

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**First Session—Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine	Riel	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, September 19, 2003

The House met at 10 a.m.

### ORDERS OF THE DAY

#### GOVERNMENT BUSINESS

#### COMMITTEE OF SUPPLY (Concurrent Sections)

#### EDUCATION AND YOUTH

\* (10:00)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Education and Youth.

As has been previously agreed, questioning for this department will follow in a global manner.

The floor is now open for questions.

**Mrs. Heather Stefanson (Tuxedo):** Mr. Chair, I believe we had confirmed yesterday that a Mr. Lloyd Schreyer is the secretary of the Compensation Committee of Treasury Board. I am just wondering, like, again, just sort of getting some background information. Again, as sort of one of the newer members, I am not really quite sure how all government departments work and process.

Mr. Chairperson, is it common practice for an employee in the Department of Finance who works for Treasury Board to have that person negotiating on behalf of other government departments?

**Hon. Ron Lemieux (Minister of Education and Youth):** Mr. Chair, I thank the Member for Tuxedo for the question. Within the Department of Education, there is no expertise, to the best of my knowledge anyway, and what I have been advised is that there is no expertise with regard

to labour relations and negotiations and so on. At least that is what I understand.

I believe that that addresses the member's question.

**Mrs. Stefanson:** In that case, then, Mr. Chairperson, would it not be appropriate to go to the Department of Labour to look for that kind of expertise?

**Mr. Lemieux:** The Department of Labour was involved with mediation and conciliation. When you take a look at the partnership, you have conciliation and mediation involved.

I mentioned before that this is something that, not something that disturbed me this morning but certainly made my ears perk up when I heard the story announced that somehow the Province of Manitoba is not willing to support Prairie Rose School Division in any way.

That really surprised me because the Province of Manitoba is willing to support Prairie Rose School Division. Now, it may be financial. It may be in other ways, and that is where the Department of Labour comes in. We are asking that Prairie Rose, if they cannot get their issues resolved, that they go to mediation. We are asking that Prairie Rose seriously consider mediation. That is where the Department of Labour comes in, conciliation and mediation.

Sunrise School Division went to mediation and they were able to hammer out an agreement. After mediation commenced and the parties concluded their tentative agreement, then, of course, the strike ended and the parties went back to work.

I want to make it quite clear that to the best of my knowledge, we have not received any correspondence or any indication from Prairie Rose that they want either assistance from the Department of Labour or anyone that has the expertise to be able to assist them, because con-

ciliation broke down there as well, so mediation would be very important as it was in Sunrise.

We are asking that the Prairie Rose School Division look at all their options in order to end this strike that has been going on now for, I believe we are into day five.

Mr. Chair, we mentioned that there was, I believe, around 1400 students, approximately, who were affected by the lack of busing. I believe there was double that amount of children who go to that school division, but approximately 1400 are transportable. Now, it might be 1300-something or over 1400. We will try to clarify how many children are affected by that.

But the bottom line is that we want the parties to get back to the table. It is certainly in the best interests of the children and the parents. If you cannot resolve your issues, ask for mediation and get it done.

**Mrs. Stefanson:** The minister mentioned that the Department of Labour was involved, I guess, in negotiations in the Sunrise School Division to help in that dispute. I am wondering who from the Department of Labour was involved in these strike negotiations?

**Mr. Lemieux:** Well, when I say the Department of Labour, what I am referring to is that I do not pretend to know all the ins and outs of how Labour Relations and the Department of Labour works. I understand that they are the ones who appointed a conciliation officer and they are also the ones who appointed a mediator. So that is their role. They play a very, very important role in the labour relations in Manitoba, and it has been very successful. We have a very good system and, certainly, it appears to work well.

That is why I make reference again to Prairie Rose. The Province of Manitoba will assist where we can. When I hear stories that we will not assist, will not give them any money, no, we did not say that. We just said that you have a process in place, follow it through. We have not had any conversations, to the best of my knowledge, with anyone from Prairie Rose, nor have they contacted us in any way, shape or form, informally or formally, with a letter; no

letter. My understanding is that we have not had any discussions with regard to harmonization of salaries in particular.

So we would certainly want them to get back to the table and get back to bargaining. If they are unable to be able to do that and they want an independent party, that is where the Department of Labour would be. I mentioned yesterday, I do not mind going to talk to the Minister of Labour and have the Minister of Labour have an arbitrator put in place if that is what the parties wish.

**Mrs. Stefanson:** The minister mentioned that it is the Department of Labour that appoints a conciliator and a mediator in these disputes. Did the Department of Labour appoint the conciliator and the mediator, the conciliator, I guess, and a mediator in the case of the Sunrise School Division dispute?

**Mr. Lemieux:** I will have to take that as notice just to make sure that it is accurate, but I believe they did. They are the ones who are involved when there is any strike or when parties are not able to agree. I believe it is labour relations; I believe it is the Labour Relations Branch or Conciliation and Mediation Services that get involved. I am only guessing, but I will confirm it whether or not and who appointed those individuals or how that happened.

**Mrs. Stefanson:** In the case of the Sunrise School Division, who was the conciliator?

**Mr. Lemieux:** The lady's name was Ms. Beth Stitchell.

**Mrs. Stefanson:** Mr. Chair, I just wanted to sort of establish a time line here. We have a strike beginning on April 8. If the minister would like to clarify his answers for my last question, that would be fine.

**Mr. Lemieux:** Sorry, I thought the Member for Tuxedo, my Education critic, was asking who is the conciliation person in Sunrise, or is it in Prairie Rose? I guess I just wanted that clarified. Which division is she referring to?

**Mrs. Stefanson:** I was referring to the Sunrise School Division.

**Mr. Lemieux:** Okay, because I had understood it as Prairie Rose. Beth Stitchell is the conciliation person for Prairie Rose School Division. Conciliation has broken off, and, of course, now there is a strike.

**Mrs. Stefanson:** Who is the conciliator in the case of the Sunrise School Division?

**Mr. Lemieux:** I will have to get back. I will take that as notice. I will have to get back to the Member for Tuxedo.

**Mrs. Stefanson:** Okay, again, just trying to establish a bit of a time line here, we had the strike beginning on April 8, I believe, and then the minister mentioned yesterday that the mediation began either April 9 or 10, I believe. I do not think he was sure at the time whether it was the 9th or 10th. The strike vote took place on April 17. I am wondering at what point during these few days did Mr. Schreyer, was Mr. Schreyer involved with the negotiations.

**Mr. Lemieux:** The member is correct. The letter raising the wage discrepancy and so on was March 24. The strike happened on April 8. With regard to Mr. Schreyer's role representing the Government, I believe he spoke to them. There were a lot of conversations that have taken place.

I think maybe that is something I should state, that the Manitoba Association of School Trustees, I have had meetings with them. Wage harmonization was one of the areas that they raised with me and other areas with regard to not only amalgamation but other divisions that they see collective bargaining and those issues related to the school trustees as being very important. They see that as being a real challenge to the Government. They have raised that repeatedly.

\* (10:10)

I know that this morning I heard Ms. Carolyn Duhamel on the radio speaking about harmonization and how some contracts have been settled, like, I think, Pembina Trails and Louis Riel, settled essentially without looking for assistance. I mentioned repeatedly, and yesterday I mentioned again that that \$50 per student that we talked about amounted to about

three quarters of a million dollars for Louis Riel which I believe was really helpful. I understand Pembina Trails was very similar. I cannot recall the amount of money that they received from the Government on \$50 per student but initially people said, well, what good is that. Well, I can tell you that in Louis Riel as well as Pembina Trails—I mean, Pembina Trails received almost \$680,000 and Louis Riel \$740-some thousand.

Mr. Chairperson, I believe that \$50 a student has really helped out with their collective bargaining process because that money has really assisted them in a way that they did not come back to government looking for extra money or assistance, whereas when you have those school divisions that have declining enrolment or declining student population, I can see that they are going to be really challenged. Where you have Sunrise School Division and even Prairie Rose that have lower student populations, but I think, well, everything is relative, but on the other hand, in the areas where you have declining enrolment I can see that really being a challenge for those school divisions because when you give that \$50 per student, in the school divisions that have the large populations and have even growing populations, that has been a real benefit for them in order to assist them in their collective bargaining.

So the long and the short of it is that, and it should be made quite clear that as a government, we have been there for the school divisions and we will be there for Prairie Rose and we will be there for other school divisions if they are having financial problems or their collective bargaining has ended up at a standstill. We can help them with mediation services or conciliation and then mediation through the Department of Labour, but I still want to make it quite clear that no, there is no blank cheque, negotiations have to take place, collective bargaining has to take place, and, I believe, all parties realize that. In the case of Prairie Rose, that has not totally worked its way through. There are still some other steps in the process and yet we are available to talk any time they wish and any time they want to meet or talk to government in any way, shape or form, we are there. So I want to make it quite clear that the Province of Manitoba is able to and is a willing partner in education. If there is any way we can assist, we will do so.

**Mrs. Stefanson:** Again, the minister is referring back to this March 24 letter that he received from the Sunrise School Division. I am wondering if he could tell us at what point between March 24 then, we will add that into the time line, and April 17 did Mr. Schreyer begin his discussions with the negotiators in this strike dispute in Sunrise School Division.

**Mr. Lemieux:** As I mentioned, Mr. Schreyer, who is a highly respected person within the public sector and within many workplaces, he has a lot of expertise with regard to collective bargaining. He has a good understanding of the labour market issues that are out there, and I know that. I just want to reiterate once again that he is highly respected. I know he probably does not appreciate having his name bandied around but I would certainly want to commend him for all the hard work that he has done. In his position, it is not very easy because you are dealing with whether it is the health care sector, whatever sector it is, you are dealing with very difficult issues and especially in the public sector. Public sector means government and government funding, and government funding health care, government funding education, there are a lot of priorities within government and the priorities for us are health care, education and many other areas.

So a balance between spending between all those priorities is a challenge and as a government, we have been able to do quite well I believe, not only in the amounts of money that we have been able to provide school divisions throughout the last four years at the rate of economic growth and, as I mentioned, last year we provided \$23.8 million, approximately, and that is around a 2.8% increase over the previous year. These are important.

I know that other departments also have priorities but, as a government, we made a priority of education and we will continue to do so. We made a commitment that we will certainly be looking at the ESL. We reduced the ESL by \$10 million the first year and then \$17 million last year, \$27 million out of the approximately the \$100 million in ESL. We are, as a government, going to be facing a lot of challenges in years to come. I believe that is a given. No one said that, for example, in the area of amalga-

mation, that amalgamation would not have its challenges. We felt, yes, it is the right way to go. We made, I believe, a courageous decision as a government to go ahead with amalgamation.

It is not an easy thing to do, but when you take a look at the alternative, the alternative was not very rosy. You can see that now, there are a lot of school divisions who have declining enrolment, depopulation of their area. So you hear anecdotally that in the next five to ten years, they are going to have to look at partnering with someone. So I am sure that they will be writing government and looking for government for a way and some assistance that can help them amalgamate. It will not be forced amalgamation, or it will not be an amalgamation that is asked for by the Province. It will be an amalgamation where divisions want to do it themselves just in order to survive and provide all those benefits that I talked about for the last couple of days, of what amalgamation can provide.

The previous government had the Norrie report that sat on the shelf for a while. I know it must have been a tough decision for them not to go ahead with it. It was a more drastic amalgamation. Instead of amalgamating to 36 school divisions in total, down to 22, I believe, would have been quite drastic in a sense that we know the challenges we are facing just getting down to 36 school divisions. If the previous government were to go down to 22 divisions, that really would have upset the apple cart in a sense that that would have created a great deal of hardship for many school divisions. What we try to do is to have a balanced approach to amalgamation.

\* (10:20)

The reason I put that on the record, Mr. Chairperson, is that what we are talking about here is amalgamation. We are talking about amalgamation and the benefits of amalgamation, because when you start talking about Sunrise, you talk about Prairie Rose, you talk about Louis Riel, you are talking about not only harmonization of salaries, but what we are talking about here are amalgamated divisions.

I am trying to stay within the context of the question and I believe I am doing so. I just want to make it clear that as a government we are

committed to these amalgamated divisions. We will sit down with them and talk to them if they are having financial challenges.

Some school divisions have more where-withal than others. By that I mean, because the student population has increased, so they are getting that \$50 per head, has increased to the point where the dollars they are getting seem to be sufficient to assist them in their collective bargaining. Others who might have lower student enrolment, declining enrolment, depopulation, it has put some pressure on them.

We have to address that. As a government, we are prepared to sit down and talk to the school divisions about their financial challenges, just like Sunrise. Louis Riel did not need any assistance. Pembina Trails did not need any assistance. They may down the road someplace, but as a government we are prepared to sit down and talk to them and work things out.

**Mrs. Stefanson:** Mr. Chair, I guess the minister is not aware of the answer to that question either, because he seems to be going on and on about a number of things and just talking around the question that has been asked. I think it is unfortunate and it is rather frustrating, I find. I will try another question of the minister.

At what point during the days, we set between April 8 and 17, did the Province arrive at the \$428,000 sum?

**Mr. Lemieux:** If she is getting frustrated, I might show my frustration a little bit sometimes as well, because some of the questions I felt that I have answered previously and maybe, Mr. Chairperson, when I receive some questions I will just say: Look at my answer from yesterday or look at my answer from Tuesday. I hope the member from Tuxedo does not take that as a criticism of her; it is just that the questions I have answered in days gone by. So I will just say I have answered that and leave it at that.

The answer I would like to provide for her previous question that was asked. Under The Labour Relations Act, the Minister of Labour (Mr. Ashton) can appoint a mediator or the two parties can agree on a mediator.

Mr. Chairperson, in Sunrise's circumstance, the parties agreed on a mediator, Mr. Michael Werier, was an agreed-upon mediator. I believe Michael Werier was one who also settled another dispute. I cannot remember which other one he was involved in. The person is certainly another person who is very well respected. Mr. Werier has a very, very good track record of dealing with settlements. I just wanted to note that because the question was asked with regard to some steps involved.

That is why I wanted to mention, Mr. Chairperson, with regard to a mediator, the Prairie Rose School Division has that at their option. They can request one. They can agree on a mediator or the Minister of Labour can appoint one. What I am prepared to do with regard to Prairie Rose is ask the Minister of Labour if he would appoint a mediator for those parties if they cannot agree upon one, or if they are finding difficulty coming to an agreement on even getting back to the table to negotiate.

So just wanting to clarify that with regard to Sunrise and also the door is open for Prairie Rose. Prairie Rose has an option to go to mediation and that can either happen by the Minister of Labour appointing one or they can ask for one themselves.

**Mrs. Stefanson:** I appreciate the minister getting back to me on my first question asked. I am wondering if the minister could answer the question as to who appointed Mr. Schreyer to be the negotiator on behalf of the Government. Was it the Department of Labour?

**Mr. Lemieux:** Mr. Schreyer is a representative of government and he is a person who deals with issues around the public sector and public sector strikes. The Department of Labour continually monitors what goes on in the province of Manitoba in the public sector, public sector being schools. When they are looking at all the issues related to schools and school divisions, it is very, very important that you have people who are on top of what is going on with regard to labour relations and also wanting to make sure that any kind of disputes that are happening in school, that the disruption does not take place hopefully for too long a period of time to affect children. When children are out, or not out, but I mean the

employees are out on strike, that the children are not able to have the bussing, for example, they have, or services in school that make a school function well are not happening, it is very, very important.

I know Mr. Schreyer, his reputation working with not only the health care sector but also dealing with the public sector has been very, very important to the public of Manitoba, because he has been able to work closely with different organizations and in his capacity has been able to assist them.

Once again, I know you have not only Sunrise School Division, which had that huge discrepancy, much larger I have been advised than any other school division, or will have more so than any other school division, that it was very important for those children and the parents and everyone concerned in the Sunrise School Division that they were able to reach an amicable solution.

With regard to the other school divisions, I believe that Ms. Duhamel mentioned today that there are about, I think she mentioned 10 or 12 collective agreements that have expired. She mentioned there were Pembina Trails and Louis Riel settled, Sunrise settled, Prairie Rose are currently on strike, but she mentioned there are a number of other school divisions, that their collective agreements have expired. A lot of them, I believe the majority of them will get settled without having to go on strike. That has been the Manitoba way with regard to working out your differences with regard to collective bargaining. Sometimes it ends with conciliation, sometimes that is enough. Other times it has to go to mediation. I guess that is generally how things are solved.

As was mentioned before by other individuals, 80 percent, I believe, of all agreements are by arbitration. Teachers' salaries, for example, with regard to negotiations with teachers. So you have 80 percent of the contracts, or approximately 80 percent of the contracts in the province of Manitoba are dealt with through arbitration and are settled in that manner. You have the non-teaching portion of the employees of school divisions that make up approximately the other 20 percent. That is where the challenges lie for government.

Mr. Chairperson, having said that, also teachers, there is a discrepancy in salaries between teachers, whether they are amalgamated or not, and has been for many, many years in Manitoba. The argument has always been made that the reason there is, is because of the ability to pay. School divisions will say: We are located by Deloraine, Manitoba, in Southwest Horizon, for example. They are giving their reasons why they are only able to pay their teachers a certain amount or their employees.

What the difference is I think is that for us as a government when you start to see huge discrepancies in salaries, when you see Sunrise School Division that has 60 percent, a gap, or up to 60 percent, I do not want to, you know, people should not be misled with that, but it is the letter from the chair and the superintendent that stated there is a 15% to 60% gap in wages, that it is important to note that when you have gaps like that around the province, it is almost impossible for those divisions to deal with that kind of a gap. So the Province will be there.

Mr. Chair, we told Prairie Rose, or I am telling Prairie Rose, through you, that we will be there to assist them. In order to do that, we do not know their circumstances exactly. We know there might be approximately, I believe, a 10% to 20% gap in salaries. Compare that to Sunrise. There is a huge difference.

Mr. Chairperson, Then the challenge for us as a government is that you have divisions like Pembina Trails or Louis Riel that are able to do it without essentially having much discussion with government, other than letting us know that it will be a real challenge for them. We understand that, but they are able to resolve their differences, either through conciliation and get it done even before it goes to mediation or certainly before it even gets to where a strike is.

Mr. Chairperson, it is something we have talked about often, but it has to be stated and repeated and put on the record that the Province of Manitoba will be there and will stand by not only amalgamated school divisions, but other divisions where there is a request for assistance or where they are having some difficulties.

\* (10:30)



We have had the Manitoba Association of School Trustees asking that there should be a fund of money put aside for harmonization. I mentioned to the Member for Russell (Mr. Derkach) yesterday, that if I were to say in Prairie Rose that there are X amount of dollars available for their settlement, guess what would happen? To do that is not the way to go. I certainly cannot designate a certain amount of money to Prairie Rose. That would not be prudent. There is a collective bargaining process that takes place. In that process, you have negotiations that take place. There are trade-offs that take place all the time during negotiations. Some may be dealing with pension issues or benefits. That process in Manitoba, I believe, has worked well. We continue to support that.

Mr. Chairperson, in the case of Sunrise, they went through a process where they eventually ended up being in a strike, and then they went to mediation and mediation commenced. Then the parties were able to conclude their agreements, but you had the employer negotiating team coming to the Province and telling the Province where the shortfall was. They were saying, they just could not cover that gap of 60 percent, that it was impossible for them to do that, how they needed the Province's assistance. That is where Mr. Schreyer came in and helped them. He was able to address that and talk and discuss about those items, but it was the employer negotiating team that came to government. It had nothing to do with CUPE whatsoever, as was intimated and suggested before somehow. I know that has been clarified, and I appreciate that. So I just want to reassure members opposite that we are, as a Province, going to be there for any division that is having challenges related to amalgamation.

**Mr. Ron Schuler (Springfield):** I think we have to look at what has happened in the last couple of days. When we started with this minister, at the beginning of this minister coming into Estimates, we actually got answers. The minister was fairly forthright. He lay answers on the table, and I think the reason why he did that is he had no idea what actually had happened with the Sunrise School Division. Once the minister started to put real answers on the table, what happened was a lot of problems started to surface with the answers that were given.

Being one of the individuals that was sitting here, we saw a note come from on high. It was walked in. It was given to the minister and, clearly, the note said the minister should stop answering questions because he was getting the Government into trouble. Basically, what the minister was not part of, but what he was explaining was that up on high there was a discussion made on how his Government best could go out and buy an election. The decision was made that the election of 2003 would be purchased at whatever cost, by whatever means, and obviously, it was a small group which the minister was not part of. The decision was made that no matter what the price tag, somebody would be found to do the bidding for the Government and the election. There would be an attempt made to purchase the election.

When the minister laid out that \$428,000 had been committed to Sunrise School Division, the first alarm bells went off. What is even more troubling is that you have Mr. Fix-it, an NDP hit man if you like, Lloyd Schreyer, who has travelled through many departments in this Government. He started off in Labour and now he is at Treasury Board. Mr. Schreyer was obviously a part of that group on high that was tasked to try and ensure that the NDP government purchased itself an election. Letters were forthcoming. I think we have had more than enough discussion about the letters. Lots of them. The school division crying out to this minister, to this Government, for a meeting, for some kind of discussion, for some kind of help, and that all fell on deaf ears because this had very little or nothing to do with Sunrise School Division. It had nothing to do with the staff and even less to do with the children.

It had to do with political fortunes of the current Government. What was the Government going to do if they went into a spring election? Clearly their candidate, Mike Hameluck, putting a lot of pressure on the Government, indicating that it would be difficult, if not nearly impossible to be going into a general election and have a strike in Sunrise, in what was basically deemed as a terribly unpopular amalgamation fiasco that this Government went through. So the group that was tasked with doing the bidding, to do the purchasing of an election, and clearly Lac du Bonnet was a target of this Government, and

they had intended that at all costs and at any cost, they were going to ensure that they took that seat.

So they tasked Lloyd Schreyer to go and see what the price would be to settle the dispute in Sunrise. Not that the division was approached. Basically, the bargaining agent on behalf of the taxpayer—oh, good heavens, no. Why would you possibly go and talk to the school division? Those who are tasked to negotiate an end to the strike on behalf of taxpayers, no, that was bypassed. There were discussions all around the place. Smoky, dark, secretive meetings, where the Government started to infiltrate into and whisper around that, perhaps, there would be a secret pot of money that would be at the disposal of anybody who could ensure that this problem would disappear.

What the Government made very clear, and it obviously came from the highest levels of government, fix the problem; make the problem go away. We will win the next election at all costs as an NDP government, whatever the price we are willing to pay. Do not even look for a sale tag on an item. Do not even negotiate or haggle on the price. Whatever the price is, the Government is willing to pay that price. Whatever it costs to buy the election that is what the Government is prepared to do.

Cut the school division out of the loop, cut everybody out of the loop. Clearly, the union bosses indicated to this Government what the price tag was going to be and that is what the announcement was made.

\* (10:40)

What is very, very uncomfortable for anybody who follows democratic financial accountability is that due process, which protects the taxpayer and in fact even more protects elected officials from any kind of accusation of impropriety, those steps and those protections were not followed.

An announcement is made that monies would go forward to help settle the strike before any commitment had been made by government, no due process, at least not until this point in time. The minister has spun stories. This is like

cracking open *Grimms' Fairy Tales*. Obviously, he goes home and he reads fairy tales and then comes here and he spins all kinds of nonsense, ludicrous, frivolous, little fairy tales and does not talk about where the Opposition is going with their questioning. That is there was an attempt to fix an election, to purchase an election. An announcement was made by government without proper approval from government, because otherwise the Government would be forthcoming. The minister would, and I quote, "answer the questions," and would say no, this was discussed at a departmental level. The appropriate forms were written out. It went to Treasury Board. It went to Cabinet. It got approval. The monies were then committed once that process took place.

Mr. Chairperson, this actually was a departmental negotiation. Oh, but the minister points out: Yes, well, we have no negotiating skills in the Department of Education. That is the Department of Labour.

Well, Minister, Treasury Board has no negotiation skills and should not have been involved in the process either. Then it should have been from the Department of Labour notifying the Department of Education that some kind of agreement had been made. Was the Department of Education interested? The minister should have been briefed. The proper document should have been written up. It should have gone to Treasury Board. It should have been approved and should have gone to Cabinet and it would have been approved. Then the minister could come to this committee and could say due process was done.

It is interesting that not once, not once in all, all the rambling of this minister has he ever said: We did due process. We protected the taxpayers. We protected the Government. Everything was pristine clear.

In fact, Mr. Chairperson, throughout this in most cases his department officials sit silently because they know they cannot comment on this. This was a political move. This was not a departmental move. This was done by political operatives. This was done with a political operative having a government cheque saying: How much will this election cost us? How much will it cost

to settle this? We will pay the price. We will go into election and we are going to target Lac du Bonnet. We are going to buy it.

That is what this is about until the minister is willing to come forward and say, oh, no, no, you have got it wrong. That is not the case. We did due process. It was done way ahead of time. The departments met. There was no political interference. Oh, no, no, no. Lloyd Schreyer, our political appointment at Treasury Board, he had nothing to do with it. No, no, no. It was purely the civil service that dealt with this issue. They came up with a formula where we felt that it was appropriate to get involved. These are the criteria should anybody else be looking for money. So that way it is seen as transparent and fair across the board. Then any school division can come and these will be the criteria.

But that is not what happened. That is what the minister is not laying out for the committee. The minister can sit and spit his *Grimms' Fairy Tales* and talk about all kinds of stuff because he knows basically he is just putting in time until his boss, the Premier, fires him from this position. Frankly, I would suggest to anybody listening that this Opposition is doing the public a favour. We are doing our civic duty keeping the minister out of his department so he does not destroy any more in this department, does not create any more damage in his department.

In fact, we should be keeping him here until his boss actually fires him from this position. The questions have been laid out very clear. Was due process done? If so, lay it out and prove us wrong. Tell us how the Department of Education, the Department of Labour worked together to ensure that there were some kind of criteria. If there was a policy area that had a weakness in it then that should have been identified, it should have gone to the departments. They should have written up the criteria. The discussions should have been done with the school board, not with the union bosses. With the school board, negotiations should have gotten into, a formal request should have been made, proper forms should have been signed, Cabinet approval and then the announcement made, and we would not be sitting here.

