

**Fourth Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

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## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 12, 2006

The House met at 10 a.m.

### ORDERS OF THE DAY

#### GOVERNMENT BUSINESS

#### COMMITTEE OF SUPPLY (Concurrent Sections)

#### FINANCE

**Mr. Chairperson (Harry Schellenberg):** Good morning to Manitoba Day. Will the Committee of Supply please come to order. This morning, this section of the Committee of Supply meeting in Room 254 will be continuing with consideration of the Estimates of the Department of Finance.

It was previously agreed to consider these Estimates in a global manner. The floor is now open for questions.

**Mr. Gerald Hawranik (Lac du Bonnet):** Yesterday the minister had responded to one of my questions, and I just want to put on the record a response to that response first, before I get into the questions. One of which is, of course, he had quoted the federal tax rates and compared them to provincial tax rates. He knows that federal rates have always been higher than the province in the history of Canada, the history of the province. It is not fair to compare federal and provincial rates. It is more fair to compare tax rates between provinces.

It has always been the case. Federal taxes, by and large, since Confederation, have always been higher because of the Constitution. There is much more federal responsibility under the Constitution for services to residents, to Canadians, than there is provincial responsibility. So there is a reason for that.

Our questions and our concerns have always been whether we compare provincially among other provinces in Canada. I do not think it is fair to compare federal rates versus provincial rates because the jurisdiction of the federal government and the jurisdiction of the province are completely different.

When I have compared rates in the past, in almost every case I have been pretty kind to the minister in comparing Manitoba rates to the Saskatchewan government. I could take Alberta and

B.C., for instance, and give him a comparison, but I have been pretty kind with Saskatchewan, I believe.

The other issue is that, you know, he points to tables prepared in the budget, but what he forgets to mention is the fact that those tables were prepared with his new rates this year but not other new rates in other provinces this year. He is comparing last year's rates in other provinces to this year's provincial rates.

So you can point to all you want. He delivered a budget that was in advance of most of other provinces in Canada. I am not criticizing him for that, but the point is the tables are not necessarily accurate when you compare apples to apples.

He has to compare apples to apples. He has to compare 2006 to 2006 with different provinces, not our 2006 rates this year with last year's 2005 rates in other provinces. So he has to do a proper comparison. I would invite him to prepare; I would certainly want him to prepare some of those tables that he mentioned yesterday with this year's tax rates in Manitoba, not next year's, but this year's tax rates in Manitoba compared to this year's tax rates in other provinces. I would ask whether he would be prepared to do that for me.

**Hon. Greg Selinger (Minister of Finance):** Every year we prepare our tax tables with the most current information we have at the time that we do them, and we would be happy to do that in the future. Now, first of all, the member thinks it is not fair to compare federal rates and provincial rates, but I remind the member that it was him that initiated the comparison in that Question Period during the House when he was taking credit for the federal budget as if it were a wonderful thing, the federal budget, because it was a Conservative budget, and why were we not doing as well as the feds on tax cuts. That was you that initiated that conversation. Now you want to switch off of that. So you cannot have it both ways. It is complete hypocrisy on your part, and I am not finished yet. I have a lot more to say to you about the way you like to have it one way in the House and another way in committee.

The reality is that you say that the federal rates have always been higher. They have been higher for a long time because the provinces ceded to the federal government many, many areas of tax points

during the periods of the First and Second World Wars so the federal government could mount those wars. If the member would take a little time to review history, the provinces did not get their tax points back. They got back instead various forms of fiscal arrangements particularly arising out of the Rowell-Sirois royal commission where certain forms of transfers were to be made available to the provinces in lieu of returning their tax room to them for things like post-secondary education, health care and other forms of basic services.

So a Canadian, and I think you have said this more than I have, is one taxpayer. It is completely legitimate to compare provincial rates to federal rates because it is coming out of the same pocket. Canadians have a right to know and Manitobans have a right to know what they are getting for what they pay for taxes. I invite you to enlist for me what the federal government provides to the Manitoba citizens for the rates of taxes they collect which are significantly higher, in some cases 50 percent higher, than what Manitobans pay. We provide the basic services in this province: health care, post-secondary education, social services, municipal financial arrangements, conservation arrangements and various forms of infrastructure. All of those things, justice services, the administration of justice, the vast majority of those services are provided by provincial government.

