were possible, I am not sure that we would. This was not a decision that was made. The Government did not say we want to get rid of all the volunteers, and we want to pay staff full time more across the province, and we want those rates to go up dramatically. We did not make that decision. The member says we made that decision. We did not make that decision. I think we have had this discussion before. Unless the member wants to have a long discussion, regardless of what I say to the member on this point, when another member from either party comes in here and talks about rural ambulances, there can be a diametrically 100% different view.

So we are trying to meet the needs of the entire province. We have increased resources. There are a variety of options that we are working on with each of the regions. Ambulance service was taken under the auspices of the regions, under regionalization. We are all trying to deliver the best possible service and program across the province.

Mr. Jack Penner: I think the minister just made the point. Rural Manitoba is so diverse, and community to community you cannot provide the same level or base of service, the same kind of service, in one community that you can in another in order to satisfy. I think the regional concept has demonstrated that. I think the lack of funding to the southeast was simply a matter of tradition, in large part, that drove that.

I will say this to the minister, that the voluntary aspect of health care provision in Manitoba has been severely impeded by the decisions made to regionalize and then put in place restrictive measures that caused the volunteers to disappear. I look at our own town and I just think back as to how many people would on an ongoing basis provide voluntary services to the hospital, to people, whether it be ambulance services or services in the hospital, helping the nurses and all those kinds of things. That has all disappeared because it was discouraged. I found that very interesting.

I think the southeast Steinbach area was another area. I look at Sprague and Vita. Vita had a hospital when I was first elected, when I campaigned there, I walked through the hospital, and there were eight pails standing in the hallway. It was raining that day. There were eight pails picking up the drips coming through the roof. These people in that area had traditionally voted NDP, but that year they did not vote NDP because they had begged for a new hospital. When they finally quit begging for a new hospital, they at least begged for shingles on the roof, which they were not even getting. You should have seen that old hospital. It had tiles hanging from the ceiling. There were open holes. You could look straight into the ceiling where the tiles had fallen out. This is the kind of hospital that we had in Vita. We made a decision that we would build that hospital in Vita.

I found it very interesting. When the election was called, for some reason the construction on that hospital was stopped. The floor was almost finished when the election was called two years into our mandate. Construction for one reason or another was stopped. I am not going to get into that, but when we won the election we said that hospital will be finished. Construction started again within a week and we built the hospital in Vita. I think that has been one of the most significant advancements of health care provided. We have more staffing there now. We provide more services largely because that facility was built there.

The reason I say this is because from the Red River right to the Ontario border, there was just that old hospital with the water leaking through it and the tiles falling off the ceiling.

When we built that there was a commitment made that better services would be provided. There was a personal care home addition to that facility. The reason I am saying this is because of the lack of a personal care facility in the southwest quadrant of the southeast region.

It was just three years ago that there was a study done on needs for personal care. I believe the study indicated that we had a deficit of 16 personal care spaces in the southwest quadrant of the southeast region. That area is a bit of a unique area because many of the people who require health care services in that southwest quadrant of the southeast region used to get their services at Emerson or Morris or Altona. I have often said that we should have configured that region to take into that Central Region the portion going right up to Ridgeville, on the ridge. There is a lot of history and there is a lot of geography that said that. The trading patterns and the traffic patterns all lend to that.

That was one of the reasons why the decision was made to build a new facility at Emerson. We had argued long and hard that, first of all, the old Customs building that had been converted to a hospital had never truly met the needs of a hospital and that the addition of the personal care units that were added to that old Customs building, the configuration was such that the service being able to be delivered by the nurses continued in that facility was almost unworkable and the economics left a lot to be desired.

We decided that we would build a new facility in Emerson. The town of Emerson acquired a property, a large open area. I believe it cost them somewhere in the neighbourhood of \$100,000, that the town spent to accommodate this hospital. The community organizations started raising money to accommodate the 10% requirement in Emerson and we were in the process of building a new facility to accommodate, first of all, the expansion requirement from the southeast quadrant of the 16th place deficiency in personal care and to provide better services, more efficient services in that setting.

The other option was to rebuild the facility from the inside. It was determined that it could cost anywhere from \$250,000 to \$1 million to do

that. I found, with interest, that when the election was over and we had lost government, the NDP government decided that they would not build that facility. That is, of course, their choice. They make choices, as our Government did make choices, based on what their political agendas are, and I respect that. However, the decision was made to rebuild and to put in place a sprinkler system and all those kinds of things.

I would like to ask the minister today what amounts of money were spent. How much did we spend to put the sprinkler system in place in the Emerson Hospital and re-jig the service area, the nursing station, to at least allow some semblance of economic and physical services, both to personal care and the hospital?

* (09:50)

Mr. Chomiak: Just by way of preamble to the member's question, we have constructed these Estimates to go on general issues. In some cases, I do not have the specific appropriate officials from the department here, just because of the nature. I am prepared to do that if there are specific issues. For example, I do not have the ADM for regional affairs here, which is on some very specific issues that members have asked about, and I can get back specific information. So I am just alerting members to that fact. If members just want to pass me a note or just let me know if there are some significant areas they want to go, I will try to have the staff members here this morning for that. That is the first point.

The second point, with respect to the fire and safety and configuration of Emerson Hospital, as I have indicated to the member before, when we looked at that decision the question was there were outstanding orders for patient safety. We discussed it very seriously. We felt, in good conscience, we could not, not do. If memory serves me correctly, it was around \$1 million that we put in place. I will try to confirm that for the member. I am going from memory, but it was in the range of \$1 million, if memory serves me correctly.

Mr. Jack Penner: That is the point I make. I think the estimates ran anywhere from \$250,000 to \$1 million that it would cost to do the work in the Emerson Hospital. The decision was made

that, instead of wasting \$1 million to provide safety in the old building, which will have to be replaced regardless because it is going to fall in the river one day, instead of doing that, we build a new facility. We would spend probably \$4.5 million, \$5 million and build a new facility that would serve the needs that were there.

Now you are going to have to either make a decision whether you are going to add personal care beds to that facility to serve the needs of that region, or you are going to tell those people that you are going to close that facility permanently and make the people in that region travel greater distances to get their health care.

I constantly get calls from the town of Emerson and surrounding areas, constantly get calls asking when the minister will open the hospital again. They tell me that they have the doctors there, there are nurses that could be hired in that region to provide the services, yet it appears to them that the minister has made the decision not to provide the service simply to save money. That is what they are telling me. Those are not my words; they are their words.

So I want to ask the minister whether there is still on his agenda the building of that new facility. If not, No. 1, will he consider compensating the town of Emerson for the \$100,000 that they spent to buy the property that the hospital was supposed to be built on, and will he assure the people in the town of Emerson that the services will be reinstated in the hospital in Emerson?

Mr. Chomiak: We have just had a discussion about, for example, the additional resources that have been put in place in the South Eastman region, and some of the specific resources and expansion of programs. We have had this discussion. I have had this discussion with the member previously. The services, an itinerant doctor would attend at Emerson Hospital from Morris, which was my understanding of the situation. When I visited that hospital, there was an itinerant doctor that came in from Morris that provided services.

The vast majority of residents were going to Morris General Hospital when the member represented that area as government. That did

not change the day after the government changed. As I indicated on many occasions, there are significant capital investments made and there was a decision by members, the member felt it was an advanced decision in terms of the capital process. That is not how I would characterize it. We made a decision. We reviewed all of the capital and the Emerson project did not come out, relative to other areas, as high.

* (10:00)

Mr. Stan Struthers, Acting Chairperson, in the Chair

Mr. Jack Penner: It was very obvious to the people in the town and surrounding areas of Emerson. I think the Minister of Health knows that I live six miles from the town of Emerson and have lived there all my life. I also know that the traffic count on 75 Highway, the commercial traffic count especially, has gone up very dramatically. I also know that what the minister is trying to imply here is a matter of semantics more than anything else. When you have a situation as what we had in the Morris, Emerson region, I think we need to recognize what had happened previously. That is that the Morris, Emerson area developed a process whereby they became a small region unto themselves.

I think the minister will remember well the discussion about the Red River region and whether there should be a Red River region developed under the regional health care system. It was largely driven by that group of people from the Morris, Emerson area that had joined forces to provide services to their respective areas. The doctors served both Morris and Emerson. Whether the doctors placed those people in Emerson or Morris, I think, was largely a decision of the physicians. How those two facilities were utilized was many times at the discretion of the physicians. I think the minister recognizes how that happens as well.

It was always argued within the region, by the public in the region, that if the facility was brought to adequate standards in Emerson, that would have changed dramatically for two reasons. One, there was a significant opportunity to increase the services provided to people in Pembina, North Dakota, because of the lack of a

hospital there. Emerson was the closest health care provider to them, and many people from Pembina use the Emerson facility.

We believe that we could have actually brought some revenues into the province to help and assist in the operation of that hospital, but that sort of thinking is foreign to this current Government. We realize that. We believe that was one of the main reasons why it was decided to not build the new facility at Emerson. However what we have done since is, since Central regional has taken over, and I give a lot of credit to the new CAO and management structure that is currently there in recognizing the needs and providing the kind of services that they have done, they have changed the doctor, service provider arrangements that were previously done under agreement and I think are now designating more services to the town of Emerson.

I think that is beneficial to the whole region, but what we need is a decision by the minister to recognize that and to encourage that and it needs to be done from two sides. There needs to be discussion with the southeast region and how you bring part of that funding into the Emerson facility and increase the personal care beds at Emerson. Central needs to also then work closely with southeast, because Emerson is right at the corner of the two regions, as the minister knows. Therefore, there is some requirement to co-ordinate some of the activities from both sides. I would suspect that if the minister took a hard look at that, he would recognize the efficiencies that could be built if you actually had built that new facility or would consider even today building that new facility and providing the services. You would be amazed at how many nursing staff would come and want to work full time if they were given the choice to work full time, instead of what they are doing now. The minister is right. Much of these services are centred now out of Morris. Then we provide part-time service in Emerson. That is unfortunate because it does not lend to good economics from either end of the scale.

I think you would be amazed at how willing the people in the town of Emerson would be to help you with designing a service provider operational plan for that facility that I think

could make you some money, quite frankly, if you did it right. I think you could reverse the traffic, instead of all of our traffic heading for Grand Forks and Drayton for CT scans and MRIs. You could actually reverse that trend and bring that traffic into Manitoba, instead of Manitoba taking their dollars into the U.S. health care system.

I often smile when the minister talks about private health care. Southern Manitoba utilizes private health care probably more than any other areas in Canada because we are so close to some excellent, excellent service. We can get MRIs at Roseau and Warroad. We can get CT scans. We can get MRIs at Drayton and Grand Forks, and CT scans. It is all within less than an hour's drive. Where do you think people are going to go? Do you think they are going to wait a month or three, or six months, in many cases, for an MRI? No. They jump across, and they pay out of their own pocket. The minister does not even know about that. So we do have private health care service that we utilize. A lot of Manitobans utilize private health care service. We are not being served by our own system, and that needs to be changed. If we would provide the kind of services along that southern region of this province that I think they deserve in that large growth area, then I think we would all benefit by it, and I think we would provide a more economical service in those areas than we do today.

I think the minister and his Government made a huge mistake in spending a million dollars on an old facility that has done nothing and will do nothing to provide better service. As a matter of fact, we have decreased the services and spent an extra million dollars. If we could have spent, instead of spending \$3 million or \$4 million or \$5 million, that would have added some long-term permanency to that facility and provided better personal care.

I want to ask the minister, in regard to waiting times, we have in that southern area, I just received a call last week again from a person that had been slated for hip surgery since spring and had been cancelled and rescheduled and slated again. So I made some calls into the department and asked what the waiting times were for hip and knee replacement services. The

response I got was between six and nine months. I know the minister has made a lot of to-do about shortening the waiting periods, and that is simply not the case, according to his department's own statistic. This person will be nine months almost to the day if the date is kept that he is slated for surgery. His name is Leo Dupuis out of Emerson. He is a retired customs officer. Leo was very distraught when he called me, and I made the inquiries. I understand that he is now scheduled for surgery, I believe it is, the 2nd of September. Similarly, and this one is very close to my heart, we have a young family member who has cancer. She has been slated for surgery three times now, and her next date is in August now. Cancer, we know, is a very serious disease and can spread, and, for that surgery to have been delayed three times is questionable, a 19-year-old girl. Again, it is an ill that has crept into our health care system that I believe need not be there.

We need to stop talking in big round numbers, and we need to start co-operatively taking action. All this rhetoric that we have heard in the last five years, or even ten years probably, from the minister's mouth, criticism, prior to him becoming minister, if we would have sat down together and tried to work things out, I think we would have a better system instead of continually criticizing. I believe that it is absolutely imperative that action be taken instead of just words used.

So I want to ask the minister whether he can give some comfort to these people who are constantly on waiting lists, who require services, whose lives are in danger, and when will he provide the resources to stop the waiting lists and put an end to them once and for all?

* (10:10)

Mr. Chomiak: First off, if the member would give me the specific names, the member knows we follow up quite diligently on individual cases. We do what we can on each individual case.

With respect to the hip and knee replacement, there are a number of factors. Was it a second-round surgery that required a sub-specialty? It is not my numbers but the numbers

of the Canadian Orthopedic Association that said we had the second lowest waiting lists in the country, not my numbers, independent, third party, Canadian Orthopedic Association, press conference in Ottawa or Toronto said that. I did not say that.

We are doing more. There was an article in *The Globe and Mail* that said if you need hip and knee replacement surgery, the place to be is Manitoba. I know that does not help the particular case of the individual, and we will look at that, if the member will do a follow-up and I will have my staff do a follow-up unless that has already taken place. There are a variety of factors that could enter into that. So that is the first point.

The second point, on the cancer surgery, again if the member will give me the name, we will look into it. There are many times when there is bumping and surgery has been delayed. It should not happen and we are trying to improve it. There have been many times when cases have come forward where the surgery has been delayed for reasons that are out of our hands. There are a variety of reasons. I am not diminishing that individual's case. Again, if the member will give me that name, I will do a follow-up on that.

Since the member talked about waiting lists for surgeries, I feel compelled to deal with that issue a little bit. I already said the Canadian Orthopedic Association said we had the second lowest waiting lists. When *The Globe and Mail* did the report, they said if you need that kind of surgery, go to Manitoba. That is what they said, not me. In any individual case, it is a case of the surgeons; it is a case of elective. There are a whole variety of reasons.

The additional surgery at Steinbach that we are doing outside of Winnipeg, expanded surgery, the first time in my memory that has happened. A lot of that is orthopedic surgery so people in that area can get their surgery. Should we be doing it all over the place? Well, this is the first time that has happened. It is the first time we have repatriated surgeries outside of Winnipeg in our elected memory. We are moving orthopedics from St. Boniface Hospital to Concordia to allow for more enhanced surgeries as well as enhanced day surgeries at Pan Am. We are increasing the volume of surgery.

The waiting lists are going up to a certain extent because of the demographics, because we are doing a lot more. That is what the trend lines have told us. That is what the Manitoba Centre for Health Policy and Evaluation did in their study. That is why we are ramping up to do a lot more.

On individual cases, I will follow up and I will see what the cases are. On an individual basis, anytime, any day, there are cases that happen that should not happen, but the statement that we have not done or have not put in resources to deal with waiting lists is not correct. It is simply not correct at any level, on any comparative basis.

I will look at those individual cases. I hope the member will pass on the names. I would like to follow up because there are a variety of factors. There was a—well, I will not get into some of the specifics. Each time a person requires surgery, it is a very traumatic event. The more serious the health condition, the more traumatic it is. With hip and knee replacement, one would say that is not life-threatening, but it is quality-of-life threatening. It detracts from the person's quality of life significantly. That is why we are doing significantly more volume of those types of surgeries, and I have the stats to back that up. But, again, independent third parties have said that.

In individual cases, why a person has been scheduled for cancer surgery and cancelled three times, I think I would like to look into that and see what the circumstances are of the individual case.

There are situations. About a year and a half ago, I did an interview with the *Free Press* where we were trying to ascertain why we were having trouble pushing through a lot of surgeries at the tertiary care facilities. The issue, we have discussed that extensively, was the issue of critical care nurses and getting nurses to deal with critical care, ICU beds, et cetera. The problem was not the surgeons. The problem was not the slates. The problem was not the lack of resources. The problem was not literally the lack of beds. The problem was critical care nurses to staff those particular beds.

Mr. Chairperson in the Chair

We have increased the number of nurses in critical care. We have decreased the training program from it to try to get those nurses to come out faster. We have increased standby pay for all nurses, to make it the highest in the country to try to encourage nurses to do that type of care. We still have difficulty with critical care nurses. We are looking at a variety of means to try to deal with that. That has been one of the major problems with respect to surgery. That is a fact. I am actually confident that when we graduate more nurses through our training programs, which will start happening this fall, we are going to see some easing up.

There was just an announcement in Brandon, not by me, by the Brandon authority, about how a number of nurses are coming back and how pleased they are. That does not mean it is not a continuing shortage. The nurse shortage is a problem in terms of some of the intensive surgeries. Cancer surgery cancelled three times is a problem. I do not want that to happen. In any event, before I get down a rhetorical path, I will leave it at that point.

Mr. Jack Penner: Just two more points. I want to ask the minister whether there has been any funding put in place to expand the facility at Sprague.

Mr. Chomiak: I will have to get back to the member on that specific.

Mr. Jack Penner: The second point: has any analysis been done on the South Central Region as to the requirements of personal care beds in the Altona-Emerson area and what the requirements will be over the next 5, 10 years?

Mr. Chomiak: We have done analysis province-wide in terms of the immediate 5 to 10 year period. The regions within their health plans do take that into account. I do not have the regional person here at this point on both the Sprague issue funding and the specific issue of personal care homes in that particular area. I will get back to the member. Should for some reason the session not continue, I will still get back to the member on that issue.

Mr. Jack Penner: Thank you very much. I believe my colleague from Steinbach has some questions.

Mr. Jim Penner (Steinbach): I would like to commend the Health Minister for a couple of moves he did make in southeastern Manitoba. I represent the constituency of Steinbach, which is really the R.M. of Hanover. It is a growing area. We have an increased group of aging people and at the same time the facilities we had for a personal care home at Bethesda had really run their course. They were outdated by today's standards and they were inefficient. So the planning that had been done prior to the new Government taking over in September '99 was funded by the honourable minister here today. If it had not been funded we would still be struggling with facilities that were probably a disgrace to the people who built this country. So, thank you, Mr. Minister, for that contribution.

I am also very thankful for the announcement that was made just probably weeks ago concerning extended surgeries, that this would take some of the pressure off of hospitals in Winnipeg. We are proud of our hospital in Steinbach, being accredited as it is. We certainly have a strong volunteer brigade that continues to support in many ways. As the minister noticed when he toured the personal care home, there were many items in that building that had been funded by the Bethesda Foundation and by the women's auxiliary.

We are taking part. We do care. We do put up our share of the money and we do have volunteers today that are visiting in the personal care home and helping where families cannot take the load by themselves.

I have often wondered though, whether the beds that were closed I think last year in Ste. Anne and Steinbach, could the minister inform us as to whether the Steinbach beds have been reopened to accommodate the rehabilitation department or program that was existing there prior to 2001?

* (10:20)

Mr. Chomiak: I thank the member for those comments. Just briefly, two points. I thank the

member for thanking me personally. It is the Government that provides the funding and it is collective, but I thank the member for that.

Secondly, one of the fascinating points, I think the member made the point and it fits in with comments that were made earlier by the Member for Emerson (Mr. Jack Penner) that the community and the input from the community is so significant in maintaining particularly the volunteer and faith-based that provide the services, it is quite significant. I have to, as a caveat, again, because of the nature of the way the Estimates have been going, I do not have the specific regional people here to deal with some of the specific regional issues. I will endeavour to try to get them. If I cannot get back on the specifics, I will get back to the member on the specifics of the Steinbach beds and rehab beds in particular.

Mr. Jim Penner: The funding for a new program, which is surgeries, was welcomed. At the same time, there are some concerns of the region. One is particularly the fact that last year the Southeast Regional Health Authority did produce a deficit, in spite of their best efforts, and the budget for this year predicts another deficit. Is the honourable minister prepared to predict how these deficits can be handled in the future if we cannot recover?

Mr. Chomiak: When we assumed office close to three years ago, the combined deficits of the regions were \$78 million. Last year, the combined deficits of all the regions were approximately \$13 million, which is a significant decrease. That is not to say that in individual regions a \$1-million, \$2-million or \$3-million deficit is a significant portion of their budget, so I am not diminishing the significance of deficits. We have told the regions we do not want to pick up deficits. We are working with regions.

I think our policies have had some significant impact in moving from \$78 million in deficits down to \$13 million. In my experience since I have been elected to this Chamber, that is the least I have ever heard of in terms of deficits. So the trend line is positive.