In the beginning, the minister could not even identify where the money was earmarked. He

had no idea, and his department could not help him because it was a political decision. It is not up to the department to start bailing out a minister who got his fingers caught in the cookie jar. That is not the department's role, and they were right to sit quietly and not advise the minister on it because that was not their role.

Mr. Chair, this was a political decision. It was an attempt to buy an election at whatever cost. This was not about the best interests of the children. This was not about the best interests of employees or the taxpayer. Not at any point in time did those individuals who were on strike come in and factor in in this Government's decisions. This was purely about trying to buy the election in Lac du Bonnet. That is what is so disgraceful about this. That is what is so disappointing about this whole issue.

Not once has the minister refuted these claims. Not once did he say the Member for Springfield is a great guy but I will lay out the process for him, he is wrong. Here is the process. It was a departmental discussion. The criteria were set out. Anybody else can come in and ask, but they have to ask of the department.

Who do they ask? Lloyd Schreyer. What, Minister? What? You have given up that much of your department to political operatives, that now school divisions approach Lloyd Schreyer, a political appointee to the Treasury Board? No wonder your department sits silently.

Minister, that is unbelievable. This should be a departmental program, that if school divisions are in difficulty with negotiation, that criteria should properly be set up. You speak to the deputy minister in the department. Whether you meet that criteria or you do not meet that criteria, that information is passed on to the minister. If it is met, it goes to Treasury Board, it goes to Cabinet, and the money then is flowed.

But not the way it was done, through you, Mr. Chairman, to the minister. That is not the way it is done. That is what this committee is trying to get at. We are not trying to get *Grimms' Fairy Tales*. We do not care about *Little Red Riding Hood*, and all the other stuff that the minister has talked about.

Minister, through the Chair, cut to the chase. Was due process done? I ask the minister: River East Transcona, other school divisions, have they approached about this? Have they looked at money to help settle negotiations? In fact, why would anybody settle any negotiations when they know they can come to the Government and get a bailout? Oh, I have the answer for that one. Do you want to know why? Because there is not an election.

There is a big sign on the door of this Government: You need not apply for help, for a bailout for a strike until the next election. In fact, there should be a note going out to all the school divisions: Do not settle any contracts until the next election. If you are a targeted seat for the NDP and they want to try and buy that seat, monies will be forthcoming, because it is not something that is done departmentally.

We have seen so much buck-passing at this table. Oh, no, the Department of Labour, oh, no, it is there. His own Premier (Mr. Doer) started that. In fact, his own Premier had to get up and try to bail him out.

Unless you are a targeted seat and the NDP think they can buy the election, you need not apply. But if you think you might be, then wait. Government will forward all kinds of money to you; \$428,000, oh, within hours, \$428,000 was flowed, intriguingly right before an election.

Mr. Chair, unless the minister can lay out clearly where this was done properly, the minister will have this tagged on him that there was an attempt to buy the election in Lac du Bonnet. That is what this is all about. I would like to ask the minister if he would finally come clean, either lay out the process or explain to this committee how this issue got out of hand?

**Mr. Lemieux:** Mr. Chairperson, I know we have heard a lot of ranting and raving from the member from Springfield. I do not know what goes on in his Machiavellian-twisted mind. I do not pretend to understand him. The negative comments, the derogatory comments he has made towards Mr. Schreyer, I mean, again, those are his twisted comments.

Mr. Schreyer is a highly respected individual in the province of Manitoba. He deals

with the public sector, has worked with the public sector in many different ways. Schools are part of the public sector.

I mentioned repeatedly that in days gone by, governments do make commitments before the formalized approval process is completed on occasion. An informal approval is secured in a variety of way, and the formalized approval was completed before any expenditure was made.

Mr. Chairperson, the money was there. We identified the money. I think it is called the Expenditure Estimates booklet. I think it was on page 64 or 65, Support to Schools in the Operating Grants area. We have talked about exactly where the money has come from. We have talked very openly about the documentation going to Treasury Board and so on.

\* (10:50)

So all his ramblings and his manifestations in his own twisted mind as to what has taken place, as I mentioned before, I do not know what kind of Machiavellian-twisted caucus and discussions go on there. But I can tell the Member for Springfield (Mr. Schuler), and I have said this repeatedly, with regard to amalgamation, we are there. We are there to help the school divisions. We are there all along the way. We are there now.

The Member for Springfield raises a good point about Prairie Rose, for example. Prairie Rose School Division was in conciliation. Conciliation broke off. They have not even pursued mediation, and they are at one step in their negotiations. They have not communicated with government in any way that they are—as far as I have been advised, we have had no communication from them, nor did we get any communication specifically, I believe, from other school divisions that are saying that there is such a huge wage gap, they need assistance and they are unable to complete their collective bargaining as a result. *[interjection]*

**Mr. Chairperson:** Order, please. Please excuse me. Minister, continue please.

**Mr. Lemieux:** Thank you, Mr. Chairperson. I just want to comment. The member also made some comments about amalgamation and what

has amalgamation done, for example, for not only River East, Transcona, but also for Sunrise which used to be Agassiz and the Springfield side. I will try to address that and then try to touch on a couple of things.

I know throughout the discussions we have had in the last few days, the member also made reference to the departmental officials. Departmental officials, when you are here, are here to assist in any way they possibly can with regard to any kind of financial numbers that we have given, but not to address any kind of twisted political manifestations of the Opposition on where they might be going and there might be bogeymen hiding in any closet someplace that are going to pop out. They have a job to do. They do it well and they have provided me answers when I have asked.

For example, Mr. Chairperson, for funding they provided everything that the Opposition has been asking for. We have laid out how you had the negotiating team made up of a gentleman right from MAST. You also had the superintendent of the school division who is an employee of the board. You also had a couple of people from the Sunrise, and you had their negotiating team talking to the representative of government pleading, pleading that they would not be able to address their shortfall because of the huge gap they have had.

So we have been very forthright with the Opposition. We have answered their questions with regard to process. I absolutely disagree with his point that we have not been forthcoming. We have. Again, as I mentioned to the member from Tuxedo, through the Chair, the questions they ask, they can ask any questions they like but they may not like the answer they get back. It may not be the answer that fits into their little twisted Machiavellian scenario which they are trying to paint. There is not any such devious kind of plot.

It is regrettable because education is really an important area. In eight-years' time or twelve-years' time, the member from Springfield might be a Cabinet minister and might have the opportunity to be in Education.

So here we sit in Estimates, prepared to talk about programs, prepared to talk about funding

and where those dollars go. We might disagree on where. The Opposition may think, you know, you are putting too much money into building schools. Maybe more money should be going into something else in education. Maybe there should be more in computerization.

The department officials are here. I am here as a minister, but I think it is a real disservice to the public of Manitoba to be looking at devious Machiavellian twisted plots instead of talking about education. That is why we are here. We are prepared to talk about this.

We have laid out, for example, one, one collective agreement in Manitoba that was settled and the children went back to school and that was great. Sorry, the employees went back to school. The busing, there were busing concerns and so on and the children went back to school in the normal environment that they had. I thank the Member for Springfield for that, and it is true.

Again, we have Prairie Rose in the same situation. There are approximately 1400 children. Well, it is anywhere between 1300 and 1500 children that are transportable, that are being affected by the bus drivers and the strike that is taking place in Prairie Rose.

I mean, these are very important issues along with programming, along with how is computerization of schools taking, what is happening there? What is happening in literacy? What is happening in numeracy? What is happening with regard to new curriculum, in their social studies, curriculum that we are looking at making changes?

We are looking at special needs, a special needs review, the SERI report. What is going on with SERI? What is happening with regard to, what we are doing with special needs? How are we making the special needs level 1, level 2, level 3 funding? How are we making the school divisions and ourselves more accountable with regard to special needs funding?

There are many, many important areas in education that I certainly felt and, I believe, the public of Manitoba feels that need to be discussed. Yes, the Opposition has a responsibility

to hold the Government's feet to the fire with regard to programs. I agree with that, but I also firmly agree that to take cheap shots and shots at individuals who work for the Province of Manitoba or whether it is department or other people, I do not believe it has a place in our discussions.

I am not pointing the finger in any particular direction. I am just saying that we have heard a lot of comments in the past week coming from all different areas about the education system. Personally, I do not mind. I do not mind continuing this discussion. That is fine because I believe we have laid out a process. We have shown that in the first year's allocation of \$112,000, that occurred after the Government Budget was introduced. Therefore, commitments had to be found from within existing budgets.

We were able to identify the funds from within the Budget through the usual process of re-assigning priorities and the balancing of overages and underages. In future, annual commitments for Sunrise will be budgeted and identified within the budget like Sunrise and other school divisions. There is a process that worked through, that went through. You had the Sunrise negotiating team begging, pleading for assistance from government because of that huge gap, different than any other school division in Manitoba, up to 60 percent. So, as we told amalgamated divisions, we will work with them.

We will work with them; we cannot guarantee any kind of particular money even before their process has happened or before they work through conciliation or mediation and have gone through the collective bargaining process and are working to get that done. We will work with them if we can assist them. Now, if Prairie Rose wants to speak to me or speak to Mr. Schreyer or get a mediator involved, that is fine. We want to work with them and we are prepared to do so.

\* (11:00)

**Mr. Schuler:** First of all, it is one of those things in politics, people get involved and they do get caught in the crossfire. As far as Lloyd Schreyer is concerned, he is a very educated, bright individual, a very smart man. I respect his political mind. I think he has done good political work for the Government. I am on the other side,

so I do not necessarily agree with what he has done, but he is good at what he does. This is not about Lloyd Schreyer doing a poor job. In fact, I am not running him down, not at all. I think Lloyd Schreyer did what he was asked to do. This is not about Lloyd Schreyer.

The minister then went on to say, Estimates are about nicey-nicey. We come and we talk about programs. We talk about strobe lights, which he spent a lot of time talking about, and he talks about the colours of the tiles in the bathrooms, and those are the nicey-nicey things that we are supposed to talk about. What he does not understand, clearly does not understand, and the members opposite because they are too new, is this is about accountability. That is what Estimates are about, to the minister through the Chair. This is an opportunity for anything and everything within the Budget to be laid out very clearly and questions asked. And if the minister is looking for nicey-nicey, then the minister should perhaps look for a different profession, because this is about the taxpayers' money. And, yes, this does get a little nasty at times because that is what the taxpayer wants to ensure is that the Government is held to task for how they spend the money.

Right now, the issue that we are asking about that we are not getting answers on is what happened with the attempt to purchase the election in Lac du Bonnet by the Government. That is the focus. So now that we have that out of the way, I want to direct the minister back to the March 24 letter in which the division states that they are writing as a follow-up to the division's letter of February 10, and I quote: in which we asked for a meeting to discuss certain issues related to amalgamation. As of this date, we have yet to hear a response to this request, and we await your reply.

In fact, the minister did not deem it worthy to meet with Sunrise School Division until July. This is the minister's, oh, they begged and they begged; they were begging and begging. How would the minister know? He never met with them.

This was not about the school division's begging and the fact that there was a disparity which everybody knew and the division was

trying to lay out for the minister. The paper trail is very clear how the division was asking for a meeting and asking for help from the minister and the minister had the closed-door policy. We will open the mail, but we will not open the door. You need not ask for a meeting because you are not going to get one.

Then, all of a sudden, the minister's boss decided: I need an election and I need a problem fixed. Does he ask this minister to deal with it? We are not sure what the discussions were there, but we do know that an individual who is good at fixing these problems, Lloyd Schreyer, was asked to intervene from Treasury Board. The minister just said that should other school divisions need assistance, Lloyd Schreyer has been tasked to deal with amalgamation costs.

So my question, then, Mr. Chair, to the minister is: What criteria has Lloyd Schreyer set up? Clearly, it has been taken away from the Department of Education, and I feel very poorly for the department, because this is exactly where this should be dealt with. It should be dealt with professional staff within the Department of Education. Number one, they know how to deal with these issues, they are professionals and they are that one step removed from the political process. They deal with it in the best interests by policy, by criteria on behalf of the taxpayer, but it does not become a political decision, which it was in Sunrise.

So, we now know, the minister cleared up for us, that it is not within the Department of Education because he said school divisions—the minister should check his words in Hansard, if he does not agree with the record—should contact Mr. Lloyd Schreyer. So then the question is—and if the minister does not know what the criteria is because he is so out of the loop, we understand that as well: What is the criteria that Lloyd Schreyer has set up for school divisions to come to him and ask for help to settle labour disputes because of the botched amalgamation?

**Mr. Lemieux:** The member from Springfield raises a number of different issues. I want to clarify the whole issue about contacting Lloyd Schreyer. If that is the way Hansard shows it, I will correct my statement. I will make it very clear now what I meant. I am glad the member

from Springfield retracted his comments about calling Mr. Schreyer a hit man and a number of other derogatory comments. It is a very derogatory term, but I am pleased to say that he retracted that.

Mr. Chair, I just wanted to touch on the fact about the comments he made about contacting Lloyd Schreyer. What I am referring to, and make it quite clear to Prairie Rose, is that, if they need assistance, I am prepared to go to the Minister of Labour (Mr. Ashton) and ask him to have a mediator be involved. There are other options. There are steps that the Department of Labour, for example, or government can assist them in. That does not preclude Prairie Rose contacting me personally or writing a letter any time. I mean, they can write a letter, make a phone call any time they wish, as well as other school divisions.

What I am saying is that the Government of Manitoba is prepared to assist amalgamated divisions. Have been, right from day one and have so and have done so, financially and otherwise, and will continue to do so. There are other collective agreements that are going to come up. There are other negotiations that are going to happen. Some divisions may feel they do not have the wherewithal because of declining enrolment, loss of student population, declining population overall in their area. They may find it very difficult in days and months ahead to address their financial challenges.

So the point I am trying to make here is that you have a great disparity between school divisions in the province. You have one like Sunrise, a rural school division, and you have Louis Riel, two divisions who both had collective agreements expire, but yet Louis Riel was able to address theirs. So you have a lot of challenges in education. You have a lot of school divisions that are going to be facing these challenges down the road. I mean, collective agreements would have expired no matter what, whether they are amalgamated or not. It creates huge challenges for these divisions because they still would face declining student population or enrolment. So it creates a problem for them nonetheless with regard to funding.

So what I am trying to refer to here is that the member opposite made reference also to the

benefits of amalgamation, amalgamation in his own area, saying, what are the benefits of amalgamation. Have we seen them?

**An Honourable Member:** No.

**Mr. Lemieux:** Yes, we have.

**An Honourable Member:** No.

**Mr. Lemieux:** The member from Springfield says no. What I would like to point out through the Chair is that the benefits of amalgamation, now that there are new and larger school divisions that are in place, what benefits do their superintendents expect to realize. We have had a number of different people working with amalgamated divisions in order to provide assistance and in order for them to have a better handle. So we have a better handle on what is going on with regard to amalgamated divisions.

So the following benefits were identified in the responses to questions that were opposed to these divisions. What they stated was improved access to programs and services for students. In most cases, amalgamation offers students and their parents new programming options in a variety and gives them access to a wider range of support services. In the words of one superintendent: We bring what is good to each former division to a larger audience. That example comes from River East and Transcona. Transcona was not computerized to the extent that River East was. So now they are going to become, as a result of, as this superintendent point out, we bring what is good to each former division to a larger audience.

The second point is more efficient use of physical resources that many respondents identified to when we were having discussions with them: economies of scale resulting from sharing resources within the amalgamated divisions. This took various forms, depending on the scale of operation of the former divisions. Some reported savings from re-examination of contracts and business practices, better pricing on computer licensing and improved cost efficiency through bulk purchasing.

\* (11:10)

Mr. Chairperson, the third point that was made was that creation of new collaborative and

principle-centred organizational culture which was different than they had before. Amalgamation offers school divisions a rare and valuable opportunity to rejuvenate their organizational culture by articulating a set of explicit values to provide a foundation for all the future organizational development. This re-examination has contributed to enhanced communication within organizations and with the communities they serve. This process has also shifted organizations to more participatory and inclusive mode of operation. One superintendent called this the vitality of change, which has had a very positive impact on the division's learning culture.

So you have had three examples that I have given thus far—there are a number of others—where you have amalgamation working and the result of amalgamation working. They have been able to bring the best of what divisions have to offer and be able to share that with each other.

There is an adoption of the best educational practices based on research. The process of amalgamation has required the school divisions to examine what they are doing and why. This requires research, evaluation and reflection. In the words of one superintendent, this process of re-examination of past practices has led us to adopt better practices. This can be beneficial for teachers and for students. In many cases the outcome is better than what we had or either had. Another stated this process of re-examination makes people realize that there are other ways of doing things, it broadens perspective and enhances professionalism. You have had that take place all over the province, where you have had divisions now getting together and sharing amongst each other and wanting to be positive with regard to what is happening in amalgamation. I know members opposite realize we are not going to turn the clock back. Amalgamation has happened. It is going to go on and we are going to work through a number of challenges.

The fifth point I want to mention is that there is enhanced professional growth and sharing of expertise. When I met with Southwest Horizon, I believe it was in Souris, I had a chance to talk to them about it. A number of them mentioned this particular area and that in many amalgamated divisions, staff now benefit



from additional opportunities for professional development and growth. More staff allows for more connections for professional growth, said one superintendent. Another stated, tremendous sharing and joint learning is now happening and will go on for years.

Just to touch on this, what I am saying is that we have said that amalgamation and the benefits would not happen overnight. We made it quite clear that there is no finite or end date to the benefits of amalgamation. It is going to take time for this to happen.

Mr. Chair, No. 6 is specialization at the administration level. In the past you had many administrators in small school divisions who worked in isolation. Amalgamated school divisions now have a larger pool of administrative personnel to draw upon, enhancing their capacity for team leadership. One superintendent commented, having greater specialization allows us to make further progress in areas of curriculum where in the past we lacked manpower. You have school divisions that not only benefit from having three school division offices now having only one division office or instead of having three superintendents you have one, there are many benefits as a result of amalgamation.

Also, there is stimulation, stimulating collaborative community development using education as a catalyst. You have, particularly in rural, which Sunrise is, and northern communities, superintendents report a positive effect on broadening the local perspective to a more global—

**Mr. Chairperson:** Order, please. I would like to take a moment to remind all members to provide courtesy to the member who has the floor. The conversation, just quiet down a bit. I thank you.

**Mr. Lemieux:** Just because amalgamation is the focus of a lot of the questions from the members opposite, I just wanted to ensure that on the record that we are talking about Sunrise as an amalgamated division and also Prairie Rose. I just want to make sure it is clear and on the record, where anecdotally, right from superintendents and people within the school divisions, what they have told us in conversation, yes, there are some challenges in education and some challenges with regard to amalgamation. There

is no question about that, but there is another side to it. There is a positive side to it. That is why I am attempting to put on the record, Mr. Chairperson, that it is clear that there are benefits. We hear those benefits coming straight from the superintendents themselves.

An expanded divisional assessment base, this deals with the economic side that members opposite have talked about and touched on. The changing economic circumstances of communities, particularly those with agricultural- and resource-based economies, can affect their ability to provide consistent financial support to their school division. For these, amalgamation offers more consistency and less variability.

It is important to note that when you have agriculture seeing the challenges that they are facing nowadays in smaller rural communities, whether they are dealing with the BSE or dealing with drought, which, I might add, Mr. Chairperson, I understand today that there is going to be a signing of a document between the Minister of Agriculture (Ms. Wowchuk) and Canada to deal with trying to get more money flowing to the farmers and beef producers of the province. I believe that is really important because, what it does, what we are talking here is rural school divisions.

I just talked about how amalgamation has changed the economic circumstances of many communities. Agriculture is also doing so, or BSE is doing so, so what we are trying to do is try to not only through support that we provide them in funding and also through the \$50 in the amalgamated school divisions, the \$50 per student for those divisions. In the case of some divisions, it is of course larger dollars accordingly.

Also, maybe the last point I might want to make and then entertain another question from the Opposition is of that a stronger and united voice for public education at the local level.

\* (11:20)

Amalgamated school divisions can identify their needs and formulate responses on a much broader basis and they can advocate for these needs with an extended community to support

their initiative. So what you have is many respondents talking to people within our department providing important contextual information regarding these benefits, and one noted that all of this is possible only because we have tremendous people doing their best for students and education. Another noted that while some immediate benefits are evident, program implementation does not happen overnight and I want to reiterate that, that a three- to five-year implementation process will be required for many divisions to fully realize these benefits.

What you have is that you have anecdotally coming straight from these school divisions and superintendents and people within the amalgamated divisions telling government about all the advantages that they have seen.

Finally, all of these benefits require that those involved continue to focus on the best interests of the students whose educational future is served by these new school divisions. That is what we are talking about and when I mention about the benefits of amalgamated divisions, I have reiterated this to members opposite and the member from Springfield says, well what we are talking about is finances. Yes, that is right. Finances is one part of what we talk about in Education and they can ask any question they want, which is also correct. That is the role of the Opposition.

Also, as the Minister of Education, I am here also to tell the member from Springfield that there is another side to amalgamation which I wanted to put on the record. These are anecdotal comments coming straight from superintendents and individuals from the amalgamated divisions, which is important to note. I know I heard some chuckles when I talked about the Minister of Agriculture trying today to come up and finalize an agreement with the federal government.

We have heard from the Opposition non-stop for a few days about how important BSE was and so the case is that these rural communities that are being hard hit and hard pressed financially and will be and even some scare tactic that was even raised by I am not sure who it was about somehow the municipalities may withhold funds, they are not going to withhold the funds. One administrator, I believe, from one

of the municipalities said that we have collected the money, but we might use it on new tractors or new equipment. They actually collected the taxes.

The point I am trying to make here is that agriculture, all of these things fit together. The finances of the Province are important. The agreement that the Minister of Agriculture is working out will be very beneficial. The transportation assistance that is provided to the flood areas, or the drought areas, are very important. All of these mesh together in the challenges that are going to be faced by Education because of circumstances that no one is to blame for that, but that has happened.

So I just want to say, Mr. Chairperson, that I just wanted to put on the record that from the benefits of amalgamation, at least what we have heard anecdotally from many people, superintendents and others and school trustees from amalgamated divisions saying that they are seeing some benefits. Again, they point out it is going to have to be a longer period of time where these benefits are going to actually become a reality for many of them.

In the short term, you have some administration, some actual savings with regard to busing—not busing, but those kinds of savings that are being pointed out to us, are important. You know, cutting down the amount of division offices and those types of administrative costs, but that is important, I believe, to put on the record because there is another side to amalgamation and I just wanted to point that out.

**Mr. Schuler:** The minister has just gone where unfortunately this entire debate has gone. The minister always veers into the political, and it is unfortunate that he had to read to us from his last NDP political brochure. Perhaps it is even Mike Hameluck political brochure about how they all think that amalgamation went wherever.

I want to bring it back onto the topic. I know the minister wants to go into cows and *Little Red Riding Hood* and all those issues. I want to bring him back to what we are trying to get across here. In the February 10th letter, a letter signed by Eleanor Zieske, who is the board chair—and if the minister would have spent any time with

Sunrise School Division he would know that Eleanor Zieske takes her position very serious. She works very hard as a trustee and as board of Sunrise. She was there through the whole amalgamation issue. She went around the parts of the division that were supposed to be amalgamated, worked with everybody. She is not to be trifled with.

She sent a letter to the minister on February 10. We are writing on behalf of the trustees of the Sunrise School Division and the general public of the division. Representatives, and I am going to the last sentence, the minister can read along. Representatives of the division would appreciate a meeting with yourself to discuss these issues, the issues that she laid out in the letter. So, on behalf of the students, the children, the parents, the staff and the board they asked for a meeting to deal with the issues in Sunrise School Division.

March 24, no response from the minister. It was not important. He did not care. It was not on his radar screen. It just did not matter. It was irrelevant. March 24, another letter comes. We are writing as a follow-up to the division's letter of February 10, in which we asked for a meeting to discuss certain issues related to amalgamation. As of this date, we have yet to hear a response to this request and we await your reply. In fact, she ends off the letter by saying we eagerly await a positive response to our request, a request to meet with the minister.

The minister does not deem it worthy, does not deem it important, not worth his time, his effort to have a meeting with Eleanor Zieske and the Sunrise School Division until July. This is where the entire issue veers off into the politics. She lays out here, in her March 24 letter: It is our understanding that you are meeting with CUPE representatives during this week to discuss this issue, the strike.

As powers on high realized that the NDP government was going to call a spring election, they realized that to attempt to win Lac du Bonnet seat, they could not have a strike and that it had to be dealt with. Where this Government went wrong, where this minister went wrong, whether he was cut out of the action, then it was higher-ups went wrong is that they did not go through the right channels. This should have

been a departmental issue. This should have been something that the department staff deal with internally and not political operatives.

That is what we are trying to get at here. Clearly, they did not deem it important to meet with the school division but all of a sudden there was money flowing to the school division right before an election. The minister admitted nothing within the department. In fact, we now know this minister has made this issue so political that the senior departmental staff deem it not important to be here at Estimates anymore because they cannot stomach how political this minister has made the entire issue, because they know that there is no use in senior departmental staff from Education to be here and try to defend something that was a political decision to go out and buy the election in Lac du Bonnet. So the Government went to a Mr. Lloyd Schreyer from Treasury Board and they had him fix the issue.

That is the crux of this issue. It is about the process that was abused, the process that was gone around, and that is improper when using public money, when using taxpayers' money. That is what this issue is about. It is not about the worthiness of it. It is not about the tea in China. It is not about strobe lights on buses and it is not about *Little Red Riding Hood*. It is about due process. The minister is trying to kill time at this committee. He is going in circles and getting himself further and further into trouble, instead of laying out the process because that is what the public wants to know.

Who advised Lloyd Schreyer to get involved with this and why did it not go through Treasury Board? Why did it not go through the Department of Education who should have prepared the document for Treasury Board? Why did it not go through Cabinet, get approval and then be announced? Because, Mr. Chairman, there was an election looming and they had to fix this if they had a chance to win in Lac du Bonnet. That is what all of this is about.