So, if the member wants to come in the House and make unfavourable comparisons to the Province based on a federal budget, what is sauce for the goose is sauce for the gander. I am just giving back to him the fundamental differences in tax rates. The feds have far higher tax rates than the Province does. The member, in particular, wanted to know why we were not keeping up with the federal government on tax reductions when the federal rate on the small business tax, just to give one example, went from 12 to 11.5 percent when we are already at 4.5 percent and going to 3. It is a reasonable comparison. Why are the feds charging 11.5 percent on the small business rate? They are just now catching up to the \$400,000 threshold when we have been there for a couple of years.

So you initiated the conversation. You have to be able to deal with all the facts related to that. Secondly, on your issue of tax information in comparison to other provinces, the tables we present in the report are exactly the same methodology that the former government used. We have not deviated from that methodology other than to make it more

accurate, but the fundamentals are the same. Once again, when we look at what it costs, the costs of government inside of Manitoba compared to other jurisdictions, we include costs like electricity costs because those are government-provided services through Crown corporations as well as auto insurance costs.

The member likes to exclude health premiums, which are levied in other provinces, which may in some cases have lower tax rates but they charge higher for other things and they deliver services sometimes through the private sector that we deliver through the broader public sector. So a broader comparison is completely appropriate because at the end of the day it is, well, how much money out of pocket, what the affordability factor is for various citizens in various jurisdictions.

\*(10:10)

Thirdly, the member asserted yesterday that people on minimum wage pay taxes. I want to give a couple of examples of people on minimum wage, and whether or not they pay taxes. A single individual, \$7.60 an hour, 36-hour week, 52 weeks a year—I will provide this in writing to the member later, but I just wanted to give him an example because we started this conversation yesterday—\$14,227 income. Their basic tax is \$1,551. Their nonrefundable credits reduce that by \$930, and their tax reduction, the family tax reduction, goes down another \$83. So their basic tax is \$538.

Then you remove from that the personal tax credit of \$48, and you remove from that the education property tax credit of \$533 for a net of \$581 of additional tax credit reductions. So, after-tax credits, they actually are \$43 to the good. They pay no taxes; they gave them \$43 to the good. Once again, I will give this to the member so he can review it.

A single parent with one child, at minimum wage—the same situation, \$7.60 an hour, 36 hours a week, 52 weeks a year, same gross income of \$14,227. Basic tax, \$1,041.

The non-refundable credits right off the hop reduce that basic tax by \$1,636—more than they have been taxed. The family tax reduction takes it down another \$355. So their basic tax is actually a credit of \$950. They are \$950 better off than before they entered the tax system. Then, you add to that the personal credit, another minus \$285. The education property tax credit, another minus \$580. Those tax

credits generate an additional benefit of \$865. So, after taxes, after they enter the tax system, they are \$1,815 better off than if they did not pay taxes at all. So the tax credits are \$1,815 to the good.

So I just want the member to have that information to give him a couple of concrete examples of how our tax system actually has a beneficial impact for low-income Manitobans. I will leave it at that, but I would like to come back and just give the member further information on the CFIB report at some point this morning.

**Mr. Chairperson:** May you make your comments and questions through the Chair.

**Mr. Hawranik:** I would certainly like to look at that document because I would like to find out what the assumptions are. The assumptions on that document make a whole load of difference in terms of how much he assumes that people are paying in school tax or how much they are paying in rent, and so on. So, while we can point to almost any tax return, I can show him a tax return with the same numbers on a different scenario and say they are paying a huge amount of tax to the Province. So that does not prove a lot. You can make the assumptions whatever you want and affect the result in the end.

I do not know whether the minister chooses to understand or he does not understand my questions in the House with respect to federal tax rates versus provincial tax rates. I was not talking about rates in the House. I was talking about tax cuts and comparing the provincial tax cuts to the federal tax cuts, not rates. Certainly, he chooses to use his own interpretation of the question, and I guess he is free to do that, but I would invite him to take a look at Hansard and take a look at exactly what I asked.

Now, in terms of the federal and provincial tax rates, when we are talking about tax rates, that is why I think it is important that you, in fact cannot compare rates federally and provincially, because there is a difference in jurisdiction. There is a difference in services between Canada and Manitoba. Between provinces, that is different because, by and large, the federal tax rates are the same right throughout the country with some differences in Québec, of course, with credits and so on. But, by and large it is the same. No matter where you go and in almost every province in Canada, the rates are applicable across the country, but when we are talking provincial tax rates, I think that is where the comparison has to be made.