With respect to South Eastman Region specifically, as the member knows there have

been long ongoing discussions with respect to the funding arrangements for South Eastman. Mr. Chair, South Eastman and North Eastman have made representation, since inception virtually, that the historical basis of the funding model is not fair to both of those regions. Both, in particular, South Eastman has made their representation that a per capita funding model would more appropriately reflect and deal with the needs of that particular region. In fact, the board again made that representation to me when I, together with the member, had the occasion to announce the expanded surgical program at Steinbach and Ste. Anne.

So this difficulty has been ongoing. To the credit of the board and the chair, they have consistently argued this position, not just during our tenure but prior to our assuming government. Their argument, actually, just to summarize it is a twofold argument: firstly, historically, they did not receive their adequate fair share based on what had been established; and, secondly, the demographics of the region are such that the funding does not recognize the changed demographics of one of the fastest growing regions of the province, the immigration, the different types of needs that arise from that kind of migration, immigration into the region.

As I have indicated previously, last year we made a specific adjustment to the base of the funding for South Eastman of \$700,000. We reallocated from other areas of health care \$700,000 directly into South Eastman's budget as recognition of their base funding. So that was an issue that we tried to address. This year there is an additional \$800,000 that is going to South Eastman to recognize staffing guidelines. That \$800,000 is one-time funding, in addition to a quarter of a million dollars for the additional surgeries. In addition to the increases they have already received, just in that funding that I have talked about here, we are talking about \$1.7 million in additional funding to South Eastman region, Mr. Chairperson.

* (10:30)

Having said that, I have acknowledged and agreed with the board that we would continue working with them to try to address the issues

that they raise concerning the particularly, I will put it in terms of the demographics of the region, and try to find some way of ensuring that those issues are recognized. When we announce and develop the funding formula for every and all regions, we take into consideration a number of factors. This year we ensured that all of the negotiated settlements that we negotiated would be picked up, would be accounted for. The drug increases would be accounted for. Individual characteristics of a region would be accounted for, and several other factors that I have outlined during the course of these Estimates with respect to regions.

One of the points I want to make to the member, I guess I want to make three points to the member. Firstly, within our funding allocation, we do take into consideration individual circumstances. Secondly, we did recognize, last year, an additional infusion of funding into the base of that region. Thirdly, we have agreed with the board that we will look at how we can account for and how we could recognize some of the changes that have occurred in that region as a result of population growth, demographics, immigration, et cetera, which, to some extent, are unique to that and the Central Region, that whole southern part of the, if I could put it those terms, that region and that part of the province that takes in both South Eastman and to some extent Central Region. There have been population changes and demographic changes to deal with that.

There has been some suggestion that we go to a total per capita funding model for the regions. It is always a difficult balance. If we went per capita there would be a significant shift from other regions and, I daresay that representatives of all political stripes from those regions would approach us and say it is not fair per capita. Our needs based on health needs and other criteria are greater and per capita is not fair. I suppose the member has probably received information from Mr. Campbell, as I have on numerous occasions concerning per capita funding. I am cognizant and appreciate quite strongly the information that has been put forward by the region with respect to their funding. We are working with them. We acknowledged it last year in terms of increased funding into the base, and we will continue to work with them to try to find a way to address

the issues. I know I have gone on but the member's question did deal with funding deficits, et cetera. I hope I have covered that off.

Mr. Jim Penner: Mr. Chairman, I particularly am interested in, well, as Finance critic, of course, I would like to see how the increasing funds from the federal government are distributed. I know that in '94-95 we took a real hit in the province. I think it was in the area of \$600 million. It was very difficult to operate. We also reorganized, in the nineties, from individual hospital boards to health authorities and I think all parties agreed to that, but, yes, I am very interested in the funding and in particular because Southeast Regional Health Authority I am told receives the least amount of funding on a per capita basis and is struggling with deficits and is looking for ways to find solutions to meeting the needs of the communities.

The communities I represent in Hanover are certainly good taxpayers. They are growing communities. The fact is that the managers of the hospitals, the superintendents and so on have told me repeatedly that one of the reasons why we do not get the funding that we need from time to time is that we are so self-sufficient, we just go ahead and pay for it ourselves, but under the Government's decree-of-the-day, private funding of health care is not considered a correct way to move.

Now, as far as I know, the beds that were closed in Steinbach, the rehabilitation department and the Ste. Anne closures, still exist. Now I have a question in regard to the deficits. We heard today that there was, probably when they took office, a \$78 million deficit and today there is a \$13 million deficit. Was that 78 million cumulative, or was that one year?

Mr. Chomiak: Mr. Chairperson, it was cumulative. When I say cumulative, it was all of the regions together and it was for that particular year.

Mr. Jim Penner: Thank you. So that 78 million in deficits happened in one year in the province and then we have a \$13 million deficit and that would be for the year ending March 31, 2002?

Mr. Chomiak: Yes.

Mr. Jim Penner: We will keep trying to get a better share of the federal funding to increase our funding on a per capita basis as has been mentioned. I am sure people are aware in the Government that when you have lived in Niverville all your life, or if you have lived in Grunthal all your life, or you have lived in Kleefeld all your life, that when you get older you do not want to get packed away in a distant remote personal care home. You want to be able to be with your family. You want to be able to be with your friends. You want to be able to be in the community that you have struggled or worked in for so many years. Particularly, I find that in those three communities I named, Grunthal, Kleefeld and Niverville, although acute care or specialized services will never exist in those communities unless they get very much larger, the community of Grunthal is, I think, becoming a town officially this week or this month.

Niverville has shown a 9.2% growth rate in population and is the fastest growing community in Manitoba and people really want to stay there, especially when they get older or if they have long-term illnesses. Because the funding to the Steinbach Hospital to take pressure off surgeries in the Winnipeg hospitals, I think is a good move, I am wondering if there is some background that I do not understand in improvements, particularly let us say in Niverville, which does not have any primary care. Is the minister aware of changes that would occur in the Niverville area which also probably would serve Grunthal and Kleefeld?

Mr. Chomiak: Mr. Chairperson, yes, representations have been made to me in that regard.

Mr. Jim Penner: Is there a will and a plan to address the needs in Niverville?

Mr. Chomiak: Mr. Chairperson, we continue to work with the Regional Health Authority to address those needs.

Mr. Jim Penner: Mr. Chairman, in the fall of '99 there was a change in operating tactics regarding the method of handling the linens used in hospitals. At that time, prior to the fall of '99 the Steinbach area was serviced by facilities in

Steinbach and the regions were looking after themselves. Right after the '99 election, the laundry services were transferred to Selkirk for the whole region. I have had a lot of questions put to me on this issue. I am just wondering if there is an explanation for that.

* (10:40)

Mr. Chomiak: Firstly, if the member is implying we changed the policy, for example, after the fall of '99, I do not think that is correct. The idea or the concept of moving to a provider for regional services or a combination of regions at one provider was probably based on economies of scale, but if the member is suggesting we changed a policy in that regard, I do not think that is accurate.

Just while I have the floor, I understand the RHA is doing renovations with respect to Steinbach rehab beds in anticipation of opening some of them. I cannot confirm that but the plans are to open at least some of them. They are undertaking renovations to do that.

I wonder if the Member for Charleswood (Mrs. Driedger) would pass on to the Member for Emerson (Mr. Jack Penner) who has had to attend at another committee that Sprague has gone to design and the plans are to tender in the fall. I am sorry to do that, but I just want to make sure I cover those issues off.

I will return to the member's question regarding the linen. To the extent that I am aware of those specifics that is my understanding of it. If the member wants me to do any further inquiries I can do that.

Mr. Jim Penner: I am sure the minister's involvement in such a large portfolio would not necessarily mean he is involved in every decision. Still, representing 20 000 people, I do get to listen to quite a few people from time to time.

For example, the Rest Haven personal care home lost its right to look after its own laundry right after the election in '99. The reports I got were that it was costing them more but they were required to send their laundry to Selkirk. Not only was the cost per item more, there was a

transportation cost. Then the third thing that was really bothering them is it required more inventory because so much of the laundry was in transit. I am just wondering: Was the minister aware at all that this centralization of services to a facility in Selkirk had taken place?

Mr. Chomiak: On many occasions when I visited rural facilities the rural facilities would make the point of showing me their laundry facilities that were, for example, not utilized. If the member is making the point, most local entities make the point that they do their services locally and that it is cheaper, et cetera. I think from the region's perspective, when they look at it as a total regional function, I think the economies of scale apply to the regional function.

As I indicated to the member previously, there was not a change in policy as far as I am aware with respect to that particular issue. Whatever occurred in that regard was ongoing and was made, I believe, by amalgamation and determinations of their regions with respect to cost effectiveness. That is my understanding of that particular matter.

Mr. Jim Penner: Thank you. I do face the music at home. Some of the employees who were disenfranchised said it was because the Selkirk facility was unionized and they were not. Naturally, there was disappointment there, and people are wishing to have their jobs back.

The economy of scale sometimes works but I spent a bit of time in the 1990s in the Soviet Union and centralization seemed to have an adverse effect on many areas, so that personalized services of rural communities and support for rural industry and rural jobs is still something I get to hear about a lot from day to day.

Having addressed that laundry issue, I was just going to suggest we take a brief look at the revenue source and basis of tax or fee recovery handed to me yesterday. Under the Department of Health we notice there is revenue received from employees for meals at the cafeteria in the Selkirk Mental Health Centre, per general manual of administration, that these fees that are coming in have declined in the last year.

Also, I notice that the per diem charges to chronic patients in Selkirk in total have declined

but individually have doubled. In fact, the fees charged to chronic patients in Selkirk Mental Health Centre have gone from \$26.30 per day to \$61.40 per day.

My question was how can the total decline when the daily fee doubles.

Mr. Chomiak: The member, I am assuming, is looking at the Supplementary Estimates for the Department of Finance. Am I correct on that assumption—which I do not have in front of me. I can speak somewhat to the issue.

Certainly the fee structure with respect to patients is the same fee structure that was put in place by the former government. That has not changed. There have been incremental changes based on cost of living that have gone up. The per diem rates which were put in place in the mid-1990s were based on income and the individual's payment is based on income.

I suspect, though I do not know, Mr. Chairperson, that acuity level is a factor, but also the fact we have a contract with Nunavut to provide services at Selkirk Mental Health Centre may be a factor in those cumulative figures. I think the best way to deal with this one, because it deals with specific numbers, is I will ask someone to get back to the member on that specific question. Insofar as it has gone into the Supplementary Estimates of the Department of Finance I would rather not give the member inappropriate information.

First of all, I want to assure the member the fee structure is the same income-based fee structure that was put in place in the mid-nineties. There is a contract with Nunavut with respect to services. That might be a factor. I will have to follow-up on that with the member.

Mr. Jim Penner: Is the contract with a private industry?

Mr. Chomiak: There are reciprocal arrangements, there is a contract, I guess is one word, with Nunavut to provide services. Also, Selkirk provides services to other regions by virtue of contract as well.

Mr. Jim Penner: Are these suppliers that you contract with private enterprise that can profit from this activity?

Mr. Chomiak: I want to make sure we are not talking about different issues. When the member referenced the per diem and the per diem rates, I was dealing with the per diem rates and Nunavut, et cetera. If the member is talking about meals, et cetera, is that what the member is now referencing? I am not sure now what the member is referencing in terms of private suppliers.

Selkirk does rely on a number of food agencies to provide food suppliers, if that is what the member is referencing.

Mr. Jim Penner: Is Cadham Laboratory a for-profit organization?

Mr. Chomiak: Cadham Provincial Laboratory is a provincial laboratory that is owned and operated by the Province.

Mr. Jim Penner: Thank you. The diagnostic consulting fees to the federal medical service of \$32 per person and recoveries from third parties have gone up from \$260,000 to \$318,000. Is this just normal in the course of health care?

Mr. Chomiak: There are a variety of arrangements made with various laboratories throughout the system. We have an arrangement with a federal lab to do testing. For example, all of the testing and the increased testing for West Nile virus is done at the federal lab. There is initial testing done at the agricultural lab, the veterinary lab at the University of Manitoba.

In addition, there are a number of labs that were formerly under the auspices of the provincial government. One of the major ones has spun off and is now functioning as a private company that we have contracts with to do various forms of testing.

Testing for a variety of purposes has increased probably across the system. Certainly, our tests with the lab that does water testing has increased significantly. Our testing in terms of reviews for West Nile virus and other forms of diseases has increased as well. There have been increased test costs as a result of some of the events that occurred September 11.

Just from my own knowledge of some of the issues in this area, I do not think there is anything untoward in terms of the pattern that is occurring.

* (10:50)

Mr. Jim Penner: I am not looking for things that are untoward. I am looking for opportunities to provide management of the taxpayers' funds that will give us the maximum bang for our buck. If someday I am in government, that would be my purpose, to make sure that taxpayers got a very good value for their hard-earned dollars.

The air ambulance recoveries from third parties has gone to \$5.24 per mile. Does that include northern Manitoba?

Mr. Chomiak: Yes.

Mr. Jim Penner: I understood that a year ago or so the transportation costs for northern Manitoba were being adjusted to accommodate the fact that it was a prohibitive charge. Is that right?

Mr. Chomiak: There is a fee that was charged, a \$50 deductible, as it were, on flights from the North that we removed.

Mr. Jim Penner: It is commendable that our facilities are being once again upgraded by the Department of Health. Some of the ambulances we have are really quite an improvement.

One more thing that I would like to address briefly is the loss of urologists and oncologists in the province. I had a recent discussion with a urologist who left the province to work at Mayo Clinic. In fact, he is teaching there now. He happened to be the doctor for my cancer. He believes that we are down from 20 to 11 urologists in Manitoba and that this creates a great deal of stress on the system. He feels that, for example, Concordia was doing the lion's share of the work, but the majority of the oncologists were under the supervision of the university system or Health Sciences and St. Boniface.

I ran a fundraising campaign to supply laser surgery to do TURPS at Concordia. He said he was doing 40 percent of them and he was only one man. That is what he is doing now in Mayo. I am very sorry that we have lost such a valuable person here but even more of concern is what is happening with prostate cancer, which accounts

for one-quarter of all cancer diagnoses on Canadian men.

It is said that of every 9 Canadian men 1 will develop prostate cancer during his lifetime and 1 in 27 will die from it. It says that 5800 Manitoba men currently suffer from prostate cancer, and that the Canadian Cancer Society predicts that there will be 780 new cases of prostate cancer diagnosed in Manitoba in the 2001 alone.

On September 13, 1999, the provincial government promised to establish a prostate cancer screening program within the first year in government. Has that happened?

Mr. Chomiak: I do want to comment on a couple of points that the member raised during the course of his discussion just to assure him of a couple of points. Firstly, overall, net, we have increased specialists in the province of Manitoba. In some areas they are up and in some areas they are down.

The issue of the urologists has been a long-standing issue. There have been some disagreements between various groups in the field with respect to how and where treatment should be offered, et cetera. It is something that has required some mediation and some collaboration to deal with. I was looking through my stats here. As I recall, we had recruited recently a number of urologists, but I cannot find my note on that, but if memory serves me correctly.

Also, the member should know that we are in the process of establishing a prostate cancer centre. There are some that said we should not establish a prostate cancer centre at CancerCare Manitoba, rather, we should utilize other locations and not specialize in one location, et cetera. That is one of the issues, but, nonetheless, we made the policy decision to deal with the prostate cancer centre.

The good news is we have cut the radiation waiting lists in half with respect to cancer therapy, and the last report that came across my desk that I saw with respect to radiation waiting lists, this one showed that Manitoba was the best in the country. Now, I am not going to go say that in a big way publicly, because there are

reports that come out every week, and one report will say something else. But it was interesting that they should say that.

* (11:00)

The one thing I can assure the member definitively on is we have cut the waiting lists for our radiation treatment in half, and that has been verified. That is good news. We are also in the process of developing brachytherapy and other forms of therapy. Again, that is a fascinating issue because when we talked about brachytherapy, there were urologists who spoke to me who said do not do brachytherapy, it is old-style treatment. I mean, there are varying opinions and I am not in a position as Health Minister to say that I know what is best. We rely on the advice of experts.

With respect to a screening program, it is interesting that the most recent literature that has come out with respect to screening—and I have had this discussion with the cancer support group—does not support a province-wide screening program. There is no jurisdiction in the country that has a province-wide screening program.

After much discussion and debate, we do have a province-wide breast screening program. We now have a province-wide cervical cancer screening program. The best evidence at this point does not support a province-wide screening program.

Mr. Jim Penner: Having been a speaker at support groups for prostate cancer, I have had to do a considerable amount of homework, and seven years ago I had prostate cancer, so early diagnosis is the key to dealing with this. We were very excited when on September 13, 1999, the provincial government promised to establish a prostate cancer screening program. I have to tell you that the radiation part of cancer treatment is not generally, or, as far as I know, is not used at all in prostate cancer. So the change in radiation treatment is not addressing the prostate cancer at all.

Brachytherapy is still in some states and provinces in the experimental stage. It is the

planting of radioactive seeds in the prostate to disable the cancer. But the two most successful methods used on younger patients is a radical prostatectomy at this time, and that usually ends up as a cure if it is done correctly and in time. The whole emphasis is on being early. The other thing is that to extend a person's life, hormone blockers are used. It reduces the quality of life, but it does extend a person's life.

So the key to dealing with prostate cancer is clearly in the area of early detection, so we were very excited when the Government offered to establish a prostate cancer screening program. We did not say that it had to be universal to every person at a certain age, but it would be nice to know that if by the time a person was 50, like, when you think of 700 new cases in 2001 alone, if by the time a person was 50, that the Government would supply what is called a prostate-specific antigen test.

You know, the men in this room all could be victims. When you think of it, one in eleven white males and one in nine coloured people will have prostate cancer in the male population. I stressed over many years that we have programs for breast cancer and lung cancer, and I have always been a supporter of these programs. But the truth is that men do not speak out easily on prostate cancer. They seem to be shy to speak on this thing, but it was a real thrill when we heard in '99 that we were going to have a screening program. I still think that this is a very viable thing.

On July 18, 2000, the Minister of Health (Mr. Chomiak) appeared to renege on his election promise when he said, and I quote, with respect to prostate screening, prostate screening is available from physicians for individuals. So the concept of an overall province-wide prostate screening program is still being reviewed.

I am hoping that I can place some emphasis on the need for this early detection. There are some simple tests, and we have the labs in Manitoba to do the screening. An elevated PSA is certainly an indication that further tests are necessary. Normally, a male PSA runs from one to four, depending on age. At 60 years of age, a PSA of four might be normal. At 30, it might be a PSA of two, but, when you get to the PSA of seven, there is an indication that it could be a

malignant tumour that would still be encapsulated and could be removed.

So I am just wondering if there is still a will by this Government to institute some form of prostate screening.

Mr. Chomiak: Mr. Chairperson, I thank the member for that information and appreciate his sharing his extensive knowledge of the area. We are aware, and in fact we are quite concerned about the rates of prostate cancer and agree with the member that early detection is clearly a significant factor.

When I indicated in July of 2000 that PSA tests are available, that still is the case. When I indicated that we are still reviewing the issue of a province-wide program, that still is the case. What I indicated to the member today, that their most recent data that I have seen, the most two recent reports suggest contrary to a province-wide program. That was just part of the continuing review in this area.

Mr. Jim Penner: I thank the minister for that. If I had had an opportunity to present a member's resolution in this sitting, this would have been my message. Having said that, I probably will ask a question which will not get an answer at this time, but Bill 27, the workplace health and safety provides for supervision in the workplace. Will this include supervision in health care facilities?

Mr. Chomiak: Mr. Chairperson, the member is correct. He will not get an answer at this time, but I will try to get back to him on that.

Mr. Jim Penner: One last question, in my portfolio as critic for Finance, we have been very critical about the PST on mechanical and plumbing, heating and plumbing wages. Originally, the committee had struck an agreement to put PST on wages involving plumbing and heating. Now, sometimes the plumbing and heating is repairs, and it is mostly wages. Sometimes it is installation, and it is 20% or 30% wages, but the way the bill was written, the PST is going to be added to the contract price so that, if we are building a new facility in Steinbach or Selkirk or Niverville, or wherever, it is not on the wages. The new PST is being

charged on travel expense. It is being charged on meals for employees. It is being charged on supervision. It is being charged on administration. It is being charged on overnight stays, hotel expense, and it is being charged on the margin of profit that is needed to keep the business running.

So, when the PST and GST are applied to the contract price, which includes all of those things I just mentioned, we have a situation where there is going to be somewhere between \$50-million and \$100-million added expense, including government contracts which, in the end result, is a tax on tax. In fact, the GST already paid by the contractor will be taxed again at 7% PST. So, in the contract price, you already have all the taxes, and then you add a PST to the contract price. So it is a tax on a tax.