\* (11:30)

I wish the minister would take this seriously. I know he loves to attempt to put down the messenger and confer all kinds of names upon me. That is fine, Minister, if that is where you want

to go. I have not done anything to you like that and I will not.

What we are asking about is where was the due process, or will you finally come clean that this was political interference and that this whole issue was fixed so that it would be out of the way before a provincial election in attempt to win the seat in Lac du Bonnet. Show us due process or admit political interference. That is what we are trying to get at. This is not about calling people down. This is not about where you stand on all kinds of issues. It is about protecting the public and the taxpayers' money, because if it does not stop here, through you, Mr. Chairman, to the minister, if it does not stop here and we do not call the Government to task, then what is next? It is our responsibility as an opposition to sit here at this committee and call this minister to account. That is our job and that is what we are doing.

It is not about the tea in China. It is about the taxpayers' money in this province. The taxpayers have a right to have their tax dollars protected. There is a proper process. That is why we have senior staff in departments who make sure it has gone through a right process. The minister does not have the courtesy to explain to this committee what criteria did Mr. Lloyd Schreyer use to recommend this money. No criteria has been laid out yet.

Lay down the document on the table, protect the public's interests, protect the public in all of this, through you, Mr. Chairman, to the minister. You can sit here and you can call me all kinds of names and that is fine, but in the end I am here about the taxpayers' money. I am here to make sure that if this went awry and if this was an attempt to buy an election on behalf of the NDP Party, then that is bad, but it is even worse if we do not make sure that does not happen again. This must not be the norm in the Government. There is a proper way of doing this and it should have been followed.

The school division was cut out of the loop. Then the Government decided they were going to fix it before an election was called. If there is not due process, then it is time the minister admits that this was a political process. If it is not a political process, then show us due process,

stop beating around the bush and stop wasting time. Take this seriously. *[interjection]* It is funny for the member across the way, but it is not funny for the taxpayer.

**Mr. Lemieux:** I am not sure where to start. I do not believe any comments were made—*[interjection]* No, I do not think any derogatory remarks were made toward the member, but with his machinations and subplots and plots that he was referring to before, that is why I made those comments about where he was going with this and his caucus.

We have laid out what has happened. We laid out that not only has the chair made reference to the huge gaps and they problems they have had and the challenges they have in Sunrise in their letter, but also about the strike that has happened there in Sunrise. Also that the important negotiating team are the ones with, where you had a high level official from MAST, you had the superintendent, you had a couple of other individuals from Sunrise meet with an agent of the Government, a representative of the Government and tell the agent of the Government exactly where their financial shortfall was. That is what we have explained.

We have also explained that governments make commitments before a formalized approval process is completed on occasion, that has happened, not like the previous government where we came in, in 1999 and they had \$70 million laying there unfunded through the Manitoba Medical Association, not a damn penny anywhere to pay for that. That is not what we are talking about. We are talking about that the formalized approval was completed before any expenditure was made. We pointed out exactly where that money came from within the education budget. We talked about overages and underages that do take place within the Grants line that we have, and we have repeatedly said that. We have repeatedly said that there is a process. We followed the process. The process is legal and we have absolutely done it in a proper fashion. We have repeated that, and I will repeat it again. So the next time the member asks that question, I will just say please take a look at Friday's comments with regard to what has been followed.

**Mr. Schuler:** It would be irresponsible on behalf of the Opposition if we just said, oh, the

minister is a nice guy. He says this, he says that. That would be irresponsible. The minister can say whatever he wants and he has said whatever he wanted to and made mistakes at it. What we want to know is will he lay down exactly what documents were filed and when.

I am not doubting that he could find the money within his department. Nobody is doubting that issue whatsoever. There is a lot of room, I am sure, that the minister can cut a little bit here and cut a little bit there and find the money. That is not the issue. The monies to settle the strike in Sunrise School Division were not part of the initial budget and, thus, for the minister to authorize that expenditure must go through Treasury Board, unless he is indicating that he personally has the authority to make expenditures over \$100,000 without Treasury Board looking at it.

Second of all, what were the criteria? This is not an overage or an underage, and I know this Government loves to spin terms out there, just spin any kind of a word. This is about overages and underages. Where are the criteria that were used to flow the money?

I will explain that. I will even make it simpler for the minister. What was the reason given to help out in that school division? If it is a percentage issue, if it is a number-of-students issue, there has to be a document. There must be some criteria that were set out before the discussions could be made. I do not think the minister has indicated, or maybe he is indicating, that they walked in and they said whatever the cost, whatever the rationale, we will up-front money. Go ahead, whatever it is, you go negotiate it, and we will cover it without any policy guidelines, without any criteria. That would be terribly irresponsible, and that is where this Government is starting to point to.

That is exactly what happened. They sent Mr. Lloyd Schreyer in and said, at all costs, at any cost, for whatever reason, fix it, deal with the problem. If that were not the case, the department would have set up criteria and with that criteria negotiations would have started.

This is not overages and underages. It has nothing to do with that. It has to do with settling

a labour dispute. That better be in place, and there better be some kind of criteria because when other school divisions come in, on what basis do you accept or deny their request?

In fact, the minister could be setting himself and the Government up for a lawsuit because now that you have set the precedent of bailing out one school division, on what basis will you deny the next one?

This Government, by trying to buy themselves an election, got themselves in deep, and it is time for the minister to start laying out what the criteria were, what the process was, and explaining to this committee why it is that before an election an announcement was made without approval of Treasury Board.

**Mr. Lemieux:** I thank the member for the question. I know he does not like to hear about strobe lights but let us just put this into context. The member wrote me a letter about bus safety, and he talked about bus safety. That was about a week ago and if he has such a concern about safety and bus safety I just want to put on the record that what we are doing as a government, for example, we provided monies and dollars for strobe lights retroactively as well as for anyone who wanted to add them on. I do not have the letter before me, but I just want to remind the member that he sent a letter approximately a week ago about Dugald Road, Highway 59, and the safety issues around the bus stopping on the highway.

\* (11:40)

Just to clarify that, that is where I was trying to point out to him that as a government we take bus safety seriously, as he does, for children. I mentioned about strobe lights, for example. I just mention we put money into strobe lights to try to assist. He will be receiving a letter from me just addressing the safety issue.

So just to clarify that it has nothing to do with Robin Hood or little Red Riding Hood or anyone else. It was just a particular issue that came up that day about bus safety, and as a government we put quite a bit of money into strobe lights. I was trying to point that out, that we are concerned, as he is, about bus safety and the transportation of children.

I am just wanting to reiterate a couple of things with regard to Sunrise School Division. There have been many discussions that have been going on for a fairly long period of time now. Certainly I have been the minister for approximately a year, but throughout that period of time there have been many discussions with many school divisions about their challenges, not only the positive side which I put on the record but also about their challenges that they are looking at.

We have had an individual, a representative of our department, talking to all the amalgamated divisions and talking with them in depth, working with them. If they have any problems, to come back to us, to come back to government to let us know what the challenges are.

Through his conversations with all of the superintendents and I, believe, chairs—and can I just digress slightly with regard to the chair of Sunrise School Division? Nowhere, I hope nowhere here in our comments are any kind of derogatory remarks made about her because she works very hard. Every chair of every school division has a huge task in the jobs that they do, and trustees have an important role to play in the province of Manitoba.

Mr. Chair, I want to take this opportunity to say that, because they have an important role to play. We do not know what that role will be in years to come. I know the Opposition, during the election, commented about changing taxation, changing their ability to tax as such, keeping it I think at 10 percent or 12 percent. I think it surprised a lot of trustees out there. I believe it surprised MAST that they were to hear this from the Progressive Conservative Party, because they thought immediately that what the Opposition was talking about here was doing away with school trustees and going to kind of a health care model.

So I just want to say that we respect the role that chairs have right now and what the school trustees are trying to do and the jobs that they have. I know at this table we have a couple of former school trustees, and they should be congratulated for the hard work they have done.

Also with the chair of the Sunrise School Division and their trustees there, they have worked extremely hard.

Getting back to the official we have had who works with all these divisions, amalgamated divisions in particular, the anecdotal remarks he has received and the comments he has received have been around issues like salaries, harmonization of wages, taking a look at possible pension, looking at, in particular in Sunrise, the issue about the 2005 agreement that is going to expire. What happens to the programs now that Sunrise is using and travelling into Transcona or going to Selkirk?

All those issues have been brought to his attention, and he has brought those to my attention. But he has also brought concerns to me about Sunrise. Without meeting with the board on March 24, those concerns were certainly brought to me, and government was aware of not only their concerns but many concerns raised by amalgamated divisions.

We talked repeatedly about how the—I can never recall the gentleman's name. It is not that his name has to be mentioned, but from MAST who certainly talked to Mr. Schreyer, a representative of the Government. Also, you had the superintendent who was there. You had two representatives from the school division who informed our representative about the shortfall that they received, about the shortfall they were facing, the financial shortfall that they were having to deal with and that going to mediation would certainly highlight this. It would be highlighted, the fact of that shortfall because of that 15% to 60% gap in salaries.

So Sunrise is, I still believe to this day, the one that stands out more than any other amalgamated division with regard to the difference in the differential in salaries of their non-teaching employees. It was such a huge gap. You have other divisions, as I mentioned, Louis Riel, Pembina Trails were able to settle. Now you have got Prairie Rose.

We have talked repeatedly about Prairie Rose. As a government, we want what is in the best interests of the children there, obviously, and the parents. We also want the employees and the employer to be able to settle their dis-

agreement amicably. They have to live together, work together in the same communities. We believe and I suggested that mediation might be the way to go. If they cannot see their way through this, I am prepared to ask the Minister of Labour (Mr. Ashton) to appoint a mediator if they just cannot get their issues settled in a way that is satisfactory, have mediation involved. They have gone through conciliation already. The conciliations broke off, and they have been on strike now for about five days, I believe, and it has to be creating some hardships out there.

We wish, as a government, to have the parties get back together and talk and resolve their differences. As a government, we are there to assist divisions in any way, shape or form we can. We are willing to sit down and talk to them any time that they wish to do so.

A comment that I made earlier with regard to Agriculture and this agreement that is going to be signed, we are hoping, with regard to all the rural communities that are out there. This will help them and relieve some of the pressure off of them. It was a direct comment made from one of the members of their municipal government in rural Manitoba. He came out and made a comment about how they are going to withhold the taxes that they have collected. Regrettably he made comments about fixing his machinery and equipment, but he was making those comments because he felt there was pressure there as a result of the BSE and drought and so on and a combination of that.

Hopefully, the document that I understand that the Minister of Agriculture (Ms. Wowchuk) and the federal government are trying to resolve and get settled will be able to put some money into farmers' hands and will thus take more pressure off of rural Manitoba, and by that I mean also pressure off those school divisions.

**Mr. Schuler:** Does the minister think that it was appropriate for a senior member of Treasury Board to intervene and settle the strike in Sunrise School Division with government funds? Was that the right thing to do?

**Mr. Lemieux:** Before I answer that question, I just want to mention it was the APF, the Agri-

cultural Policy Framework Agreement. I understand that is certainly what is being looked at being signed. I believe this will be a huge benefit for rural Manitoba and the agricultural community, and thereby that affects the Department of Education and it affects us.

We told school divisions, the previous minister told the school divisions that we would be assisting them and helping them out. We have provided \$50-per-student assistance. In the case of Border Land School Division, that amounts to \$116,000 over three years; Frontier School Division, \$168,000; Louis Riel, \$742,000; Mountain View, \$164,000; Park West School Division, \$99,000, almost \$100,000 actually; Pembina Trails, \$679,000; Prairie Rose School Division, \$120,000; Prairie Spirit School Division, \$130,000; Red River Valley School Division, \$111,000; River East-Transcona School Division, \$891,000, almost a million dollars; Southwest Horizon School Division, \$91,000; and Sunrise School Division, \$246,000.

This amount of money, these funds that have been provided to these school divisions at \$50 per child, has been part of what the previous minister, Minister Caldwell, the Minister of Family Services and Housing, was able to work within the Department of Education and Youth—at that time it was Education, Training and Youth, I believe—was able to put that assistance in place in order to assist these divisions. Now we said to these divisions, we are not going to leave you out there, we are going to try to work with you and help you as much as we can. These dollars, the dollars that I have put on the record, I believe, point out that we are not going to leave them without assistance.

\* (11:50)

We know that due to declining enrolment, depopulation, that scenario for a lot of those rural communities and those urban communities also within the rural part of Manitoba has created some pressure for them. It has created some pressure for the organizations that are there. Now, these are over three years. It is something that the department takes very, very seriously, because it is very difficult to predict what is going to happen over three years to a lot of these communities and the declining enrolment and population overall, but it is something that we

have to be prepared to look at and look at the financial support for these communities.

The BSE was something that I do not think—maybe people certainly more familiar with agriculture than I might have been able to predict or at least foresee, but no one thought that we would get a drought, BSE and forest fires, the three whammos all in the same year. That has put tremendous pressure on the finances of the province, but also tremendous pressure on also school divisions with the BSE and drought, as well as declining enrolment and depopulation for them. As a government, as a department, we are working very closely with educational organizations and the stakeholders, discussing all the issues around what their challenges are down the road and trying to formulate a plan to be able to assist them in any way we can.

The point has to be made, though, that we are there to work with these divisions, to help them and to assist them in any way we can. That does not mean a blank cheque, no, but it does mean that if financial support is necessary we will support them.

**Mr. Schuler:** A senior staffer from Treasury Board involves himself in a dispute in Sunrise School Division, in a strike, and attempts to settle the strike. Does the minister think that was the proper way to go? Does he feel that was appropriate?

**Mr. Lemieux:** I will repeat it one more time about how the government representative and the employer negotiating team met. The negotiating team explicitly laid out exactly what their challenges were and told and made known exactly where the shortfall was with regard to finances. When we are talking about \$112,000 for this year, that is what we are talking about. We are talking about how that negotiating team felt that because of the huge gap, the huge salary or wage gap in non-teaching employees, not only the mechanical side but the bus drivers and also the custodians and the teachers' aides and the secretarial portion of their division, all the non-teaching employees, when you have a huge gap like that they made it quite clear that the potential for escalation with regard to the strike, that it would be very difficult to get an agreement.

So it is quite clear that when you have a high-level employee representative of MAST,

the parent organization, you have the superintendent and you have a couple of other individuals off the negotiating team, their negotiating team, the management negotiating team, the people who are supposed to pay the bill and pay the wages made it quite clear to the Government's representative that there was an extreme shortfall with regard to the harmonization of salaries over the 3-year period. That is where the numbers came from. That was laid out quite clearly to government, and the Government responded in kind.

**Mr. Schuler:** Instead of using a government mediator, third party, a senior member of Treasury Board got involved and interfered in a strike between management and union. Does the minister think this is appropriate? Was it the proper way to go?

**Mr. Lemieux:** Well, thank you. Once again, I apologize for being repetitious, but I had mentioned it before, about how the Government of Manitoba has repeatedly said that we are there to support amalgamated divisions, not only financially but otherwise. We have a staff person who continually worked with these divisions and wanted to make sure there was a contact person, a liaison person and worked closely with the amalgamated divisions to ensure the amalgamated divisions would be in touch with the Government and had a conduit or a way to be able to let us know what exactly is going on within those divisions, amalgamated divisions.

I am sure it was very challenging but we ended up getting some good anecdotal comments back, some very honest comments with regard to not only the challenges they faced but also the positive side of amalgamation and what it really meant for these divisions.

**Mr. Schuler:** Does this minister think it is appropriate that the superintendent and a high-level person at MAST, quoting the minister, were sent to a senior official at the Treasury Board to have that individual interfere in a labour dispute? Was that the right way to go?

**Mr. Lemieux:** I believe a right way to go on behalf of the Government is to be there for amalgamated divisions. I believe what we have to do is, I have mentioned about the drought and BSE for a lot of rural communities, that creates a



huge challenge for us as a government because it is certainly something that is unexpected.

We feel that, and I heard comments today, not comments from the Opposition, but there were some media comments about how there would be no financial assistance, for example, for Prairie Rose School Division. That is incorrect. We do not know that and, our understanding, they are following, going through their process. Conciliation broke off. I hope they go to mediation if they cannot settle their own dispute, but the Province of Manitoba has said all along, and it has to be put on the record, that even though there is a difference and there is a discrepancy between Sunrise, Prairie Rose, Louis Riel and Pembina Trails, the difference being you have Sunrise who had such a huge, huge gap in salary. The differential was put between 15 percent and 60 percent.

By that I say I understand the difference in Prairie Rose is anywhere between, I think, 15 to 20 percent or thereabouts, I believe. The difference is not the same as was at Sunrise. The difference that you see also with Louis Riel and Pembina Trails is different. So you have a number of different situations which for the Government really is important because you can see that some school divisions are able to cover their negotiations or their salary differentials, other school divisions are unable to. That is something the division has certainly looked at—or the department, sorry, has looked at and we are looking at how to address those challenges down the road.

**Mr. Schuler:** Yesterday, the minister, when asked about who was involved with this whole negotiation, said I just asked my department to find out who the person was from the Labour Relations area. It is a Mr. Schreyer. He was the person who was contacted.

Does the minister think it is appropriate that Labour Relations is being run out of Treasury Board? Is that the appropriate way to deal with these issues?

**Mr. Lemieux:** Well, I think the Department of Labour certainly has a role to play. As I mentioned before, the Department of Labour is responsible for conciliation and also for medi-

ation. This is an area where Prairie Rose, as I mentioned repeatedly, I asked the member and I have asked my critic from Tuxedo whether or not they feel that an arbitrator should be put in place in Prairie Rose.

I ask them again: Do you want me, would you join with me, to encourage me to talk to the Minister of Labour to get an arbitrator put in place in Prairie Rose?

\* (12:00)

**Mr. Schuler:** This is the area where the minister gets himself into trouble over and over and over again. In fact, I think this committee would be fine if the minister would pause and consult with his departmental staff. The problem is that this is now so political that professionalism will not even allow them to do that.

What the minister has just articulated is that when it comes to labour relations and bailing out the Government, pre-election in seats they wish to win, labour relations are now run through Treasury Board. Can he confirm or deny that?

**Mr. Lemieux:** Well, the Member from Springfield is incorrect.

**Mr. Schuler:** But the minister has no difficulty in a senior staffperson of Treasury Board negotiating an end to a strike in Sunrise School Division?

**Mr. Lemieux:** Mr. Chairperson, the province of Manitoba is a province that has had, thankfully, very few labour disputes recently. I know that I would say there were more during the 1990's than we certainly have seen in the last four years. Employees and employers are able to work out their differences amicably and we are very fortunate for that. I know that if the members opposite had their way, they want teachers to have the right to strike. That is definitely different from what our Government has proposed and has always said.

Arbitration takes place, I believe, in 80 percent, approximately 80 percent in contracts in Manitoba, thereby leaving approximately 20 percent of the employees the ability to strike and to negotiate and go through conciliation and

mediation and so on. So what you have in Manitoba is that you have an opposition, a Conservative party, that wants to allow teachers the right to strike and it is something that I certainly have not heard any different from my critic to Education or the member from Springfield.

They want teachers to have the right to strike and here you have Prairie Rose School Division that we see a strike taking place. This is what we have heard from the Conservative party. They want the teachers to have the right to strike and we as a government feel quite differently. Arbitration has served us well and we want to also point out that 80 percent of those agreements are solved through arbitration. So you have 20 percent of the employees in the province who have to go through a different process.

Now, with regard to the school divisions that we are looking at down the road, there are a number of them that have collective agreements that have expired. I believe Ms. Duhamel from the Manitoba Association of School Trustees. She is also, I believe, their executive director. I apologize if her title is not correct. She and we have met often to discuss not only the amalgamated divisions, but other school divisions.

So you have a case where we are in continual dialogue with either the president of MAST, Mr. Draper, or Ms. Duhamel to discuss issues around whether it is contracts or harmonization or pension. They are in continual contact with me. They know that they have my private line. They understand they can reach me any time. My door is open. We often talk on an ongoing basis and we have, I believe, a good dialogue in the sense that our open dialogue to the point where if any issues come up like Sunrise or otherwise, they will certainly call me and let me know of any challenges they see on the horizon.

Now, today, Ms. Duhamel mentioned that, I think, there were something like 10 or 12 collective agreements that have either expired or are about to. Certainly, there will be discussions about that, but the point that has to be made is that all along, through the previous minister and through the current minister, the Province of

Manitoba has said they are there to work with the divisions, amalgamated or not. If they have financial challenges, we want to be there, we want to know about it, and we want to be able to work with them to see if they can be overcome.

I will try not to be too political about this, but the point is that we provided a tremendous amount over the last four years into education. I know the previous government in the 1990s had their challenges; they did. The economy was not as great in the beginning of the 1990s. I know, having spoken to Eric Stefanson and other individuals about the challenges that they have faced. They have stated, and I certainly take him for his word and other members of the Conservative Party that I have had conversations with, how tough it was in the early nineties for them. So that is why I am very hesitant to throw stones or political rhetoric at the members at the table because they had their challenges. They decided to spend the money where they wanted to, and we as a government have made education a priority for economic development reasons, for the benefit of children, and to also ensure the quality of education that our children get, because we believe that is our future, it is not just rhetoric, and I understand, I hear the same. I know that the member from Tuxedo feels likewise and feels how important education is, and I am sure she reminds her caucus often about the importance of education and how it is important to all of us.

So, just on that note, I just want to say that we in the province of Manitoba have a very, very good track record with regard to education, no matter what the measurements are that are placed upon us, internationally or otherwise. I know that we currently received a report from the OECD with regard to international testing results. I am certainly prepared to discuss that, and I know that the members opposite would be very interested in hearing some of those results. So I see the member from Springfield nodding and saying, yes, he wants to know that. He wants to know that in Canada, for example, that we are ranked second in literacy, we are sixth in math and fifth in science. This is a Program for International Student Assessment, a PISA. This is something that ranks us, Manitoba, as a province within Canada, fifth in literacy, fourth in math and fourth in science. So, if you take a look at

what we have in Canada, you have the Yukon, the Northwest Territories and Nunavut and you have six other provinces. That puts us well ahead of the pack with regard to literacy, math and science. So we are doing well, and what is important to note is, among all other countries, only Finland ranked above Manitoba in literacy and reading. Here we are, as the Province of Manitoba, putting more money into literacy, more money into math or numeracy, and I believe what we are doing here is we are ensuring that there is a great future for the children of Manitoba and that Manitoba, for example, ranked above the United States in all categories, the province of Manitoba, little Manitoba, and we should be very proud of that fact.

So what we are doing is putting money into education at an unprecedented rate, at the rate of economic growth. We are very proud of that fact and the Premier of Manitoba (Mr. Doer) is one that has stood tall amongst all other Premiers in the country saying that education is not only for economic development—it is certainly part and parcel of our whole overall plan—but that education for the children of Manitoba is truly one of our legacies that we can be proud of when our time, and the people of Manitoba decide that they wish to go in a different direction. We can certainly look back and say that what we did we can be proud of. I know that 32 OECD country members participated in this. There was something that I know that the, I think the *National Post* has really published this, and they were surprised, I think really, truly surprised not only that we ranked second in literacy in Canada but that what we have done is that we in Manitoba, when they take a look at Manitoba and saying, you know, you are fifth in literacy, fourth in math, fourth in science, it is an area that shows that—just an aside, yes, we have testing in Grade 6 and Grade 9 or Senior 1 and Senior 4, Grade 12, but what must be happening in the public education system is that you have educators, teachers, who assessed on an annual basis, on a daily, weekly, monthly, annual basis. It is not one test to determine it all, but teachers know that when you are working with young people you may have to change your way of presenting the material if it is not working. So you have to do those constant assessments.

\* (12:10)

As a province, I can tell you, and I want to share with my critic from Tuxedo, that we are currently chairing and leading an organization, a committee of western provinces, and we are the lead on that, looking at ways of assessment to assist teachers in the classroom, how best you attach assessment to curriculum. And it is really important to note that we, Manitoba, are the lead on this because we feel that it is not just that chiselled-in-stone hard test at the end of the year that determines where our children are. The OECD and the international student assessment has proven that, that we are making inroads with regard to increasing our ability to provide better education for our young people and, not only that, again, we put more money into literacy and more money into numeracy just to make sure that we are on the right track.

**Mrs. Stefanson:** Mr. Chair, just earlier this morning, I had asked the minister if he felt that it was appropriate that a senior level of the Treasury Board staff be appointed as the official on behalf of his government department to negotiate the dispute, I guess to be in negotiations on behalf of the Government in the Sunrise School Division strike dispute. My colleague just pointed out that basically this minister felt that it was appropriate for the employee to be there from Treasury Board on behalf of his department. Then the minister said, no, that is incorrect.

Mr. Chair, is the minister then saying that it was incorrect and inappropriate for Mr. Lloyd Schreyer, a senior member of Treasury Board, to be involved in this labour dispute in the Sunrise School Division on behalf of his government department?

**Mr. Lemieux:** Mr. Chairperson, sometimes it is difficult to hear the questions coming from members opposite and to determine exactly what those questions are.

I want to say that, with regard to any school division in the province of Manitoba, the Government of Manitoba, it is very important that we are listening and wanting to know what is happening with regard to not only collective agreements, but what is happening overall. It has always been and we know that for a fact with regard to the previous government, that it always

has been the Government's role to act in the public interest with regard to labour disputes, especially when there is a possibility of strike action. We know that.

Mr. Chair, there are mechanisms within the Department of Labour whether it is conciliation or mediation to address such situations. Labour Relations has a mandate to monitor labour issues throughout the province and to act in the public interest. Labour Relations also at the request of parties can facilitate mediation and conciliation services through that process and become engaged with the parties involved.

When we passed amalgamation legislation, we assured school divisions we would work with them through the process on wage disparity and other issues. We made that commitment. They understand that commitment and they know that we are prepared to work with them, no matter where the school division is, what part of the province, and what their difficulties are.