Further, with the minister's comment about tables that are current with current information, and I do not dispute that, never ever disputed that. The tables are there with current information at the time that he makes the tables, but he is assuming that no other jurisdiction is reducing taxes during that same particular year. So he is using his 2006 tax rates, putting them in the tables and using everyone else's 2005 tax rates if they have not delivered their budget.

I am not saying that that is wrong, but what I am saying is that you cannot then quote the Bible. You cannot go back to that budget and say we are the least expensive, or we are a cheaper place to live in terms of taxation, or we have a lower tax rate than other provinces, until you compare apple to apples when all the provincial budgets have been provided to other jurisdictions. Then, you can fairly make that comparison. Having said that, in any event, that is my comment.

I have a question with regard to—you know, it is not hard to find any grounds for questioning whether programs are designed to enhance skills or employment, whether they are, in fact, truly doing it. At the Manitoba Low Wage Community Inquiry, there were some comments made, and one of the comments was that government policies are creating job ghettos by encouraging people to experiment with forms of self-employment. In some cases, self-employment means taking work as a subcontractor or being paid less than a minimum wage. For example, many people, supposedly self-employed, are working for a janitorial service contractor making less than minimum wage and putting in far more than the standard eight-hour day.

Can the minister tell me what policies he is implementing that will address that particular issue that is of concern?

**Mr. Selinger:** That is a very interesting question. The Legislature will, I hope, in a matter of a very short period of time be dealing with new legislation on employment standards being brought forward by the Minister of Labour (Ms. Allan), which will address some of these questions.

As the member might know, The Employment Standards Act has not been updated for probably at least 15, 16 years, and there are many practices that have developed in that period of time, some of which have been identified by that commission that the Member for Lac du Bonnet references. So I think you will see, after careful consultation with labour and business through a joint process, a number of

improvements brought forward on the employment standards legislation which will try to address some of these specific concerns about people not being treated equitably when they participate in the labour market.

I am not really at liberty to give details of that right now, and I do not have all the information at hand. But, hopefully, this session that bill will be made available to the Legislature and I believe it will address some of these concerns that were brought forward by this commission who, I believe, presented some of their findings to the minister.

There are many things that have to be updated and modernized with respect to employment standards legislation. We will see if it addresses some of the concerns the member raised.

**Mr. Hawranik:** There were also comments about adult upgrading education and the comment made by an individual was that people who are involved in high school upgrading are not really getting the training they need for the workforce. They believe that some people could benefit from more training and education, but they are told that they have to stop their training and go to work now. That is kind of the message I am getting from some of my constituents, as well, who are receiving the adult education training. A situation like that, it could force them into low-paying, dead-end jobs.

On the other hand, there are cases where education may not make a person's working future any brighter. I have met people with university education who are, in fact, struggling to find well paid work.

Are there any plans in process that would help address that particular issue?

**Mr. Selinger:** The member raises two issues. I would like to deal with both of them. The member raises, in the first instance, whether upgrading to Grade 12 or getting adult education really prepares people for marketable job skills. I think that was the first issue he raised.

The member will recall that the adult education program was one that was the subject of a pretty critical Auditor General's report in the early years of our government. I think it was before the member actually entered the Legislature. There were some very significant problems there about the way it was funded. It was sort of funded on a similar methodology to how the public schools are funded,

by the number of students. There were many private deliverers of that program at that time as well.

\* (10:20)

There were some very serious concerns about quality control in that. Our government brought in new legislation which changed the funding methodology to a program-based funding methodology, as opposed to an amount per student in the classroom, whether they were attending or not, to a program-based methodology where the program has to deliver specific results to demonstrate its ability to attract funding year over year. So we have done some very significant reforms there.

Now, it depends on the occupation the person is pursuing. Getting a Grade 12 education is still in many, many cases a prerequisite to entering various community college programs or other forms of post-secondary programs, or even certain forms of apprenticeship. Sometimes it is essential, sometimes it is not. It depends on the career path that individual is choosing, but in all cases these adult education programs do give people a higher degree of literacy, whether it is literacy in terms of reading and writing or numeracy. Those basic skills are usually transferable into specific further follow-up training.