You know, health care spending is the largest amount of money in the Budget, and it seems to me that the Budget is going to take a real hit when this PST on contract price instead of on wages takes hold. Has there been any discussion with the minister or with his deputies as to how this PST on contract prices is going to affect the spending on health care?

Mr. Chomiak: Mr. Chairperson, I believe that the member and the Minister of Finance (Mr. Selinger) have had extensive discussions in regard to that. I know that they have had those discussions, and I trust that the usual efficient fashion of the Minister of Finance has adequately dealt with those concerns.

Mr. Chairperson: We will give the floor to the Member for Charleswood.

Mrs. Myrna Driedger (Charleswood): Thank you, Mr. Chairperson. Every time we start on finishing off the Deloitte & Touche report, it seems we are taken in different directions, but I would like to go back to that and hopefully be able to finish off the questions I have in that area.

The minister has had an opportunity to look at the report. Can he tell us if the report indicates any analysis of why nurses are so angry and there is a negative tone in a number of areas, particularly in critical care and morale is low and

productivity is low? Does the report go into any depth in terms of an analysis of why nurses are feeling that way?

* (11:10)

Mr. Chomiak: Mr. Chairperson, the report does deal with that issue to a certain extent and discusses that issue in the context of the report, but does also point out in the report that there was relatively low return rate in terms of information in that area, and also indicates in the report that the MNU did not participate directly in the report. Now the member might know that we were involved in negotiations for a collective agreement with the MNU during the course of generally the preparation of this report. The member might also know that nurses overwhelmingly ratified and endorsed the conclusions of our negotiations with the nurses.

It is very important to note that a number of the issues that affect morale and affect the situation of nurses, particularly in critical care and other areas, some of those issues were discussed at the bargaining table. The member and I have had discussions about comments made during the course of negotiations. I have pointed out to the member that these things occurred during the course of a collective agreement and collective bargaining, but that we, as a government, are very conscious and work very closely with the nurses on matters of this kind and are cognizant of many of these issues.

You know, Mr. Chairperson, when we concluded the collective agreement with the nurses, one of the issues that was significant was the issue of full time, part time. As the member knows, we have already tabled, as we have the Deloitte & Touche report, but we have already tabled the memorandum of understanding between us and the Nurses' Union with respect to dealing with the issues of part-time, full-time work. So that is one of the issues.

The other issue was the question of standby pay. We have the highest standby pay in the country. Now some individuals might criticize that but we felt having high standby pay was recognition to the nurses of the circumstances and the situation that they were in, and that was

part of the issue that came out of collective bargaining.

One of the things I am pleased about is that we are working with the nurses, not in a confrontational sense. Now the member has made the statement that the nurses are angry, Mr. Chairperson. I have talked with the nurses, as well, and we have a number of forums in which we meet and discuss matters with nurses, and I can indicate that those forums and those discussions with nurses did not end when we signed the collective bargaining agreement. In fact, they are ongoing. In fact, we are having discussions on those very issues this week and next week with regard to working conditions for nurses and trying to improve those working conditions.

The member asked whether or not there was an analysis in the report. I think I have pointed out that the negotiations were ongoing. MNU chose not to participate. The response from nurses was relatively low. I do have the report that came out in the late-nineties from the nurses that was significant responses. Thousands of nurses responded to the MNU's request with regard to nursing. I have tabled it in the House to provide the member with copies of it. I have spoken to it. It has been a significant issue in terms of what the nurses want and the nurses need. We put in place a Worklife Task Force. We have implemented a number of measures in that regard. We continue to do that.

But I want to assure the member, and I want to make certain that the member understands this clearly, that we have not ended relations with the nurses just because we signed an agreement that was significantly ratified by nurses. We continue to meet with nurses to discuss these issues and work on them on a regular basis. Discussions have occurred this week. Discussions will occur next week to try to improve the situation and deal with the situation.

Mrs. Driedger: The minister would have recently received a letter from Jan Fortier, dated July 27. He was copied a letter. I would like to just read some of the excerpts of the letter. It is a very long letter. It is three pages long, and I am not going to get into all of it. But just to give a flavour of her comments, and then—

An Honourable Member: Mr. Chairperson?

Mr. Chairperson: Honourable Minister?

Mr. Chomiak: I do not mean to stop the member in mid-flow. I get hundreds and hundreds of letters. I do not have that letter. I would appreciate it if I could have a copy of it so I could follow along. It would help, in terms of the discussion, I think. So, if the member does not mind, if I could just get a copy of the letter. I am not invoking the rules of the Legislature, but I think it would be more helpful if I had a copy of the letter in front of me.

Mr. Chairperson: We will return the floor to the Member for Charleswood.

Mrs. Driedger: As soon as there is a copy available, I will provide it to the minister and then ask him some questions on it. In the meantime, I will keep moving forward in terms of the information under the Deloitte & Touche report. It indicated that there is a shortage of respiratory therapists impacting on the Critical Care Program. Can the minister tell me exactly how that shortage is impacting on the Critical Care Program and whether there is any compromise of patient safety?

Mr. Chomiak: I am glad the member referenced that issue. It is another example of an issue that requires addressing, requires increased training, requires a whole series of matters, increased participation, et cetera.

It is, again, one of the reasons why I hope the member recognizes that not only was this report useful in dealing with length of stay issues that all reports say we have to indicate, but there are a number of issues like the utilization of respiratory therapists that require attention in the system.

Throughout Deloitte & Touche, Mr. Chairperson, even though the member had excerpts of the report and only provided excerpts of the report to the media, now that the member has had a chance to review the whole report, I am glad the member has recognized that there were issues that were indicated that just did not focus on only the possibility of reallocating 43 nurses positions around the system; that the report, on

whole, dealt with a whole number of issues that were geared towards trying to have some quality improvement. One of the areas was respiratory therapists.

It is not just respiratory therapists on which there were suggestions. There were suggestions regarding pharmacy as well. There were suggestions regarding utilization of other professionals in other areas. In fact, for example, social workers.

So all of those recommendations are being reviewed by the WRHA for recommendations for us, in terms of implementation. That has not stopped there. We have been dealing with the respiratory therapists issue for some time, and we will continue to deal with it on a variety of fronts, including issues concerning remuneration, issues concerning education, issues concerning how they are integrated within the system.

Mrs. Driedger: Well, the minister gives me some credit for being, maybe, a faster reader than him. He knows he only tabled that report to me yesterday. It is two inches thick. We sat in Estimates until six o'clock and then I was on committee with him until about 12:15 last night. So, therefore, I have not had a chance to look at the report.

But let me make it clear once again to the minister that, although when I asked the questions in Question Period related to the information I had obtained earlier from the Deloitte & Touche recommendations, I chose to only zero in at that time on one of the significant issues, and that was the recommendations that would lead to the layoff of 180 EFTs, which does not, in any way take away from the fact that I also zeroed in on other aspects of the report. I just never put them forward at the time.

But that is why I am asking the questions now. I went through all of the recommendations and chose to save a lot of them for Estimates, where I would have more time to actually get into more of the depth of the questions that I needed to ask that I would not have had in Question Period. So it is not to say that I have put less emphasis on any of it. In fact, I have some fairly significant concerns. That is why I

have left part of it to Estimates because there are some areas that have some big concerns for me and I want to flesh it out a little bit more than what I could have then.

One aspect is certainly around the respiratory therapists, that has been a shortage for quite a number of years now, but the other shortage is the one around the pharmacists. The report indicates the nursing workload is impacted by the pharmacist shortage. In January, through a Freedom of Information document, we know the shortage of pharmacists was 15. In fact there have been warnings about the pharmacist shortage out there for a number of years now. In fact, it has been identified as an emerging crisis. I believe there was a report that was actually put out with some indication that it was identified as an emerging crisis. That has been happening within the last couple of years.

I would like to ask the minister, because I am sure he must have been aware of the evolution of all of this under his watch: What did he do to prevent this from happening?

* (11:20)

Mr. Chomiak: I did not mean to insinuate that the member did not do her homework with respect to the report. I do recognize that we were all very late last night and are very early this morning and are going to go, I suspect, very late tonight. Just let me point out a couple of points to the member in terms of trying to be helpful.

On page 6 of the report it indicates the goals and objectives of the review are to increase productivity, improve patient flow, improve patient outcomes and achieve system-wide opportunities. With respect to respiratory therapists, the report specifically indicates that and the member has isolated that respiratory therapists are in short supply and we have to take steps to increase the supply.

When I last was reviewing this area, I am going by memory, I thought we had increased the number of individuals enrolled in the respiratory therapists program. If memory serves me correctly, one of the difficulties we had with an enhanced respiratory therapy program, we were getting instructors because the instructors

were not involved in actually providing the service and that it was a sort of catch-22 dilemma we were facing with respect to the program. We did seek to increase the number of respiratory therapists trained.

Specifically on respiratory therapists, it suggests on page 55 that the delivery model of health care should be, I am quoting: A delivery model should be redesigned and should involve an enhanced role for the respiratory therapists to work at a higher level within their scope of practice. This will require considerable education for nursing staff about the scope of practice of the respiratory therapists.

Now there is more in the report in terms of the substance of that, but that is one of the recommendations in the report as it concerns respiratory therapists.

I think there has been an acknowledgment and a recognition for some time within the health authorities of a need for an enhanced role for respiratory therapists. The report cites it. The report indicates there needs to be some collaboration with respect to that model. The report indicates a need for increased training of respiratory therapists. I think we have embarked on the increased training, at least the last time I had reviewed it that was the case. Secondly, I think there is good opportunity in this report to move that issue along with respect to respiratory therapists.

Turning to the other issue raised by the member, I cited it when I was outlining issues related to Deloitte & Touche on pharmacists. I cited that as one of the issues we were concerned with. The member might know that we have trained or we are in the process of training professionals across virtually all fields of health care.

Pharmacists, like most of the health care professions, have seen, how can I put this, a demographic peaking, i.e., the pharmacists generally are older than they were, well, we are all older than we were years ago, but in terms of the average age of pharmacists it has increased. Retirement level is higher, et cetera. We are faced with an incredible worldwide, certainly North America-wide, shortage of pharmacists.

Pharmacists are being offered extremely high signing bonuses and pharmacists are being snapped up in the private sector at rates that are very difficult to compete with in the public sector. Now we need pharmacists in the public sector but we are competing. I am not trying to be ideological here, but the private sector is driving up the costs of pharmacists quite dramatically.

To maintain pharmacists in our public sector we have to pay private sector rates that are considerably higher than public sector rates. There is a variety of factors for that. Just let me cite a few of them. It is the issue of drug and drug utilization. Clearly that is one of the factors. Secondly, a lot of the large chains and a lot of the large retail outlets are utilizing pharmacies to an increasing extent.

Now we know it was not that long ago that you did not get your drugs at a local grocery store. You did not get your drugs at a major retail outlet. You would not get your drugs at a Zellers, oh, I am going back, I am dating myself, Woolco, before that Gambles. I bet you people here do not remember Gambles. Some people do remember Gambles. It was one of the early chains that then became, I think Gambles was bought over by Woolco, who were ultimately bought over by Zellers, who were ultimately bought over by The Bay, but I digress.

Mr. Chairperson, it was not that long ago that you got your drugs through your local pharmacy, your local corner pharmacy store. Now the chains, the large retail chains have pharmacies everywhere and have employed a lot of pharmacists. Not only that, but I think something that has not been appreciated that I think is a factor as well is the rise of Internet pharmacies, which are again market driven, have siphoned off, I do not mean that word disparagingly, but do employ a lot of pharmacists.

Again, it is an interesting public policy debate. Do provinces want to encourage technological developments in the form of Internet pharmacies as a thing of the future? Industry and technological people will tell you that is something we want to encourage. On the

other hand, Internet pharmacies require pharmacists to provide this service. Generally the service that is provided to Internet pharmacies are not services to the local population, rather they are to out-of-jurisdiction locations. Again, it is a fascinating collision of public policy principles dealing with issues.

The shortage of pharmacists and the difficulty with pharmacy has been cited in Deloitte & Touche. It has been cited that because of the continuing shortage and difficulty with pharmacists in the public sector, nurses have had to assume some duties in this area that they had not in the past. That in itself is another interesting issue with respect to drugs and drug dispensing, because the member will know from working in the health care field, as well as I know from working in the health care field many, many years ago, there were not pharmacists everywhere either. Again, it is another interesting historical development that has sort of confronted us.

We have the issue of shortage, very high salaries in the private sector, the emergence of increased demand in the private sector through the big-box retail chains and the new development of the Internet pharmacy component. We have been working with the Manitoba pharmacy association to deal with the issue of para-professionals, pharmacy technicians. We have been working with the association in terms of dealing with these issues, including dealing with the issue of regulation of Internet pharmacies, et cetera.

That reminds me, I should point out I am advised today's *Free Press* had an article that said: NDP shuts down our pharmacy operation. Now that particular reference was not a government initiative. The initiative was taken by the licensing body, who are independent of the Government, who advised the agency that the state had advised them there were not regulatory requirements met. So the headline was inaccurate with respect to the Government ordering that particular operation to cease. I was surprised by that, and that was not, as I understand it, an initiative that we undertook. It was the Manitoba Pharmaceutical Association who had received notice from North Dakota to do that. They provided that entity with

notification as a result of the North Dakota situation. That is my preliminary assessment of that. I digress a bit, but I just thought I should point that out insofar it was a headline in today's *Winnipeg Free Press*.

* (11:30)

So we have the issue of a market-driven demand. We have the issue of how we deal with pharmacists in the public sector. The member is probably aware that we have recently infused considerable millions of dollars into our system to pay, try to retain the pharmacists that we presently have in the system. Across the system, not surprisingly, pharmacists are being lured away from the public system because we cannot offer as competitive salaries as does the private sector in this regard. So we are in the horns of a dilemma in this regard, and what we are trying to do is to balance off our ability to pay and maintain people in our public sector without getting into a situation that I do not think any of us wants, that we completely are captive to the market forces with respect to pharmacists because it will be very difficult to compete completely with that.

Now, it does raise the question of contracting out with local pharmacies, et cetera, to provide services. That has been considered in some instances and has been done in some instances with respect to pharmaceuticals. Generally, the cost is higher in that regard. That is not surprising insofar as, when you have a marketplace where there is an absolute shortage and where demand is growing, even if one were to offer a contractual advantage of a significant portion of work from the public sector, there is no decided advantage to a private sector operator when there is a shortage of both professionals and when there is increased demand in the market to offer any kind of an offset saving to the public sector in order to garner that guaranteed business.

Again, I am not going to debate the merits of that particular issue, but I can indicate that a variety of solutions have been proposed. Clearly, what we have to do is try to retain our pharmacists as well as increase the ability of pharmaceutical technicians and others to provide services. That is another related issue. The

question of technology also figures into the overall scenario as it affects pharmacists. One generally would assume that the increased ability to deal with drugs on a technological basis might decrease the need or the requirement for pharmacists or pharmacy services. I am not sure if that has been demonstrated to this point. I, for example, have seen and had presented to us examples of technological dispensing of drugs in a variety of forces still requiring the supervision of pharmacists to provide this service.

I know I have gone on for a period of time with regard to this. This is not a one- or two-step solution to the problem. It is, well, most problems are relatively complex, but it is compounded by the factors of the shortages and the corresponding increase in the market and the market-driven costs that are raising it pretty high.

Mrs. Driedger: We have certainly seen that service cuts have occurred because of the pharmacist shortage. For instance, the outpatient pharmacy at the Health Sciences, I believe, had to close. I am not aware that it has been reopened. So we know that the shortage can have an impact in a number of ways.

I would like to ask the minister, in terms of the effect this shortage is actually having on the system, and I will just encompass it into one question. With the shortage of pharmacists, are there any hospital beds that are closed because of the pharmacy shortage? Can we expect any other service cuts because of the pharmacist shortage? I guess I would like to know if the minister can provide assurances that patient care is not in jeopardy because of the pharmacist shortage and that there is a safe level of care being provided, despite the pharmacist shortage.

Mr. Chomiak: There were not service cuts with respect to the program of the children-dispensing. There were not service cuts. The issue was that the WRHA was unable to provide that service. But the service is still being provided and the service, as I understand, is being provided contractually through a private pharmacy.

So I do not think you can characterize that as a service cut. It is certainly not like, it is not like the Government saying, oh, you are going

to cut these services because we want to save X, Y and Z dollar, or you are going to cut this service because we are rationalizing it, or something like that. The changes that occurred were a necessity based on trying to deal with pharmacy changes and pharmacy shortages.

* (11:40)

Clearly, we rely upon the advice, as I have said to the member on a variety of issues, we rely on the advice of the regions to deliver quality health care and to ensure that that quality health care has been provided. I have been asked before by the member to give absolute guarantees as Minister of Health, and I cannot give absolute guarantees across a system that is as diverse and as complex as our health system is. As I have indicated to the member, 15 million contacts with doctors a year; hundreds of millions of contacts with nurses, hundreds of millions of contacts with other health care professionals, tens of millions of lab tests each year, alone, in Manitoba.

I have already canvassed with the member, and I am not going to repeat that information, that within that system there are mistakes that occur, there are difficulties. Fortunately, we have undertaken, quite aggressively in Manitoba, to recognize issues like error and try to learn from mistakes, et cetera. We have taken measures to deal with that. There will be, always, unfortunately, in the system, mistakes made because we are human beings. So I cannot give a 100% absolute guarantee to the member with respect to any issue. I virtually cannot give a 100% guarantee. In a human system I do not think that that is even possible.

So, Mr. Chairperson, the question as to the ability of the system to provide care and to provide quality care is one that is left to the regions and we rely upon the regions to deliver that care.

Mrs. Driedger: I will share with the minister the letter that he would have received, and he can see some of the points that I will just read out. I am going to be very selective and only read out a few. Then I would like him to comment on this particular situation.

As I indicated, it is from Jan Fortier, who worked at the Pediatric ICU at the Health

Sciences Centre. She has quit her job and moved to Alberta. This is a very recent letter, as of July 27: A number of reasons led to my decision to leave, some of the personal, but a number of them relating to professional matters.

The major emphasis being placed on recruitment is missing the mark, when the most efficient method of recruitment is the retention of an already qualified employee. When someone like me reads a recruitment and retention bulletin, and sees the amount of money being spent on junkets to job fairs, glossy publications and pizza dinners for nursing students—many of whom have indicated they have no interest in bedside nursing here or anywhere—it is almost like a slap in the face when I have missed supper yet again and have not been on a real vacation in five years.

Further in her letter she indicates, this one is certainly a concern to me: There are many shifts where PICU, the Pediatric ICU, is skating along the edge of disaster due to inadequate staffing. Heavy workloads make tired nurses. Tired nurses make mistakes. Mistakes can and have led to tragedy.

Further on in the letter, she says: There must be better utilization of resources than this. Although with the drastic reduction of acute care beds at Children's, one has difficulty seeing how to provide it.

Further in the letter: The lack of support staff is a problem for all concerned. Respiratory therapy is having difficulty maintaining coverage for the ICUs. The pharmacy is short-staffed, with many of the pharmacists floating from one area to another to fill gaps or working overtime to ensure coverage. Tired pharmacists make mistakes too. Nursing assistants are overworked due to the small number available. For more than three weeks there has been no nursing assistant on the day shift, one on weekday evenings and one on some of the night/weekend shifts. Injuries to personnel are on the increase as the number of nurses' aides available to work decrease. How long can this continue before something truly terrible happens.

She ends her letter: I will miss the incredibly skilled and compassionate people I am leaving

behind but will not be surprised if someday, in the not-to-distant future, I find myself once again working side by side with some of them.

I would like to ask the minister if he has ever heard of this report, perhaps about nine months ago, all of this information from this particular nurse, besides this letter, if he was made aware of it nine months ago. Then I would like to ask the minister what he has done to address it.

Mr. Chomiak: There was a note attached to this that I probably should not have seen. I am not laughing because of the question.

I am glad I had an opportunity for the member to put into the record some of the issues. I want to deal with some of the issues in this letter. It is interesting, the letter also says it is very demoralizing as a charge nurse to have most of your decisions second-guessed by someone without direct knowledge of the situation in the unit. As I understand it, that is one of the issues that is addressed in the Deloitte & Touche report, that the old Connie Curran model that had been established was not working in the system and that we had to change it. That is an interesting—

Point of Order

An Honourable Member: Point of order, Mr. Chair.

Mr. Chairperson: Point of order.

Mrs. Driedger: I would just like to remind the minister this has nothing to do with the Connie Curran model of care. This is about staff shortages. This is occurring under his watch. This has nothing to do with the model. There are staffing issues here, and it is occurring under his watch. He has been aware of this for nine months.

Mr. Chairperson: The point of order is not a point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: I will give the floor to the honourable minister.