Government is always available for that. I hope they always would be available for that. I know that we have talked repeatedly about the chair of the school division writing to me, expressing concerns about the disparity in wages between the two divisions. We are very much aware that the strike happened and very much aware the government official from the department who works in compensation issues had discussions certainly with the employer and the negotiating team who laid out exactly what their difficulties were and what were their financial challenges were and what they faced on the horizon.

It is imperative that government, and it always has been government's role in the public interest, in labour disputes especially where there is a possibility of a strike, it has a role to act. The Department of Labour in Manitoba and also the Minister of Labour (Mr. Ashton) in this case where I asked the members on numerous occasions whether or not they feel it is important that a mediator be involved in Prairie Rose, for example. Prairie Rose School Division has been out on strike now for one week. Busing has been affected. A number of children—we know approximately, give or take, around 1400 children,

I understand, at least I have been advised and that is approximate—that are transportable. Whether or not they are directly affected by this strike, I could stand to be corrected on that.

I know that strikes in the public education system are very important. We have seen what has happened in a Conservative province like Ontario where we have had strikes among teachers. In Manitoba, thankfully, we have a different process in place. That may change down the road sometime. Who knows? I just know that currently it appears to be working. You have arbitration involved where you had a Conservative province like Ontario where strikes were allowed. I believe, also, Alberta, I think their strikes are allowed there as well.

It has created a great deal of hardship in the community, a tremendous amount of anxiety amongst parents and not knowing when children are going to get back to the classroom. In this case, at least they are being bused and they were being transported. Pardon me, their parents and they are being at least accessed to school, as long as they can get there. We understand that so far there has not been a great deal of difficulty in that area. We are certainly monitoring that closely.

We want to ensure that employees and employers have an amicable working relationship. That is why strikes can be very, very difficult on communities. People go to curling rinks together, they go to hockey arenas together. They have children whether you are a trustee or you are a member of the CUPE union or other worker group, you may have children on the same soccer team or baseball team. If you are in rural Manitoba, the likelihood might even be greater of the fact that you could have the chair of the school board or someone from MAST in Winnipeg having their child on the same team as someone from the union.

I realize, that is part of the collective bargaining process. That is all part of what makes a system run. In rural Manitoba, I might be wrong, but in rural Manitoba where you have small communities like that, it is very, very difficult on people. We have heard from the Conservative Party about how they feel that the teachers should have the right to strike. Ontario and

Alberta, it really has not been very positive. I mean, in Ontario and Alberta the teachers do have the right to strike there, and it is not positive at all and has not worked for the benefit of the children. We know that people have varying or differing views on whether or not that should continue. I know that it is imperative that government absolutely know what is going on within the public sector and know what is going on with regard to acting. We do have a role to act in the public's interest in labour disputes.

Mr. Chair, in some situations you have to participate; others you do not. You have Louis Riel, Pembina Trails, and you have Sunrise and you also have Prairie Rose—four divisions. Two are able to settle their disagreements in an amicable way and without any participation from government in a sense, more than what we have given already, the \$50 per student, where it amounts to about three-quarters of a million dollars for Louis Riel and almost a million dollars I think it was for Pembina Trails. That \$50 per student certainly assisted them, I am sure, a great deal in resolving their financial differences.

\* (12:20)

You have a real challenge for us. You have a challenge where you have a number of different organizations whose collective agreements have expired and yet we are going to have to participate and assist these school divisions either through staff or through expertise that we have within government with Labour Relations. We understand that the parties right now in Prairie Rose—conciliation has broken down. We are asking that it may be time for them to look at mediation if they cannot resolve their differences.

**Mrs. Stefanson:** Mr. Chairman, I see that by not correcting the record the minister is finally admitting that it was inappropriate for a senior-level employee from Treasury Board to be involved in a labour dispute on behalf of his government department. I am not going to get focused and bogged down on these types of details. There are some serious questions that we would like to have answered, so I would like to focus back on the time line that I referred to earlier, being the beginning of the strike starting

April 8 in the Sunrise School Division and the end of the strike which took place April 17. I would like to ask the minister on what day, within those dates, he approved the sum of \$428,000 from his government department to help settle this dispute.

**Mr. Lemieux:** I just received a note from staff with regard to the students in Prairie Rose. I just want to correct some of the numbers I was using. When I used the number 1400, that is the whole Prairie Rose Division that is transported. Out of those, 900 students are affected by the current strike that is on there. So I just wanted to ensure that that was corrected. It is 1400 students who are transportable within the whole division. Approximately 900 are affected currently by the strike that is taking place.

As I mentioned before, I believe it is imperative that government, and it always has been government's role to act in the public's interest with regard to labour disputes and in the public's interest to know what is going on with regard to strikes. We had a person that was a government representative who talked with the negotiating team who were the ones who were going to pay the bills after all, and in Sunrise you had the high-level representative from MAST, also the superintendent of the school division, Mr. Bell, also a couple of other representatives off the negotiating team. That was their negotiating team from Sunrise who spoke to the government representative and informed the government representative where the roadblock was, where the challenge was.

They are saying the financial challenge is there. The financial challenge was \$112,000 the first year. It was a huge challenge for them, and it was pointed out in the letter where they invited us and wanted us to discuss the huge challenge of that 15% to 60% wage gap, which I have been advised is unprecedented in the whole province of Manitoba. That is why again I get back to when the Opposition said, well, you should be there for everyone right away just like you were for Sunrise. No. It is not a precedent. I know the member from Tuxedo, the Education critic, mentioned about how this is a precedent in Sunrise. It is not a precedent. The differences between Sunrise and Louis Riel and Pembina Trails and

Prairie Rose are far different, and they are all unique.

I believe that now that we have been able to clarify some things, the members opposite, the Opposition understand that all of them are different and they have their own circumstances, whether it be their taxation ability, for example, and now BSE and drought thrown into the mix have created some difficulties, more so for certain divisions than others. You have a real difference between divisions. What we have done is we have tried to, and internally we are looking at this, to try to look at doing some forecasting as to what is on the horizon as far as what kind of collective bargaining, what kind of collective agreements may be expiring, what kind of gaps are there, whether they are amalgamated or not. We really want to ensure you have a system that is in place, which is. They are certainly able to call upon the Department of Labour to have conciliation or mediation. That is something we wish all school divisions would certainly look at.

I know the members, not the Member for Tuxedo (Mrs. Stefanson), but other members who are at the table, scoffed about the idea when I started talking about the importance of the agreement that the Department of Agriculture, the Minister of Agriculture (Ms. Wowchuk), will be signing on the Agricultural Policy Framework with her federal counterpart, Minister Vanclief. The federal government has made a commitment to flow interim payments to producers they feel will be in a loss situation, and cattle producers should qualify once the Province has signed on to the APF.

Now, this is important. This is excellent news because when we are looking at those discrepancies and salary differences and you take a look at those areas hard hit by drought and BSE, this is very, very important news for the communities because it does have an impact, as the Member for Tuxedo knows, on some of the concerns that have been raised I believe by one motion or one recommendation I guess at a municipal council that came forward about what do they do about their taxation to the Department of Education. I know it is a concern for us and it should be a concern for all about wanting to make sure these communities are assisted with

regard to BSE and also drought, which the Minister of Agriculture, I must say, and the Premier (Mr. Doer) have worked diligently and really hard, very, very hard, to try to make sure this is rectified.

Even on the APF, I believe it was, and I stand to be corrected, but on the APF, we initially did not want to sign it. We felt we could not sign it. It was just too open-ended for us in a sense. We did not. It was difficult to foresee a lot of the costs. Yet the agriculture producers, the Association of Manitoba Municipalities, you have the Manitoba Chamber of Commerce, many other groups saying to the Minister of Agriculture, sign, sign. Get on and hopefully, we will have enough provinces on board that the producers will be able to get some financial assistance.

I know we have a loans program, that the take-up is looking like it is providing certainly an opportunity to possibly more young farmers, but providing them some assistance. You have many other avenues that the Minister of Agriculture has been able to address and will continue to work on and is working on.

Members opposite, the reason I mention this is because it does have a lot to do with school divisions in rural Manitoba. It is multifaceted. We did not expect to have BSE and drought this summer, especially after last summer where we had in the southeast part of Manitoba flooding. Compensation had to be paid out. In my own particular area in the province of Manitoba where you have a tremendous amount of flooding, a lot of money through disaster relief and funds had to be provided and assisted. Here you have one summer, you have floods. The next summer you have the triple whammo. You have forest fires, drought and BSE, all in one summer, the triple whammo, and our Government has to be faced with that. Fine, we are the Government. We have to deal with it, as the previous government had to deal with the 1997 flood.

All governments have challenges. I just want to put it on the record that, as the Province of Manitoba, we have our challenges with regard to the finances of the province in the sense that we have had balanced budgets the last four

years. We will continue to do so. As a Province, we are going to continue to work with all the school divisions.

The school divisions, as I mentioned in an article I heard this morning on the radio about how the Province was not going to give any money to Prairie Rose, that is not totally correct. They have some areas to go. They want to go to mediation. Hopefully they will go to mediation and that is something we recommend.

**Mr. Chairperson:** The hour being 12:30, committee rise.

### INTERGOVERNMENTAL AFFAIRS

\* (10:00)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Intergovernmental Affairs. Does the honourable Minister of Intergovernmental Affairs have an opening statement?

**Hon. Rosann Wowchuk (Minister of Intergovernmental Affairs):** Yes, I do. Madam Chairperson, it is my pleasure to present for the committee members consideration the Estimates for the Department of Intergovernmental Affairs for the year 2003-2004. I intend to make my introductory remarks quite brief, as I believe there is an understanding between the various parties that we would have short introductory remarks to allow more time for questions and answers.

Madam Chairperson, these Estimates demonstrate the department's ongoing commitment to building healthy and sustainable communities and neighbourhoods throughout Manitoba. In fulfilling its commitment, the department's role is twofold. First, Intergovernmental Affairs is the primary point of local government contact with the province and the front line service delivery of legislation, policies and programs for local governments. Second, we play a significant co-ordinating role working with local governments, regional and community organizations and neighbourhoods and businesses and co-operatives, among others, to build partnerships amongst stakeholders, therefore ensuring a shared vision, collaborative approach and an effective use of finances and human resources.

Intergovernmental Affairs is broad based and our programming is dynamic, so that it remains relevant and meets the current needs and priorities of our communities and neighbourhoods. Our programming focuses on building strong community foundations through our municipal and advisory support, our planning support and our support for local infrastructure.

Our program also focuses on enhancing opportunities in communities and neighbourhoods through our rural and northern community economic development programs and our neighbourhood and community revitalization programs.

Intergovernmental Affairs is proud to work with Manitobans in addressing challenges and realizing opportunities. Through a review of our 2003-04 Estimates, we demonstrate that we are strengthening our existing programs and working to develop new programs to address the needs and priorities of all our clients.

I look forward to the opportunity to highlight the continuing commitment of this government to healthy and sustainable communities and neighbourhoods in Manitoba during the committee's considerations of the department's Estimates for this year.

**Madam Chairperson:** We thank the Minister of Intergovernmental Affairs for those comments. Does the official opposition critic, the honourable Member for Arthur-Virden, have any opening comments?

**Mr. Larry Maguire (Arthur-Virden):** I just have an opening statement. I would like to say that I am pleased to address the Minister of Intergovernmental Affairs (Ms. Wowchuk), who is also the Deputy Premier of the province, as well as the Minister of Agriculture, as we deal with Intergovernmental Affairs Estimates. I must acknowledge that the minister is carrying a very heavy workload for her Premier and her colleagues.

I am going to focus today on the rural aspect of her department and on the important rural issues and concerns that the minister is no doubt aware of. The fact is that our caucus is willing to reinstate the former Department of Rural

Development in order to ensure fairness and balance for rural Manitobans.

It must be stated for the record that while the minister is a rural Manitoban herself and without question a very capable person, her Premier has done an injustice to all rural Manitobans by overburdening her with these responsibilities. The attention rural Manitobans deserve, especially right now during this BSE, mad cow crisis that is impacting our rural economy, should be nothing less than a hundred percent commitment from the Minister of Agriculture.

Because the Premier is unable to put his Cabinet plan together in an expedient fashion, the minister is unable to provide her full attention to the biggest crisis ever to face our over 12 000 cattle producers and their families. It must also be pointed out that, as the Minister for Intergovernmental Affairs, she is responsible for the city of Winnipeg. That, in itself, is a responsibility that should have the full attention of the minister.

As the Minister of Intergovernmental Affairs, you have a large responsibility for the economic conditions and economic strength of rural Manitoba. In her dual capacity, as Minister of Agriculture, that is compounded. Madam Chair, the minister's signing earlier today of the federal-provincial Agricultural Policy Framework Agreement will not even come close to helping our farm families devastated by BSE.

Madam Chair, there are a number of other issues I will be raising as we move through the Estimates. I would also indicate to the Chair, my honourable colleague, as I have just pointed out, my responsibilities are in the rural area of Intergovernmental Affairs as well as joining with one of my colleagues who will come in later, Mr. Reimer, as well. I will provide some time for him when he comes in regard to some of the other issues. If he is not here, I am prepared to move ahead with those myself.

A few of my colleagues may have questions of the minister as well, but I would at this time, Madam Chair, wish to move forward.

**Madam Chairperson:** We thank the critic from the Official Opposition for those remarks.

Under Manitoba practice debate of Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly we shall defer consideration of this item and proceed with consideration of the remaining items referenced in Resolution 13.1. At this time we invite the minister's staff to join us at the table and we ask that the minister introduce her staff present.

**Ms. Wowchuk:** Given the comments the member made about wanting to talk about rural issues, we will try to bring the staff to the table that is needed as the questions are asked. I am joined now by Linda McFadyen, who is acting assistant deputy minister for Urban Strategic Initiatives; Denise Carlyle, executive director, Administration and Finance; and, Madam Chairperson, Christine Burton, acting administrator for Rural and Northern Economic and Community Development.

\* (10:10)

**Mr. Maguire:** I guess, if I could, I would like to open by asking the minister, because of the proximity to the announcement she has made, signing the agreement she has signed with the federal Agriculture minister this morning, and because it is so pertinent to the community in rural Manitoba and, indeed, all of Manitoba because I believe this crisis we are in, in rural Manitoba right now with the closure of the American border to livestock moving south and to farmers in drought-stricken regions of this province, not just in my region that the minister toured on July 23, but also the Interlake and other areas of Manitoba that have been hard hit by drought and grasshoppers, it is incumbent upon me to ask the minister this morning, because she is the minister responsible for the rural development and rural economy in her responsibilities as Intergovernmental Affairs Minister—I would like to ask her that, aside from the fact that the Agricultural Policy Framework funding is for all farmers in need and, obviously, not just those affected by the BSE as I have outlined, that the amount of money that will actually get out to those in need will be minimal compared to what is required, as I have pointed out.

I know that the minister, from the questions that we have asked her in the House in her



responsibilities in rural economy, knows that we are seeking a cash advance. I am wondering, when it will cost this Government less than \$20 million to flow the funds that the cattle producers in Manitoba have asked for, if she would agree today to flow a cash advance immediately to the rural economy of Manitoba.

**Ms. Wowchuk:** Well, that is a very interesting question and a question we have debated over and over again. I think that it is time that the Opposition recognized that our Government took steps to address this issue some time ago when we put in the low-interest loan program in a total of \$100 million. It is available there for producers at low-interest rates and I want to tell the people at this table that we have the best program in Canada. If you do a comparison between provinces, of what other provinces are offering and what Manitoba is offering, we have the best program in place.

When we put our loan program in place, we asked the federal government to participate in it. Indeed, if the federal government would have been with us and taken some of the costs as well, that would have helped us even put the money in place at a lower interest rate. I have raised the issue with the federal minister about the federal government participating in either a loan program or a cash advance as they offer through the federal government to grain producers, but I can tell everybody at this table that we have worked very hard. We are flowing money to producers, and I would ask Opposition members to join with us and start talking about how there is cash available to help producers.

It is very interesting that the members opposite, when they were in government, put in place a loan program that was at the prevailing interest rate to help the hog industry when they were in trouble. The program worked. Although the interest rate was higher, it was at prevailing rate. The money flowed to producers. So, I cannot understand why, when they were in government, a loan program would work. I cannot understand why there is a conflict or a change of heart or a flip-flop on the part of the Opposition because their leader sent out a letter and it blanketed the Interlake region, I believe, where they said the Government should consider a low-interest rate or a cash advance. Never did

they say that the Government should consider a low-interest rate program and a cash advance.

We acted, we had discussions with the industry and, in fact, when I was in the Member for Arthur-Virden's (Mr. Maguire) constituency, when we were at Hartney, he will recall that, when the Manitoba cattle producers were doing their presentations, one of the things they said was that they were talking to the Government about a producer recovery loan program as had been put in place by other sectors. That was the suggestion made by Manitoba cattle producers at a meeting where the member of Arthur-Virden was in attendance.

So, it is quite interesting that you have on one hand suggestions by the Leader of the Opposition (Mr. Murray), suggestions by the Manitoba cattle producers that we should put in a low-interest loan program and then, once we put in a low-interest rate program, they change their mind and are going in another direction.

We all have to remember that when you take a cash advance that money has to be secured as well. So, the process is very similar. The difference is that the low-interest loan has some interest on it, but it is much better than the programs that are in place in other provinces. We have introduced a program; it is working. People are applying for the program. They are using the cash. I would hope that the member from Arthur-Virden would start to just look very closely at how the program will work and how it can bridge those people until such time as they start to sell their cattle or until such time as the border opens to live animals.

**Madam Chairperson:** Thank you, Madam Minister. For clarification for Hansard, I would like to just interject that we are now proceeding to the remaining items contained in Resolution 13.1 on page 111 of the main Estimates in the book, and the Member for Arthur-Virden has a question.

**Mr. Maguire:** Yes. I would request that we move forward on a global basis in looking at the importance of the issues that are before us today.

**Madam Chairperson:** Is it agreed that we—oh, Madam Minister?

**Ms. Wowchuk:** I am prepared to do that but I would ask that the member identify which section he would like to move to, so that we can have appropriate staff and deal with one section and then move into another one instead of having people—and that is out of respect for the people that have to move back and forth to the table. Let us deal with one section, then move onto another.

**Madam Chairperson:** Agreed? *[Agreed]*

**Mr. Maguire:** The area that I would like to go into is just to look at the Department of Intergovernmental Affairs and deal with some questions around the programs that are there and staffing of those programs and proceed in that manner. Of course, it is not just rural, it covers the whole department and I would request moving ahead in that area.

**Ms. Wowchuk:** Can I just ask, is there a particular section? Is there one line that you want to move to? Is that where you are—

**Mr. Maguire:** Well, I guess I am looking at staff numbers. I just have—

**Ms. Wowchuk:** That is fine. Go ahead.

**Mr. Maguire:** Yes, just for the record I am looking at staff numbers in a global basis in the whole department. So, I would move to asking the minister if she could provide for me a list of all of her political staff with the names and positions of the people that she has in her political staff at this time.

**Ms. Wowchuk:** Just before we go there, I would like to introduce Beverly Kachanoski who is our human resource person in the department. There are two staff people, Lisa Bukoski and Val Bingeman.

**Mr. Maguire:** And those are full-time employees?

**Ms. Wowchuk:** As well, there are two people in the Brandon Cabinet office that fall into this department and that is Jason Woywada and Donna Shimamura Everitt, and all four of those people are full time.

**Mr. Maguire:** And so, there are no other political staff in the province? Those are the four that you have listed that you have as well?

**Ms. Wowchuk:** Yes, the two people that work the Brandon Cabinet office are full time and the other two people that I listed are my staff in the Department of Intergovernmental Affairs.

\* (10:20)

**Mr. Maguire:** I wonder then if I could move to the minister's office and her deputy minister's office and just get a specific listing of all of the staff in those particular positions.

**Ms. Wowchuk:** There are three people, three secretaries in my office, and they are Margaret Ali, Linda Freed and Aline Desrosiers.

**Mr. Maguire:** I wonder if the minister could provide the other part of my question, staff that is presently in the deputy minister's office as well.

**Ms. Wowchuk:** In the deputy minister's office there are three full-time and one half-time person: Lynne Nesbitt, Huguette Lacroix, Debbie Goodfellow, who are full time, and Rositha Jeanson, who is half time.

**Mr. Maguire:** Madam Chair, I am wondering if the minister could provide me with any new staff that she has hired in 2002-03 or that was hired in 2002-03 prior to her becoming the minister of the department?

**Ms. Wowchuk:** There have been no new positions, there have only been replacement staff when it has been necessary.

**Mr. Maguire:** So, the minister has indicated that there is no new staff but that there have been some replacements in that area. I wonder if she could just indicate how many and where they are?

**Ms. Wowchuk:** Two of the individuals that are named in the deputy minister's office are replacements: Huguette Lacroix and Debbie Goodfellow are new staff, but they are not new positions that have been created. As well, in my office, Linda Freed and Aline Desrosiers are also

new staff, but again, not in new positions created. They have replaced other people who had been there previously.

**Mr. Maguire:** Madam Chair, yes, just for the record, that is the total staff of, I am just asking for the minister and the deputy minister's office in that area. I guess we will look at the rest of the numbers of staff in the department as we move forward. Can the minister give me any indication then just what the procedure was for hiring that they went through, whether appointments or was it on a competitive process or can she outline that for me?

**Ms. Wowchuk:** Each of the positions was filled through competition.

**Mr. Maguire:** Does that include any positions in the Cabinet office as well?

**Ms. Wowchuk:** There was no change in the Cabinet office. Those are people who were there before, in the previous year.

**Mr. Maguire:** Can the minister give me any indication of whether or not there were any positions that were reclassified and how many, obviously, there will be some? Can she indicate to me how many and any descriptions of positions that were reclassified in the last year?

**Ms. Wowchuk:** Can the member indicate whether he is looking at just the deputy's and the minister's office, or is he looking for reclassification throughout the whole department?

**Mr. Maguire:** From the department, throughout the department, in that area.

**Ms. Wowchuk:** There were six reclassifications. Five of those were in the Assessment branch and one was in Water Services.

**Mr. Maguire:** Thank you, Madam Minister. I wonder if the minister can give me some indication of the total number of positions then that there are in her department?

**Ms. Wowchuk:** There are 332 positions in the whole department. I am sorry, I should correct that, 333.2 positions in the department, and do not ask me where the .2 is.

**Mr. Maguire:** Is there an indication that she can give me of the number of vacancies that are presently in the department?

**Ms. Wowchuk:** There are 37 vacancies at the present time, but it is an ongoing process where there are vacancies. At one point we might be in the process of filling some of those vacancies, but, at the present time, we have a vacancy rate of 37. There are 15 jobs at the present time that are in recruitment.

**Mr. Maguire:** For clarity, then, the minister is indicating that there are 37 openings. You said at a rate of 37, that is not surely 37 percent?

**Ms. Wowchuk:** No, 37 vacancies.

**Mr. Maguire:** Okay, so it is not 37 percent, it is 37 vacancies and 15 more openings for recruitment?

**Ms. Wowchuk:** There are 37 vacancies. Of those 37, 15 are in the recruitment stage.

**Mr. Maguire:** I guess, I wonder if the minister could give some indication of what a normal percentage of vacancies would be in the department or if this is normal?

**Ms. Wowchuk:** Normally, with turnover and people changing careers and moving on to different positions, it is normally around 9 percent.

**Mr. Maguire:** I wonder if the minister could indicate to me where the bulk of those or what section of Intergovernmental Affairs those vacancies are presently in?

**Ms. Wowchuk:** Most of those positions are in Assessment.

\* (10:30)

**Mr. Maguire:** I would ask the minister, Madam Chair, if she can give me some kind of an estimation of savings or if there are any savings in regard to these vacancies in her department that would not show up in the normal Estimates, Supplementary Estimates?

**Ms. Wowchuk:** We will take that question under advisement and get back to the Member for Arthur-Virden with some numbers on that.

**Mr. Maguire:** Madam Chair, the concern that I have in that area is obviously with the situation that is presently in rural Manitoba. I would hope that the areas of support staff such as are located in those regions are on top of the situation that is presently facing our rural communities. This situation that we are faced with because of the American border closing, I just want to emphasize is certainly not just the farmer issue. It is facing all of our communities.

I have had calls very early in the closure of the BSE issue. Before there was ever any hint of drought in my region people were phoning me. Small businesses in these communities, one of them being a dress shop, very early on in the process, middle of June, when the rain finished in our area, it was about the 4th of June, the 5th of June—this was not because of drought that they were calling. It was because of the BSE issue at that time.

These businesses had already felt a much more abnormal impact on their businesses than they had normally felt in the May and June period of time in most rural communities when the farmers were busy putting their crop in, in the spring. These businesses expect a normal lull in their business flow in the streets of our small communities in Manitoba and all of Canada when that is taking place, particularly in regions that are so predominantly impacted by agriculture. I want to emphasize to the minister that we need to make sure that we maintain as much staff as we can in those areas so that these people have support. I know in her other responsibilities she is making sure that our ag reps are there, that the stress line is continued in those areas.

We have to make sure we continue to put as much staff forward and as much contact with these people, I believe as we possibly can in those areas under this unusual circumstance that we are faced with because these people are going through very unnormal circumstances, if you could put it that way. That is the most polite way or the calmest way that I can put it forward because it is a very detrimental effect on their cash flows.

These people, of course the situation has been exacerbated because of the drought and

grasshoppers in a lot of regions of Manitoba. I think it is incumbent upon us to make sure that the staffing stays up. A couple of percent is only another eight or nine people in the department. I wonder if she could indicate to me, having said that a considerable amount of this vacancy is because of the area of assessment, can she give me an indication to make sure that any of the support services for the disaster that we are presently faced and are not being in short supply?

**Ms. Wowchuk:** As I indicated to the Member for Arthur-Virden, the majority of the vacancies are in the Assessment branch. I think many of these are retirements and I think it is a challenge that we face across government. As the senior civil service starts looking forward to their golden years, there is a need for the next generation to step up and fill some of those positions. I say that in jest, but really that is exactly what it is that it is a retirement turnover.