As you know, we have put a lot of money into expanding college programs throughout Manitoba so that more people can enter the college system. We used to have the lowest participation rate in community colleges of virtually any province in the country. We are seeing that there is a huge demand for college-type skills, whether it is in the trades or even in business, et cetera, that a college education is still a very cost-effective way to give yourself the skill set you need to enter the labour market and earn a pretty good income. We are doing a lot of expansion there. The Red River College is maybe the most visible example here, but we are also embarking upon a renewal of the Assiniboine Community College in terms of capital. But, even while the capital programs have been unfolding, there has been a dramatic expansion of actual college programming itself, the actual choices and options for young people to take or anybody of any age.

I think now we are recognizing that it is not just getting an education while you are young and doing the same thing throughout your whole career, that there has to be an emphasis on lifelong learning. You might, in fact, change careers two or three times as you go through that period of life when you work. We want to have these educational opportunities

available to people at various periods in their life, if they want to retool and reskill.

On the second question, what are we doing for people that actually have a university education but still are not finding good work? One of the things that we announced in this budget, which built on an earlier initiative, was an expansion of the co-op education tax credit scheme. We wanted people going to post-secondary institutions to get more hands-on experience in the area that they training in. I am personally a big believer in co-op education. I think it has a lot of merits. It allows people, say, taking a technical or an engineering degree or any kind of professional designation, or not, to be able to get a job in an area roughly equivalent to what they are training in and to pick up some practical skills.

It gives the employer a tax break for engaging these people in the workplace with job experiences related to their training. In this budget, we have actually improved that to giving a tax credit to employers that hire co-op education graduates. They can get a tax break for up to two years. I think it is \$2,500 a year for hiring a young person who is a graduate of a co-op education experience. I think there is lots of potential to expand that program as we go forward. We are getting it out there. The colleges are promoting it very actively.

I would like to see employers becoming aware of it. I have promoted it very assertively with the various business groups that come to see me on the economy, on tax cuts. They were not, in all cases, aware of it, so we have to do a better job of promotion. We would like them to help us promote it because many of them are looking for employees, and this is a tool that they can use that will reduce their costs of attracting and training new employees. So that is one very specific measure we are doing to help grads get employment.

The other thing that is being developed inside of government and we need to do more on, I believe, is career education for people. There used to be this theory that you graduate with your B.A., or whatever it is, and you figure out yourself where you want to work. Well, the world of work, I think, is getting more complex. I think people need more information about what the choices are out there.

I do not know when the member himself went through school. You know, you sort of had two or three things that you thought you wanted to do, but you probably were not aware—I do not know about you, but I do not think the computer field was sort of

highlighted when we were going through school, for example, as the traditional professions were. But there are many other career opportunities out there now that lots of young people are not even aware of. We have to do a better job of helping them understand the range of things they can do to make a living, and, quite frankly, a lot of jobs are not invented yet. I think part of a good basic education is to think about how you can create your own work.

I remember there was criticism that fine arts grads; it is a waste of time to take a fine arts degree, because what were you going to do with a fine arts degree. You are going to be a poor artist. Well, we are now finding that a lot of fine arts grads are some of the best graphic designers in the software business, in the whole field of doing electronic media. The new media requires a lot of good design to make that new media more effective. We are looking at, through the film tax credit and other things we are doing in the new media, how to grow the new economy.

So I think career education needs to be further developed. I think the co-op education is helpful. I think some of the investments we are making in the film field and the new media field will provide opportunities. Our expansion of community colleges is helpful. We have a whole string of employment centres across this province through the labour market development agreements in advanced education. A lot of times they are co-situated with the federal employment offices. We are encouraging those organizations to become more proactive in reaching out to employers and businesses about how they can help them find the people they need.

We also have the bilingual community services centres which we are locating with municipal, community-based and federal agencies. So a person can go to a bilingual community services centre in St. Boniface, Notre Dame de Lourdes or St-Pierre-Jolys, and they can have a one-stop shop for all the services they need at every level of government, including employment services.

The other thing is e-government; we want better Web sites. You can go to the Web site now in the Government of Manitoba and there is the Civil Service Commission. I asked them to put a bullet on there for youth so young people can go there and see what opportunities there are in the public service, including all of our internship programs, through which we are attracting, I think, very qualified and well-motivated young people who want to work in

the public service. It is a whole range of things that we have to do to make opportunities available. If the member has any other suggestions, I am certainly open to looking at ways we can improve contact with people entering the labour market to show them the opportunities that exist in Manitoba.