Mr. Chomiak: Mr. Chairperson, if we want to have a discussion the member cannot isolate the discussion to her excerpted copies of a letter.

That is what I get over and over again in this committee, which is why I wanted a copy of the letter. That is just like the member running out to the media, handing out six copies of a so-called draft report, saying this is the report, bringing that information out and not looking at the whole report, which is why I would like the member to look at the whole report. That is why I am reading the entire letter. That is why it is important to read the entire letter.

The letter also goes on to say—there are very many concerns in here. The member is all excited about her question for Question Period. She will have plenty of time to work on that.

The letter also goes on to say there is a perceived favouritism at play at PICU towards certain members of the staff who appear to dictate their assignments, choose their own hours and do not work nights or weekends. Others seem to be on the other end of the spectrum, routinely being given the worst assignments, having unbalanced and difficult rotations and working alternate weekends, regardless of EFTs. Others have commented on this anomaly. Will this result in staff departures? Only time will tell.

Mr. Chairperson, all of this is important to consider in terms of the letter. I have had a chance to quickly read this letter. I know I recognize the name. I have received letters in the past from this individual, if memory serves me correctly. The letter says emphasis on recruitment is missing the mark. This individual has an opinion on recruitment that says it is missing the mark. That is this individual's opinion.

There are a variety of things on recruitment that are taking place that are not referenced in this letter. What is not referenced in this letter is the last major U.S. recruitment drive that was held in Manitoba. I think there were more recruiters here than nurses that showed up, as a result of our new collective agreement. Recruitment is more than just what the individual references in this particular letter. I think it is very important that we look at the entire letter, the entire context of this letter and the entire context of this report.

The letter also says things have improved somewhat since Ms. Kowalski became manager

of patient care but, as you see, there are still many sore spots.

* (11:50)

That is interesting, Mr. Chairperson. There is an acknowledgment within this letter by this individual that there have been improvements that have occurred with respect to this area.

The member talks about reports, the member talks about reports that have occurred. The member's leader talked about a report yesterday in the Chamber and asked why we had not moved on recommendations of this report. The member did not table that report. The member did not reference that report. I do not think the Leader of the Opposition (Mr. Murray) actually referenced that report accurately. The report I believe the Leader of the Opposition was referencing was an unsigned report put together by individuals that was provided across the system, an unsigned and an undated report, if memory serves me correctly. So there are a variety of reports, internally and otherwise.

In fact, with respect to the pediatric program, I think it is commendable that when a difficulty occurred with respect to the pediatric program an outside individual was brought in to review the pediatric program. If anything, some improvements were suggested, but it was found that in fact, if anything, the program might have overreacted. The parents and others were very upset with individuals who tried to criticize the entire program and tried to give the impression that the entire program was in jeopardy.

There are a number of recommendations that are made by this nurse who is now a resident in Alberta. I should point out, I have just had some quality advice from a patient who also moved to Alberta and came back, who came back because of the quality of care here. So it does work both ways.

There are some concerns raised. It is interesting that this letter confirms some of the issues that are raised in the Deloitte & Touche report about a need for respiratory therapies. There are some interesting suggestions within this report. I do note one of the issues we took to the bargaining table that we were concerned about were the shift issues. That is one of the

reasons I should indicate that we have the highest standby pay in the country. Now I do not know if this kicked in before this member left the employ of the Health Sciences Centre, whether or not the increased standby pay had actually kicked in or whether the increased benefits that were provided kicked in. So we will be able to see.

She also says she likes the incredibly skilled and compassionate people she is leaving behind. This is where I have to be careful. There are always valid issues that are raised and ought to be followed up when individuals raise them. This letter, for example, talks about perceived favouritism. Now is that an objective analysis or is that a subjective analysis with respect to this individual? We follow up all letters and we do follow-ups in all concerns with letters like this.

I see the letter was dated July 27, it was not to myself, it was to the chair of the recruitment and retention committee. I think that is useful. It was cc'd to the member and it was cc'd to myself. I think it is encouraging that the people in the system can actually comment about the system, because I note from the opening of the letter that the writer indicates she is writing to the chair of the recruitment and retention committee as the result of a suggestion of Jan Currie, who is the VP of nursing within the WRHA. I think that is very significant and very useful to review.

The letter goes on to say—this is what the member referenced: In 1999-2000 I participated in organizing an independent assessment committee review of working conditions in PICU. So the writer organized, herself, an independent assessment committee that reviewed working conditions.

It goes on to say the report of the independent assessment committee that the writer organized was quite lengthy and identified a number of areas needed to be addressed. The recommendations were presented to HSC management in June 2000. So that the writer who organized the independent assessment committee reviewed a number of events and presented a report to HSC management in June of 2000.

The writer who organized the independent assessment committee indicates, to date, for the

most part, the writer says: The only recommendations followed through were cosmetic ones, such as painting the unit, purchasing new safe chairs and redecorating the family waiting room, a process which was initiated by myself.

So the writer indicates the only changes that occurred as a result of the recommendation of the independent assessment committee that the writer set up were to do those changes that the writer herself put in place.

A conflict resolution committee was struck and met several times but never developed any tangible process or offered any tangible resolution. Things have improved somewhat, according to the writer who set up the independent assessment committee. Things have improved somewhat since Ms. Kowalski became the manager of patient care.

Okay, now let us go into some of the substance of the points made by the member.

These days it is not unusual for the PICU to be permitted to leave a nurse on duty who is not assigned. PICU is identified at daily bed rounds as the first place to look if other areas of Children's Hospital, indeed, Women's as well, are having staffing problems, regardless of what is happening in the unit. It is not unheard of for PICU to float three nurses on the same shift. It is not unheard of for one PICU nurse to float no more than one unit on the same shift. It has also happened that the administrative assistant of PSU has spent most of Friday calling in staff for the weekend in order to float them to other areas. I know all this from personal experience, having floated to all areas of Children's Hospital, and the Newborn Surgery and Antepartum at Women's frequently are shifts outside my EFT. I have been lucky not to be sent to SICU, Gynecology, or the ED at the General, as have some of my former co-workers.

So the implication from this individual on this is that the floating of nurses from PICU to other areas of the hospital is not something she recommends.

She then goes on to talk about PICU down to two full-time and one part-time nursing assistant. I think, Mr. Chairperson, the member has brought it to the attention of Jan Currie, who

is the vice-president of nursing at the WRHA, with respect to this letter. It was cc'd to us. I am going to continue. The letter talks about inadequate staffing, heavy workload and tired nurses. Tired nurses make mistake—

Mr. Chairperson: The time being 12 noon, I am interrupting proceedings.

The Committee of Supply will resume sitting this afternoon, following the conclusion of Routine Proceedings.

FAMILY SERVICES AND HOUSING

Mr. Chairperson (Conrad Santos): Will 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 Family Services and Housing. Will the minister's staff please enter the Chamber?

We are on page 80 of the Estimates book, Resolution 9.5. Housing. Now we can start questioning.

Mr. Jack Reimer (Southdale): I do have some questions in Housing in this section here. I guess I will start off actually right on, if it is okay with the minister, we will sort of do a global questioning and then maybe at the end we can—

Mr. Chairperson: We have been on global.

Mr. Reimer: We have already?

Mr. Chairperson: All the time.

Mr. Reimer: Well, thank you very much, Mr. Chairman. I did not know that. Thank you.

In the very first part of the Estimates, it shows, Mr. Chair, a fairly significant decrease in expenditures of 2001 to 2002 in the sector going from \$43,000,000 down to \$35,000,000. I wonder if there is any one particular area that comes to mind as to why there is a fair amount of decrease. I notice that the Manitoba Housing and Renewal is down fairly significantly. Maybe I could get some enlightenment as to what that all encompassed.

Oh, I am sorry, I am looking at page 77 of the orange book. The first page of Housing.

Hon. Tim Sale (Minister of Family Services and Housing): This goes back to what the

member will remember when his government signed an agreement with Canada to take over the social housing portfolio. Canada transferred to Manitoba responsibility for managing the assets and some cash to provide on a long-term basis what was estimated to be sufficient money to generate mortgage coverage as well as maintenance and operations in the share that the federal government had, which, as the member will recall, for the most part, was 75 percent of the programs. So it was 75-25 for the most part. Not all of them were, but almost all of them were. So those assets became the responsibility of Manitoba to manage. Ultimately, the previous government accepted the risk of the portfolio and for that received a certain sum of cash, which was transferred I believe in the 1999-2000 fiscal year. The member will remember that the agreement with Manitoba was effective April 1, '99.

Now, those assets generate revenue in the form of interest, in the form of efficiencies that have been quite substantial. The agreement with Canada is that the proceeds that accrue during those early years are effectively under the control of the Province. By the superb management of the NDP government and with a little help from the market, we have accrued some quite substantial trust accounts in Manitoba Housing which will not show here because these are the expenditure Estimates. If you go to the Auditor's Report, volume 4, I believe that is where you would find the statements of MHRC. You will find in some of the trust statements in volume 2, I think it is, I am not absolutely sure about that, the statements of these trust funds. Because they have accrued substantially more than is estimated be required, we have essentially drawn those trust funds down for construction capital purposes. So, because they are not revenue to the Province, they do not show up in our revenue and expenditure statement.

* (08:40)

In effect, our actual expenditures in Housing, and I am going to ask staff to provide me with this information, have gone up, but the source of funds has changed. So we at the present time and probably for the next few years will be able to draw significantly from the

essentially surplus earnings related to the agreement that the previous government signed with Canada and that most provinces signed. I think the exception is Ontario. I believe Ontario still does not have a social housing agreement with Canada. I think every other province does now. I could be in error by one, but I believe every other province does.

The explanation to the member's question is that the source of funds for this year's expenditures is coming in a blended way from surplus earnings on the trust account plus general purpose revenues. We have been able in effect to reduce our demand on general revenues and make that up by using some of the surplus trust fund earnings. Although the print shows down, the actual spending is going up, just so that the member has a sense of what is being funded from where. The transfer payments under 9.5 (d) in this year's print is \$26,529,600. Last year, it was \$33,207,000, for a reduction of \$6,677,000. In addition to that \$26.5 million, we are spending another \$10 million. These are: \$2 million for renovation and repair programs—these are all from the trust fund, the \$10 million—inner city revitalization; the housing assistance program; the \$10,000 per home that we have been doing over the last couple of years, \$3 million. That goes to Winnipeg, Thompson and Brandon.

The urban affordable housing and the northern housing program for the new federal-provincial housing agreement, I have now got my third federal minister in four months, five months. It is pretty frustrating because we still do not have that agreement signed because they cannot seem to get anybody here in town to do it. Anyway, we have set aside \$4,725,000, assuming that it would start on the first of July. It is a three-quarter year this year. In the rural and native housing program, we have a small program to renovate and relocate surplus units that are, as you probably remember, places where we have units that are surplus and are boarded up or just not occupied. We have identified some that we can jack up and move. That program to both renovate and relocate is \$275,000.

Those things together add up to \$10 million, which means that our spending this year will be about \$36.5 million versus \$33.2 million.

There actually is an increase, although the sources now are different this year.

Mr. Reimer: I thank the minister for the update on that because that was more or less one of the areas where I did want to get some clarification as to the funding and the surplus that was transferred over from the Government.

If memory serves me right, the funding with that devolution was tied into the agreements, and when the agreements fell off, the funding naturally fell off from that. I believe the minister is correct in saying that there is a funding allocation that is directed towards the existing housing stock. Am I not right in assuming that that funding was mainly for the maintenance and the upkeep of the existing stock? The allocation of that funding, even though there is surplus and the surplus can be banked, as the minister mentioned, that surplus was supposed to be going back towards the existing stock in the M and I programming and to upgrade for the life of a program. It would seem that that funding, from what the minister is saying, is being used for other things, other than the existing stock, but in addition to the building of new stock or renovating different projects that were not associated with the original portfolio of stock that was negotiated under. Maybe the minister could clarify that for me.

Mr. Sale: The member's memory is correct. There also was an addition to what the member has referred, a special M and I agreement which was kind of like a deal closer which the member and his staff said to the federal government, yeah, well we are sort of ready to sign, but we need a little more. You got a little more. I think around \$10 million, something like that as a special M and I, which allowed us to catch up on some of the backlog of maintenance which was badly needed. That gave us a bit of a jump start on some of the things which absolutely had to be done to the housing stock over and above what was budgeted for.

The trust funds, the funds that were transferred, have accrued earnings over and above the projections, which were deemed to be adequate. We have done better than that. We have done better partly because mortgage rates are down. We have done better because we are

administering the portfolio more efficiently than we were in the past. We have earned excess on both our share and on the federal share. So we have both the monies that were intended to provide the long-term mortgage and maintenance and we have surplus to that. We are drawing that down for these programs.

Now, obviously, that is not going to last forever. At some point we are going to have to augment those monies with general revenue money, unless we discover oil at Portage and Main—we are still looking but we have not found it yet—but it does give us the opportunity, in the early years of this new program, to have the capacity to do more than we might have done had we not had the social housing agreement.

* (08:50)

I think another thing the member may be interested to know, in terms of how that agreement was reached, it was recognized that some provinces, specifically B.C., Québec and Manitoba, all had provincially based funding programs under way prior to the signing of this agreement last November in Québec City. So the agreement was back-dated, back-dated is not quite the right term. The agreement recognized provincial expenditures in Québec, B.C. and Manitoba which had been undertaken since January 1, '01. So the credit for provincial-municipal voluntary sector expenditures in the inner city and in Brandon and Thompson, well, Thompson has been very small, we are allowed to claim credit for those expenditures.

So that also helps us with this agreement because we do not have to come up with 100-cent fresh provincial dollars to match 100-cent federal dollars. They are recognizing that a bunch of program spending took place that they did not contribute to. That was an important component of the new agreement that allows us to, again, get somewhat of a jumpstart on getting the new affordable housing program under way.

Mr. Reimer: If memory serves me right, the minister mentioned the signing bonus in that. If memory serves me right, I think part of the provision we had from Treasury Board at that time was that the funding be spent on a 3-4-3 basis type of thing over three years. It would

sound like, or maybe the minister could correct me: Has that signing bonus been totally used up, or is there still a draw on that?

Mr. Sale: I like the term the member uses, "signing bonus," probably an appropriate term. It will be fully expended by the end of this fiscal year.

Mr. Reimer: I guess that is in about the three-year cycle that was allocated.

The reason for questioning this to a degree is I think the concern of the funds that are available, and the minister is right, there is a significant amount of funds that were made in the devolution. The investment of those funds is turning a profit, if you want to call it, for government. There is nothing wrong with that, I am not being critical of that, but I guess where I would find a bit of concern is that the expenditures are being a bit top-heavy in a sense of coming out early with the expenditures of programs and initiatives and not looking at the long-term costs involved, because as the minister mentioned Manitoba Housing has an awful lot of old stock that was mostly built in the, if memory serves me right, back in the sixties and seventies. The cycle on it is coming to a point where a lot of it needs some very significant upgrades and changes and modernization. I am only thinking that, possibly, with the new programs that are coming on-stream using some of that money, that, in the long term, it is going to require a draw on the Treasury Board from the general revenue because of the fact that monies may not be available, and the fact that the programs that are initiated are going to carry a cost factor with them, also, for the maintenance of them.

I would caution and say, I think that, if there is an emphasis on using up the money early, if you want to call it, not saying that it is all going to be used up, but a portion of it, and the fact that somewhere down the line, the maintenance program and the upkeep program is not going to keep in line with what the demands are, it is going to cause a problem for the Treasury Board.

I would also be concerned about where the emphasis of a lot of this money is going in regard to some of the new programs. I know that

here in the urban area of Winnipeg, particularly, if memory serves me right, the vacancy rates are fairly low in public housing. But, at the same time, in some of the rural areas and the small towns, there are vacancies of homes, and as the minister mentioned, there are some that are boarded up and require either moving or divestiture. Those are some of the things that have to be taken into consideration.

I can only point out that I would be a little concerned about the new programming and using these monies when the original intent for most of the money was to go towards the program of upkeep over the life cycle of the agreements because, eventually, as the minister knows, all this stock becomes owned by the Manitoba government and then total costs are transferred to the Treasury Board for reconciliation. I can only point out that those are some of the areas where I think that there should be some concern as to how the money is being spent and where it is going in regard to these new programs that are being utilized from the Housing Department's surplus.

I wanted to ask the minister about the RRAP program.

Mr. Sale: I certainly appreciate the member's comments. He is right to caution us to take a balanced view of what it is we are doing in terms of maintaining 17 000-plus units that, in some ways, because they reflected the needs of the 1960s and 1970s, are now not always appropriate to the needs of this decade, and, sometimes, they are in the wrong places. The member knows there were numbers of rural seniors units, for example, which are old motel-style units and sometimes we have trouble today filling those units, because people's sense of what is appropriate has changed and their assets have changed, so they no longer are restricted as they were, perhaps, by low incomes in the 1960s and 1970s.

I do just want to indicate to the member that there is a very substantial difference between the new programs that we have undertaken in the last two years and the new affordable housing program. There is no reason why the member would know this, so I am not being critical at all. But the agreement across Canada among

Housing ministers and with the federal government—[interjection] The agreement across Canada was that the new affordable program would not create any long-term subsidy streams. So the new program is not public housing and it is not social housing in the sense of ongoing subsidy streams. Once a unit is constructed or renovated or whatever, converted, that unit no longer has any subsidy stream attached to it. The member may know we have done almost a thousand units in the last two, well, not even quite two years, it will be two years September when the first projects were approved. We have constructed, converted or renovated, or are under way. Obviously, some of them are not finished, almost a thousand units. None of those units have ongoing subsidy streams attached to them. So we have no long-term responsibility for that stock. It is a different approach.

It is not a new approach. Canada has had a whole lot of different approaches over the years. This goes back to the idea that you subsidize the capital, the front end, and you do not have any long-term ongoing subsidy. So you are not then subject to interest rate shocks or to demand problems because, essentially, you have no more responsibility for the unit. We do not have a mortgage on it. We do not have any ongoing subsidy to the cost of the unit. We may provide a rent supplement to somebody who lives in those units, but that is, clearly, ultimately, under our control as opposed to an uncontrollable long-term, both maintenance and operational, issue.

* (09:00)

Now, there are those who would argue that that will not meet the needs of the lowest income group, and I think they would largely be right. That is the role of the ongoing social housing portfolio that we have and will have for a long time to come. What we are really trying to put in place under the new program is supply that is at or below medium market rent. Medium market is defined as medium market in that community. That does not mean Winnipeg as a whole, it means medium market in the North End or medium market in West Broadway, so that we can hit that need that is what you might call working poor.

If we have a need to go below that, we can use rent supplements, or we can, of course, use

the existing housing stock, but we are not adding to that long-term stream of liabilities which was created through the public housing programs. I am not being critical of those programs. I supported them, but that is not the characteristic of the new program. It does not create a long-term subsidy stream. I do take the overall comments the member made in terms of the fact that the trust funds that were transferred have to be able to both serve the maintenance and ongoing repair concerns. As the stock ages, those concerns increase. They have to be able, obviously, to pay the mortgage. Those mortgages, as the member knows, are anywhere from, I think, 25 was the shortest, they go up to 35, and some are 50. So the member's comments are well taken.

Mr. Reimer: Maybe just a further question on that, in that area. The minister mentioned the program of a new home construction or new home partnership. Maybe you could give me an update as to how many units have come on stream and, possibly, whether they are mainly in Winnipeg, or whether there have been others in some of the rural areas that take and manage the homes. I know that there were some new home programs, I believe, in partnership with Qualico. I just wondered whether you could give me an update as to what has transpired there.

Mr. Sale: This is one of the most, for me, anyway, interesting areas of my portfolio as a whole, dynamic of housing. I find it a really fascinating area.

Brandon and Winnipeg are so utterly different. In Brandon, we have not constructed any single-family dwellings, but a couple of contractors, Van Bi and An Van are both Vietnamese contractors who have been in Brandon a long time and do great work, have built, I think, at this point it is 16 total. Let me refer to the Brandon one, 20 units in apartment style, but it is the townhouse type, you know, one up and one down, side by sides in two different blocks, 20. The member may know that we thought we were going to have a stacking project which, unfortunately, the project was announced and sited and everything and the proponent could not get his financing guaranteed. So that was going to be 60 units. I think that we will still see some units like that, but

obviously, this project did not go, but we have got some that are not announced yet that are conversions, so that they are not brand new family dwellings, but they are conversions, small one 15-family apartment units. This is a vacant commercial building.