This is one branch where we see a fair number of people who are looking forward to their retirement. That is why there is vacancies in that department. There will be recruiting done in that department as well. I can tell you that this department recognizes the impacts that people are feeling in rural Manitoba, whether they are in the farming community, whether they are in rural businesses, as well as the impact on urban centres. We are really not taking that lightly. The staff is in place to deal with those issues.

**Mr. Maguire:** I guess I have still have some years to look forward to then. The golden years, I thought, were the ones when we are working. I have heard retirement referred to in many other forms, if that is what the minister was referring to but, yes, a little more relaxation probably will be welcome by some of them. I know that these people are trying to look forward to that as well. I only make the point that the minister has confirmed that these folks would like to get to the point where maybe they could retire. But they still want to make sure that their businesses are viable enough when they do want to do that so that they can maintain some equity in it, so that another generation or somebody else interested in those communities can take it over.

We are very fortunate in most of those communities that I represent. I think, in the vast

majority of Manitoba, that there still are—you know, we always hear the stories of young people leaving communities, but young persons are taking on more ventures themselves in multiple roles to continue their farming operations. Maybe 15-20 years ago, there was the situation where bigger was better and family farms were expanding. I am not saying that they are not today because that trend is still there. But, most definitely, the number of circumstances, the number of cases that I know of, young people have—one of the partners in the farming business is now running a bottle local store in the community. They are running a restaurant in the local community. They are not just working as medical staff in hospitals and teaching in schools or administration in schools, which has been a great employer of many of our rural couples who like to continue to farm, or are farming full-time as well.

I point that out to the minister because I know of many cases where that has happened in the last year, year-and-a-half. I do not know of any that it has happened to since May 20. The ones that I am referring to are people that have made decisions last year to expand their, I would say, income level by taking on another business, which puts another stress and strain on families because they are running more than one business in a local community at the same time. Most of those businesses in those rural communities, if you are in the restaurant business or hotels, that sort of thing, certainly take long, long hours and very good management to succeed at.

I want to ask the minister if she is not able to provide me with a savings number at this particular point, given that these are retirements in those areas, a number of them at least, anyway. If she can indicate to me, why there would be an unusually high number of vacancies at this time?

\* (10:40)

**Ms. Wowchuk:** As I said, the majority of these vacancies are in the Assessment branch and when someone retires, we tend to promote from within because there are some skills developed there. So, then, when you promote someone from within, then there is another vacancy, so you have to have another competition. When

you are moving in that way, it takes time to fill them, because as you go through competition you move it along.

I just want to add to the comments the member made about rural lifestyle and how things are changing. I am sure there are many people who remember a time when one of the parents may have worked. In our family, my father always worked. My mom stayed at home with the family and was involved in the farm operation. In our family, we farm. Both of us, at one time or another, had part-time employment.

As I look at the next generation, I look at my own community. I know of just about every family that is on the farm, either one or both of the people who are in the farming business, each of the people involved have some other source of income to supplement their farm income. That is the way agriculture is right now. I wish it was not, but those are the choices people make. Some of them do not want to farm full time and sometimes they just have that need for extra cash flow. Sometimes there is a career that people want to continue on with as well as being in agriculture.

I can tell the Member for Arthur-Virden that the department has a strong focus on giving rural youth employment opportunities, directly and indirectly. We do that with the youth through summer programs, through a program like STEP. We do it through a program like Green Team. So, we want to and we work very closely to give opportunity for young people to have some employment while they stay in the rural area. That is also a very important component and a service this department delivers.

The Member for Arthur-Virden was asking about the savings, when someone goes into retirement, but a lot of the time the dollars that are saved from the vacancy are used in retirement payouts, because there are those payouts that come with retirement, accumulated holidays and things like that. The department would not really realize much of a saving when people are going into retirement and then we recruit to fill that position.

**Mr. Maguire:** Madam Chair, I was referring more to the 22 vacancies that you presently have

in the outline, that you are recruiting 15 new positions. I wonder if I could just get a list at some time, not at this moment right now, but I wonder if the minister could supply me with a list of the vacant positions she has in her department.

**Ms. Wowchuk:** Is the member looking for each department where the vacancies might be? Is that what you are looking for? For example, if it is in Assessment, we have indicated how many vacancies we have in Assessment right now. You would also want to know where the rest of those vacancies are?

**Mr. Maguire:** Yes, that is what I am requesting of the minister, just by division.

**Ms. Wowchuk:** Yes, we will prepare that and provide it to the member once it is ready.

**Mr. Maguire:** Can the minister indicate then, apart from those 37 positions, some that will and some that will not be replaced? Can she indicate to me that all other positions are filled in the department?

**Ms. Wowchuk:** Yes.

**Mr. Maguire:** I would just like to know then as well, the Government brought forward legislation a year ago to have an opportunity for staff to take voluntary reduced work week. I wonder if the minister can indicate to me how many staff took advantage of that in her department, in Intergovernmental Affairs, and what savings might have been saved there in her department?

**Ms. Wowchuk:** Madam Chairperson, 41 staff in the Department of Intergovernmental Affairs took advantage of the reduced workweek for a total of 244 days. It was a cost-saving of approximately \$45,000.

But, I think, for those people who were able to take advantage of it, it made a difference to their family life. It is quite well received by the employees. *[interjection]*

**Mr. Maguire:** I know a number of other industries or sectors of the agricultural industry, Madam Chair, where people have been asking for a choice for years, but it has not seemed to

have made a lot of difference in some of those opportunities.

Can the minister indicate to me out of those 41 persons, then, what were the varying lengths of time that individuals used?

**Ms. Wowchuk:** The average was five to six days.

**Mr. Maguire:** That was readily available. My question was more to the minister if she could indicate what were the maximum spreads of one day, obviously, or half a day to what was the maximum.

**Ms. Wowchuk:** It varied from as low as one day to as high as fifteen days.

**Mr. Maguire:** Madam Chairperson, I was talking earlier about reclassified positions and that sort of thing, but I would just like to turn for a moment to some of the positions in the province and ask the minister and the various sectors that she is responsible for in her Intergovernmental Affairs role, how many positions were relocated in 2002-2003, if any?

**Ms. Wowchuk:** No positions have been moved from rural into the city, but there has been some movement of positions within rural Manitoba.

\* (10:50)

**Mr. Maguire:** Can the minister indicate to me, then, where those movements took place, and, obviously, there is the city of Winnipeg to look after there as well and some movement here in the city. Can she indicate to me where the relocations in the rural areas took place?

**Ms. Wowchuk:** There was an economic development officer that was in the Eastman Region. That economic development officer moved from Steinbach to Beausejour. Eastman has always had two major centres of activity, Steinbach and Beausejour. Previously, they used the Steinbach office as the main office and Beausejour as an ancillary office because of more community economic development activity in the Beausejour catchment area. Shifts were made to have more resources in the Beausejour office. This is just the normal course of business when there is

more activity in one area to move the economic development officer. That was done in discussion with the community.

**Mr. Maguire:** In regard to movement then, that was the only movement? There was no other movement in other parts of Manitoba?

**Ms. Wowchuk:** Yes, that is the only one.

**Mr. Maguire:** Was there any support staff moved then with that one position from Steinbach to Beausejour?

**Ms. Wowchuk:** No, there was not.

**Mr. Maguire:** Is this one of the positions that they would look at filling? In one of the vacancies, is the position in Steinbach or will it just be shifted?

**Ms. Wowchuk:** It is not a vacancy. It was a movement of activity. There was more activity in the Beausejour area of that economic development officer and a decision was made to move that position. It is not a vacancy. The position is still filled, just being operated out of a different location. The work still continues in Steinbach as well. It is for the Eastman Region. The individual was covering the Eastman Region out of Steinbach. A decision was made to move it to the Beausejour area because of the increased activity in that area.

**Mr. Maguire:** So, Madam Chair, that would be then, to the minister, just a movement, a relocation of the office from Steinbach to Beausejour, but there would be no other support staff there.

**Ms. Wowchuk:** There was always an office in both locations and there still is. The individual has just moved and, because there is more activity in Beausejour now, both offices continue to operate.

**Mr. Maguire:** Can the minister outline for me the details of any new departmental initiatives then that might be taking place in the area of water resources as there is not a lot of movement in staff in any of these areas? Can she just give me an update of any new initiatives that the

divisions may be bringing forward in the last year?

**Ms. Wowchuk:** We will invite Dick Menon from the Water Services Board up to the table, and he will help us with that question. Yes, there is a new initiative that we are working on, and it is the national water systems expansion program. It is in conjunction with PFRA under their water services. It is to cover off water services, rural water supplies. It is in conjunction with the Department of Intergovernmental Affairs and the Department of Agriculture and Food and PFRA. That would be the new initiative that we are looking at.

**Mr. Maguire:** I appreciate that there is a great deal of interest around water issues in the province of Manitoba. I was not just referring to Water Services in the department when I was asking about new initiatives or contracts in any other areas, economic development here in the city of Winnipeg as well.

Although water is pertinent to every citizen that we have in every region of the province, it is the most significant issue or one of the most significant issues to be dealing with in Intergovernmental Affairs in our province. I will just ask the minister again, as she is seeming to be looking at other options, if there were any other departmental initiatives as well?

**Ms. Wowchuk:** To just clarify, we are just wondering here if he is talking about water initiatives in the city of Winnipeg as well as water initiatives in rural Manitoba, or are there other initiatives that the member is referring to.

**Mr. Maguire:** My question was very generic. It was simply to ask the minister if there were any new initiatives in her department, basically not just in areas of water, but also the areas of dealing with the city of Winnipeg for sure, if you are dealing with water specifically. It would not be just a rural issue, obviously, any initiatives that might be here in the city as well.

\* (11:00)

**Ms. Wowchuk:** As I indicated, there is the program that I mentioned earlier, the national water supply expansion, which is an initiative to

expand the water services in rural Manitoba. That is a significant issue, given the challenges that some areas are having with water.

There is also the expansion of conservation districts, which is ongoing. Expanding conservation districts also helps us address water issues. There are some major issues that we are working on.

An initiative that we talked about, a new program that we will be administering is the Hometown Manitoba Program that will be launched very soon. It is a program under the REDI initiative that was announced in the Budget of 2003-2004 under the previous administration. The purpose of the program is to assist rural and northern communities and organizations, co-operatives and businesses, all of these within those areas to enhance their main streets, so to speak, their public places and the building. So that is one of the new initiatives as well.

There is a new initiative that was also announced which is the Manitoba Community Enterprise Development or tax credit. This one will require legislation and the legislation will be introduced in this session by the Department of Finance. This is an innovative tax incentive to encourage local and private investment in Manitoba-based opportunities. Those are some of the new initiatives.

As well we are undertaking the planning law review and this is a review of the provincial planning legislation that was initiated in January 2003. The objective of that planning law review is to modernize and streamline the law. It has begun with some public workshops and public reports have been written on it. We are looking forward to further consultation on draft legislation proposals that have to be done before a bill is introduced.

We are also doing the provincial land-use policy review. This is a review of the provincial land-use policy regulations under The Planning Act that was launched in 2002. The objective is to enhance the policies and extend their application province-wide, including the city of Winnipeg.

As well, under the municipalities there is a program called Tools for Change. It is a program

that provides support to municipalities interested in exploring new approaches to meeting local challenges. Tools for Change was developed in partnership with the Association of Manitoba Municipalities and provides municipalities with practical tools and information including things such as the municipal health checklist, a self-analysis tool that enables municipalities to gauge their strengths and understand their challenges. It includes the municipal approach to managing change, a reference series that combines the health-check results with the municipalities' situations to assist them in seeking the best approach to managing change and meeting challenges. It also includes successful municipal practices. That is a series of fact sheets highlighting successful municipal innovations.

I will just continue for a minute. As well, the City of Winnipeg Charter signalled the progressive new partnership that recognized the mature relationship between the Province and the City. So those are some of the new initiatives that have been taken and some we are working on.

**Mr. Maguire:** The Local Authorities Election Act, I do not know whether you mentioned that or not in regard to changes in it and review of it. I know your predecessor had talked about the review of that act, and I wonder if it is still in the planning stages to move that forward.

**Ms. Wowchuk:** We are joined by Laurie Davidson, Director of Municipal Finances and Advisory Services.

We have not formally announced anything on that, but we have had discussions with AMM. We have indicated that we intend to move in that direction but we have not announced anything formally yet.

**Mr. Maguire:** I know there are a number of water issues in the province of Manitoba and if I could move to that for a minute. I am sorry to jump the two around there. My colleague from Emerson would like to just ask a few questions in that area as well.

**Mr. Jack Penner (Emerson):** Madam Chairperson, I will try to be brief. There are a couple of issues that I would like to raise while



Mr. Menon is at the front of the room. One is, I would like Mr. Menon to give us a bit of, or the minister, I should say, to give us a bit of an up to date as to where the Conservation Districts Program is currently at and whether there is any advancement being made to the formation of a conservation district in the south-central part of the province, namely the Rhineland area, and also the southeast region, Franklin, Stuartburn, Piney, and a number of others. I know there are some water management groups that have formed in that area; and I wonder what discussions have taken place within the department to bring some unity in and confirmation, I guess, is maybe the word I am looking for, of process to ensure that we get at least something similar to a conservation district established in those areas.

**Ms. Wowchuk:** Since 1999, we have provided approximately 60 percent additional funds to conservation district programs, from \$2,586,000 in 1999, in 2003 it is \$3,975,000 that has been put in place. This has allowed for the formation of three new conservation districts as well as the expansion of seven existing districts. The new ones are the LaSalle Redboine, mid-Assiniboine, and the Seine-Rat River, and the expansion is in Alonsa, Pembina Valley, West Souris River, Upper Assiniboine, Little Saskatchewan River and Lake of the Prairies and Seine-Rat River. So there have been some new ones but there has also been expansions in those areas.

With respect to the southeast part of the province and the watershed management associations there, our message to the water management associations has been consistent with the message that was in place by the previous administration, and that is they need to form a partnership with the Province under a Conservation District Program umbrella to deal with their issues. We believe that the Conservation Program and the CDF are both flexible enough to deal with all of the needs of the water management areas. We are having ongoing discussions with all water management associations and discussions are underway with municipalities in the Interlake, Agassiz, Eastman, Plum Watershed, and the southwest water management area and there is going to be another meeting with them later this month.

**Mr. Penner:** I just want to say to the minister that the Plum Watershed area is a plum good project.

**An Honourable Member:** Glad you support it.

\* (11:10)

**Mr. Penner:** We formed it, sir. I should be. The question I have is, maybe a comment first. I think the watershed associations or the water management associations that have been formed there are a great step forward and I have encouraged the formation of these groups. It allows now, I think, for discussion to take place and provides a much better understanding how each jurisdiction flows into other jurisdictions and how we affect each other by either drainages and/or waterworks that happen in the various areas. I think Mr. Menon is very well aware of it and has been, I think, quite supportive of that kind of process.

However, I think there needs to be some reconsideration made by government in how we accommodate and encourage the further working together of those municipalities. Maybe there could be some formalization of the process of water management, because whether it is just the name conservation or water management districts, I think the process in those southeastern parts where swampland in many areas is a significant contributor to the difficulties of waters flowing from one municipal jurisdiction to another and causes some concern one to another needs to be recognized, which is substantially different than in some other areas of the province where conservation is probably more prominent from a respect of trying to store water in smaller areas and those kinds of things. I refer to the western side of the province whereby a number of the regions have made significant advancements in demonstrating how water could be effectively stored in smaller areas.

This is, however, significantly different because it is so flat in many respects, large areas of water and water-gathering places, aquifers and all those kinds of things and therefore, I think there needs to be some different kinds of considerations given to the process. I would strongly encourage the minister to have

discussions with those municipalities to gain a better understanding of their needs and secondly would encourage her staff to look at innovative ways to try and accommodate the more co-operative approach to managing our resources.

I think the intent is there, whether the mechanisms are there and whether they are properly—I should not say properly applied, but whether they are designed for that specific area is what is important to look at.

I am only encouraging the minister to suggest to her staff that they should take a second look at that and see whether those management districts and the associations could not be given similar status, even though they use a different name, a similar status to the conservation districts. I think she would find that it would not take very long until you would apply similar processes, under even maybe a different name than you do now, to accommodate the same end.

**Ms. Wowchuk:** Madam Chairperson, we have looked at the act, and we feel that the act is flexible enough to do what the member is suggesting, because programs are tailor-made to suit each area. We have a process whereby local groups can develop plans that take into consideration the unique features of each area.

Really, what it is going to take is people working together, working together with the Water Services Board, trying to come together because, I think that as I understand it—and I have met with people in this area and I have been in the area.

I recognize that it is a different terrain than my part of the country or the southwest part of the province. It is a different terrain. I understand that, but I think that the different groups also have to come together and come up with some solution that will work for everybody. But it is our opinion that there is a lot of flexibility within the legislation that is there, and it is going to take some work.

Within that flexible legislation that we have that I talk about, I can tell you that we are actively looking at a number of water storages in the western part of the province. So that is what is working there. Those could help with irrigation.

In the part of the province the member is talking about, what it is going to take is all of the people involved coming together. As I understand, there are different views as to how the water should be handled. Within the legislation that we have they should be able to come together. It is to their advantage to form a conservation district just because of the way the funding worked. We are prepared to work with the water management area associations within the CD program. We are definitely prepared to work with them and take into consideration local priorities. It will also take other people working together et al.

Whitemud has undertaken two large off-channel water storage initiatives up to this point.

**Mr. Penner:** I will move on. I appreciate what the minister has said. I will, however, just one comment, encourage her to recognize the tremendous work the water management associations have done there. I think they are on the right track and that they should be given some further encouragement and recognition.

I want to ask the minister whether she has any idea of how low the Red River is. When I look at the Red River today, and I looked at it in 1988 when we had to ask the Americans to use their reservoirs to flow water into the Red River to keep the river flowing, I think we are at a lower level of flow in the Red River today than we were in 1988. There is a great deal of concern out there that the whole Red River Valley might in fact find itself without water because the only water source the Red River Valley has now, all the towns in the Red River Valley, is the Red River. Should we run out of water or should it freeze up this winter, that there is no flow available, we might find ourselves in a huge, huge dilemma that far exceeds any disaster that we have seen so far.

I wonder what actions the minister is contemplating in taking. Before I allow her to answer that, I will say to her that what should have been done a number of years ago, and I go back to our administration when we were in government, that we should have pursued much more aggressively the building of the two Pembina dams, one in the United States and one in Canada.

There are large water storage areas that we could build there. The Americans, I believe, now are very interested in pursuing that, if we would only approach them properly or we allow them to approach us.

I believe we might find ourselves in a situation this winter, if we do not get significant rainfall to create flow into that Red River, that we find ourselves without water. I do not know what we would say to the towns of Altona, Winkler, Morden, Morris, Saint-Jean and the Roseau Reserve, and Emerson, and all those that are tied into that regional water system, which Mr. Menon is quite aware of and has a good understanding of. How would we ensure water supply to those towns if the river stopped flowing?

I think the urgency of building those Pembina dams cannot be overstated. I think this Province should make every effort to have, first of all, the bilateral discussions with our American friends, North Dakota, and have those discussions on a broader basis with our federal government and Washington to see how we could expedite the construction of those dams, one at Walhalla and one at Kaleida. I believe that would give long-term comfort to the towns.

\* (11:20)

The tremendous development that has taken place in that south-central area of this province has not been recognized by this current Government. They pay no attention to it and it just keeps growing. The manufacturing there that is dependent on water supplies, virtually all the jobs that are there are in large part ag based and/or manufacturing to serve the ag industry.

As I say, this current Government has paid no attention to that. It is time that we did. The attention that we need to pay to now is how to secure a supply of water for those communities if and when we enter drought cycles. The disaster that we saw during the flood could be far larger in a drought situation when water has stopped flowing in our rivers. I was told just a few days ago that you could walk across the Red River now without getting your knees wet. That is dangerous to be in that kind of flow situation.

The stream is not much wider than this room. That is supposed to be their winter's supply for water for the whole valley, the thousands of people that depend on it. The Roseau River, by the way, has virtually come to a standstill of flow. The Plum River has stopped flowing; the Aux Marais River, of course stops flowing many times during the summer but has seen virtually no flow at all this summer and is dry as a bone.

The Morris River is dry. There is no water flow there at all. My other concern is: I am wondering how much sewage we flow out of the city of Winnipeg into that Red River that affects the downstream flows, with as little water as we flow through the river today to blend, and whether we are going to allow any sewage effluent to be dumped upstream of the city of Winnipeg out of the towns this year because there is not an adequate water flow to blend it into the system and whether we are very concerned about phosphates and nitrates coming out of those sewage disposal systems that we have allowed to be built to service those towns and villages, which we normally, at the fall of the year, dump all that sewage into the Red River. Then we blame the farmers for polluting our lakes.

I think that is despicable that during the last water conference that we had in the city of Winnipeg that the minister stood proudly and pointed the finger at the agricultural community for polluting our Red River. If the minister would have just sat down and talked to the farm community about the billions of dollars they have spent to do conservation and to stop the pollution and the run-offs of nitrates and phosphates and the plowing of the land and the siltation, that has virtually stopped, but we give no credit to that farm community for doing that. The Minister of Agriculture knows that. That she would have allowed her minister of then-Conservation to make those kinds of comments to the general public was, I think, an exercise in wrongfully blaming a sector in society at its epitome.

I think that the minister and the Government really need to apologize to the farm community because of the huge massive change that they made in trying to conserve their soil and their

water and clean it up. The last two decades have seen massive, massive, massive expenditures and changes by that farm community. We give them no recognition for it. Yet we still allow the towns and villages and cities to dump their sewage raw into the Red River.

I want to know from this minister what action her Government is going to take to ensure the cleanliness of the water that the towns and villages, those very towns and villages are dependent on the Red River to access as drinking water. Will she take some significant action to build that reservoir on the Pembina River?

**Ms. Wowchuk:** Madam Chairperson, the member put quite a few questions on the record there. I will try to answer them as best I can, given that these issues really fall under the Department of Conservation.

He asked about how low the Red River is and I have seen the Red River, but it is the Manitoba Conservation Department that keeps records on the levels of the river.

With respect to the Pembina Dam, it is Manitoba Conservation that takes the lead on these kinds of initiatives. We have had this discussion before so the member knows that it is the Department of Conservation, but certainly we will pass that on to the minister in conversation.

The Minister of Conservation (Mr. Ashton) will be having Estimates as well. I would encourage him to raise them there.

You talk about the drought. We have to remember here that the problem of low water is not only in the Red River Valley. It is a significant issue for all of us in western Canada. It is a significant issue for Manitoba because the water right across the country comes into Manitoba, and that supply of water is very important in our production of hydro.

The Minister of Finance (Mr. Selinger) has talked about what the impact has been on our Hydro revenues because of the low water levels. It is significant for communities that use this as their water supply. That is why we are looking—we continue to look and work with these issues.

We are presently carrying out, in partnership with PFRA, a number of feasibility studies to install rural water lines in the West Lake area, in the southwest region as well as other regions of the province. So the work is being done. Of course, you do not do drought-proofing overnight, but we are moving forward on these drought-proofing areas.

I am really proud of our Government moving forward on a water strategy. There has never been a water strategy in this province before. We are moving forward on that. There have been studies done. There are committees in place that are looking at how we can use our water better, but ultimately we also want to leave the water in as good or better condition than we got it because we all have to think about the next generation. These resources are not just for us to use and not to think about future generations, and that is part of our water strategy.

I want to say that when the minister, I should not be defending another minister here but since the member from Emerson raised the comments of the Minister of Conservation, I was in that room, too, where the Minister of Conservation talked about the many areas that impact on water. He talked about the cities. He talked about industries. He talked about the cottages and he talked about agriculture. I think, with agriculture we have to remember that we are a catchment area. There is a lot of water that flows from other agriculture areas. I think we have to work in partnership with the people south of the border. We have to work in partnership with people in other provinces too.

The work that we do with agriculture is working with them to ensure that they get the best use of their resources. No farmer wants to put a product on their land and have it wash away, because that is losing money for them. We will continue to work, but I have to say that there is a lot of work that should have been done in the past and is being done now and it is a wide group of people that is involved in addressing water issues in this province.

As well under the Canada-Manitoba Infrastructure program, there is \$16.52 million for five royal water order projects to remediate urgent issues there as well as \$30.3 million for

87 rural and northern sewer and water projects. As well as dealing with the drought, as well as dealing with water issues, we are also dealing through Canada-Manitoba Infrastructure Program, improving the quality of water for many communities that are under boil-water ordinance. We know what the consequences can be of having an unsafe water supply. We are working on those, and I will encourage the member to raise his issues with regard to the Pembina dam with the Minister of Conservation (Mr. Ashton) in those Estimates. I can also tell you that we recognize these as long-term issues and will certainly consider them. Thank you.

\* (11:30)

**Mr. Penner:** The question I ask is very simple. What contingency plan is the minister that is responsible for the Water Supply Board, at which Mr. Menon, I believe, is the manager, sitting right at her table—what contingency plans are you putting in place, should the Red River stop flowing, to supply water to all the communities in the Red River Valley?

**Ms. Wowchuk:** None of those communities have come to us with that concern.

**Mr. Penner:** I am asking the minister what contingency plans has she and her Government put in place, should the Red River stop flowing, to supply water to those communities?

**Ms. Wowchuk:** The systems within the communities that the member is referring to are owned by local co-ops, and they have not approached us to address this issue. If they approach us, indicating that they have a challenge with this particular issue, we will work with them.

**Mr. Penner:** What the minister is really saying is none.

**Ms. Wowchuk:** Our Water Services Board provides a service in these types of situations, and if those communities came to us and said that they were concerned about their water supply, then we would work with them. I would encourage the member, when he is talking to those communities, that if there is an issue, to

have those people contact the Water Services Board. I know that there is a very long, good working relationship between the Water Services Board and the communities that he is referring to, those communities who own the local co-ops. I know that if that situation is arising, those individuals will be certainly calling us. If they did approach us, there are a number of things that we could look at, such as the issue of water conservation. We could also look at pumping water from other areas should that kind of situation arise.