**Mr. Hawranik:** I certainly agree with the minister in terms of when we were growing up or going to university, it only seemed like there were a few choices available to you. But things have changed to a great extent in the labour market, and I only have to point to my own personal example. I have a 22-year-old daughter who is taking her honours degree in political science at the University of Manitoba, finishing this year. When she first entered the Arts faculty in political science, I thought, well, you know, I am not sure what she could do with that other than perhaps work pumping gas somewhere or use that as a stepping-stone for some other professional faculty or whatever. What really, I think, opened my eyes, after getting to know a little bit about what she was studying and talking to some of her professors, was the wide range of jobs that really is available for political science grads, which really took me by surprise.

So I would welcome all that can be done by government to make sure that there are choices available and, in fact, that students, when they graduate or ever before they graduate, are informed of those choices, particularly in the high school mode because a lot of students enter university not knowing what they want to do. That really concerns me because it is kind of a waste sometimes of people's time and effort. If they can channel themselves into something they want to do, starting, say, in Grade 12 or Grade 11, the more we can do about that, I think, the better for Manitoba and the better for our workforce.

I do not have any particularly new ideas, but I am just trying to ask the minister in terms of what they are doing, and in terms of whether or not they are particularly aware of the problem, and whether they are, in fact, doing something about it. But, getting back to the adult education area, I recognize that the minister just indicated that they changed the spending kind of formula for adult education based on programs, and not numbers of students in an adult education program. I believe that we need to ensure, though, that the barometer against which those programs are judged should be, perhaps, directed toward whether the skills training led to an engaging and financially rewarding employment.

\* (10:30)

Results-based spending, is this something that the minister would be working toward? Will he be working toward that in terms of trying, when he is financing programs, to look at results as opposed to just numbers of students and just, you know, programs themselves. I think we have to have some results for what we are spending.

**Mr. Selinger:** Yes, a couple of things, I just want to thank the member for putting forward some of his personal experience with young people going to university. I think he is right about that. I think young people, when they enter post-secondary education, in many cases, not all, are looking to try to figure out what they want to do and they explore a variety of things.

The University of Manitoba has innovated a program called University 1, where you do not have to lock in your choice in the first year. You take a basic set of courses, including one science choice is required. Then in your second year, you start getting a little more specialized. I think for most people that is a fairly effective strategy; some people know what they want to do. Some people wind up going down a course and then decide they want to reverse, and then they have to go back and pick up some credits and switch and do some other things.

So I think the universities have an obligation to help people understand the options that they get out of any discipline that they go into. I am surprised personally by the incredible popularity of political science these days. It is actually, I hear from lots of young people, that it is the course of choice for many, many young people, which probably means more scrutiny of the work we do here. I do not know if your daughter watches Question Period, but we should probably advise her not to in terms of the behaviour that goes on there. I would not want any of the pages in the Legislature to be discouraged by the behaviour they see in the Legislature in terms of pursuing their interest in public policy.

The political science degree, I think, is one good degree because it does have a policy focus as well as understanding our basic democratic institutions. But there are many other choices too that young people can pursue and we want them to do that.

The universities, I think, have tended sometimes to be a bit ivory-towerish in the sense that this is just good for its own sake, but not really been very helpful in helping bridge what that course could be in



terms of a future career option. Some of the offerings out there are more difficult to understand the connection to the labour market than others, like studying the classics. Where does that take you? I remember majoring in philosophy and wondering where the heck that was going to take me. It actually does give you a good basic preparation for certain things later, especially ideological questions and questions of basic values.

But we need to help young people translate their general education into career choices. I think the universities have an obligation. I agree with the member, also the high schools, the counselling programs in the high schools, I think, focus primarily on addressing various forms of emotional issues that young people have. I do not think the career choices they are making available are as proactive a part of the counselling programs. I think we could encourage our education system to devote some attention to that.

I think the advent of the World Wide Web and the Net provide just a plethora of information and choices for young people. They actually are quite skilled at using that tool, better than maybe we are, on finding things. But we need to help them find the sites that will provide them useful information. You can actually go on the Net now and pretty much tap in to just about any post-secondary institution in the world and go right into their course offerings and all the details about that. You can actually do many courses now by distance learning, in some cases.