I do not know if the member is familiar with John Lawrence in the 10th Street Emporium on the 10th Street in Brandon, south of Rosser. Mr. Lawrence owns virtually both sides of the street and almost all the block, and he is just in love with the idea of converting these old commercial buildings into a mix of commercial and residential: 11 single-family apartment units that are on the fourth floor of that building; conversion of a woodworking shop into a two-storey rent housing project; 18 family housing units to be rented to low income. These are not new construction, but they are new housing because they were commercial buildings to begin with. Conversion of vacant space on the second floor of a commercial building in the downtown, it is called Rosser Court, 6 units; 10th Street Emporium, again, on the second floor and third floor, 32 units.

In Brandon, it has taken the form of either semi-detached row housing, no single family at all, at this point, and conversion from commercial use. In Brandon, we are closing in on 300 units, either RRAP-renovated, RRAP plus Neighbourhood Housing assistance, complete conversion from commercial, or new construction. They are a very substantial addition to Brandon. Brandon has got a huge need growing, and it has got zero unemployment for all intents and purposes, et cetera.

Have you got the Winnipeg sheet? There is a detail sheet for Winnipeg. In the Lord Selkirk Park area, 11 units; in the Spence area, 128 units; West Broadway, 77 units; William Whyte, 100 units; Point Douglas, 55 units; and Daniel Mac-St. Matthews, 117 units.

Then, there is this program called the Minimum Home Repair which does not result in any significant new units, but it deals with curb appeal types of repairs and bringing homes up to the rest of the homes on the street so that the street has the appearance of, you know, a viable neighborhood, 142 further units. Now, this was as of March.

In addition to those 630 major rentals, 142 minor rentals of the 630, we constructed or converted a number of homes for the University of Winnipeg to provide student housing just north of Ellice and south of Broadway. The total number of beds in Spence and West Broadway is 75 as at the end of March. In the Lord Selkirk Park area, I do not know if the member remembers the Aboriginal group home called Ndinawe, 16 beds there.

The member asked about new houses. We constructed four side-by-side duplexes on Flora Avenue as a pilot project using geothermal in the inner city. There has never been a geothermal installation in the old part of the city. They are easy enough to do from Greenfield kind of installation, but this was bringing the drilling in and putting them in.

Hydro has been really instrumental in helping us put in those units, an electric furnace, the geothermal and remote switching gear, so that we have four absolutely identical installations, four different families. We can monitor under four different families type of use and either all-electric or all-geothermal under different temperatures. Over the next year we will have an extremely detailed ability to compare very accurately, as opposed to the claims of the advertisers, what does geothermal allow us to do in terms of the savings over conventional, as well as what does the R2000 in an inner city installation gain. Some people feel it will gain a lot, other people feel the gain will be minimal, but we will at least now know for sure whether the additional cost of going R2000 is appropriate.

We built in addition to those an additional four units in Spence under the Qualico program and they did the duplexes as well. Now Qualico, very good corporate citizens, they worked extremely hard with the neighbourhood groups and with Winnipeg Housing and Homelessness to bring in relatively affordable prices but high-quality construction. The units now have all sold to new home buyers who now have an R2000 home that is a high-efficiency home in the inner city.

* (09:10)

That is the first new housing that has been built in the inner city in about 15 years. So I am

very pleased with that. The member may have picked up in the paper that we put out a qualification tender call for about another 50 units this year. We are expecting to ramp that up as this new housing program, which we keep wanting to get signed, gets signed. The agreement is done, but I cannot seem to get a federal minister in town to sign the darn thing. So that number will grow this year.

The industry has worked closely with us this year to improve on our tendering processes to give them more flexibility to be innovative. I think we have a very good relationship, both with our community organizations and with the building industry, with whom I have met a number of times in the last year to talk about how do we partner in a way that respects the community and its needs to have some sense of control over what is done in the community but captures the benefits, the skills of a very productive housing industry that we have in Winnipeg that can build quality units at an affordable price? How do we get that partnership going between the community, the builder and the Government?

I think we are doing well now in terms of that tender call, that we had a very good response from that, although we have agreed with the industry, at their request, to extend the deadline by about three weeks, because there, as you know—I should go through the Chair—as the member knows, the industry is going flat out right now, which is a pleasant problem, except they cannot get framing crews, stucco people and drywallers. I guess that is good for labour and industry; it may not be good for prices.

Mr. Reimer: I thank the minister for the update.

The program funding, as the minister mentioned, for the feds and the signing of the program, is that money more or less earmarked for the housing initiative the minister just mentioned, the tender call for the new 50 units? Is that one of the reasons why the tender has not been released is to wait for the federal funding to start to flow on the agreement?

Mr. Sale: Yes, that is one component. There are five components to the new affordable housing program that have been signed off. There is a new rental supply program, which is essentially new construction of multiple, side-by-side or

quads for rental supply. There is a repair conversion program, which is the major repairs. The criteria in the new program is a unit that would fall off the market, become uninhabitable within five years if the repairs were not done, or conversion from warehouse, other industrial, or other commercial use into housing.

What is fascinating about Brandon is that the downtown work has been almost all conversion, so it actually adds to the housing stock and preserves old buildings. You kind of get a win-win out of that. It increases the tax base, obviously.

There is a home-buyer down-payment assistance program so that we can assist modest, lower-income working families to be able to purchase a home by providing a percentage of down payment, up to 10 percent of the cost of the home in the form of a down payment. There is also a new home ownership supply program, so that we would be building for people to own as opposed to assisting them to buy an existing home.

In addition to that, the fifth component in a way is the special needs focus. We have been working for the last number of months with a number of special needs groups: mental health, multiple sclerosis, Ten Ten Sinclair, David Martin and the folks that are there, to identify some targets within our overall approximate number. This is very much a plug figure at this point because the mix of the programs will determine ultimately the number of units that are done. As the member can understand, if the market continues to rebound in the North End, for example, as it has in the last year, then the depth of subsidy required will go down. So we will be able to do more units. You get that kind of positive spiral instead of the negative spiral.

In Brandon we are able to get a better leverage ratio than we are able to get in the North End of Winnipeg, for example. If the North End of Winnipeg starts to come back as a market, we will not have to invest as much per unit. So we are setting aside a number of units that will be targeted to special needs groups, people with developmental delay, people with physical or mental health special needs. That is

kind of a subcomponent in one of the target groups.

The program is \$52-million federal-provincial, but the leverage ratio we have been getting in the last two years is about 4.4 to 1, 4.3-4.4 to 1. You can see that, if we spend \$26 million provincially, we would expect to see at least \$130-million worth of construction, even if current leverage ratios do not improve, the market does not improve, we are still fighting the conditions we have been fighting for the last two years, we would see it translating into that value. That is a lot of construction in Winnipeg and Brandon. Obviously it is a different issue in Thompson. In Thompson we have units we would like to airlift into some of the other communities. I hope that gives the member some sense of what it is we are hoping to achieve in the affordable housing program.

Mr. Reimer: I will maybe ask a series of questions on this component. The five components of the program, maybe the minister could give me a breakdown as to are they mainly provincial programs or are they in conjunction with the federal government on a splitting of the costs, whether it is a 50-50? Or is it a different type of component?

Also the \$52 million that is part of the new initiative, I believe that is spread out over so many years. Maybe the minister could inform me as to the breakdown of how many years that program is intended to cover.

Mr. Sale: I am very, very pleased with the work the provincial and territorial housing ministers were able to do with the federal government to define a program which I think I have been around Housing long enough to know this is a unique program. This has never happened before where the federal government is not a 75-cent partner, and they have recognized that each jurisdiction has different priorities. All the old programs were you want to build multiple units, here is your program; you want to build single-family, here is your program; same size fits all across Canada, no differences.

This is, I believe, the first time that CMHC has signed programs where the provinces have defined their priorities within the overall envelope. It is a four-year program with cash flow

over five years, but it is a four-year program, so commitments have to be made within the four and then cash can flow over the fifth year. You can front-end it or back-end it. In other words, we can increase our spending in the early years, decrease it in the latter, or vice versa.

* (09:20)

Québec, for example, chose to move a lot of their spending upfront, flow it early and then really go, because they had a program in place. They just ramped up their existing program very quickly. Other jurisdictions, because of their financial circumstances or because they are not doing anything now, are going to ramp it up in later years. That flexibility is there.

The requirement for matching is not project by project. We negotiated that because of the problems of the rigidity that imposes, that each unit has to be 50-50 matched. We said, no, the whole program has to be 50-50 matched. So in this program we might put in more provincial dollars, in this program we might put in more of our federal contribution. We do not have to do 50-50 lockstep matching all the way across.

We negotiated that any voluntary, municipal, private-sector contributions would count as part of the provincial share. So it is 50 cents from the federal government and 50 cents from all other sources. Included in that all other sources, for example, the member may have seen in The City of Winnipeg Act revisions that we have provided for what is called tax increment financing. I am sure the member is familiar with that concept. It is widely used in the States. We think it is a very good concept where the City can forgive, for whatever period of years it wants to and on whatever declining scale it chooses, the property taxes on a new property, the incremental property value increase.

Under this program we can convert that benefit of tax reduction into a present value and say, okay, that tax reduction over 10 years or 5 years or whatever it is, however the City does it, is worth at this point in time, when the house is built or the unit is converted, it is worth, let us say, a thousand dollars. That counts as a contribution to this new program. If they forgive fees, or if we take—we are talking with the City

about this—surplus land that has really no market value at this point, if there is nothing to do with it, it is not generating any taxes, if we donate that land to a trust we can count that as a contribution.

We have a very flexible framework that allows us to move the program elements around as long as we inform CMHC. We are the program managers and deciders. We do not have to go to CMHC and get approval to do a project in Brandon or a project in the Spence neighbourhood. If it fits the overall criteria that are in the agreement, then we just do it.

I think this is important and appropriate: the only thing we do is all announcements are joined. We do the administration. As long as we can find a federal minister to announce, we announce, but as the member knows, sometimes announcements are made early, sometimes announcements are made late. We try to lure them into appropriate timing, to quote someone I heard speak the other day in the House.

Just one other comment, Mr. Chair, if the member wants a briefing on the new program, we would be glad to provide that.

Mr. Reimer: It does sound quite innovative and quite interesting. I would hope that it does roll out as planned.

One of the problems I had when I was Housing Minister was how you get into programs that are self-generating, if you want to call it, so that the Government is not the sole carrying cost for everything and the sole landlord of everything that happens and the costs are all associated with the provincial governments. It will be interesting to see how this rolls out. It sounds like the opportunities are quite innovative and the fact that there is a bit of a tie-in even with the City of Winnipeg in regard to the amendments to The City of Winnipeg Act, which will be passed. Also, it will be interesting to see how it rolls out over the next few years.

I believe I am right in saying the program the minister is referring to is the program he is still waiting for someone to come to Winnipeg to sign. Is that right?

Mr. Sale: Not quite. The agreement with Canada is a bilateral agreement, Canada-

Manitoba. It is completed. I have a copy on my desk. It has been agreed to at all the officials' level. It is simply awaiting a signing ceremony.

The member may be referring to the article in the *Free Press* from about two months ago now. We are also in the process of discussing with Winnipeg how it might tie in to this agreement. Those discussions are well along but they are not completed. The current administration, political leadership of the City, has been very proactive on housing, unlike its predecessors who basically did very little in the way of housing.

For all of the difficulty of having three jurisdictions working together, the Housing and Homelessness Initiative office has shaken down into an incredibly effective operation. When I talk to community groups, they cannot say enough about how co-operative and supportive staff from the three levels of government are in relation to putting a project together that requires a bit of money from here and some approval there and a component from RRAP over here. You put the project together so it works, instead of the proponent having to go and argue and getting into an "After you, Alphonse" routine with governments, which is fairly common. We have all played that game. If you will commit, I will commit. That is very hard on proponents and it is very expensive.

The office takes that burden off of the proponents and says, if your project can work, if your numbers work, we will figure out how to make it work. You do not have to keep traipsing around looking for the right office to knock on the door. I think that is why we have been able to deliver 700 significant improvements. We have lots more to do. I do not want to overstate what we have done. All you have to do is drive down some of the streets in the North End to know how much more we have to do, but if you drive down some of the blocks where we have focussed our efforts you really do see a significant improvement.

That has not been easy, to say to the people in the next block you have to wait. If we had just sprinkled the work here and there, those 700 units would hardly be visible. Whereas, they are concentrated enough now that people can see

that if you work together, you fix up a block, you get things better in that block, you can move to the next block. I think people are seeing the wisdom of that focussing strategy, although it does create some stresses and strains.

Our expectation is that we probably need somewhere in the order of another 5000 units substantially renovated or infilled in the North End to bring it back to where it was say 35 or 40 years ago, before the real deterioration hit. If the housing market keeps coming back, we are not going to get the red-hot market we have now staying forever, but if we can keep it moving, then, under this program, I think we can really make a dent in that number. I am hopeful that we can, at least, cut it by 50 percent over the next four years, given that we spent 18 million in these two years and been able to get around 700 units in Winnipeg substantially changed, look good, good to live in, safe, clean, new or substantially renovated. So, for 18 million, we got 700, so we should be able, you know, if you multiply that by five, to get in that 3000 range, assuming we can keep the community groups supported, because that is the other thing that is different about what we are doing now.

I am not being critical of previous governments because NDP governments did things as well as Conservative governments. Manitoba Housing did not deliver a single one of those units. Every one of those 700 units was delivered by a community group, funded by governments, yes, but not funded at a huge level, let me tell you. These are citizens committed to renewing their neighbourhoods, and, boy, does that ever make a difference, because they do not just talk about building the house and moving away. They are going to live in the house. They are going to work at the school. They are going to improve the street safety. They are going to form the citizen patrols that we have numbers of in the inner city, the older parts of the city, now. So it is a little slower.

* (09:30)

You do not get quite the building efficiencies because you are not just moving crews around, but you sure do get community renewal. I am very pleased with the fact that in

both Brandon and Winnipeg, government has not delivered a single unit. It has all been community or entrepreneurs. In Brandon, it is more entrepreneurs. Winnipeg, it is beginning to be entrepreneurs. That is what makes neighbourhoods.

Mr. Reimer: I have a few questions that I would like to ask, as I mentioned earlier, about the RRAP program. I know that it has been managed in the rural area by the MMF. I understand that they are no longer involved with the RRAP program and that it has moved on to different areas of management. I wonder whether the minister could update me as to the program, the management of that program, and exactly where it is right now.

Mr. Sale: As the member knows, Mr. Chair, that is a very, very challenging program to deliver. You are dealing with distances, remote communities. You are dealing with situations where there are often very few contractors, very few people capable of doing major work. The Métis Federation came to the conclusion that this was a program that they were just not able to deliver effectively and be able to afford it. They do not have an infrastructure like we do in terms of housing offices in a wide variety of communities. They do not have the portfolio. So they relinquished that program to us, 1st of April of this year, by mutual agreement.

I think they found it difficult, and, frankly, we found the delivery difficult. So what we are doing is delivering that program through our existing infrastructure. We have a decent-size office in The Pas with reasonable levels of staff. Those staff are taking over the RRAP program for that area; similarly, in Flin Flon, Thompson, Swan, et cetera. To be fair to the Métis Federation, they do not have that depth of infrastructure, so it is very expensive for them to send somebody from Winnipeg, or someone from wherever, to go and do one house in Thicket Portage, or whatever, or Wabowden. So we think we are going to be able to deliver a lot more volume with significant efficiencies.

Now, we have just received from them, in the last few weeks, their uncompleted files and work in progress. So there is a bit of a transition, but I am satisfied that this is the right decision

on their part and our part to get some efficiencies into this program, and, frankly, to get more volume. There was not nearly enough work being done, for whatever reason.

Mr. Reimer: Mr. Chairperson, the RRAP program in Winnipeg, who administers that? I said Winnipeg, I should have said Brandon, too, both of them.

Mr. Sale: RRAP, as the member probably remembers, is a bit complex. First of all, it is a 75-25 federal-provincial framework. When the member was minister, the program was administered by CMHC. They then contracted with the City of Winnipeg in Winnipeg to be the delivery agent and with the Métis Federation to deliver outside of Winnipeg, everywhere, initially. Then, I think, due to some unhappiness or some whatever reasons, the Province began delivering it in Brandon. I do not remember when, but a few years back. *[interjection]*

It was in, I guess, the year 2000 that we started the Neighbourhoods Alive! programs and, at that time, we took over the Brandon delivery to allow us to integrate Neighbourhoods Alive! and the RRAP program in Brandon, which has proven very effective.

Mr. Gerard Jennissen, Acting Chairperson, in the Chair

We indicated our desire, because we want to pull our housing programs together and stop having multiplicity of programs. What we want to be able to do is to have the programs in the background and the projects we want to do. Okay, how do we make the programs we have fit the programs, fit the need, rather, the projects? Rather than having the proponent trying to fit his project or her project into our funding pockets, we are trying to bring those together.

The City of Montreal, for example, simply takes all of the federal and provincial resources. They package it into the kinds of programs that will work for them. They do not try to fit the projects into the square pegs and round holes problem, is what we have.

About a year and a half ago, I guess, we indicated to the federal government that we

wanted to become the active party. Maybe it was two years ago. That is under the RRAP agreement of the active party, meaning we are in charge of the program. We account to them. Obviously, we use their guidelines. We cannot make up our own guidelines, which is a problem, but we are the delivery agent. So, last April, not '02 but '01—am I right, or is it '02 we became the active party? *[interjection]* '02, yes, we became the active party. No, it was last year. It was '01. We have been delivering RRAP for a year now. We will clarify the date.

I believe that we, I think it was last year, became the active party. Winnipeg still delivers it in Winnipeg on our behalf now as the active supervising party, but the advantage now is we are in the Winnipeg Housing and Homelessness office; the RRAP people are in that office, and so we get some synergy out of that.

Now, because the Métis have given up their role in the program, we are delivering it everywhere in Manitoba. We are the administrator, except in Winnipeg. We undertook active party status for the program in 2001. So it was last April 1 that was our first year of administering that program.

Mr. Chairperson in the Chair

* (09:40)

I think it is working a lot better, but we have become frustrated with and aware of the fact that the program guidelines have not been changed for about a decade, I guess. I think it was '92, somewhere, way back then, when the housing income limits were set at \$18,000. We have had a decade of inflation and changes, and RRAP is less and less accessible to the people it is really intended for, the working poor, lower income up to moderate. Certainly, the real intent is to focus on the lowest income group that can actually afford housing, or to landlords who are renting modest accommodation.

The guidelines have not been changed, so we requested CMHC to start a review. They are entitled to have a review every five years, I think, and so we have exercised that right. The letters asking for input from community groups and builders and landlords and whatever went

out, actually, this week saying, we are starting this review process. We have got to get different limits because \$18,000 just no longer reflects reality; that is the maximum housing income you can have in order to be entitled to RRAP. Well, not very many people are going to be entitled to RRAP under that criteria. There are good things about RRAP. Certainly, we need that kind of program, but it really needs to be updated. So that is the process we started. I think it will help to focus the need for changes, particularly in the income limits.

An Honourable Member: I wonder whether there is a willingness to take about a five-minute break?

Mr. Chairperson: Recess for five minutes.

The committee recessed at 9:42 a.m.

The committee resumed at 9:43 a.m.

Mr. Reimer: The evils of coffee, and then you sit there with a big cup like this. Terrible.

Just further on RRAP, I was looking through the Estimates book, here, and maybe it is in here, but I just cannot seem to put my finger on it, the amount of money that is allocated to RRAP, and, also, possibly, the breakdown between the urban and rural.

Mr. Sale: I do not have the exact number, but I believe \$7.9 million, 7.9 or 8. Just after we formed government, the federal government doubled their RRAP allocation and we doubled to match. So we went from about 4 to about 8 and it has been fully committed, sorry, I am wrong, \$7-million annual federal-provincial renovation-repair. It is on page 86 of the Estimates supplement.

Mr. Reimer: Is there a possibility there is a breakdown as to percentages regarding the rural and, say, Winnipeg? I recognize that Winnipeg may not be that much because, as the minister mentioned, the income levels are fairly restrictive on it. I just wondered what possible percentage.

Mr. Sale: I will undertake to get that information for the member. Just a word of

caution that because of the difficulties that the Métis Federation had in delivery there was significant underspending of RRAP in the last many years actually. That is part of the reason why we are glad we have that under our direction now, but I will undertake to get that information. It is not simple. I guess we have to agree on what the definition of rural is because the majority of it is Winnipeg, Brandon and urban. Now, what does urban mean? We will tell the member what we have defined and you can decide whether that is rural or urban.

The really rural and remote component is very small, mainly because of delivery problems, which I think we are going to be able to overcome. We will get that information as quickly as we can.

Mr. Reimer: I apologize for going back to a previous portion that was covered but I just had one more question in regard to the housing initiative the minister mentioned. He did allude to it briefly. That is in regard to the provision for disabilities. I know as minister responsible for disabilities and as critic for the minister responsible for disabilities, I believe we both get lobbied by the various groups as to the inclusion of having some sort of additional housing stock or housing component for people with disabilities. Is there a target or a percentage that the minister is looking at in the funding component for the housing initiative? Has he indicated to the components that there has to be a certain percentage allocated toward people with disabilities?