When the situation arises, I know that the first step that the communities would be taking is to start conserving water if there are low levels. As well, as I said, there are other steps where the Water Services Board could step in and help them, but it is the Department of Conservation that continuously monitors. Should the Department of Conservation, in their monitoring of water, indicate that there appears to be an issue, then we will know, and Water Services Board will work with those groups and take what steps are necessary?

**Mr. Penner:** I feel almost like the third spoke in the wheel here. As a member of the Legislature, responsible for that southern area of the province, I think it behooves me and my responsibility to raise these issues for the minister because these issues have been raised by communities with me. I say to the minister that I am absolutely astounded that she is going to now say to me that the Conservation Department has not yet raised with her the possibility of the low water flows and the reality of the low water flows in the Red River and how that could affect the entire Red River Valley and all the communities within it if the water stopped flowing this winter and what could be done to ensure that there would be water supplies to those communities.

That is a real concern to me. I live right by the river. Like I say, in 1988 we saw low water flows. At this time of the year already we are talking to our American friends, asking how we can increase the water flows down that Red River to ensure water flows in the Red River.

I am wondering whether this Government has given any thought at all, and it apparently

has not, because the minister just said that is the Minister of Conservation (Mr. Ashton), and he has not raised it. Nobody raised it with him.

I say to the minister, this is her responsibility. She is responsible for the Manitoba Water Services Board, and she has the responsibility of ensuring that there will be water supplies for that board to deliver to the co-operatives. So I say this is her responsibility, not Conservation's responsibility.

Conservation's responsibility is the construction of water storage sites and those kinds of things. That is correct, but the Water Services Board deals with supplies of water unless I was very badly misled when I was the minister responsible for that department. So I think the minister needs to take on her responsibility and ensure that there will be adequate waters flows down that Red River to ensure water supplies to those communities and all the livestock facilities that are dependent on those water flows.

Can you imagine what would happen in the dead of winter when the water stops flowing and that livestock is without water? Where are you going to pump it from, ma'am? You better give this some adequate thought in a timely manner. That is all I am asking.

**Ms. Wowchuk:** Madam Chairperson, a drought of the magnitude that we have here is not the responsibility of one department. It is departments working all together. It is Agriculture; it is Intergovernmental Affairs; it is Conservation.

What I have said is it is the Department of Conservation that does the monitoring of the Red and Assiniboine Rivers. They study the flows that go through that, and we all have that information. I will give you an example. It was exactly these issues that we got from the studies of the amount of water that was flowing that actually slowed down the construction of Simplot, because we knew that we had to protect minimum flows. So there is work that is being done between Conservation and this department as the water supply is needed.

But we will work with all municipalities, with all co-ops, and there are steps that can be taken, as I said, when there are low water tables,

as we have right now. There are steps being taken to conserve water, to ensure that just the issues that the member is raising, that waters are at that level. We should be thinking about how we can conserve water so that it is not being used in excess during this time of drought.

But the issue of drought is an issue right across the Province, affecting all departments, and one that government addresses through all departments.

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Mr. Maguire:** Just one comment to that that I would like to add. My colleague from Emerson has indicated the level of the Red River and the flow in that area. I would also urge the minister to check some of the other rivers as well.

Certainly we know that Lake Winnipeg is down. I can confirm that the Souris River is also very, very low. You, definitely, in many places, would not get your knees wet in it. You might not get your ankles wet in a few of them. It is very, very low and has been for several months here in this particular location. There still has been really no rainfall in that area and that region to top it up.

But I just extend the conversation, the questions that were just asked to the minister by outlining the importance of the Rafferty-Alameda dam at this time and that without the managed flow of water from that facility right now, the Souris River would be even lower than it presently is.

I think it is incumbent upon us to look at the kinds of facilities that structure-wise could help alleviate problems and disasters as the member from Emerson has just pointed out might come about in the near future and to extend to the minister that in the Conservation districts that are out there today. I think one of the areas that we have to look at is the watershed management within those areas and make sure that we are in tune with requests in those areas. I know several other areas that have requested the Government to take a look at dams and other sources of making sure that they have water available, and it is not just for water supplies, but, as has been

pointed out, for waste management in those areas. So I would leave that with the minister. I know she is aware of it, but I just wanted to point out the circumstances in the southwest region of Manitoba as well in that area.

\* (11:40)

**Ms. Wowchuk:** The member talks about water levels in the Souris area. We are aware of those water levels and we are aware of the issues in that part of the province. That is why we are presently carrying out, in partnership with PFRA, a number of studies on installing rural water lines in the West Lake and the south-western part of the region as well as other parts of the province.

You talk about trying to address water issues during a drought. What we have to do is long-term planning. We have to encourage local groups to plan for drought proofing during the wet years. We worry about water during the wet years, about how quickly we can get it away, and then in the drought years we worry about how we can keep more of the water. What we need is more long-term planning. We have to get local groups to work with us.

What we want to do is really the kinds of things that the member has suggested. But certainly there has to be a way to manage water better, particularly things like spring run-off that goes gushing down and ends up in the lakes. If there were a way that we could capture that water better and retain it for a longer period of time, it would help reduce the damage that many times is caused if you could slow down the flow during spring run-off, and then it would also help with capturing. But what we really have to look at is we have to continue to work with local groups in long-term planning. It is very difficult.

There are challenges with the drought, but when we are in a drought it is pretty hard to start doing some of those things if you have not planned long enough ahead. We are doing some things now such as rural water lines, bringing water to some rural areas, but there is more work to do there, and it is work that has to continue on whether it is a drought or a wet cycle.

**Mr. Reimer:** Now I would like to ask the minister to put on her other hat, the hat in regard to Intergovernmental Affairs, some questions about the urban area in regard to the city of Winnipeg.

**The Acting Chairperson (Mr. Jim Rondeau):** With your indulgence, the staff will switch, and the minister will introduce the new staff members.

**Ms. Wowchuk:** We have Laurie Davidson, Director of Municipal Finance and Advisory Services, and Heather MacKnight, Assistant Deputy Minister, Community and Land Use Planning.

**Mr. Reimer:** The one thing I am glad to see that the minister has kept some very capable people around her. I can attest to their capabilities and their depth of knowledge. I know that the answers I receive for my questions will be thoroughly thought out and brought forth to me in a straightforward manner. I appreciate being able to ask a few questions.

I would like to ask the minister in regard to the Capital Region planning report, the report even started when I was the minister. Then it changed under the previous minister, Minister Friesen. It went back into review. I guess it is still sitting out there and it has not been brought forth for public presentation. I was wondering whether the minister could give me an update as to where it is, what the progress is, and what the guidelines of when it is possibly implementation process.

**Ms. Wowchuk:** It has been a long time in progress. We are expecting the final report with recommendations to be submitted to the minister before the end of 2003. It is in translation now. There has to be both English and French versions. Once that translation is completed, it should then come to my office.

**Mr. Reimer:** I thank the minister for the update. I know that one of the things that Minister Friesen mentioned is the sooner we can get out these guidelines, the sooner we can get a general consensus on what is healthy for the region as a whole, I think the better off we will be. I am glad to hear that the minister has said that they were

getting the report hopefully by the end of the year.

One of the things that was part of the discussion paper was in regard to intermunicipal tax sharing. I know that there has been discussion on that. Even in the discussion paper it states that some form of intermunicipal tax sharing may be appropriate for the Capital Region. The provincial government should continue to investigate intermunicipal tax sharing models. I wonder if the minister has been made aware of that proposal and whether she feels that should be part of the report.

**Ms. Wowchuk:** Mr. Chairperson, one of the reasons for the delays was that the RPAC group wanted to consult more with municipalities and do more research. We do not know the result of that consultation. We will wait for the report. The report will come as recommendations from an outside body. Once we get that report, our intention is to consult with the Capital Region municipalities prior to implementing any of those recommendations. We are waiting for the report and then we will look at the recommendations they are making. We will consult with the Capital Region municipalities and then we will make decisions on what will be implemented.

*Madam Chairperson in the Chair*

**Mr. Reimer:** Have there been any Capital Region meetings which the minister has been part of? I know that there had been meetings before where the Capital Region would get together on a semi-annual basis and sometimes even three or four times a year. Has the minister been able to attend any of those meetings or have any of those meetings been called?

\* (11:50)

**Ms. Wowchuk:** There has been no meeting since the committee presented their draft discussion paper. That was presented to the previous minister and, since that time, there has not been any call for meetings.

**Mr. Reimer:** The minister mentioned that after the report has been presented to her—did she indicate that there would then be further

discussions going back into the municipalities in regards to the final draft?

**Ms. Wowchuk:** The report that will come from the committee will be the final report. After we have that final report, we will be asking for feedback on the RTAC report from the municipalities in the region.

**Mr. Reimer:** So, when the committee would have finished its mandate, it would not be going back into the community again for a final type of approval?

**Ms. Wowchuk:** Once RTAC submits their final report, their work will be completed and then it will be government asking the municipalities for their feedback on the final report that has been submitted by the committee.

**Mr. Reimer:** On a different topic, one of the things that advantages Winnipeg, and Manitoba has enjoyed is what they call the various tripartite agreements between three levels of government: City of Winnipeg, the Province and the federal government. I refer back to the Winnipeg Development Agreement. Are there negotiations going on right now in regards to a new so-called WD program? If there is, maybe the minister could tell me the progress of that and what type of joint dollars that the three levels of government are looking at, and what the time frame was. I know there are a few things there, but I would rather put out all the questions now so she can answer them all at one time: How long the agreement might be for, and what the amount of dollars we are looking at and, possibly, even the categories, in what areas, the monies would be going.

**Ms. Wowchuk:** Madam Chairperson, on January 26, 2003, the governments of Canada, Manitoba and Winnipeg signed a memorandum of understanding committing to the negotiations of a renewed urban development agreement in Winnipeg. The memorandum of understanding identifies a focus on four major issue areas. They are: opportunities for Aboriginal participation, sustaining community economic development, downtown renewal, and technology and innovation.



There are negotiations going on. We are moving along on it. We are working towards a similar type of agreement as we had in the past. I can tell the member that we are making progress. We still have to do some further consultation with the community as it moves along, and we anticipate that we will sign the agreement before the end of the year.

**Mr. Reimer:** Has there been any dollar amount put towards the total program or what the various three levels will be participating in?

**Ms. Wowchuk:** At this point, we are looking at something similar to what was in the previous agreement, but there is not a definite dollar amount that I can commit right at this time.

**Mr. Reimer:** I believe the time frame on the last one was somewhere around five years. Is this similar to this agreement too?

**Ms. Wowchuk:** Yes, I can indicate to the member that we are looking at something similar to what was in the previous agreement, but those details are not finalized yet. We are not at the stage where I can indicate clearly what the length of the agreement will be.

**Mr. Reimer:** Thank you, Madam Minister.

The city of Winnipeg in essence is governed under The City of Winnipeg Act which is governed by the Province. There have been discussions and there has been some movement over the last years to redo The City of Winnipeg Act. It has taken some time and there were some changes brought in by our government and by the previous government. I believe that they are looking at bringing in further changes to the rewrite of The City of Winnipeg Act. I wonder whether the minister could just give me an update as to what the timing of that is and where that may be on the legislative calendar?

**Ms. Wowchuk:** Madam Chairperson, this session we will be doing some minor housekeeping amendments because there were changes that were made. Now there is a requirement for some minor housekeeping amendments.

The second phase or the new deal that the City is talking about is where they are looking

for some expanded authority. We have begun some discussions with the City, but they are at the very early stages of discussion.

**Mr. Reimer:** For the legislative package, theoretically, for the next year it would just be some minor amendments in The City of Winnipeg Act, and then if we are looking at the so-called major rewrite, we may be looking at at least another couple of years before there is anything that could be even presented to the Legislature?

\* (12:00)

**Ms. Wowchuk:** That will really depend on how our discussions go with the City. What they are proposing is a wide range of areas, expanding their authority, expanding ability to raise revenues. Those are things that are in discussion. It will depend on what stage those discussions get to, what kind of legislative changes were made. At this point, what we are anticipating is some housekeeping amendments that are needed. We are not at the point because discussions are in the very early stages with the City. We are definitely committed to phase two, but it is a matter of timing and working through the issue.

**Mr. Reimer:** Thank you very much for those comments, Madam Minister. The City of Winnipeg operates under or puts forth their Plan Winnipeg proposal to the Province for approval from time to time. It is usually on a five-year cycle. They just recently submitted their, I guess the name is called Plan Winnipeg 2020 Vision.

Am I right that this has already been presented to government and government has given the approval to the Plan Winnipeg submission that was brought forth?

**Ms. Wowchuk:** Yes, that is right.

**Mr. Reimer:** Part of the Plan Winnipeg Vision is in regard to its direction that it feels that it should be taking with the Aboriginal community. The City of Winnipeg has followed up on that, one portion of their Plan Winnipeg Vision, and they brought forth their proposal for the, it is called First Steps: Municipal Aboriginal Pathways, which does bring forth the possibility of an Aboriginal urban reserve in the city. Is this proposal that was brought forth by the City,

being part of Plan Winnipeg, is this approach also endorsed by the Government or by the minister?

**Ms. Wowchuk:** For an urban reserve to be established, it first requires a First Nation to put a proposal forward. At this point there has been no First Nation that has come forward with a proposal. A First Nation would apply to INAC to grant reserve status in an urban area to land they owned. The First Nation must discuss the proposal with the municipality in which the land is to be converted, the municipality where it is located, and they must negotiate in good faith with that municipality to address issues related to servicing and compatible development. So they would have to develop an agreement, but at this point it is all theoretical because there has been no application. It is a discussion that is going on but it is only in theory now.

**Mr. Reimer:** The paper that was presented, this First Steps: Municipal Aboriginal Pathways, which is part of Plan Winnipeg, in essence, I guess, one ties into the other. Am I right in stating that, with the approval of Plan Winnipeg, in essence there is an approval for the other part of the proposal which is this one that was brought forth recently called First Steps? Does it not follow that with the approval of Plan Winnipeg there is an approval of the direction the City is taking?

**Ms. Wowchuk:** First Steps is a City of Winnipeg document. It is the City of Winnipeg that has put out the paper and is having the discussion. When you look at the Plan Winnipeg 2000, it is on page 20 where there is comment, where it says under 28-03 Promote Self-reliant Aboriginal Communities, and it is a very general policy that the City has in this document. The document that the member is referring to is a city document where they are having discussions on this issue.

**Mr. Reimer:** I recognize that in regard to the City's proposal and the direction that the City has brought forth in regard to their proposal on it. I just wondered whether the Province was aware that the City of Winnipeg was looking at this type of approach in regard to having possibly an urban reserve set up in the city. When Plan Winnipeg was presented, was there

discussion of the possibility that this may unfold as it has in the last little while?

**Ms. Wowchuk:** The document that the member is referring to is a document that was presented to government some two years ago, and we do not recall any of those kinds of discussions. The second document, First Steps, is a more recent document that the City of Winnipeg has put out to start some discussions within the city. One is not part of the other.

**Mr. Reimer:** I just was wondering whether there had been any type of correspondence course or conversations in regard to the City's plans in regard to they were taking these first steps—a bit of a pun—towards their compliance. Pardon me, they are promoting self-reliance in the Aboriginal community, part of Plan Winnipeg. Whether the Province was aware that this was part of their overall strategy, not necessarily when Plan Winnipeg was presented but in the last while, in regard to the inclusion in Plan Winnipeg.

**Ms. Wowchuk:** The City did not discuss this document with us before they released it. As a department our issues would be that land-use development is being done consistent with the rules that are in place, but it is out there for discussion, put out by the City. It is their document.

\* (12:10)

**Mr. Reimer:** I thank the minister. I have another area that I would like to just get some comment about. That is the Assessment department, whether there has been any movement or any discussions towards the possible amalgamation of the Assessment department of the Province of Manitoba and the Assessment department of the City of Winnipeg.

**Ms. Wowchuk:** We are being joined by Diane Flood, Assistant Deputy Minister in Provincial-Municipal Support Services Division. I can tell the member that the provincial Assessment branch continues to work with the City Assessor to ensure appropriate assessments for Winnipeg and for all other Manitoba municipalities and also to determine the issues related to and possible solutions to assessment issues. The provincial Assessment branch is also working

with the city Assessment branch in a number of areas to harmonize efforts to improve the system.

There was a meeting in March when we met with the City. At that time the minister indicated that a single assessment authority was not an option at this time. When we met, that was a meeting with the Manitoba Hotel Association. It was the Hotel Association that expressed desire to have a single assessment authority in Manitoba and asked for legislative amendments that would speed up the assessment appeal process. At that time it was indicated to them that that is not an option.

**Mr. Reimer:** I know the minister mentioned the date, but would she repeat the date when that meeting was?

**Ms. Wowchuk:** The meeting took place in March of 2003.

**Mr. Reimer:** In regard to land use in and around the city and in the municipalities, have there been any approvals of subdivisions in the Capital Region in the last while?

**Ms. Wowchuk:** All subdivisions have to comply with the provincial land use policy. When decisions on subdivisions are made, they are circulated to all departments to get their comments on. There have been a few subdivisions approved, but we do not have the details of what those subdivisions are at the table with us here.

**Mr. Reimer:** I may have some other questions for the minister but my colleague in the Legislature from River Heights would like to ask a few questions.

**Hon. Jon Gerrard (River Heights):** I would like to follow up on some of the questions that were asked earlier on with the Winnipeg Development Agreement. It is my understanding that the Forks North Portage Partnership falls under the Winnipeg Development Agreement and under the authority of the Minister of Intergovernmental Affairs. I would just ask the minister to give an update on what is happening with The Forks North Portage Partnership, and what the future will hold.

**Ms. Wowchuk:** The North Portage Development Corporation brought forward its long-term concept plan about two years ago. It was approved by all three levels because it is supported by three levels of government. What I want to say is that whenever there is any development, any change going within the activities at The Forks, there is extensive consultation and, in fact, their annual general meeting is coming up in a week, I think it is on October 3, and that will be a chance to hear more about what they are doing, but we do work closely with the North Portage Development Corporation.

**Mr. Gerrard:** I just wonder whether there is any possibility, while the minister is in Estimates, of having Bill Norrie here to answer questions about what is happening with The Forks North Portage Partnership.

**Ms. Wowchuk:** Yes, the board will be reporting to the Legislature. Once we have that report, there will be a time when the board will come and we will have the opportunity to ask those questions, but that will not happen during the Estimates period.

**Mr. Gerrard:** Can the minister give us some idea of what time frame that might be, and when that might occur?

**Ms. Wowchuk:** This committee usually sits when we are in session, so I would anticipate it will be during our next session when we will have the opportunity to set up that committee.

\* (12:20)

**Mr. Gerrard:** I would comment to the minister that I have had a number of inquiries from people who have businesses at The Forks who are concerned about some of the things that are happening at The Forks.

I would ask the minister if she has had concerns and inquiries raised with her.

**Ms. Wowchuk:** I would expect that the member is referring to parking issues because that issue has been raised. I can tell the Member for River Heights that the board is working very hard at developing long-term parking plans. They are in

consultation with the retailers in the area, but what they also are working on is the plan for The Forks which is for a multipurpose facility, a place for recreation and a place for business.

As a government we recognize the need to maintain a balance regarding heritage preservation, commercial development, green open spaces and also to provide easy access for visitors to The Forks.

So it is an issue that we have discussed. I had the opportunity to meet with the board and talk about this issue. I am confident that they are very dedicated and working very hard to create that balance that is important to us as a government but also to develop a long-term parking plan that will meet the needs of the people who visit The Forks.

**Mr. Gerrard:** The concerns that I have heard only relate in part to parking issues which certainly are significant. But the kinds of issues that have also been raised with me are issues of fairness in allocation of space, in the treatment of people there and the recognition, appropriately, of those who have been there for a long time in terms of having retail space and in the presentation of a clear vision for where things are going in terms of the retail space in The Forks market.

**Ms. Wowchuk:** The board works with the tenants on a fairly regular basis to address these issues. I really believe that the board is working very hard to develop a well-rounded center there that will be for retail facilities and recreation as well.

I know that these issues have been raised with the board, and it is one that they are working on, certainly the issue of fairness. Those are ones that are important, and I know that they are working to address these.

**Mr. Gerrard:** Can the minister tell us the names of the three provincial appointees to the board?

**Ms. Wowchuk:** There are three provincial appointees. They are Daniel Boucher, Rosemary Chambers and Leonard Harapiak.

**Mr. Gerrard:** One of the responsibilities of the Minister of Intergovernmental Affairs, I believe, is in relationship to the future of the area that was occupied by Kapyong Barracks. Can the minister give us a briefing on the status and the future of that area?

**Ms. Wowchuk:** The land that the member is referring to is federally owned land. We do not know of any plans. We have not been part of the discussion on what will happen with those lands, but any development that does take place will fall under Plan Winnipeg. At this point, we are not privy to what they are planning.

**Mr. Gerrard:** Has the minister initiated any inquiries as to what may be happening at the other two levels of government with relationship to the Kapyong Barracks?

**Ms. Wowchuk:** Madam Chairperson, this is very early in the discussions. We know that the City has had some discussion with the federal level, but they are preliminary. I would have to say that they are at the political level where some of these discussions are taking place. The provincial staff has not been involved in the discussions at this stage. We know that there have been some inquiries and discussion that have begun between the City and the federal government.

**Mr. Gerrard:** Near the Kapyong Barracks is the site of the underpass or overpass on Kenaston, which has been much discussed, which the Premier said that there had been money allocated at the provincial level before the election or during the election. I would ask for a status report on that.

**Ms. Wowchuk:** Jill Vogan, who is the director of Canada-Manitoba Infrastructure Agreement, will join us at the table.

The member from River Heights is right. The Premier did commit to initial support. There are discussions with the City and the federal government, but there is no final decision.

This issue continues to be a subject of discussion with the three levels of government, and there is no final decision yet.

**Mr. Gerrard:** I ask the minister what is the dollar amount of support committed by the Premier?

**Ms. Wowchuk:** Our support is still under discussion with the federal and the provincial government. The City has put a price tag, I believe, of \$39 million on the project.

This is still under discussion. No final decisions have been made.

**Mr. Gerrard:** Has there been any submission to Treasury Board?

**Ms. Wowchuk:** Those are internal deliberations of government. That is where it is at.

**Mr. Gerrard:** Has there been Treasury Board approval for dollars to flow?

**Madam Chairperson:** The hour being 12:30, committee rise.

#### ADVANCED EDUCATION AND TRAINING

\*(10:00)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Advanced Education and Training. Would the minister's staff please enter the Chamber.

We are on page 27 of the Estimates book. We are having a global discussion on the Department of Advanced Education and Training. The floor is now open for questions.

**Mrs. Bonnie Mitchelson (River East):** As agreed to yesterday, we might just go back to the organizational chart under Training and Continuing Education, and I think the minister may have some new staff at the table.

**Hon. Diane McGifford (Minister of Advanced Education and Training):** I would like to take the opportunity to introduce the staff member who was not with us yesterday, Mr. Dwight Botting, who is the Assistant Deputy Minister of Training and Continuing Education. The

member, I am sure, recognizes we did introduce the other staff who were present yesterday. Thank you, Mr. Chair.

**Mrs. Mitchelson:** I am just looking at the organizational chart on page 11 for Training and Continuing Education. I may have had this question answered yesterday. I have a note here. I am not sure exactly what it means, so I will just ask again. It will only take a moment. Under Industry Training Partnerships, there is an Acting Director, Paul Holden. My understanding was that he has been in that acting position for less than a year, if I can recall from yesterday.

**Ms. McGifford:** Yes, Mr. Chair. Mr. Holden has been in the position for less than a year, and I understand that the reason that the position continues to be an acting position is because there was an individual who has that position and is doing other work. The position is being held for a period of time until the second individual makes a final choice. As I said yesterday, we have great esteem for Mr. Holden.

**Mrs. Mitchelson:** Yes, and yesterday I was informed that the Hydro Initiative is a new position, and I wonder whether the minister could elaborate a little bit on what the Hydro Initiative is and how many people might be involved in that initiative.

**Ms. McGifford:** Well, I will start, and I know that my staffperson, Mr. Botting, is compiling some notes as I begin speaking. Of course, I know the member is aware of the proposed construction in the North and is aware that this work is very important to the province. Getting ready for the project requires pre-project training and that training on 650, and I think one of the numbers that I heard recently as a possible high number, was 900 people, will require a great deal of planning. It also requires a great deal of husbanding of resources. So a position was created. Mr. Knight is in that position.

I am not sure how many people are working with Mr. Knight. I know that the ADM also meets with community people. In connection with Mr. Knight, I understand that the strategic initiative was a former department in TCE and that it was dissolved when Stevenson was transferred to Red River community College and

that freed up the position that Mr. Knight had held. Mr. Knight was very instrumental in the whole Stevenson Project, which has now been transferred. He was prepared to do the work that we are now embarked on, and I understand there are three persons in the Hydro initiative, Mr. Knight, Jennie Styrchak and Eileen Hepples.

**Mrs. Mitchelson:** Mr. Knight's position then is not really a new position, it is a position that was in the department that has been transferred to this initiative?

\* (10:10)

**Ms. McGifford:** Yes, Mr. Chairperson, it is not a new hiring, it is a new function and a new title for Mr. Knight.

**Mrs. Mitchelson:** But my question would be then, is this an additional staff year?

**Ms. McGifford:** No.

**Mrs. Mitchelson:** I know the minister put on the record that the other two people that are working with Mr. Knight, are they new positions?

**Ms. McGifford:** Mr. Chairperson, they are existing staff positions as well. So there has been a realignment, not new staff years.

**Mrs. Mitchelson:** Can I ask the minister where those positions were realigned from or came from?

**Ms. McGifford:** Yes, Ms. Styrchak was in the position that Paul Holden is now in. The position where Paul Holden is now the Acting. The second position, Ms. Hepples formerly worked with the FLMM during the time that the co-chair was the Province of Manitoba. Now that Manitoba no longer has that position, of course, her work has been changed.