So there are lots of choices out there, but how do you get the skills to discriminate about what are the right choices for you. I do not think we are doing enough there. I can tell the member I am interested in promoting that more, what government can do to help support that.

Now, on the second point about results-based. Yes, I think we do have to have results-based evaluations of our investments in government, in various programs. We do need to know whether they are generating value for the money and whether they are actually helping people move forward.

The adult ed programs, getting a basic Grade 12 education is not necessarily intended to direct you to a specific job. I think it is considered a preparatory form of education to bring your literacy and numeracy skills to a level so that, when you enter other programs for formal training, you will have the basics you need to get through that program, whether

it is a college or a university education or some form of apprenticeship.

So the most basic result of an adult education program is whether their level of literacy and numeracy has gotten to a certain level. We do do testing on that in Manitoba using international metrics to do that and national metrics to do that. We need to continue to do that, but I do not know that we can realistically expect an adult education grad to necessarily get a job directly because they got their adult education. It may be the first step on a process of getting into a skill set that will employ you in a specific area. So I think we have to understand it that way.

Red River College has been quite good at documenting whether their grads are getting jobs, and I gave the stat to the member yesterday, that 93 percent of the graduates of Red River are getting employed in Manitoba. I think that is a very heartening statistic, quite frankly. The number is quite high. So that is a good stat.

Universities, yes, they do track their employment grads. I think they track them in the sense how many grads have gotten employment within, say, a year of graduating, six months, a year, two years, et cetera. The numbers there are very strong too. I do not know if they track them by jurisdiction. I am not sure about that. I would have to check. We do not really tell them what to do there. It is up to them, but they do do tracking. I know that. I have seen many surveys over the years about—I know in the faculty I taught at we actually did track our grads, and we found pretty good results about their ability to get employment. Various faculties do that. But this is an important area that government can be a partner with the other institutions in. It is an area that we can do more work on in sort of linking the institutions with government and labour markets as we go forward.

**Mr. Hawranik:** Actually, just a short comment about my daughter. Everyone, because she is in political science, believes she will be a politician, but, to be quite honest with you, since she watched Question Period a couple of times, I think she has changed her mind after that. She does not watch it very often. She does once in a while.

In terms of results-based spending, it is something, I think, that we should pay more attention to, I think not only in Finance, of course all government departments. So I will give you an example, and that is in Transportation. Highway construction budget went up from about—a person

can argue about what the real budget is there, but highway new construction went from roughly \$100 million last year to a budget of \$129 million this year. That represents about a 29 percent increase in construction. One would believe that, well, you know, we are doing something for the state of our highways. I think it is a huge issue. Roads and highways are a huge issue in Manitoba, from the potholes to the lack of maintenance. It goes without saying, I think, that the minister probably recognizes that it is a big issue in the province.

While it is a 29 percent increase in construction, the new construction, reconstruction, really I noticed about a month ago there was an article in the *Free Press* indicating that there has been about a 25 percent increase in costs, roughly, of road construction from January 1 of this year alone, and due to, of course, factors that really are beyond the control of the Province, meaning the world oil prices because essentially that makes a huge difference to the cost of construction or reconstruction in any road.

I would like to get the minister's viewpoint given that kind of scenario, which is really out of the control of the Province in the first place, and given the fact that, of course, we would like to all believe that a 29 percent increase in the road construction budget will mean 29 percent more roads being constructed; in reality that is not the case. I am wondering about his ideas about whether or not we should be doing a more results-based budget. In other words, if we expect from \$129 million 129 miles of road to be reconstructed, and it costs now \$150 million, whether we should be a little more flexible in our budget in terms of trying to get results, as opposed to worrying about how much money is being spent.

I know the minister will say, well, you know, there is only 0.3 million dollars as a surplus in this year's budget, so how can you expect more money, say, in road construction? But, certainly, there would be other ways. March, April we know that the costs of road construction have been escalating. Perhaps we should be more flexible in terms of attempting to save money in other areas or cut back in other areas to make sure that we do get the results that Manitobans expect from our budget.

\* (10:40)

**Mr. Selinger:** It is a broad question. I agree with the member that our highway infrastructure is very important, and we need to get good results for our

investments there. There are cost-escalation pressures in all capital construction projects going on in the country right now.