Mr. Sale: There is not a specific unit allocation but we are working with representatives from that community to define. For example, the Association for Community Living has talked about 50. I do not see that as an unreasonable allocation for that community's needs. We know there is a housing shortage in that area; Ten Ten is talking about a project, a relatively modest project, for Aboriginal persons with disability who are in Winnipeg because of the level of their disability. Again, I think that is something at which we are looking strongly. We are looking at some conversion of existing bachelors, that are, as the member knows, difficult sometimes to fill, into assisted living for people with disabilities in some of our suburban or older urban but largely suburban older urban

areas. So there is a range of different ways we can get at this problem. We are not just saying the only thing we are going to do is under the new program. We are also going to look at our existing stock and our existing projects and see what can be done there.

The member is quite right. I think a particular challenge is the mental health issues. I have been encouraging for a year now the mental health advocacy community to come forward with some innovative designs. I have particularly been suggesting to them that we know the industry can deliver four-plexes, attractive, attached, but quite independent unit four-plexes at a very affordable price if they would just put their mind to it.

I was looking the other day at CMHC's housing awards information. Edmonton has a very affordable housing program that I am going to take a close look at. It is bringing units onto the market at a very affordable price through the private sector with very modest subsidies.

We have a problem with special needs. *[interjection]* I beg your pardon? *[interjection]* I did not hear what he said.

An Honourable Member: Is that in Ralph's world?

Mr. Sale: He is right. We need to have an allocation, and we are in the process of identifying the scale of the need with each of the advocacy organizations. The big ones are Community Living and mental health. Those are certainly, by far, numerically the biggest challenges we face.

* (09:50)

Mr. Reimer: I was wanting to ask a few questions on the rental revenue side of the component with the Manitoba Housing as to the revenue stream for the Estimates. Also, I noticed it is up a bit. I wonder whether the minister could give me an idea of the vacancy rates. I know they used to have the component broken down by, again, we are referring to urban and rural. If the minister has those types of figures, I would appreciate it.

Mr. Sale: For clarification, is the member referring to page 87?

Mr. Reimer: Rental revenue, yes.

Mr. Sale: Well, I guess there are a couple of things. In general, incomes are up slightly. They are not up a huge amount, but incomes in general are up. When you are paying a percentage of your income in rent, you would expect rents to grow in this portfolio roughly in line with incomes. So part of it is income.

Part of it is that we have become more assertive in going after vacancies and arrears. Not to be critical, but the member may know that, when the former government was looking seriously at getting out of the social housing business, liquidating that portfolio, and they had a report from KPMG that looked at that issue, which was commissioned under the previous minister, when we formed government, we found there were close to 500 units in the city of Winnipeg that were vacant. They were vacant essentially because no money had been set aside to bring them into rentable form. They could not be rented. Our view was that was not a wise decision because it essentially destroyed the revenue stream for those units but the mortgage costs remained. So we had zero revenue to offset actual costs. We worked very hard in the first year to get all of our units back on the market and get them occupied. It was not hard to get them occupied.

Part of our revenue increase is because we simply have more occupancy, fewer vacancies. I do not know whether that helps the member. If you look back a couple of years, you will find the rental revenue has gone up each of the last few years.

Mr. Reimer: Does the minister have any indication of what the vacancy rate is now for Manitoba Housing?

Mr. Sale: It is roughly 3 percent. That includes the monthly churn, of course. There is a monthly turnover. In Winnipeg we have about 361 vacant units out of about, I think the total in Winnipeg is 7886. So our turnover monthly is about 200. That is the standard churn. We have about 160 above our standard churn. Most of those are bachelors, as the member will probably remember, current Winnipeg bachelor vacancies. It is current. What month is this? March, and I do not think it has changed a whole lot, 183 bachelor units, very, very low vacancies in everything else, basically, just the churn.

Mr. Reimer: Usually there is a write-off at the end of every year in regard to bad debts. I should not say bad debt but uncollectable rent and that. Could the minister give me any idea of what that number is? Possibly, I do not know whether there is an historic analysis with those figures, what it was compared to the previous year?

Mr. Sale: We will get that information for the member, and I will pass it on to him as soon as we can get it.

Mr. Reimer: I know, as the minister mentioned, in the city of Winnipeg you actually almost have a zero percent vacancy because of the turnover and everything else with that. The numbers are very, very low.

I know there is a fair amount of single dwellings in the rural area. Is there any indication of, or have there been any initiatives toward selling off some of those vacant units or a program of getting people to rent in those units in that area?

Mr. Sale: I am informed we have not actually sold any units in the last year, I would say, at least. What we have done is, where we have vacancies, chronic vacancies of single units, gone to those local communities, one by one, met with people in the towns who know what is going on and what is needed, met with our Family Services staff, met with the local council or the mayor, whomever, and said, what do you want to do with these. Here is the opportunity, what do you want to do?

Basically, when we get those units in rentable condition, we find they get rented again. Again, I am not being critical, but part of it was that we had 10 years of not focussing a lot of energy on renovation repair and rental, maybe because of the economy or whatever the reasons were. When we go out and actually work with the communities we find there is take up, that there is a need there. So we have been able to get a lot of those units rented back into the market.

We are also doing a comprehensive review at this time of all of our property to get a current read on the renovation repair issues for all of our properties and to identify ultimately any properties that truly are surplus.

* (10:00)

The member probably will remember that there were some units in St. Laurent. We have actually had some success at getting some of those occupied. St. Laurent is doing some good stuff. In terms of their Seniors housing, they have an assisted living program now in the old nunnery. It is now a health clinic and some assisted living. They are doing an addition to that to provide some additional assisted living. It is mainly getting back at the work of working with the local community and saying how are the housing needs in your area being met. How does our stock fit into that. When we do that it seems to result in success at getting them rented to stable tenants.

Mr. Reimer: My colleague from Portage la Prairie was going to ask some questions about Zelana Towers, you know, Zelana apartments there in Portage la Prairie. I am fairly familiar with that project and some of the situations that have revolved around that complex. I wonder whether the minister could update me as to the rental situation in that complex, whether there are people in that complex still who are not paying any rent.

Mr. Sale: The member will know what a difficult problem this is in regard to the Waterhen members who relocated to Portage, not entirely of their own choosing. We looked at the arrears situation which was very serious. It is our view that the Department of Indian and Northern Affairs of Canada have a responsibility here to be part of the solution.

At least in part, people are in Portage because of the conditions in Waterhen. We have asked Mr. Nault to be part of the solution here. It is our view that we cannot tolerate a situation in the long term where people just say we are not paying rent. Where we have any citizens there that are in receipt of social assistance, we have simply redirected social assistance so that they do not have an option. We are receiving the rent in that way. We hope that Mr. Nault will agree this is not a situation that can be allowed to just continue and that we will use the appropriate offices of the Rentalsman and Residential Tenancies Branch to make it plain that, yes, we recognize these people have a particular prob-

lem, but nobody has the right to simply say I am not paying rent. That is not acceptable.

The member will know that, during the previous government's time in office, this problem was difficult, to say the least. Some attempts were made to resolve it, but ultimately nothing was done because of the perceived problem of doing it, in terms of evicting people, for example, in very public circumstances. That is what we have done.

We certainly have minimized our ongoing losses. I do not want to suggest we are prepared to tolerate that on a long-term basis, because we are not. It is simply not fair to other citizens, but we recognize there is a real problem for the people who are there and that Canada, I think, has to be a part of the solution to that.

Mr. Reimer: I wonder whether the minister could just give me a bit of an update as to numbers. How many units in that complex are occupied and not paying rent?

Mr. Sale: This raises a very difficult question. We have tenants who are in arrears, and I think we get into some difficulty if we assume that they are all Waterhen. I do not have any way from my records of separating those out here. I do not mind giving the member a sense, informally, of the scale of the continuing problem in Portage, but it is not all Waterhen. I do not want to get into things that could raise questions of identity here because it is certainly contrary to the Human Rights Act for me to be talking about the number of units occupied by a particular subgroup and their rental status. I do not mind giving the member some informal indications of the scale of the problem, but I can tell him it is less than it was when we formed government. But it is still significant.

Ms. Bonnie Korzeniowski, Acting Chairperson, in the Chair

Mr. Reimer: What I was looking at was, actually, I guess, a set of numbers, the total number of units in the Zelana complex, the number that are occupied, the number vacant and the number that are in arrears.

Mr. Sale: We will get that information for you. The first two are easy, but the rest of it we will

give you a number current as of whatever date, whatever it is, June 30 or something like that.

Mr. David Faurischou (Portage la Prairie): Madam Chairperson, I appreciate the minister's response. In and about the whole area of that Zelana apartments in Portage la Prairie, there are a lot of persons that are occupying homes that I believe are publicly owned. When I say "publicly owned," owned by governance bodies, whether it be Family Services, or CMHC for Dakota Tipi, for instance, is the department expanding and purchasing additional dwellings, or are you intending to reduce your holdings, or what is the current status of the Child and Family Services department as to the number of residential units that the department operates? I know that they are responsible for Zelana, and Oak Tree Towers is another, but in Portage la Prairie, could you give me a breakdown as to the interest in residential properties in Portage la Prairie?

Mr. Sale: There are no changes either currently planned, nor have any taken place in terms of who owns what in the social housing portfolio in Portage la Prairie. There have not been any changes since we formed government that I am aware of. If the staff corrects me, I will certainly come back to the member with correct information. But there are no changes that I am aware of that are either planned, or that have taken place. It has been status quo.

Mr. Faurischou: Could you give me a breakdown of the department's holdings for residential units in Portage la Prairie, as to the complexes, number of houses? This is the information that I am interested in, even though it is static at the present time.

Mr. Sale: I will give the member the information; it is more specific. I have it all by project number, but does not have the names in it. They would not mean anything, albeit to the member, because he knows his town well. There are nine projects. There is one single-family house and two projects of single families, which are only of three total units. So most of them are multiples, as the member knows. The total number vacant, as of March 31 of this year '02, is 17 at that time. The total number of units now is around 280. So 17 out of 280, roughly. I will get the member more information on that.

* (10:10)

Then they range obviously from one-, two- and three-, up to as high as four-bedroom units. The major vacancies at the end of March, we had only four bachelors and one one-bedroom in seniors. In family, we had six two-bedroom, four three-bedroom and two four-bedroom vacant at that particular time, but that is pretty much a monthly churn. It is not an ongoing vacancy. Certainly, as the member knows, Portage does not have a lot of vacant low-income housing.

Mr. Faurschou: I was wanting to ask the minister for the record: Is he still supportive of providing available accommodations for the community area group that used to be called the Northeast Portage Development committee? I believe it is now Neighbourhood Connections. It is a parent-council type of organization that the department has provided accommodations for. It is quasi day care, social kitchen that has significantly enhanced the whole community in that area.

Mr. Sale: I do not know if your mike is on, but, anyway, yes. Certainly, we continue to do that. We have also expanded our work with communities in other communities. We have provided suites for a day care, for example, in another small community. We have family resource centres in a number of places because, as the member says, often high-needs families are located in these projects, so dealing with child care, parenting, family issues helps to stabilize the project. Yes, it just makes sense, and we will be continuing to do that.

Mr. Faurschou: Thank you. I appreciate the minister's support. I know, at one time, we did have occasion to have a community policing office there as well, but, due to staffing with the local detachment and that, I do not believe that is currently open. I wanted to draw that to the minister's attention, and I certainly appreciate it.

I would like to go across the road for a just a moment from the Zelana apartments to the Manitoba Development Centre and just ask of the minister whether he has had time in his two-plus years' tenure as minister to review the proposal that was under discussion at the time when government changed. That was essentially to look at the facility in a long term, which I believe the proposal called for potential part-

nering with the Rotary or Lions clubs that would provide care for persons with brain injury.

As you are quite aware, there are numerous individuals across the province in acute care beds and long-term beds who have sustained brain injury which, through accidents that have occurred which ultimately have resulted in brain injury which is not very different from brain injury to persons at birth or early stages of life that individuals have sustained who are current residents of the Manitoba Development Centre. You have a like situation between individuals affected by brain injury, and it was being discussed at the time of change of government.

Has the minister proceeded to review that proposal for the longevity of the Manitoba Development Centre? Because there are very few intakes occurring now because of other programming but there remains a significant investment by the people of Manitoba in the infrastructure in that facility, so if one can continue to make use of the taxpayers' investment and lighten the load perhaps on Manitoba Health for a win-win scenario.

Mr. Sale: Somehow my mike came on without me being recognized, but that is good. Did you recognize me?

The Acting Chairperson (Ms. Bonnie Korzeniowski): I had recognized you, yes.

Mr. Sale: I did not ask to be recognized.

The Acting Chairperson (Ms. Bonnie Korzeniowski): We will wait until you are ready.

Mr. Sale: I will be recognized anyway. I know the member is concerned about the future of MDC. I understand that. It is a long association with the community, and obviously he is right to be concerned about that issue.

Let me separate out a couple of different things. There is a population of people with brain injuries in Manitoba. They do, in some cases, have the same or similar needs as people with developmental delay, but that is not generally true. Generally, they have a higher level, functioning at a much higher level of awareness. It is not always true, but it is more generally

true. They also tend to be younger. I think it is our view that we need to have accommodation that is appropriate for people with brain injury, but it is not appropriate to group them with people who have developmental delay and have had that delay since birth. Brain injury, by definition, usually happens well after birth and often is the result of an automobile accident, a diving accident or some other trauma. Our view is that we should be accommodating those people closer to their home, in their home communities. It is not appropriate to cluster them in one place in Manitoba.

The member may know that for a family in Brandon we made a particular accommodation. That home is intended to have two people in it ultimately. There are numbers in Winnipeg that are in personal care homes inappropriately because they are mixed in with people who are quite elderly with very different social and physical needs, really. They may have some need for close supervision but it is not usually the same as somebody who is in an advanced Alzheimer's situation.

* (10:20)

I do not think we see inappropriate mixing in Portage or a centralization of this population. We do believe there will need to be, for the foreseeable future, a major capacity to care for elderly people who are currently at MDC. We do not believe you can close MDC and we are not pursuing that option.

We do also know we have serious problems with buildings that have long outlived their usefulness. We know the accommodation for people who are still in some of the larger wards is not acceptable in the long term. It may be safe but it does not meet the standards of this century. So we have to think about a redevelopment that is appropriate in the longer term. I have spoken with the member about this in the past.

I think that is probably all I can tell him at this point, but I do want to emphasize we do not think it is appropriate to mix those two populations. We do not think it is appropriate to centralize brain injured people in one place in Manitoba because their families need to be connected to them and you do not do that if you centralize them.

Mr. Faurschou: I appreciate the minister's understanding, not only of the facility and the part it plays as a significant entity in Portage, not only for employment but the spin-off that size of facility results in.

Neither one of us, the minister or myself, is of a medical training, but we do glean different things from the experts. I, though, for one, am of the understanding that trained medical staff who are of psychiatric background are not readily available throughout the province. Those are the specialists who are best trained to deal with individuals who are suffering from ill effects on one's brain. Whether it occurs through accident and trauma or whether it is a condition most commonly known as Alzheimer's, it is still affecting one's ability to function because of an impairment of one's brain.

I ask the minister to fully evaluate the opportunity one has to make the most of the individuals employed by his department who have the expertise to work with individuals afflicted by these conditions.

Mr. Sale: I have met with the Brain Injury Association, and I think they would strongly oppose centralizing care and treatment in one location, wherever it was, whether it was Winnipeg, Portage or Brandon. Anyone who suffers a brain injury that results in the kind of trauma that needs ongoing significant care and supervision before the age of 18 is covered through our programs, Community Living programs. It is adults who suffer brain injury who are not currently covered by our program. Perhaps that is something we should look at in terms of how we deal with this issue. Right now they get covered under Health and there is not the appropriate facility.

I think the Brain Injury Association is part of our coalition on special needs housing under the new federal-provincial housing agreement. They are meeting with us, along with other special needs or disability related groups and we hope we are going to be able to respond to a wide range of the disability groups' needs within that new federal-provincial housing framework. One of the agreed-on target populations in the agreement is special needs. So I think that offers us an opportunity we have not had for a number of years to try and address some of these issues.

Mr. Faurschou: I appreciate the minister's response. I do want to though emphasize that not only brain injury but, as I have mentioned, as the minister is aware, a number of care homes are experiencing significant difficulty in providing services for persons with advanced Alzheimer's. Even in Portage la Prairie, the Lions Prairie Manor underwent a \$400,000 retrofit to provide for these individuals the facility was never designed to accommodate. These individuals present a whole host of challenges to health care providers.

I am suggesting that perhaps MDC may have already existing infrastructure, trained staff, facilities to care for persons, rather than potential significant investment throughout the province. I know and understand the needs to have family members close by, that is always a concern, but I do also appreciate that we have extraordinarily gifted, dedicated and trained staff at the Portage facility known as the Manitoba Development Centre that I believe, as time progresses, could be rededicated to some other opportunities which we have discussed this morning.

Mr. Reimer: I just have a few more questions. One of them is, I will refer specifically to page 88 of the expenditure book, the Capital Programming of \$55.5 million, I am assuming that is in regard to the outstanding mortgages on the Manitoba properties, but maybe you could give me a quick explanation as to that amount and that figure and where it is going.

Mr. Sale: The breakdown of the \$55 million is loan and mortgage debt financing. So these are mortgages coming due or land bank refinancing coming due, et cetera. During '02-03 we will have two mortgage related advances maturing with the Province. These come from the 1980s when we were refinancing. The terms of those advances require MHRC to either pay out or renew the advances at maturity. We will be renewing these basically to refinance them.

Mr. Chairperson in the Chair

Then our Home Emergency Loan Program, HELP, has \$300,000 for financing. Those are loans. So we finance them, and then the recipient pays us back.

We have up to \$300,000 available for project development funding. The member prob-

ably remembers those are grants to organizations that are in a sort of initial stage of a proposal. They have an idea, it is pro forma feasible. This takes them to the stage of go, no go. If it goes, then it is capitalized into the program. If it does not go, it is forgiven. So PDF is \$300,000.

* (10:30)

There is then another category of \$1.1-million financing for bridge financing of projects before they are completed. You are in construction. That kind of bridge financing.

We are still holding some funds available to do some conversion to support housing for seniors who are needing a little more care, as you know in Arlington House and other housing. So that is the breakdown of the \$55 million.

Mr. Reimer: I wonder whether the minister could give me the amount of money that has been refinanced because of mortgages that are coming due, just for the mortgage—

An Honourable Member: That is the 53.

Mr. Reimer: I am sorry, did you say 53? I missed it, I am sorry.

An Honourable Member: 53.7–53.5.

Mr. Reimer: Its 53.5, so that is almost the whole amount. Okay.

The other question I have is on, still looking in the book here on page 94, and that is the stats on the employment of the department. I recognize when you look at the figures from '98-99 being 51.5 and then going up to 71 in 2000. I believe the reason for that was because of the devolution and the fact that we took over some of the federal staff, but I wonder where the extra 25 people are coming in at the end of 2002-2003. Where would most of that staff be located? We are going from 71 people, the extra 26 people.

Mr. Sale: For clarification, Mr. Chair, is the member speaking about the difference between '00-01 and '99-00? That is where there is 25 increase. There has been no increase this year. So you are going back two years here.

Mr. Reimer: Yes. I am sorry, I am looking at the '99-2000. We had 71 people. I know the reason for that increase was because of the devolution. When you project it out to 2002-2003—you see, from 2000-2001, it went up 25 people. Granted, it has gone up two people. But where were most of those people employed? What sector?

Mr. Sale: Just for the record, I just want to make sure that we are clear. We are going back two years here. The change is from 1999-2000 to 2000-2001. So we are back two years.

Two things happened in that year. First of all, we took over RRAP and began to deliver RRAP; and, secondly, we moved people out of Manitoba Housing who were delivering the shelter allowance programs, and moved them into the department. So Manitoba Housing staff do not show up on these numbers. Manitoba Housing is a separate corporation that delivers and administers housing. It was our view that the shelter allowance programs were not housing programs, they were financial assistance programs. The people delivering those programs should be part of the department and not part of Manitoba Housing.

It is actually not an increase in staff; it is a transfer of staff from Manitoba Housing back to the department. So they become civil servants, but they were previously employed and previously paid. There is no actual increase in numbers. There is an increase related to RRAP, and I am not sure that we have the breakdown between those two here. If the member wants to have further detail on that, I will undertake to get it. But those are the two things that happened in that year. It is not actually an increase in our staff, but we decreased MHA staff.

Mr. Reimer: In regard to staff, I know that there was a—

An Honourable Member: Wonderful people.