**Mrs. Mitchelson:** So is the minister saying then that there was a position decrease under the FLMM, and that that position was transferred over to the Hydro initiative?

**Ms. McGifford:** During the period that Manitoba held the co-chair for FLMM, we took

persons from other areas and put them into the FLMM work. Once we no longer did that work or did the work in the same way, no longer were the co-chair, then those positions were re-assigned.

The member might remember from yesterday that Ms. Phillips is now the Policy and Planning Manager and Ms. Hepples has now joined Mr. Knight in the Hydro initiative. So there has been neither a decrease nor an increase. The staff complement has remained constant, but there has been some re-aligning and re-juggling and moving around.

**Mrs. Mitchelson:** So then the minister is indicating that because they are no longer chairing the FLMM that there is one less staff year in that area that has been re-allocated or re-assigned, because I guess if this is a new initiative, there is a requirement for three staff years for this initiative. So those staff years came from somewhere if there has been no increase or decrease in the staff complement.

**Ms. McGifford:** If I might correct myself, I meant in the Department of Training and Continuing Education. I did not mean within FLMM. So the situation is that in the FLMM during the time we were co-chair, there were two persons working and now in that area there is one, Ms. Phillips, and the other person has moved to the Hydro initiative.

**Mrs. Mitchelson:** So just to make sure that I am clear, a staff year or a position has been taken from FLMM and allocated to the Hydro initiative.

**Ms. McGifford:** Yes, Mr. Chair, in the same way that a staff position was taken from elsewhere when our Province was the co-chair and therefore did more FLMM work for our provinces across the country and in conjunction with our co-chair, who at the time was Minister Stewart.

**Mrs. Mitchelson:** I do not want to belabour this. I guess when there is a new initiative and there are three staff years that are attached to that new initiative and there has not been an increase in the number of staff years in the department, those new functions and those new positions

would have to be staff years transferred from somewhere else. That was the question I am asking. Where did they come from?

I think you have explained that one staff year would have come from the FLMM reduced workload and one would have come from somewhere else. So there must have been a decrease somewhere to create the positions in the new initiative.

**Ms. McGifford:** The member wants to know where Mr. Holden came from?

Ms. Hepples came from FLMM. Ms. Phillips remained there. Ms. Styrchak came from Industry Training Partnerships where she had been the director. Mr. Holden became the acting director of Industry Training Partnerships. I believe previously he was the director of strategic initiatives which has now transformed itself into the Hydro initiative—I should not say transformed itself, that we have transformed.

**Mrs. Mitchelson:** I will read that back and try to digest it. Behind my question was the fact that, with a new initiative and three staff years being attached to that new initiative, was there a decrease somewhere else within the department? With no increase in complement in the staffing of Advanced Education and Training and a new initiative that required three staff years and three people, where is the decreased activity?

I think you have explained that strategic initiatives has changed and there is a new focus on the Hydro initiative, so that there would have been a staff year there transferred here. I think you have explained that there was a staff year with the FLMM that was no longer required, so that staff year would have been transferred in order to find a position to staff the new initiative. Then there would be a third position somewhere. I may have heard that because of Stevenson Aviation there was a position there that was no longer warranted because that function has been transferred to Red River. I guess I was just looking for where the positions came from and whether there was reduction in any other activity within the department. I do not know if I have understood it correctly or not.

\* (10:20)

**Ms. McGifford:** Mr. Chair, I am a little unclear as to exactly what the member is asking, but what I am told, again, is that since we do not have the FLMM function anymore, we had this additional staffperson. The strategic initiative went over to Red River, at least part of it did. We retained Mr. Holden and Mr. Knight and then did some realignment with Mr. Holden—I know it gets complicated—with Mr. Holden directing Industry Training Partnerships and Jenny Styrchak joining with Mr. Knight in the Hydro initiative, and then of course the person from FLMM joining with Ms. Styrchak and Mr. Knight. What we have is a realignment and not additional hirings within the department nor losses of staff years within the department.

**Mrs. Mitchelson:** Mr. Chair, I think I am understanding it. I will ask a very direct question then. Is there one less staff year in FLMM today than there was when the minister chaired that committee?

**Ms. McGifford:** I suppose we could say there is none in FLMM anymore because we do not co-chair anymore. It has been rechristened Policy and Planning Manager with Elaine Phillips who was formerly with FLMM, and Eileen Hepples has joined with Mr. Knight and Ms. Styrchak.

We, of course, as I think other jurisdictions do, beef up when we are—pardon me, I do not know whether we can use that word anymore, the "beef" word. We prepare the ground, lay the ground when we are chairing, and I am sure the member knows this from her former years as a minister.

**Mrs. Mitchelson:** I am not sure that there is anything like the FLMM anywhere else throughout government, and I do not have a great understanding of that, but I do not think we need to belabour this any longer. You have indicated that you have found resources from elsewhere because this is a strategic initiative that the Government is pursuing. I guess the bottom line is were there three additional staff years added to the department to create this initiative? You have said no, and I am certainly satisfied with that. Maybe we could continue.

**Ms. McGifford:** Maybe a final point of clarification. What used to be the FLMM work is

now being handled by policy planning under Elaine Phillips. Nova Scotia now is dealing with the problem of finding the necessary staff, probably within their current complement, to chair FLMM, which of course is an honour on the one hand and an onerous responsibility on the other. Thank you.

**Mrs. Mitchelson:** Maybe we can just continue on talking a bit about the Hydro initiative. I know there have been some announcements made. I think it was \$10 million, if I am not mistaken?

**Ms. McGifford:** I am sorry. I missed that.

**Mrs. Mitchelson:** Just talking about the Hydro initiative maybe for a few minutes, I know the minister has indicated that there is certainly a need and we all understand that there is a significant need for training if we are to embark on any major hydro expansion in our province.

She talked just earlier today about pre-project training, indicating that at least 650, if not 900 individuals would be trained, I believe, through this initiative. It is my understanding, if I can recall, that there has been \$10 million announced for training? I cannot recall over how long a period of time that is. Maybe the minister could just indicate to me how many years it will take to spend that \$10 million.

**Ms. McGifford:** My staffperson is just making absolutely certain, but my understanding is that there has been \$10 million allocated for government and that that money will flow over a period of six years.

**Mrs. Mitchelson:** How much of that money has been allocated in this year's Budget?

**Ms. McGifford:** There is \$1 million through the LMDA and then \$1 million through the enabling vote.

**Mrs. Mitchelson:** Okay, so that is \$1 million to the Labour Management Development Agreement. Is that what LMDA is?

**Ms. McGifford:** Yes, Mr. Chair.

**Mrs. Mitchelson:** Could the minister explain to me the difference between the million in the LMDA and the million in the enabling vote? How are they allocated?

**Ms. McGifford:** Well, the LMDA money is flowed through the FLMM from the federal government to the Province. If we use the second million through the enabling vote we will go back to Treasury Board and we will need to obtain permission then to use that money that has been allocated.

**Mrs. Mitchelson:** Thanks, Mr. Chair, and the minister will have to excuse me. I am not too familiar with how the LMDA works, then. You are saying the \$1 million is federal money?

\* (10:30)

**Ms. McGifford:** It begins as federal money, but the member will remember that in the late nineties I believe the federal government ceased from doing EI training and devolved this money to the province. Manitoba is one of the provinces that has a labour market development agreement with the federal government, so they flow money to the Province to do this work. Some of the other provinces do not have a labour market development agreement—not that we need to go into this here.

So the money is flowed from the federal government, but it becomes part of our provincial Budget, then.

**Mrs. Mitchelson:** I want to thank the minister for refreshing my memory. I was not quite sure exactly how it works.

Then there would have been a request by the Province, by the minister's department, to the federal government because this was a priority training initiative, or how, in fact, would the figure of \$1 million for this Hydro initiative training—how would it be obtained by the Province from the federal government?

**Ms. McGifford:** There are criteria for the uses of the LMDA money, but we do not apply especially to use it under this category.



What is important here, I think, is that the persons who are acceptable for the LMDA money have to be EI eligible.

**Mrs. Mitchelson:** So, then, is the minister indicating that the \$1 million that is flowing under the LMDA will be flowing based on training of those that are eligible for EI? So it would not be anyone necessarily that is unemployed or has been long-term unemployed?

**Ms. McGifford:** Not at this stage, Mr. Chair, but I should add for the minister that we co-ordinate our money with Hydro money that has been devoted to this project.

I also wanted to tell the member who asked me earlier about the allocation of monies for this year—and, indeed, staff tell me that having looked more closely at their work that, actually, this year it is \$2.5 million that has been set aside, that Treasury Board has committed, that the source of .5 of that 2.5 has not yet been identified. At this time, the reason for this sum is that since negotiations are on-going, it is a little difficult to anticipate exactly and precisely what our training needs for 2003-04 might be towards this project.

I am sure the member is familiar with the process and the hearings of the CEC, et cetera and so forth.

**Mrs. Mitchelson:** So I want to be clear. There are a million dollars in the LMDA for this initiative. I am not sure that I clearly understand. If that money can only flow to those that are eligible for employment insurance, how, then, can those dollars be used for the Hydro training initiative? Are there enough individuals who would be eligible for EI who would be able to access this million dollars?

**Ms. McGifford:** There is an additional source of funding for the pre-project training. Hydro has also committed money to pre-project training so that the LMDA money is used only for those who are EI eligible, but the Hydro money can be used as Hydro sees fit. In other words, the Hydro money is not constrained in the same way as the LMDA money is.

**Mrs. Mitchelson:** So then the figure of \$2.5 million that the minister gave me includes the million from LMDA, or is it \$2.5 million from her department?

**Ms. McGifford:** The \$2.5 million does include the LMDA, but the LMDA money is within my department because it is given to the Province.

**Mrs. Mitchelson:** So then there is another \$1.5 million in the Enabling Vote in Advanced Education and Training for the Hydro pre-training initiative.

**Ms. McGifford:** Mr. Chair, there is \$1 million within the Enabling Vote and the .5 is not in the Enabling Vote. The source of that .5 has not yet been determined, and it has not yet been determined, indeed, whether we will need that money. That is why I mentioned earlier to the member that at this point with the work that is ongoing, it is a little difficult for us to anticipate exactly what the training needs might be for '03-04.

So my assumption is, and staff can correct me if I am wrong, we have that 1.5 as a safety measure, and they are agreeing, in case the projects proceed with celerity and indicate that, indeed, we are in a position to do additional training. I hope that was clear.

**Mrs. Mitchelson:** I guess just for a notional allocation of that amount of money in case the training does take place.

The minister did indicate that Hydro money has been devoted to this project. I know that Hydro is not her responsibility, but certainly there has to have been a co-ordinated working relationship with Manitoba Hydro and the Department of Advanced Education and Training.

Can the minister indicate how much Hydro money is devoted to this project?

**Ms. McGifford:** I am informed, Mr. Chair, that Manitoba Hydro is contributing \$20 million towards the pre-project training, and that is for the two dams, Wuskwatim and Kiask. That is for the length of the construction period.

The member, of course, is right. I am not the Minister of Hydro and I cannot provide details on the disbursements, et cetera, of the Hydro monies.

**Mrs. Mitchelson:** So, so far, we have a commitment, then, of \$20 million from Manitoba Hydro and \$10 million from the Department of Education for pre-project training for the initiative.

I would imagine the \$10 million has been announced. I know it has been announced from the Department of Education, and on top of that there is another \$20 million from Manitoba Hydro, so a total of \$30 million over the six-year time frame?

**Ms. McGifford:** The member is correct. There has to date been \$20 million from Hydro, and \$10 million from the provincial government allocated for the training and there has been some money from the federal government as well. Indian and Northern Affairs and WD have contributed approximately, I say approximately \$3 million, but if the member wants the absolute, okay, approximately \$3 million.

\* (10:40)

**Mrs. Mitchelson:** Can the minister tell me what activity has been undertaken to date and what the process will be for flowing these dollars for the training initiative?

**Ms. McGifford:** Well, I want to say to date that money will only be flowed after the training plans have been approved. We are beginning flowing from my department.

If I could just flesh out some details for the member, she may know that there have been negotiations between my department and Hydro with five northern communities, those communities on whose lands the two dams will take place. I believe they are Nelson House, Split Lake, Fox Lake, War Lake and York Factory, and that those communities will receive 75 percent of the allocated monies to date, and 25 percent of the monies are reserved for other northern Aboriginal people who do not live in those communities but who would benefit from the training, would obviously be in a position to

do the work and work on the dams, and who we feel should have some benefit as well. So, it has been an interesting process and we continue to work on the 25 percent.

**Mrs. Mitchelson:** The minister indicated there are five bands that they are in discussions with whose land might, I guess the dams might be located on their land, if I am understanding correctly and there are some negotiations with them, or discussions with them around training?

**Ms. McGifford:** There are five bands whose lands are in the immediate vicinity and who may be affected in some way by the construction of the project and it is those five bands, I mentioned them before and I thought I had done very well to remember all the names, and there are ongoing discussions with those bands. Then there is the 25 percent that is reserved for the other communities and that involves another set of discussions, staff are agreeing, another set of discussions.

**Mrs. Mitchelson:** I presume then that discussions have not started with the other 25 percent until there is some resolution to the 75 percent with the five bands that are impacted, or are there parallel discussions going on?

**Ms. McGifford:** Well, Mr. Chairperson, we have initiated consultation with the other groups that will be affected and will be in a position to make use of the 25 percent. We want those people to be in a position to take on jobs as soon as they are available and to begin the training that may be necessary.

Our discussions with the five communities who will be in a position to use the 25 percent are much more advanced than they are with the folks, community bands, et cetera, who may be in a position to benefit from the 25 percent.

**Mrs. Mitchelson:** Can the minister indicate to me how much money has flowed to date under this initiative?

**Ms. McGifford:** I wonder if I might ask the member if she wants the exact amount or in what way she might want the answer.

**Mrs. Mitchelson:** Well, I would like to know, I mean, we are approximately halfway through the

fiscal year. I guess I would like to know updated figures on what has been sent, how much under the Labour Market Development Agreement. Has she requested anything under the enabling vote for this initiative?

**Ms. McGifford:** I am told that the amount flowed in '02-03 was \$561,976. My staffperson would have to make a phone call to get the amount the member wants. Perhaps we could get back to the member via a letter or some other form of communication if that was satisfactory. Perhaps I could take this opportunity to welcome our deputy minister, Pat Rowantree, and introduce the deputy to the member opposite.

**Mrs. Mitchelson:** I thank the minister for that. So if I am clear, then, the minister is saying that to date, as far as she knows, \$562,000 has flowed under this initiative, if I heard her correctly.

**Ms. McGifford:** No, that is not to date. That is to the end of the fiscal year '02-03. I am saying we do not have the staff here to give the member the specific number. We would need somebody from the Hydro initiative. I am offering to provide the member that information via communication in a letter or a memo or whatever. I am asking if that would be satisfactory to the member.

**Mrs. Mitchelson:** If the minister can get back to me I would really appreciate it. Can the minister explain or indicate to me what activities were undertaken and what was accomplished with the \$562,000 that was expended last fiscal year?

**Ms. McGifford:** Mr. Chair, well there were monies dispersed in War Lake for college preparation courses. There were 30 participants and the cost was \$140,324.

In Nelson House there were carpentry apprenticeships level 1, 2 and 3, adult education, life skills for trainers, carpentry level 3. There were 61 participants in those programs and the program total was \$192,918.

In Fox Lake, skilled labourer, heavy equipment operator training, 30 persons trained and the member may or may not know that it always staggers me how expensive it is to train heavy

equipment operators, but the cost was \$295, \$295,000, pardon me, and so we have a total of 121 participants.

\* (10:50)

**Mrs. Mitchelson:** Mr. Chair, can the minister indicate what the success rate of those training programs were? How many might have graduated and what they might be doing today?

**Ms. McGifford:** I am advised by staff that we cannot really give all the specific information that the member has asked at this time. We could forward her the information in a memo, but we can assure her that we are monitoring this work very closely, that we are satisfied with the progress in this training and that some members have graduated and are working in their communities.

**Mrs. Mitchelson:** Mr. Chair, it is very important, we are again six months past the end of the last fiscal year, we are looking at half a million dollars in training for, I believe, it is about 121 individuals and I think it is important that there is accountability and that we learn from the training programs that have been established, especially when we are looking at millions of dollars going into pre-training for our hydro-electric projects. I guess this \$560,000 that was spent last year would be on, it is part of the hydro training initiative and so that would be the first step or the first attempt at training individuals.

I think it is critical that taxpayers who are making this kind of investment can hold the programs accountable for specific deliverables. So I am requesting today that the minister provide information on the 30 training spots at, I think, War Lake she said, the other 61, I am trying to remember what community they were in. I just did not jot it down. How many people completed training out of the 30, out of the 61, and out of the 30 heavy equipment trainees, how many completed the course, graduated and how many are presently working as a result?

**Ms. McGifford:** Mr. Chairperson, I know that sometimes there is a perception that members opposite and members in government do not agree, but, of course, in this particular instance

the member and I are in perfect agreement. We absolutely think that accountability for this money is essential. We handle the taxpayers' money with great respect. We think it is important for our people in the North to be trained, to be prepared. We think that it is an economic investment in their future. We are more than pleased to provide the outcome data, and we will provide the member opposite with that data. Again, it will be provided if it satisfies the member, since we do not have the Hydro staff here today. They would probably have to do some work in compiling it, but we will do that compilation and we will provide the member with the data.

**Mrs. Mitchelson:** I want to thank the minister for that. I certainly totally agree. We want to see success, and we want to see employment and economic opportunities and activity in our northern communities. So I think we are certainly in agreement on that. I go back to the time before we were in government, my years in government, and I know the minister has been in government for four years. From time to time there are programs that are implemented that do not work. We all have experienced those. There are some programs that work really well. We hope to change those programs that do not work well and try to put something else in place that will work.

The accountability pieces are extremely important. You want to build upon those programs that do work well where you find good results and good employment opportunities. We are embarking upon significant undertaking, significant expenditure of tax money, Manitobans' tax dollars. I know that the minister would want to be assured, and I would like to be assured too. The best thing to do is to admit when things do not work but also try really hard to develop programs and work with communities to ensure that we are training people for the jobs that are there, the opportunities that are there.

She has indicated that there were 30 people trained as heavy equipment operators at a significant cost. It would be very interesting to know, because the Hydro projects have not yet begun, is there work in the communities for these 30 heavy equipment operators. That is a significant expenditure. If there is work and they

are employed today, that is great, but if in fact it is going to be three or four years before the Hydro project gets up and running, are we investing money up front at the appropriate time or is there a possibility that training will be obsolete or that these people will not have been able to use the skills they were trained to use? They may have to be trained all over again. I would ask for the rationale and the justification for training the 30 heavy equipment operators last year. What criteria were used to determine that that kind of training should move forward?

I guess I might just ask because I know this was last year. Who or how are the decisions made on what training programs are put in place, what size the classes will be, and those kinds of things? Who makes those decisions?

\* (11:00)

**Ms. McGifford:** The member has asked a number of questions, so I am going to start answering and my staff is going to jot some things down.

I wanted to address the question of the heavy equipment operators. At Fox Lake, we are training 30 persons, some of whom are skilled labourers and some of whom are heavy equipment operators. The member may know that one of the things that it necessary to go forward with the dam at Wuskwatim is an access road. We need to have people trained ahead of time to build this access road. The heavy duty operators, I am informed, are doing road work and will be available for more road work as the Province goes forward with these projects and develops our northern resources.

Again, I want to stress, as the member has, that we know that accountability is extremely important. I know the member, from her previous work in Family Services in particular, knows that sometimes work in the North presents different challenges. Training in the North presents us with some challenges. One of the things that we need to do in the North to some degree before the training can begin, and need to in other areas of the province, but I am citing the North now, is a lot of work in preparing people for the training, the kinds of upgrading works, etc. that are needed. That is necessary.

I have some more information for the member on the training plans. I am informed that the various communities submit training plans which are based on an assessment of their potential labour force and also based, obviously, on what specific jobs may be available. There is not much point in training sewing operators, for example.

These plans receive thorough scrutiny and discussion within our staff and Hydro. Eventually, their agreement is reached as to what kind of dollars is necessary, and the dollars flow through a specific contribution agreement. In other words, the process for deciding what kind of training is needed, where it is going to be is extremely rigorous. I know that both my deputy, who was the former ADM, and the current ADM are real terriers on this particular issue.

I believe, as the member does, in the importance of accountability. We are not into tossing taxpayers' money around.

**Mrs. Mitchelson:** Mr. Chair, who makes the decision on who provides the training? I know that there are agreements that are signed, but, ultimately, who makes the decision on who provides that training?

**Ms. McGifford:** First of all, the apprenticeship training, and I am sure the member understands this, is done through the community colleges, particularly KCC because of the necessity of fulfilling the requirements of apprenticeship work. Other training plans are developed within the communities but they are monitored. The communities make the decisions on the other trainers but in close consultation with our department and there is agreement before final decisions are made.

**Mrs. Mitchelson:** So, if I understand correctly then, KCC, in some instances, develops the training plans along with—provides the training, then?

**Ms. McGifford:** KCC does not develop the training plans, they provide the training.

**Mrs. Mitchelson:** I just want to go back to a question. The minister did indicate that those that had been trained to operate heavy equipment

and such are being employed today helping to develop an access road for the hydro projects. Is work or construction on the access roads underway today?

**Ms. McGifford:** First of all, to answer the last question first, yes, there is work on the access road today, and, secondly, that was an example. Not all of the heavy-duty operators are working on that particular road.

**Mrs. Mitchelson:** So the minister then has made a commitment to me to provide some information on the training programs last year and the successes of those programs and also to indicate how much money to date has been allocated from her department for training projects, and what they might be, what kinds of training is being undertaken and in what communities.

**Ms. McGifford:** I certainly do undertake to provide that information to the member. As I say, it might take a little time to collect it, but she certainly has every right to it, and we want to be accountable and are very pleased to give it to her.

The member and I had discussed the possibility of taking a short break. I wonder if this might be a good time to do it. I do not know if the member wants to proceed, maybe finish this line of questioning? [*interjection*] So it would be a good time for us to take a five-minute break, Mr. Chair.

**Mr. Chairperson:** It is time for a break—how long?

**An Honourable Member:** Six minutes.

**Ms. McGifford:** Six minutes.

**Mr. Chairperson:** Let us make it seven. Recess.

*The committee recessed at 11:09 a.m.*

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

**Mr. Chairperson:** The committee is resuming its proceedings.

**Ms. McGifford:** I just wanted to put a correction on the record for the member

opposite. That is from when we were talking about the federal contribution to the northern projects. I think I said \$3 million and actually if I could just correct that, it is \$3.26 million for the ATEC Centre at Nelson House. That is from INAC. There is \$5 million from WD for the pre-project training. So it is actually a total of \$8.26 million federal dollars to date into this pre-project training.

\* (11:10)

**Mrs. Mitchelson:** Could I just ask then, is that this year's allocation or is that over a period of more than one year?

**Ms. McGifford:** The \$5 million from WD is over five years and the 3.26 is capital and it is being built. So it is under way.

**Mrs. Mitchelson:** If we could just move to the University College of the North that has been announced. I know the minister did announce a steering committee and an implementation team for the University College. I just was wondering, I looked and it certainly seemed like there are some credible and qualified people that compose members of the steering committee. One thing I noticed that was absent was any representation from the business community. I wonder if I could ask the minister to comment on why there would not be representation from the business community. They would obviously be the future employers of many that might graduate from the college. Maybe she could just comment on that.

**Ms. McGifford:** Yes, I can comment. I mentioned the implementation team leader is Dr. Don Robinson. I am sure the member has heard of Doctor Robinson. He was insistent that the implementation team consist of educators to begin the implementation work and the beginnings of the university.

I want to point out there are separate working groups and that these will be more broadly based. I am sure there will be business persons on those more broadly based working groups. As well I want to assure the member that the implementation team and the board are not synonymous by any means and that when the board is appointed we will definitely be considering the importance of business

representatives on the board, as we have with all our boards, both the universities and colleges, particularly colleges, as the member understands.

**Mrs. Mitchelson:** I wonder if the minister could just indicate to me where we are at to date and what the time frames are for next steps.

\* (11:20)

**Ms. McGifford:** Where we are today is that we have the implementation team. It consists of, and I think the member has probably seen the press release so she knows the members, of whom it consists. We know that there will be a support structure for the implementation team which will consist of a steering committee, will consist of working groups. There will be departmental staff from Advanced Education and Training on those working groups and also they are to assist.

The key areas that we are going to focus on during the implementation phase include deciding on an appropriate governance structure, governance of course being extremely important, one that ensures the principles of northern leadership. Secondly, we want to establish the parameters for a center on Aboriginal studies and research. I do not know if the member has seen Verna Kirkness's report, but that is very much at the core of it. If the member does not have that report and would like it, we could forward that report to her.

There will be the implementation phase that will recommend a program delivery system that harmonizes the UCN's operation with existing post-secondary education institutions and delivery mechanisms. We want to develop a threefold facility plan for government's consideration that would address the needs of Thompson and The Pas, the needs of UCN's community-based operations, the appropriate kinds of electronic infrastructure that will probably be required for the kind of decentralized institution that I am talking about.

The team will establish the parameters for an Aboriginal justice institution. The team will work with government to draft the legislation, and I have already alluded to the importance of the legislation. The team will develop a phase

plan to establish an arts and science program. Our first offering, our first degree will be in Aboriginal and northern studies.

The team will review and make recommendations which will enhance existing student assessment and academic preparation, as well develop a program for the recruitment of appropriate staff and faculty for University College of the North. We are particularly concerned that because of the large Aboriginal population that the recruitment of Aboriginal faculty and staff be taken seriously and pursue federal cost-sharing opportunities. I am pleased to report that we have been quite actively doing that. The deputy and I have visited with Minister Owen and Minister Stewart.

**Mrs. Mitchelson:** Can the minister indicate to me where those discussions are at? Does it sound promising, and has there been any discussion around what that cost-sharing arrangement might be, the percentage contribution by the federal government, for example?