Mr. Reimer: Very well spoken, sir, for all of the Department of Housing.

There was a discrepancy in salary ranges, in regard to the urban and rural staffing in that, and there was a movement to bring them into what

we call a civil service status. Has there been any movement toward that, or what has happened in regard to that action?

Mr. Sale: The member knows that there are two collective agreements, and, really, that is a bargaining question. There remain some salary differences between the two groups, and I am sure that the unions will be very interested in that. But, no, there has not been any substantial move toward changing that situation. In fact, the current agreement expires this coming March. So, stay tuned.

Mr. Reimer: Yes. I was aware that there were two contracts. When I was in the department, there was always the—well, I should not say there was always, but there was an initiative in the sense of trying to bring the two together. I believe the minister is saying that that initiative is not undergoing. They are still bargaining in the sense of between the two, and there is not a plan to try to get them all under one umbrella.

Mr. Sale: I am obviously not aware of that initiative, because I was not in the former minister's role. I would think that that is a collective bargaining issue. That you have the same union, but two different bargaining units, and, presumably, it would be the employees who would raise that issue if they wish to do so in the next round of collective bargaining, but there is no initiative from the government side to change that.

We see it appropriate to continue to have a Manitoba Housing Authority that administers and delivers housing and to have a Housing Department within government that sets policy, develops programs, has overall strategic direction, et cetera. I can tell you our Government is not intending to collapse MHA into the civil service and into the Department of Housing. We see it as a useful, efficient vehicle for managing very significant public assets and doing a good job of it.

Mr. Reimer: I will just have one more question. Then maybe the minister could give me, whether there is an update available as to this happening, I guess it is particularly in my constituency, regarding the Ladco property and the development along the Seine River, whether there has

been any indication as to the status and whether it is going to happen in the next while, or whether there is going to be a bridge and where the bridge is going to be.

* (10:40)

Mr. Sale: First of all, the member probably knows there is an agreement been reached with the City to acquire the river bottom lands, about 32 acres. There is an agreement to purchase an additional, got to keep my numbers straight here, I think it is an additional 35 acres out of the 77—no, I have a number on here—26 acres at \$65,000 an acre. That price has been agreed to and is minuted in a City Council minute.

The council, as the member knows, offered Save Our Seine a dollar-for-dollar matching to encourage them to go after some heritage money and some federal funds they might get to acquire the additional about 12.7 acres that are not dealt with out of the total of 87 acres of forest.

So we currently have, to my understanding, about 74 of those 87 acres are protected, either through river bottom, through acquisition at \$65,000, or through the 10% dedication requirement. I think we have achieved a great deal in that really beautiful forest. I am sure the member has walked through it. I have walked through it at the end of the winter when there was still snow on the ground. It is a treasure and it should be preserved.

The only amount that is at question now is if the member can remember the map. There is a triangular piece, a triangle that faces east, just south of John Bruce Road. That has been classified by the City as a lower quality forest. If you go in there it is scrubbier. There are open spaces. There is not really much mature forest there and there is a break in the forest where the farmer had a road through there. So there is really very little, not a lot of value to that particular scrub. However, if Save Our Seine is able to raise funds, the City will match up to the amount required to also acquire that amount. It is kind of in Save Our Seine's ballpark at this point.

In regard to the bridge, I know the member knows the history, so I am rehearsing it essentially for the record because he already

knows it. The City gave indication about 25 years ago that the crossing should be at shore hill, Southglen—I get shore hill and Southglen mixed up—and, in fact, directed the developer to acquire the right of way to protect that, so that it did not disappear on them. Somehow the word of that direction got out, and another developer got a hold of one corner, which the member probably knows as well.

But, nevertheless, Ladco does control the land required for that access. That was done at city direction. It was not done at the developer's direction, the city planning. I think the member knows the reason for that was that they did not want to see a major divided collector going north through a subdivision. They wanted to have the southern exit to the subdivision to be primarily a residential street, so that people would not be tempted to use a collector and then wind up driving up through the subdivision and that being the only major exit. You have traffic in a hurry to get to work, or get home from work, on a two-lane street that was not built for that. The residents of phase 1 would also have some fairly strong feelings about their street becoming a kind of alternate to St. Anne's Road. At this point, the view of streets and planning, in fact, the view of all the city departments, is that that is the right place.

The developer's view, and we are partners, is that from a planning point of view, that makes the most sense; but if the City, in its wisdom, dictates otherwise, then the City is going to have to pay for the bridge, because it is on land that the developer does not own and the developer does not control. It will be a much more substantial bridge. It will be a four-lane, divided, or perhaps one bridge, but four lane. I do not think the City, particularly, is interested in that.

In order to have one final review, they hired a consultant to advise, maybe not entirely coincidentally, after the next election, where that bridge ought to go. In the meantime, the developer is developing the drainage areas and siting the topsoil for the naturalizing of the banks of those lakes. The developer is assuming that, one way or the other, we will know where that crossing is sometime next winter. In the meantime, we will get access through temporary roads. It is a very serious issue because there is

essentially no more developable land. The member probably knows the housing industry in Winnipeg is going to run out of developable land in the next couple of years, and there will not be any more land in south St. Vital for a long time, until we get that phase 2 moving down in there.

It is not just a question of environment. It is a question of employment for builders. It is a question of affordable supply for homeowners. How do you balance that?

Our view is, if you have protected 64 or so of 77 acres, and what is left is not the best land by any stretch of the imagination, that is not a bad achievement. It is a big, urban park. It rivals St. Vital Park. In fact, it is bigger than St. Vital Park. It is a natural park. It is a beautiful area. If you can build an environmentally responsible bridge that is a two lane and keeps the traffic down, it seems to me you are trading off some traffic and that kind of pollution against a bridge over a waterway that has lots of other bridges over it. Frankly, I do not think that is an environmental disaster. I think you have to build a bridge in a responsible way. You have to make sure that it does not impede wildlife and is not affected by the huge variations in the Seine's level. But beyond that, there is going to be a bridge down there somewhere. Protecting that land has been a good achievement. Save our Seine has contributed to that. I think there is also the balance of the residents who live in the first phase in terms of their right to not have a throughway through their neighbourhood. But I hope the member supports that.

Mr. Reimer: I am willing to pass the Estimates, as of now. Thank you.

Mr. Chairperson: Item 9.5 Housing (a) Housing Services (1) Salaries and Employee Benefits \$1,753,400-pass; (2) Other Expenditures \$385,900-pass; (3) Financial Assistance \$3,600,000-pass.

9.5 (b) Corporate Services (1) Salaries and Employee Benefits \$1,643,100-pass; (2) Other Expenditures \$991,500-pass.

9.5 (c) Capital Planning Services (1) Salaries and Employee Benefits \$604,600-pass; (2) Other Expenditures \$71,800-pass.

9.5 (d) The Manitoba Housing and Renewal Corporation \$26,529,600-pass.

* (10:50)

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$35,579,900 for Family Services and Housing, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: Item 9.6 Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$2,465,900-pass; (2) Amortization Expense - Enterprise Software \$441,700-pass; (3) Enterprise Software Licenses \$656,000-pass.

9.6 (b) Amortization Expense \$1,861,300-pass.

9.6 (c) Interest Expense \$847,800-pass.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,272,700 for Family Services and Housing, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: The last item to be considered for the Estimates of this department is item 9.1. Administration and Finance (a) Minister's Salary, contained in Resolution 9.1. At this point, we request the minister's staff leave the table for this consideration of the Minister's Salary.

Item 9.1. Administration and Finance (a) Minister's Salary \$28,400.

An Honourable Member: I have a few polite questions.

Mr. Chairperson: Well, this is the time for it.

Mr. Glen Cummings (Ste. Rose): I know the minister can deal with these questions quite easily without staff, but, in reference to the Healthy Child Initiative, which, I know, he takes a great deal of pride in-

Point of Order

Mr. Sale: Mr. Chairman, a point of order?

Mr. Chairperson: Minister responsible for Housing, on a point of order.

Mr. Sale: Not a really huge point of order, but this is a separate appropriation, and staff will be here for that. We are really now dealing with just the minister's salary for Family Services and Housing. The fact that I am Healthy Child Minister is not because I am Family Services. So, if you have Family Services and Housing, I am happy to try and answer those ones. But we have not done Healthy Child yet.

Mr. Chairperson: The Estimates for Healthy Child will be following the Estimates for Family Services and Housing. Does that satisfy the Member for Ste. Rose? *[interjection]* Okay.

* * *

Mr. Chairperson: Item 9.1. Administration and Finance (a). We still have some questions.

Mr. Cummings: Before we leave Family Services and Housing, then, there have been some questions raised around Hydra House that I would like the minister to spend a couple of minutes enlightening me on and, perhaps, filling in some blanks about some of the issues that have been raised around Hydra House.

Last week, the minister very strenuously defended the review of Hydra House and felt that there had been a satisfactory review and that there had been satisfactory answers. In fact, I think his comments were to the extent that there had been a detailed review and, in fact, there have been some extraordinary steps taken during the review, if I am not putting words in his mouth, but my concern, then, is, first of all, on the specifics of the review, it would seem that, in the discussion of the questions that have been raised in the media, the personnel involved in the review seemed not to be immediately aware of some of the documentation that was raised about potential purchases, or possible purchases, of private items through the purchasing power of the organization, which would implicate public funds.

Upon reflection of the answers that people have been giving publicly around this review

and investigation, is the minister still satisfied that he does not need to require any further review of the activities at Hydra House?

Mr. Sale: I am sure the member knows this is a complex situation, but let me try and respond as best I can to it. I am always concerned when we get allegations, as I know he is, about inadequate treatment or inadequate care for people. When I get them, I immediately refer them. I do not get a lot, but I do get them, and I immediately refer them. I ask for a very clear and quick response to them.

This is a strange situation. Here we have the former chief executive officer of this corporation, under whose time certain things are alleged to have happened while he was in charge. This is a bit strange in that he and his former employer, the owners of Hydra House, had a parting of the ways. He is alleging inadequate care, for which he was the chief executive officer. He was the responsible person. He hired the staff. He supervised them. He was accountable for the books. He ran the operation. So, right off the hop, you have to ask yourself: What is the credibility here?

Secondly, this person, virtually as soon as he was in his termination agreement with Hydra House, came to us and offered to run the same services that they were then providing, but he would run them for us. All we had to do was transfer the cases and the money, and he would do that for us. We declined his offer, as you might expect. He then showed up, with another person, offering to provide services under another name, called Crusader Services, and he was going to provide services out of the old Teulon residence for around 35 people in a congregate setting, which I do not know any place in Canada that still does that. We declined that offer, as well. So you have a person, who is in a grievance situation with a former employer, making allegations about the operations for which he was responsible when he was that person.

* (11:00)

Nevertheless, when he brought his accusations to us, we put together a team of three very experienced people, the director of community living services, one of our ad-

ministrative directors and a third person, a service delivery person. They went in to Hydra and interviewed in each of the 10 homes, interviewed staff, interviewed families of people placed there and, where residents were able to respond, interviewed the residents. We took his cheque stubs and his allegations and found that Hydra House staff had adequate explanations for the more egregious of the allegations. What we found in the review—and I, obviously, cannot release the review. It involves a confidential set of residents and circumstances in a private organization. But, basically, I have a 22-page review. I will read the summary paragraph:

There did not appear to be any major concerns presented by staff members, workers or parents. There was an overall sense that things had improved since the summer, specifically since one management person had left Hydra House.

I will not connect the dots for the member, but he probably can.

The sentiment was expressed by staff members only, not by residents, workers or parents. Any impact presented by personnel problems within Hydra House organization did not appear to be noticed by those outside the home.

The only comment regarding funding was for more dollars for activities and one comment for higher salaries for staff. We recognize that staff in many of these homes are not highly paid by any stretch of the imagination, and that is why we had the staffing stabilization initiative for the last two years to bring minimum average wages up by a fair amount to the \$9 region, which is not exactly a huge wage.

Any problems that Hydra House has had with management did not seem to be affecting the programs. For example, staff were pleased that some new vehicles had been purchased for the transport of people to activities. Renovations had begun and were underway at a number of places that had been neglected for some years, coincidentally when the complainer was the CEO. Former staff who had been a long-term manager commented on how the staff and residents had pulled together and done well over the summer.

He said, and this is a quote: The staff group was incredible. There was not as much stress as previously because the staff pulled together

So, in summary, I think, having done some evaluations myself when I was director of the planning council, and then when I was a private consultant, when you go in and you interview in each house, and you interview parents, and you talk to residents, pretty soon, within the first five or six interviews, you get a sense of a pattern.

If the pattern is confirmed by your other interviews, you have a pretty good handle on whether this is a good place for people or not a good place. I do not want to suggest that there are no problems in Hydra House or that there are no problems in any of our congregate care or community living settings. These are challenging settings to work in. They are challenging people who are there, or they would not be there. If they were not challenging, they would not be in those settings. I am satisfied that the complaints were taken very seriously and that the findings showed a pattern of competent care. The team that did the review included our most senior community living staffperson, Pat Benson. She is very well thought of in the community living community as an advocate for high-quality placement.

Nevertheless, out of an abundance of caution, when I learned that Mr. Small had gone to the provincial auditor, I wrote to the provincial auditor last week and sent him our review, sent him the summaries, sent him the six audited statements that I have, which, by the way, were not up to date when Mr. Small was the CEO. In fact, in the first year we formed government and the change took place at Hydra House, we got three years of audited statements that year. The member can probably get a sense that (a) I have problems with the complainant's neutrality, and, secondly, that aside, we did a 22-page, extensive investigation, not just into the financial allegations, but into all of the adequacy-of-care allegations. I think Hydra House can improve, like all of our settings can improve. I do not want to suggest there are no problems or there will not be any problems, but I do say that a thorough investigation was done, and the complaints were not substantiated, apart from

very minor issues which you would find typically in any congregate care setting that could be strengthened.

Mr. Cummings: I appreciate what the minister is saying in terms of reviews he has undertaken and attempting to ascertain the quality of care that is being given at Hydra House. I presume he would note that I was very careful with any comments I made publicly, not to be condemning the care at Hydra House. Number one, I do not have personal experience with it, but, No. 2, if the level of care was not at a decent and acceptable level, we would have heard about it a long time ago, I am sure, four or five years ago.

My concern that I want to raise with the minister, again, this is not a role reversal, because, let me put it on the record that I do not have a problem with a for-profit approach, provided that it is encapsulated in an appropriate agreement. What I am about to ask the minister could even be extrapolated as being a bit negative, considering that this operation flourished for a number of years under our direction or under our support. The bottom line is: Has he taken a look at the agreement that Hydra House operates under? For the benefit of demonstrating what I am referring to, and that is that a for-profit agreement can be structured to provide almost any service. An example, I guess, would be that Great Britain actually privatized the delivery of its visa system. If any country has any one area that it should be cautious about, it is the access and the egress to and from its country. So, using that as a principle, I am asking the minister if he has reviewed, as part of his responsibility, the conditions under which Hydra House can operate.

I am thinking of matters such as return on investment, whether or not there are controls on the amount of reserve that can be held. I would be the first one to point out that a reserve held for additional investment is a good thing and probably needs to be part of an ongoing plan, but, as I said to the media when I was asked about this, to just be thrown out there—it appears they had \$750,000 in reserve, at one point. That is a significant reserve. There need to be some conditions around that to protect the reputation of Hydra House as much as to protect the government dollars.

Perhaps most people would see that in a reverse onus. I believe that in fact is the case. The onus is on the operator to demonstrate that they can and should have reserves and that they should be able to demonstrate how they are accumulated and where they will be spent. So I ask that question, I suppose, not having seen the agreement, but because this is now in the public purview, it raises other questions including the legitimacy of private for-profit delivery of service, and if they are operating within the confines of current agreement, or if, indeed, a condition such as that is part of their agreement?

* (11:10)

Mr. Sale: I am obviously not at liberty to give the member audited statements, because it is a third-party private sector thing. I can tell him though that, in general, the surplus is largely the assets of the homes. The mortgages are still outstanding on some of the homes, but there is a capital value associated with homes for which mortgages have been paid. So the majority of the value in this company is in its capital assets, not in cash.

Secondly, that when I went back—and I have said this on the record—and reviewed the six audited statements, and did a total calculation of annual surpluses, annual deficits which did occur in a number of those years, largely because of investment in renovations and improvements to the homes. They drew down, essentially. They spent it out of their cash side, instead of mortgaging. So it created some years with losses.

The total, overall, was about a two and a half percent profit margin on a raw—not accounting for capital appreciation in terms of the homes, but in terms of actual excess of income over expenditures, all of which were appropriate in our view, and which all the audits are clean. None of the audits have any qualifications at all. Two and a half percent does not strike me as exorbitant over a six-year period. I think lots of investors would look for a little higher return than that. So I would agree that there is also some capital accruing as they pay down their mortgages, but they also have substantial mortgage debt outstanding still on the properties. But there is no question that there is value to this business. It is largely in the assets it

holds, not unlike farmers. It may not be much cash flow, but there is a big barn.

Mr. Cummings: Yes, Mr. Chairman, the minister is correct. I do not think it is very long ago that a lot of farms were reporting about a 3% average return on investment and probably a lot less in some circumstances.

That does, then, raise the second half of my question, and something that I think everybody needs to have put to rest in terms of pursuit of this accusation, and that is, where salaries are paid. In this case it would appear that the salaries probably would not have fallen within the minister's increase in salary basis, because the reports, that I have seen at least, indicate that the employees seem to be paid at, or slightly above, average, unless that information is wrong. That, perhaps, is not germane to the question.

The real question is, and the accusation is, that there were some rather significant salaries pulled out of the organization. Again, those types of issues can be addressed, but when it is a totally publicly-paid, privately-owned organization, is there an agreement that covers the setting of remuneration for senior executives? Pardon me.

Mr. Sale: I will check that for the member, but I do not believe that is one of the conditions of the service purchase agreements. By the way, for the member's information, there is not just one service purchase agreement, because we often have individual service purchase agreements for very high-needs people that will be separate. Each community placement of someone who is in a community living situation is negotiated separately on the basis of that person's needs. Those are reviewed on a regular basis in terms of whether they had more or fewer needs than they had when they first entered into that facility.

There are some purchase service agreements with Hydra House that are large and encompass a number of individuals, and then there are some smaller ones. So it is not just one agreement, but to the best of my knowledge, and if I am wrong I will come back to the member and tell him, there is nothing in our service purchase agreements for any organization that limits the compensation of senior staff. I do not think it is mentioned in any one.

I would also tell the member, he may or may not be aware, that there are individuals in the non-profit agency sector who are making substantial salaries, in some cases in excess of what deputy ministers make, and that that has been the case for many years. My own view of that is that is a real problem, because we have superintendents of small school divisions, for example, making significant salaries in excess of deputy ministers that have a billion-dollars worth of responsibility and thousands of employees.

We have CEOs of hospitals making very substantial salaries. They are all non-profit organizations. They are paying very, very large salaries, much larger than are cited in regard to Hydra House, even for small hospitals that are in the member's area. For example, the CEO of a hospital will be making at least as much as, in a number of cases quite a bit more than, a deputy minister makes. So I think we have some problems in how we compensate people who provide services in the public sector. I do not think they are just limited to Hydra House.

I only know the allegations. I do not know what the actual salaries are. I presume that when Mr. Small went to the provincial auditor, if the auditor believes that this is something that he should look into further, he would probably choose to do that. That is why I sent him the package of information, to help him make that decision as to whether he ought to, or ought not to, spend his resources looking further into this. I will verify this, but I think I am correct to say that none of our several hundred service purchase agreements specify executive compensation levels.

Mr. Cummings: Well, thank you, and that raises an interesting question. I do not particularly object to people who have no tenure, and significant risk on the table, being reasonably well compensated for what they do. In fact, I was going to ask the minister and he, in part, has answered it. I was going to ask him: Does this demonstrate that, in fact, this being a specific example in the delivery of the services, there may, in fact, be efficient, practical and high quality ways of delivering the service to the people who need it the most, that sometimes can be found, and can be demonstrated as being very

appropriate, but still leave adequate opportunity for reimbursement of people who wish to become involved?

I guess I am really making a case while questions are being raised around Hydra, at this point. I know of probably dozens of publicly-operated organizations who consistently believe that they are underfunded, and who, rightfully, in most cases, believe that their staff could be paid better; who believe that they could, in fact, do better if they had a better funding model.

Is the minister implying, and I am asking, because, on the surface it would almost appear that Hydra, then, is it an example from which we can learn, in some cases, about the fact that service delivery, can, without lowering quality, allow for clients to be well cared for; provide an adequate service, and still provide a decent compensation for those who are responsible for doing the overall planning and management?

Mr. Sale: This is an interesting discussion. I think, historically, the difficulty that we run into in human services is that people who are at risk, for whatever reason, and require some kind of supervisory care, are also at risk of that care if that care is not delivered in a transparent and community-accountable way.

History is full of examples of institutional abuse, whether it is Kingsclear in New Brunswick, or whether it is Newfoundland Christian Brothers, or whether it is our residential schools, or it does not matter. It does not seem to matter, the nature of the individuals that are being accommodated. What seems to matter is that the organization giving care is prone to not being very accountable for the quality of that care if there is not some community link or some arm's length body that is regularly reviewing that care.

* (11:20)

I think you can accomplish that accountability in a variety of ways. You can do it by having a very clear accountability chain back to government as the funder, with staff from government assuring themselves on a regular basis that the care is of a high quality. You know, meets the tests. I think that works

reasonably well. But I think that the whole community-living movement that began following the Second World War in Sweden, Scandinavia. Probably Canada's best known advocate was Jean Vanier of L'Arche. But the whole association for community living used to be the Canadian association for the mentally retarded, but CACL now.

The whole ethos of that movement is that you care for people best in small community settings that are transparent because they are located in neighbourhoods where people see each other. They have a role for parents or advocates or friends who are not, themselves, being paid or gaining from the care, as well as having staff that are adequately trained, adequately paid.

My own personal view, and, I think, the view of our Government, and I believe this was the view of the previous government as well, is that the most desirable way to look after people with serious developmental delay or mental health issues is in community-based settings with the community involved through a board, through volunteers, through some kind of regular process where people who do not have a monetary or employment interest have regular access to the people who are being cared for.

In general, I think it is better to have community-based, community-operated agencies. Now, they can be very efficient. I do not think efficiency is particularly linked up with whether it is profit or not-for-profit. We have got examples, for example, in Lions Housing where a non-profit organization went so seriously off the rails that several million dollars disappeared, disappeared in part because the person signing off the audit, although he was a CA, also was a board member. It disappeared because the board did not renew itself and did not have new members coming on. They got into this kind of lazy, oh yes, the CEO has told us what is going on, everything is fine kind of mentality. Well, there is a non-profit, very credible community provider of a range of housing that got themselves in deep, deep trouble, even though they have got a service club behind them that is world-wide known for doing good stuff. On the other side, we have got for-profit organizations that go seriously off the rails exploiting people.

I do not think that it is inherent in either for-profit or not-for-profit that you get either efficiency or accountable operation. I think you have got to have on-going checks and balances with both. There are different ways that are appropriate to both. You cannot have a community board—you know, a CBC interview that I did, the interviewer just clearly was not thinking too hard when she said: Well, why do you not put a community board in charge of Hydra House? Well, we have a problem here. It is owned by another corporation. It is not our call to do that.

You can use the community board on one side. You can use staff accountability and standards for the for-profit side. But, in the main, I think we are better served by having community-based, non-profit organizations that are helped to be efficient by having enough size, that they have got enough people, enough units that they can run those efficiently, and then you provide them with training and support, and you keep working to make sure you are getting good value for your dollar. For example, in southern Manitoba, in Steinbach, Winkler and Altona, they have amalgamated their community living organizations under one organization called Valley Rehab now. Well, that is providing significant benefits of administration and efficiency. It has got some problems, too.

It is a long answer, but I think it is a really interesting question. I do not think that Hydra House is a model for how we ought to go. I think Hydra House does good service, provides good value for the dollar that we spend. But, with it, we have got to have stronger accountability at the staff level because there is not the volunteer and parent involvement, although, to be fair to Hydra House, they do have parents involved where they have community living placements. There are parents around to be involved. There are parents involved in those homes. That is one of the things that when we interviewed, we found a high, high level of satisfaction. Parents felt their kids were safe, or their adult siblings, their adult children were safe, were well cared for, had good involvement in the community; they could go any time and visit; they felt welcome. Long answer, short question. Sorry.

Mr. Cummings: I will leave one thought with the minister, and that is while he has been skeptical about the information that has been raised by a disgruntled employee, I hope that his actions in sending the information he has to the Auditor and what seemed to me to perhaps still be some unanswered questions—either the allegations are totally without merit or that there is some basis for the allegation, and I have to say that I have learned over the years to be somewhat skeptical, as we all do when we have large responsibilities where disgruntled people believe that certain things have happened and bring it forward, but you cannot tell on the surface sometimes whether this is real or imagined.

I therefore am urging the minister to continue with some diligence to review this. I have no desire to hurt Hydra House. As I said, from all information that I have and what the minister has just talked about, they do appear to be providing a worthwhile and useful service. From a strategic approach, there are times when a privately funded initiative with a single payer, as can happen with government, is not a bad way to provide service and is very often highly efficient, and that spills over into far more areas than this.

Obviously, there is a whole debate there that occurs everyday in this House, probably, in one form or another about what is the best way and most efficient way to deliver service and whether or not there is a philosophical approach that works that can encourage the investment of private dollars to provide service that maybe a public system has not yet accumulated enough dollars to provide or to invest in.

I am going to leave my comments on Hydra House there with the one proviso that the minister will continue to pursue to his satisfaction and the satisfaction of the public that these accusations are unfounded. I would say that they are not yet answered; perhaps the comments of the Auditor, where he says that a forensic audit is really the only way you can tell what was behind some of the receipts.

* (11:30)

Then the minister has a true dilemma because if there should be some truth to these allegations, then the question is raised, what nature of accountability do we have beyond the care that goes to the individuals. I concur that there should be an opportunity for a return on investment, but if there is an untoward removal of dollars in a way that is not clear and transparent, then no one is being well served. I hope that while we have not yet been able to determine the veracity of some of these claims, that perhaps, in my view, the Auditor is the right one to ascertain that, not that he is the only one with the knowledge, but he has the basis upon which to review. He has certainly the capacity and the opportunity, and from what I have just heard, he now has the encouragement or at least the assistance of the minister if he sees fit to continue with this.

For my part, I am of the mind that he should look carefully at this file before he decides not to proceed with a review, or if he does intend to proceed, now that Hydra has had its name splashed across the public viewing screen and now that we have discussed it in this Legislature, I think for everybody's satisfaction, if its name is to be cleared, it should be cleared promptly, and we can all get on with our business, as is intended.

Mr. Sale: Not to prolong this, but I will just make two quick comments to the critic, very quickly. I think we do not have an ideological view of this issue. That is why we are using the private sector aggressively in the housing area, and it is why we continue to use operations like Hydra House. We do not have an ideological view of the right way to do most things of this nature.

Secondly, I will just tell the member that, when we had very serious concerns about Lions, we did call in the provincial auditor. We called in a forensic auditor. We spent a lot of money. At the end of the day, he could not construct a set of statements. He threw up his hands and said I cannot even give you a clean balance sheet.

Where we have had any sense there were problems, we have absolutely acted. If the Auditor chooses to do this, that is absolutely fine with us. It is not our capacity. It is not our job,

frankly, and we have no capacity as a department to go beyond a test audit with an auditor.

We had six clean audits with no questions. Beyond the answers we got, we did not feel we had a forensic issue. The Auditor, of course, is the appropriate judge of this, and that is why I gave him the package.

Mr. Faurschou: I want to state at this time that there have been two retirements from Child and Family Services on the Income Assistance side in Portage la Prairie: Denys Marion and Cecil Brown, both in the last year, individuals I want to state at this time served with distinction in the positions they occupied with Child and Family Services. I certainly appreciated the opportunity of working with individuals with such stellar credentials.

I would also like to offer at this time recognition to the gentleman by the name of Bill Ghostkeeper who came to Portage la Prairie from Thompson and who now occupies the regional director's position for Income Assistance, Child and Family Services in Portage la Prairie. Mr. Ghostkeeper has already put his imprint on the operations in Portage and I will say worked very co-operatively when he got his staff to review all individuals on long-term income assistance for potential interest in being employed by a firm wanting to locate in Portage la Prairie in the access industry, the contact centres, call centres, more commonly known. Mr. Ghostkeeper assisted many individuals in examining that as a potential opportunity as it is not physically demanding but certainly individuals could possibly improve their lives by some part-time employment.

I do know where the minister sits on persons who are on income assistance and working but I will leave it as a difference of opinion. I believe it is the minister who said he has not yet met anyone on long-term income assistance who does not want to work. They are just incapable of working. In any event we will leave that commentary. I do not want to get sidetracked into a debate on this.

I do want to though impress upon the minister what I believe is a necessary element in anyone's life to achieve one's goals and

aspirations, dreams, and that is a fundamental basics in education. Without education, one is really handicapped in achieving any of those. I believe that opportunities to improve one's basic education is absolutely necessary. Sometimes it requires just a little encouragement, prodding if you may, to get persons to continue their education, ultimately empowering them to take hold of their own lives and to captain their own ship.

I want to encourage the minister that he look very favorably upon initiatives within his department that would spawn this type of activity. If the minister wants to respond with a short dialogue on that, I would appreciate it, but I know their time is short in the Estimates process. But this is, I believe, a very vitally important point that must be explored.

Mr. Sale: I will try to be brief. The brief answer is that we have increased substantially the number of partnerships with training organizations in the last couple of years. That is partly why, when we took office, there were about 12 600 general assistance recipients in Manitoba. There are around 6000 now.

So we have cut the general assistance who are the employable by 50 percent in a little more than two years. I think that is a heck of a record, and it is largely because of very good work done at places like 391 York, which is our work-related office. It is because of the initiatives of staff. Staff said to us let us put a job centre in our intake. So, before people go to intake, they go to the job centre.

It is because we have increased, for example, the previous government started working with Taking Charge!. We have increased the number of participants by about 35 percent in the end of the last fiscal year. I do not have numbers for this year. Opportunities for Employment has grown.

* (11:40)

We have Steps to Independence, which is a specific program, has tripled, up to 670 from 202. We have a group in the North End called the Path Centre, which works with multiple-barriered people who have a number of different

things blocking them from employment. They have gone from 148 in '00-01—they were formed in '00-01—to 650 estimated this year.

The member said he did not want a long dialogue. I could list an awful lot of programs that have been brought in in the last couple of years that are very specific training, expanded Urban Circle, one of the most successful training programs we have. Their graduation ceremonies are the most deeply moving things, I think, I have ever seen because these are people who had no hope, and they are graduating with jobs waiting for them. They are largely people who would have been marginalized completely.

That program started under the previous government, as well. I am not trying to take credit for it. We did expand it, and we continue to support it. So I agree with the member. The ultimate key is steady employment and a secure, safe workplace and a decent community, and on and on and on. We are committed to that path very strongly.

Mr. Jack Penner (Emerson): It is refreshing to hear the minister commend the previous government for actions that they initiated to get those people that have been misfortunate in many aspects in life and have been encouraged to increase their capacity for education and work ability.

I think that is what it was all about when we initiated many of those programs, to encourage those less fortunate to be able to get into the mainstream of life and provide for their families. It is encouraging that the minister and his Government are continuing those programs.

I want to ask the minister specifically, on a similar vein, the previous government, which received, by the way, on the initiative that we just discussed significant criticism from the minister and his colleagues at the time, another area that received significant criticism from the Government, and I want to ask the minister, under the decentralization process, we moved Housing offices and Housing staff into many communities in rural Manitoba into areas where they served and they could be closer to where they served, yet I find it interesting that the Altona office is virtually being closed. There are

a few staff left there. I think there are two or three staff left there, The minister might know for sure exactly how many. All the other staff have been centralized again in Winnipeg.

There were so many comments on how well the operation out of Altona was functioning and working, and we find it very interesting that the disruption that has now been caused by centralizing most of the operation again in the city of Winnipeg. The dysfunctionality that is happening over there, I have never received during the last five, six years as many calls as I am now about housing. I personally go out and look after some of these things because there is nobody to look after them. They have to make the trip out of Winnipeg to come out and look after them.

I wonder whether the minister could apprise us as to why they would enter into a centralization process again when the decentralized housing operations worked really well.

Mr. Sale: First of all, I guess it would be helpful if the member had actually raised any concerns with me, but he has not done so far as I am aware. He may wish to correct me, but so far as I am aware, he has not written to my department and raised these concerns. So if they have been of a serious and recurring nature I would urge him to do what most members do, and that is raise them with me. We will either give him answers that he is satisfied with or we will not be able to, but one way or the other at least the issues will be dealt with. Sitting on them probably does not help a lot. If you are getting a whole lot of concerns, most of the members of the Opposition find that they get responses when they raise those concerns with me. So I would be glad to have the specifics and attempt to deal with them.

On the Altona office, while there was an office established there, some of the staff were commuting daily from Winnipeg. They were not relocated to Altona. They simply worked there and so—[interjection]

Well, if the member wants to bring issues to my office and raise them, I would be glad to deal with them. I deal with many of his colleagues on a collegial basis and not on a confrontational basis quite successfully, so if he would like to bring them, I would urge him to do so.

We had to look at our assets, the scale of our operations in different communities and look at what the most efficient way to operate those is. So there have been some reallocations, they have not been centralizations. They have been reallocations from some smaller urban communities to other smaller urban communities, some more closely aligned with where the assets were, where the scale of the housing was. I have to live within the resources I have available in my department and part of that is efficiency. If the member has specifics and specific complaints, specific issues, I would be very glad to deal with them if he would raise them.

Mr. Jack Penner: Well, Mr. Chairperson, I thank the minister for the response, but I think it demonstrates the lack of understanding of rural Manitoba and how rural Manitoba functions and the communities function. It was our desire to bring the services closer to the people instead of having the services offered out of Winnipeg. We offered them out of the rural communities. There was not one staffperson out of Housing that was commuting out of the city of Winnipeg to the Altona office.

The person that came out of Winnipeg moved to Rosenfeld and has since retired and still lives in Rosenfeld, loved it there and still does. That was the only commuting person originally when the office started. Local people were hired to provide the services and it provided job opportunities in local communities. The minister has now since moved all of that back to Winnipeg, I believe except for two or three staff who are still in Altona.

I would suggest to the minister that he review his own department and look into how Housing is functioning now and look at the costs. Your travel costs will be much, much higher now than they were before. I think that is unfortunate that we spend those monies on gas and vehicles instead of delivering the services out of Housing to the people.

Mr. Chairperson, I will bring next time the problems we have right to the minister's office, but I find it very unfortunate that, as I experienced in Health this morning, the minister said: Well, bring the specific issue to my attention and I will look after it, that we are

starting to micromanage our civil service's responsibility out of the minister's office. I find that unfortunate because the way it functioned before the regional offices looked after the problems and dealt with them directly. They did not even come to my attention most of the time. There was the odd time when somebody would call, but it was so easy to then make the phone call and the staff looked after it. Now you are telling me to bring it to the minister's attention. I think that is unfortunate because the minister is there to set policy and direction and to provide the funding, not to do the operational. I think that is a trademark of this administration that is substantially different from what the previous administration was.

Mr. Cummings: I am prepared to pass the Estimates for Family Services and Housing.

* (11:50)

Mr. Chairperson: We are on the Minister's Salary, item 9.1. (a) \$28,400—pass.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,073,300 for Family Services and Housing, Administration and Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This completes and concludes the Estimates for the Department of Family Services and Housing.

The next set of Estimates that will be considered by this section of the committee is the Estimates of Healthy Child Manitoba.

Shall we briefly recess to allow the minister and critic the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: No. Just keep going.

Mr. Chairperson: Keep going. So shall we.

HEALTHY CHILD MANITOBA

Mr. Chairperson (Conrad Santos): Will the Committee of Supply now come to order to consider the Estimates of Healthy Child

Manitoba? Does the honourable Minister responsible for Healthy Child Manitoba have an opening statement?

Hon. Tim Sale (Minister of Family Services and Housing): No, I think we should just have questions.

Mr. Chairperson: I thank the honourable minister.

Does the critic for the Opposition, the honourable Member for St. Rose, have any opening statement?

Mr. Glen Cummings (Ste. Rose): I will forgo an opening statement, Mr. Chairman. If the minister has staff available that he wishes to have come into the Chamber, that would be fine.

Mr. Chairperson: We thank the critic for the Official Opposition for that comment.

Now we invite the minister's staff to join us at the table, and we ask the minister to please introduce, again, his staff who are present.

Mr. Sale: Tannis Mindell, deputy minister; Jan Sanderson, director of Healthy Child Manitoba.

Mr. Chairperson: We will now proceed to line item 34.1. Healthy Child Manitoba (a) Salaries and Employee Benefits, on page 100, \$1,211,700. Do we want to do global or just proceed?

Mr. Cummings: I think the minister would probably agree we have opportunity for a few global questions. I would like to begin with asking him about the committee of Cabinet and if that committee does in fact meet regularly.

Mr. Sale: Yes, the committee meets monthly. I think it is the second Tuesday, but I am not sure which date it is. Second Monday, there we go, second Monday of every month. Reports to Cabinet thereafter and is preceded by a meeting of the deputy ministers in the preceding week. That is preceded by an agenda that the deputy and I review. We also review the agenda for the Cabinet committee meeting. The answer is yes, monthly.

Mr. Cummings: Well, I have a curiosity as much as anything on the funding of the

expenditures in this area. I noted—now I cannot find the page—that Tourism has become a fairly major contributor to the expenditures in this area and some of the other departments, Aboriginal Affairs and even the minister's own department, have reduced their contribution somewhat. Are those related to secondments, is that straight transfer of dollars, or is the Tourism department contributing simply because they can?

Mr. Sale: For clarification, Mr. Chair, is the member referring to page 6 of the Supplementary Estimates? *[interjection]* Okay. Thank you.

Healthy Child Manitoba is not meant to become a long-term service delivery organization. It is our belief that the secretariat of the previous government was an appropriate way to start this focus on children, but that, in a long term, if it became a service delivery organization, it would be just like any other department. Instead of changing the way government sees children and responds to early childhood, it would have become a competitor for funds along with other departments. That is why we set up the structure the way it is.

As programs mature and become stable, long-term programs, they have been evaluated, we evaluate all the things we are doing to see whether they are useful or not. Assuming they are, we then devolve them out to line departments to actually operate. What you are seeing here is the devolution of programs to the departments named. We are essentially spinning off pieces as they become mature pieces. That is what you are looking at here. There is no transfer of funds.

There have, in the past, been secondments from departments for part of our staff but what you are looking at here is programs.

Mr. Cummings: Well, I quite understand, now that the minister has pointed that out, but that still raises a question, under Culture, Heritage, then I presume there are some programs they are delivering that have the blessing of Healthy Child?

Mr. Sale: Specifically, that is Winnipeg Boys and Girls Clubs; Culture has a recreation

department. It is within Culture, Heritage and Recreation. They have a rec services department. It seemed to us to be appropriate that they should be the primary oversight of this program through that line staff, rather than us duplicating that.

Mr. Cummings: Then I might assume it is something along the same line with Aboriginal and Northern. At one time, I believe there were some recreational programs that were delivered by them. Is that along the lines of what they are delivering under this 113?

Mr. Sale: The Aboriginal Youth Council is that particular grant. They have a delivery capacity in the North as well as in the Aboriginal communities. So, again, it seemed appropriate.

Mr. Cummings: Is the Department of Health delivering some responsibilities on behalf of this section?

Mr. Sale: Not directly the Department of Health, but the RHAs deliver Baby First on a purchases-service basis. So here the relationship is that Healthy Child Manitoba has service purchase agreements with each of the RHAs to employ the public health nurses and visitors that actually deliver Baby First. In regard to the Department of Health, only the lead on nurses in school is through the Department of Health, but that will ultimately, I am sure, go to RHAs as well.

Mr. Chairperson: Shall we not see the clock?

An Honourable Member: Would you agree not to see the clock for two minutes, and we will pass these Estimates?

Mr. Chairperson: Is there agreement? *[Agreed]*

Mr. Cummings: Obviously, I could spend a lot more time on this. I consider it a very important initiative, but, given the constraints both our caucuses have on us at the moment, I would agree to pass these Estimates.

Mr. Chairperson: 34.1. Healthy Child Manitoba (a) Salaries and Employee Benefits \$1,211,700—pass; (b) Other Expenditures

\$414,000—pass; (c) Financial Assistance and Grants \$20,072,600—pass.

Resolution 34.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,698,300 for Healthy Child Manitoba, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: Item 34.2. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$18,800—pass; (2) Amortization Expense - Enterprise Software \$3,400—pass; (3) Enterprise Software Licenses \$5,600—pass.

2.(b) Amortization Expense \$3,600—pass.

Resolution 34.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$31,400 for Healthy Child Manitoba, Amortization and Other Costs Related to Capital Assets for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This concludes the Estimates for the section on Healthy Child Manitoba.

The hour being 12 noon, pursuant to the rules, I am interrupting the proceedings of the Committee of Supply with the understanding that the Speaker will resume the Chair at 1:30 p.m. today, and that, after the Routine Proceedings, the Committee of Supply will resume consideration of Estimates.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, August 8, 2002

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