**Ms. McGifford:** We have talked to Minister Owen about the possibility of helping share the costs of the implementation team, and we have also talked to him about the possibility of helping us with infrastructure and also the possibility of helping to train Aboriginal people so that these individuals can obtain PhDs and be part of the faculty. Those discussions are ongoing and I think it is best that we not talk about them more publicly. I am sure the member realizes the sensitivity of their nature.

**Mrs. Mitchelson:** I do understand the sensitivity of those discussions. Could the minister indicate to me what the costs for this year for the implementation team are?

**Ms. McGifford:** We have budgeted \$500,000 this year for the implementation team.

**Mrs. Mitchelson:** Mr. Chairperson, are their projections that these costs will—I guess, what is the time frame then for the implementation team to complete its work?

**Ms. McGifford:** Mr. Chairperson, the implementation team, we believe, will be operational for about 12 to 18 months. They started their

work in June 2003. The chair speaks with me quite regularly and will continue to do so. We are on very good speaking terms. Throughout the implementation process information will be shared with northern residents and stakeholders. They will certainly be brought into the tent, and once the University College of the North board of governors is established, we anticipate that the implementation team then will report both to the board and the Minister of Advanced Education. I think we are looking for the board to be up and running about some time in the spring. I hesitate to say specifically which month but some time in the spring.

**Mrs. Mitchelson:** Mr. Chairperson, as far as infrastructure costs, because I know there are some negotiations, has the minister any sort of estimates of what type of facility we are looking at and what the infrastructure costs might be?

\* (11:30)

**Ms. McGifford:** Mr. Chairperson, we are just beginning to look at infrastructure costs now. Of course the member knows that we have a very good institution in The Pas, Keewatin Community College. There are some facilities at Thompson and no matter what happens those facilities need to be upgraded.

I do not know whether the member has had the experience of being in those facilities, but it is not rocket science that something needs to be done. They are not doing well. One of the things that we have emphasized throughout this process is that the whole concept of the central campuses—and we have grown to think of universities and even colleges as having a very specific geographical location. Of course when we look at northern Manitoba or indeed northern anything in Canada, we are facing very different geographical challenges. So one of the things that we will be considering, not only considering, it will eventually be a part of the whole University College of the North is the idea of Distance Education, and toward that end, KCC has already established, I believe, five community-based facilities. Well, not exactly facilities, because the facilities are there, but places where programming is delivered, something I suppose, à-la-campus-Manitoba model.

**Mrs. Mitchelson:** Could the minister share with me the five locations that KCC has developed Distance Education options?

**Ms. McGifford:** Yes, I am very pleased to do that: Churchill, Flin Flon, Split Lake, Easterville, Nelson House. I am also informed that these five locations—that eventually the idea is that there will be ten of them. There are three that are in the process of being funded although they are not up and running yet: Island Lake, Norway House and Pukatawagan. So that is a total of eight, and I am told there are two more, the two main campuses, Thompson and The Pas, so for a total of 10.

**Mrs. Mitchelson:** Might I ask whether the federal government is involved in any cost-sharing at this point in time in any of the expansion?

**Ms. McGifford:** As I did indicate to the member, we have had meetings with Mr. Owen on obtaining funding from the federal government to help us. We recognize that the federal government has a responsibility with Aboriginal education, and Mr. Owen does too.

I do not know if the member is familiar with his latest document, *Our Children—Keepers of the Sacred Knowledge*, but if she were to look at that carefully, and she may have done so, she would see that the university project of the North that we want to go forward with is very, very much in line with the ideas that are presented in that document.

So we are very hopeful, and I hope that we can count on members opposite to work with us towards persuading our federal counterparts to help us with this important endeavour.

**Mrs. Mitchelson:** Well, we have seen over the years that the federal government has abdicated its responsibility in many respects right across government for programs that they have responsibility for, so I am encouraged by the discussions that the minister is having, but discussions and follow-through by the federal government are sometimes two different things. So I am prepared and I am sure we are prepared to certainly support this minister in trying to ensure that the federal government becomes involved.

I just see that the Government is moving, and rightly so, into developing distance

education opportunities for Manitobans, and I think that is a great thing to do and a good way to be delivering our education system, but I do note that much of the activity that is ongoing with KCC is moving into areas of federal jurisdiction and responsibility.

So my question would be not only with the University College of the North, but in the activity that has been undertaken today, has the minister had discussions with the federal government, or is there any federal money today available or committed to the expansion that is taking place in distance education through KCC, or has the federal government contributed to the five sites that already are up and underway?

\*(11:40)

**Ms. McGifford:** To date we have not had federal money, and to date we do have the two main campuses and then the five community-based that I mentioned and then the three new community-based that we are financing.

One of the other ways that we are looking to get support from the federal government is we are looking for broadband support from the feds through the Council of Ministers of Education, Canada, who are very zealously pushing the federal government in that direction.

I might also ask the member opposite, since she has indicated that she would support our request for money from the federal government, to write to Mr. Owen and indicate her support, because the more Manitobans and I think the more Manitoba MLAs who support it, the better. So I know my department would be able to provide her with details if she would like to do that.

Through the ARDAs, as well, we do receive support for First Nations students. There is that money, of course.

**Mrs. Mitchelson:** I thank the minister for the offer of her department's assistance. I wonder if she could share, then, with me any correspondence that she has had with federal ministers requesting support and funding. That would give me a baseline of where the Province is at today and some sense of what we might be able to do to support her. If there is correspondence that the



minister has sent, I wonder if that correspondence might be available to share.

**Ms. McGifford:** Well, to date my communications with Minister Owen have been personal phone calls and personal meetings. I do not have correspondence, but we could provide some outlines of the things that we are requesting and the member could perhaps use that as a guide in anything that she might like to send to Minister Owen.

**Mrs. Mitchelson:** Mr. Chair, but if the minister has nothing in writing to the federal ministers then there would be no correspondence or anything in writing from the federal government back in response to the minister. I find it a little strange that she would be asking us to write when she has not. I know that there are ongoing discussions and they are confidential discussions, but I would question then why the minister has not requested in writing or put in writing her thoughts to the federal minister so there is some record.

We have no record of phone calls, we have no record of private discussions. I find it strange that the minister would be asking the Opposition to write to the minister when she has not written or communicated in writing. I would ask her, then, why she has not done that.

**Ms. McGifford:** Well, it would seem to me slightly redundant to write the request when I have had verbal conversations with Minister Owen. I was not really asking the member to write, it is her choice. I was suggesting she might like to. She can follow my suggestion or not as she chooses.

**Mrs. Mitchelson:** Mr. Chair, I will not belabour it much longer, but I would like to indicate that when there is something on paper, there is then a paper trail or something that can be followed. I have no way of knowing whether the minister in the not too distant future will still have the same responsibilities as she has today or she might change.

There might at some point in time be another Minister of Advanced Education in the Province of Manitoba. Very often some documentation in writing does allow for follow up by

future ministers. I would recommend very strongly to her that she maybe formalize the process of discussions with the federal government by way of written correspondence so there is that permanent record. Also, I know the federal government does make sometimes commitments or says things behind closed doors, but when they do not have to put it on paper or put it in writing, then there is no record of what they have made a commitment to.

So I will leave it at that, but I do think that I might recommend to the minister that she formalize that communication by way of writing. I do know when it is written by the federal government, it is a little harder to renege on a commitment that has been made.

**Ms. McGifford:** There is some information on paper. There are confidential proposals, et cetera. I am not at liberty to release them to the member. They will be available if there is another Minister of Advanced Education in the Province, as there will be eventually. None of us are here forever. I just give the member that information. I know what I wanted to tell the member. My best information right now is that we believe that we will be meeting with Mr. Minister Owen towards the end of October. I can, perhaps, update the member at that time.

**Mrs. Mitchelson:** Mr. Chair, I know that the minister indicated, too, that some of the discussions that she had with the federal government were around training for PhDs for Aboriginal people to ensure that they could be part of the process of the expansion and involved integrally in the training of our northern residents.

Could she indicate to me today where we are at? How many Aboriginal people would have PhDs in Manitoba today? How many might we be looking for? Has there been any analysis done? Maybe, they are just in the beginning process of trying to identify that. How many PhD's might we have of Aboriginal descent today? What will the challenge be to get us to a point where they can be full participants in the University College of the North?

\* (11:50)

**Ms. McGifford:** My information is that the implementation team has prepared a list of

Aboriginal PhDs in the province. We know that there are significant numbers of Aboriginal people with Masters' degrees. Some of those people would, no doubt, benefit greatly from the support that we might offer, together, we hope, with our federal counterparts, to do the work and become PhDs and then later return to their community and give back to their community by becoming teachers. Certainly, it is one of the hopes that we have for the University College of the North.

**Mrs. Mitchelson:** We do not have a significant inventory, then, of PhDs in the province today? Would that be fair to say?

**Ms. McGifford:** I think it would be fair to say that we have a preliminary inventory of Aboriginal people with PhDs and Masters.

**Mrs. Mitchelson:** Mr. Chair, has there been outreach to those individuals to see whether there might be a willingness for them to be involved in the University College of the North?

**Ms. McGifford:** Mr. Chair, that will be part of the implementation team's work, although I might just back up a bit and say that I know Dr. Verna Kirkness, who is an Aboriginal person herself who prepared our original report in conjunction with Curtis Nordman—staffing that initiative was very interested and also was compiled some lists in—one of the ideas that was presented was a kind of large meeting where people could exchange ideas and brainstorm for this initiative.

**Mrs. Mitchelson:** Mr. Chair, I might just move on to ask a few questions on St. Boniface College. Just while I am getting my papers together for that, could I ask one question of the minister on tuition. Some families in rural Manitoba that are having great difficulty making ends meet as a result of no cash income and the BSE issue, could the minister indicate whether there have been any or many requests to her department to give special consideration to those that might not be able to—I know, what is the word I am looking for, grants, subsidies are provided to students based on the previous year's income and I know there were some families that just did not have any cash today.

Could she just give me an indication of how many families, if any, have contacted her depart-

ment or her and whether there has been any student financial assistance able to be flowed to them under special circumstances as a result of the crisis they are facing?

**Ms. McGifford:** I am glad the member has asked this question because it is information I have been dying to give, because of course we are all concerned about those families.

Usually when a student applies for a loan the parents are expected to make a contribution based on the former year's income. In this case what we are doing is basing the loan on the guesstimated income of the parents within this year, recognizing there is no way that this year's income is going to be the same as last year.

As well, students who normally are expected to provide a certain amount of their own financing for post-secondary education, the amount they are expected will be reduced in accordance with their ability or inability to have worked. We recognize that throughout the summer in communities that have been affected by BSE those students may not have been able to earn the kind of money that they might normally.

Students can identify themselves at the front end when they apply for their loans or they can appeal. There are two routes for this. I am told by staff that approximately 10 students to date have identified themselves as coming from families that have been afflicted by BSE.

I guess the main point I want to make is there is a process. We are very cognizant of this terrible tragedy that has hit our province and indeed others.

**Mrs. Mitchelson:** Then of those 10 families we have been able to resolve the issues and provide some support for them?

**Ms. McGifford:** Yes, we have been successful in helping those families.

**Mrs. Mitchelson:** Just before I get to St. Boniface College, there was an article—I just want to talk about Brandon University for a minute—it indicated that in January of this year that Brandon University was facing a budget crisis.

We are looking at a significant shortfall in their draft budget.

Could the minister indicate to me whether in fact they were able to present a budget that was balanced?

**Ms. McGifford:** My information is that a balanced budget was presented to COPSE, that they have not come to COPSE to ask for any additional funds and that they are financially stable.

**Mrs. Mitchelson:** I know there were a lot of issues at the University of Winnipeg. I am wondering if the minister could just update me on where things are at financially with the University of Winnipeg.

**Ms. McGifford:** It gives me great pleasure to say that the University of Winnipeg presented a balanced budget with a small surplus. I think it was indeed small, but it was a surplus. It really does give me the opportunity to congratulate the board on the work that they have done at the University of Winnipeg. We are very pleased with the way things are proceeding at University of Winnipeg.

\* (12:00)

**Mrs. Mitchelson:** I would just like to move on to St. Boniface College. There has been some not very positive publicity around St. Boniface College, some inappropriate activity that the minister has had to refer to the Department of Justice. I wonder if the minister could indicate to me when she first knew or was first informed about the problems at St. Boniface College.

**Ms. McGifford:** Apparently in July of 2002 the then-deputy minister received a letter from an individual which included certain allegations that the deputy found extremely disturbing. The deputy, then, in conjunction with Ms. Gordon—no, the deputy was not present at the initial meeting between Ms. Gordon, the provincial Auditor and the individual who had written the letter. After the meeting between Ms. Gordon, the Auditor, and the individual who wrote the letter, the deputy requested that the provincial Auditor investigate these allegations at St. Boniface College, and so the process began. It

began probably not the next day, but very soon, September-October of 2002.

**Mrs. Mitchelson:** Just for clarification, I do not know whether the auditor has his dates wrong or the minister, but she indicated it was in July of 2002. The letter was received and the auditor was requested on June 28 of 2002 to conduct a review. That is what his executive summary says. I was wondering the date the department first was made aware. Was there only one complaint?

**Ms. McGifford:** I do apologize to the member. Indeed we were a month ahead of ourselves or behind ourselves. We were just going from the top of our heads here. The answer to the member's question is there was a series of complaints but from one individual. I believe that is correct. There was a series of complaints but from one individual.

**Mrs. Mitchelson:** Could the minister indicate when the first complaint, was it a series of complaints over a period of time, or was it a series of complaints all on one date?

**Ms. McGifford:** It was a series of complaints in one letter from one individual.

**Mrs. Mitchelson:** Obviously the Auditor's investigation was in depth and he came up with a series of recommendations for St. Boniface College. I would just like to ask the minister where St. Boniface College is at in regards to the implementation of the recommendations that the Auditor made.

**Ms. McGifford:** Mr. Chairperson, I am getting more information than my wee brain can handle at this time, but I do want to tell the member that I met with the board in July and, having received a draft report and being extremely disturbed, as the member is obviously disturbed—of course, we all are. The board at that time had accepted all the recommendations. The board continues to accept the recommendations. Long before the final report was produced, the current board was in touch with the Auditor. I think the Auditor, at the beginning of this report, is quite complimentary about the board's commitment to move forward.

The member will know that there is a new rector, Raymonde Gagné, and that Raymonde is

hiring the individuals who will be necessary in areas like human resources. The college is developing its conflict-of-interest policy. The college, of course, is expected to address the policy development deficits which were outlined in the Auditor's report by the end of the fiscal year. Our department will request a follow up. I am sure that the member has had a chance to look at the comments from the Department of Advanced Education and Training and see that our department is directing our council to ensure that at the beginning in 2003-2004, all documentation required for funding should be presented.

I do not want to read the Auditor's report. I know the member can read it herself, but the highlights from the Department of Education—and in our response our—we need sound, complete, thorough financial information from now on as far as policy deficits are concerned. We want to ensure that there is a follow up of this review; we want to determine if appropriate policy and procedures have been developed and operationalized. We will be asking for a follow-up. As far as public accountability, we believe and we will ask the Minister of Culture, Heritage and Tourism (Mr. Robinson) that St. Boniface College be brought under FIPPA. I know the member knows, she is very familiar with FIPPA, having been a Minister of Culture, Heritage and Citizenship herself, that St. Boniface be included under FIPPA.

Finally, we are concerned about the acquisition and disposition of surplus funds, especially if they have been derived from government, although it turns out in this case these ones have not. We are also anxious to go forward with making the legal arrangements, whether it be a new act, whether it be amendments to a current act or private member's bill, to allow government to appoint members to St. Boniface College board. I answered more than the member asked, but I am sure those were some of the pieces of information she was looking for.

**Mrs. Mitchelson:** The Auditor did certainly make comment about the contractor that was hired to recruit students in France who was a close family member of one of the college's senior managers. Can the minister indicate to me whether this has stopped, or if this person is still working in this capacity?

**Ms. McGifford:** First of all, I need to point out to the member that, as far as who is hired and who works in a university is outside the purview of government, and, although sometimes we in government would like to say who should work there and should not, we just do not get to do that for some very good reasons. We have acts in place which stipulate the powers of the university and stipulate the powers of government. However, in this particular case, I am advised that the individual who was the recruitment officer continues to be the recruitment officer but under very different circumstances. The recruitment to St. Boniface College from France is now being done in conjunction with the University of Moncton, and consequently, the amounts of money paid for this work are considerably less than they were. These are things over which ministers have no control, as the member knows.

\* (12:10)

**Mrs. Mitchelson:** I would not want the minister to have direct control. My question was, based on the Manitoba taxpayers' dollars that are supporting St. Boniface College, that the minister was assured that the checks and balances were in place, because, ultimately, she is accountable for the tax dollars that are expended through her department and by the agencies that she has under her mandate.

I have just not got it right here in front of me, but she indicated that there is an arrangement or an agreement with the University of Moncton. It seems to me, and I may be interpreting it wrong or I may not be recollecting properly, but it was the result of an agreement with the University of Manitoba that was outdated—let me see if I can find it. It was an affiliation agreement with the University of Manitoba that was not being adhered to. My sense was that the arrangements with the University of Moncton maybe were not appropriate under the agreement with the University of Manitoba. I hope I am interpreting things—as I said, I do not have it in front of me, but the minister is then assured that the direction that the college is taking is appropriate, or is that agreement being looked at and updated to reflect today's realities.

**Ms. McGifford:** Well, there are a couple of different questions here, but I want to just back

up and begin with the member's statement about accountability. I know that she does appreciate that, as a minister, I do not get to hire and fire and nor would she if she were in my position. But accountability is exactly why we want board members, because this is what a government finally has, or one of the very important tools that governments finally have, is board appointments. This is exactly why we want FIPPA, so that the public does have access to the information that it has access to in other universities and colleges, for example. This is exactly why we want some policies on surpluses. So these are measures that we can take and we intend to take them, along with that fourth measure of having complete and total documentation go forward. Things are going to change, and the board knows that things are going to be changed.

Now, with regard to the affiliation—and I know it came up in the Auditor's report, and I have actually had a cursory discussion with the president of the University of Manitoba—the affiliation with the University of Manitoba is an academic affiliation, and it is for purposes of awarding degrees. The issue that came up in the Auditor's report was that the university of St. Boniface had a nursing program which was being delivered through the University of Ottawa, an arrangement that was made because it was a Francophone program and we need Francophone nurses in Manitoba just as we need other nurses. So the concern is academic concern, and that is what we need to look into. The Moncton joint-recruitment thing is a business venture. It is a way of both universities saving money, and it does not in any way violate or even refer to the affiliation agreement.

**Mrs. Mitchelson:** I thank the minister for that clarification. I think I understand it now.

She did indicate in her first comments around St. Boniface College that the surplus that they had accumulated was not government funding. Could she elaborate a bit on that, please?

**Ms. McGifford:** Yes, I will begin the answer, and I know that staff people are looking for more details as I begin my answer. But the member might remember that, I believe it was in the year 1969, St. Boniface College, which had previously been a private college run by the Jesuits,

was handed over and became a more public college with a board of governors. In other words, it ceased to be a religious-based institution, and apparently the Jesuits, fearing that at some time this college may not receive the public monies, actually left a sum of money, \$3.5 million, to St. Boniface College. Through the years, that sum of money has grown. That is what is the \$7-million unrestricted surplus in the budget now.

If the member has the report in front of her and wishes to go to page 11, on page 11, figure 4, if the member wants to look at revenue by sector and wishes to look at gifts and donations and investment income in Other, she will find that they are almost exactly equal to the excessive revenue over expenses. I understand this is the way that that unrestricted amount of money has accrued year over year, so that the college is in the very enjoyable position, I suppose, of having this \$7 million in unrestricted funds. In other words, it is not public money.

**Mrs. Mitchelson:** Would any other universities in the province have that kind of unrestricted funds?

**Ms. McGifford:** My staffperson is just looking to see if any of the universities have unrestricted funds. I think most of them do have some money in unrestricted funds, but nothing like the proportion of the budget that existed at the University of Manitoba. Indeed, our concern is not that a university has an unrestricted fund, but that the unrestricted fund be garnered from public money, because if we allowed universities and/or colleges to have no unrestricted funds, then it would really limit the kinds of donations that those institutions can receive, or perhaps discourage donations, because the donor might think: I do not want to make a donation into operating; I want government to do that, but I will hand some money for other purposes. So we do respect that universities and colleges can have restricted and unrestricted funds. What disturbed us with St. Boniface College was the proportion of the restricted fund.

Now I am just getting some information. I am told that the reserves in year 101-102, the percentage surplus deficit of the total budget at St. Boniface was 57 percent. At U of M, it was

minus 1.2; at U of W, it was minus 1.4; at Brandon University, it was 11 percent; at Red River community College, it was minus .3; at ACC, minus 9.4; at KCC, they had a small surplus of 3.9.

**Mrs. Mitchelson:** I did not quite follow that. You are saying there was an unrestricted surplus?

\* (12:20)

**Ms. McGifford:** I am told that these are charts. They are figures that vary on an annual basis. They do not affect whether they are deficits or not. I think the figure that really concerns us was that St. Boniface College had this large amount of unrestricted money, whereas if we look at our other universities and colleges, we see that at times, they have none. Overall, sometimes, they have some.

**Mrs. Mitchelson:** At the other universities, they are small in comparison. Can I take that to mean then that donations from other sources or funds from other sources rather than government at other facilities get used on an ongoing basis for programming and activities, whereas at St. Boniface College they have just kept that lump sum of money and generated interest or investment income without utilizing that? They have not had to utilize that because it was not necessary. I am wondering if the minister could just try to help me understand why, or in what ways, other universities might use their funding when St. Boniface would not.

**Ms. McGifford:** Sure, I will certainly attempt to answer that question. Colleges and universities of course all receive donations from various individuals, and, in most cases, the monies are used by the university or college for scholarships, for the purchase of journals, sometimes for capital. I do not believe that universities and colleges use their donations for programming. I believe they think that COPSE and government are responsible for programming.

At St. Boniface College, my understanding is that they had this surplus, which, basically, was a bequeathal, an inheritance from the Jesuits, and they sat on it out of fear that some time government would withdraw their funding. So I suppose it was their own private little rainy

day fund, but I am told that they are going to be using some of that money in order to address some of the situations that have revealed themselves in the audit. Universities and colleges do not keep huge surpluses. They simply do not have those surpluses, and they expend their monies.

**Mrs. Mitchelson:** Mr. Chair, I do not know if it would be fair to say, and maybe the minister can help me, with the grant that is provided to St. Boniface College from the federal government, or the federal-provincial agreement, and the money that is provided by the Province of Manitoba, would it be fair to say that the support from government sources per student would be greater at St. Boniface College than it is at other universities?

**Ms. McGifford:** I think it is greater, and, of course, it has to do with economies of scale. It is cheaper to educate a student at the University of Manitoba in Arts than it is at Brandon University, for example. With a smaller student body, yes, it is more expensive.

**Mrs. Mitchelson:** Mr. Chair, so is the minister saying then that the funding per student, and I have not figured out the numbers, but the funding per student at the University of Manitoba is different from the funding per student at the university of Brandon?

**Ms. McGifford:** Well, the funding is different. If we were to fund by students—but we do not do funding; that is not the way we do it. We do block funding, and for the very reason that we recognize that if we gave the same to Brandon University to educate an Arts student, as we do to U of M, Brandon University would be up the creek without a paddle. So I know that there has been some pressure from various quarters. There has been some pressure from various quarters to go to a student number model, which works better in a province like Ontario, I am told, where there are huge numbers, than it does in a province like Manitoba. So we do the block-funding model here. Your government did, our Government did, it seems to work for us.

**Mrs. Mitchelson:** Mr. Chair, I just want to indicate to the minister, I want to thank her for

her straightforward answers in providing the information that I have asked for and agreeing to provide information. I, unfortunately, am not able to go into too much more detail around the department. I hit on a few areas that were new initiatives for this Government and also on a few areas where there had been some issues or some problems in the department. Given the change in the Estimates time, I want to say thanks to the minister.

I know it has been a short period of time on Advanced Education and Training, and I have not had an opportunity to get into all of the areas of discussion that I might have liked to, but this is a bit of a learning curve for me and a new learning process, when we do not have hours on end to discuss Estimates. I think, for us as an Opposition party, it is going to be a process of trying to determine how we best utilize Estimates hours into the future. But I still think, even with less time, that it is important to focus on trying to get answers from government that will help us all in undertaking our responsibilities as members of the Opposition with critic responsibilities.

Although we do have less time, I still think it is a better process when we can get some sanity to the working operations of the Legislative Assembly, and I think that fewer hours in Estimates is the right decision for all.

So I want to thank the minister and at this point in time I am prepared to pass the Estimates of Advanced Education. I want to say thanks to the staff for the hard work that you do on an ongoing basis to ensure accountability to the taxpayers of Manitoba.

**Mr. Chairperson:** Resolution 44.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$364,028,200 for Advanced Education and Training, Support for Universities and Colleges, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

Resolution 44.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$50,869,700 for Advanced Education and Training, Manitoba Student Aid and the Manitoba Student Loan Service Bureau, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

Resolution 44.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$90,860,400 for Advanced Education and Training, Training and Continuing Education, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

Resolution 44.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,220,600 for Advanced Education and Training, Capital Grants, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

Resolution 44.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,160,700 for Advanced Education and Training, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

The last item to be considered for the Estimates of the department, item 44.1.(a) Minister's Salary, contained in Resolution 44.1. At this point we respectfully request the minister's staff to leave the table for the consideration of this last item.

Resolution 44.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$629,900 for Advanced Education and Training, Administration and Finance, for the fiscal year ending March 31, 2004.

***Resolution agreed to.***

This concludes the Estimates for the Department of Advanced Education and Training. The next set of Estimates will be considered by this section of the committee is the Estimates of the Status of Women.

The hour being 12:30 p.m., the committee rise. Call in the Speaker.

**IN SESSION**

**Mr. Deputy Speaker (Conrad Santos):** The hour being 12:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, September 19, 2003**

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