What are the cost drivers? Well, the heavy demand for certain kinds of materials all across the world. Alberta is a big factor, but China is a big factor. There is just a huge demand for a limited supply of certain basic construction materials right now. You take a sheet of drywall these days; it is double what it was just a year and a half ago. I know that from personal experience. Everything is going up. There is no question about it.

But I do not accept, and I think the member would probably not if he was in my position either, that just because everything goes up, we cannot get more efficient in the way we do things. I think it is up to every area of government to find ways to be more efficient and get value for the money, even if the costs of inputs are rising.

That is why we have professional engineers in the highways department, and we do question them and we do have actually some very able people over there. They look at new ways all the time to make a dollar invested in a highway stretch farther and last longer: How you construct a highway, what are the materials you use, the productivity of it. We mostly construct highways through private contractors. How efficient are they in the way they do it? These are all fundamental questions that we need to continue to press on to get value for the money when we do these things. So, yes.

Then the other point, and I am not trying to get political here, but the member frequently harangues me about debt. All of these things have to be debt financed under our accounting rules, and if you want more at this time of the year, I am going to remind you of that when you start hitting me on the debt question in October because the two things have to factor together. It is finding the right balance.

We could have no debt if we spent nothing on highways, hospitals, schools, and IT infrastructure. We could eliminate our debt over a period of years, but the reality is we have to find the right mix of investments in our capital spending. This is why I always emphasize with the member, and I know the bond rating agencies do as well, it is the debt to GDP ratio. You want to grow your economy faster than any investments in infrastructure that contribute towards growth in the economy. So, yes, we are going to spend money on infrastructure, whether it is universities, whether it is hospitals, whether it is

schools, whether it is highways, whether it is information technology. We will make those investments to have the kinds of facilities we need that will allow the economy to grow faster than it would if we did not make those investments. So that is why I keep a very close eye on the debt to GDP ratio. But it does require debt financing.

Now the discipline that we have in debt financing is, I think, much stronger than it used to be, say, 30 years ago. Governments used to deficit finance budgets and then roll that into debt. We do not do that anymore. The debt we are using now is fundamentally for capital investments, and it has an amortization discipline attached to each specific type of investment: a building, 40 years; a highway, 20 years; a computer, four years; to give some examples.

So we try to make those investments to get productivity, to get economic growth. We write those investments off over a specific accounting set of rules, based on the nature of that asset that we have acquired, and then we manage that on a go-forward basis to ensure that we are getting a good trend on that debt to GDP ratio. So that is really the objective here.

Now, as the member knows, because we brought in The Gas Tax Accountability Act, we actually spend more dollars on highways and infrastructure than we raise in gas tax in this province, a significant amount more. Some of the lobby groups suggest that we should not count administration in that. Well, you know, every engineer that designs a highway is part of the input on a highway. They have to be counted. Your human and technical inputs into the infrastructure are a fundamental part of that infrastructure.

So we do actually put more dollars into infrastructure than we raise through the gas tax, which is very different from the federal government. Probably by a factor of 10 to 15, maybe 20 times the amount of money they collect on gas tax, \$165 million roughly in Manitoba, they do not put anywhere near that back into infrastructure in this province. So we are prepared to be accountable for the taxes we raise and how we dedicate them to infrastructure.

We do more than we actually raise in taxes on gas and motive fuel taxes, but I agree with the member, there are more investments that have to be made there. That is one of the things that we think might be positive in the federal budget. We think there may be some more infrastructure money there

that we can co-operate with the federal government on investing in key pieces of infrastructure in this province. The details of that are not transparent to us yet.

But we are going ahead with investments in key pieces of infrastructure, such as Highway 75, and we look forward to being able to partner on some other infrastructure agreements with the federal government on our infrastructure. It is a key thing.

The other thing I have got to say to the member, and I do not know how he feels about this, but our per capita contribution to municipalities is probably the best in the country. It is about \$229 per citizen. In the case of, for example, the city of Winnipeg, since that program started, it is worth about \$900 million of transfers, but there has been proportionately equivalent transfers to all the municipalities so we do share corporate income taxes. We do share personal income taxes. We do share the gas tax with our municipalities and no other province does this.

We are probably the most generous in the country. The only province that has a slightly higher per capita contribution to municipalities is Ontario, which was done under Mike Harris, but he also downloaded all the social services, all the day care and all the housing responsibilities under municipalities. They would argue they did not get a transfer equal to the responsibilities they have. We do not do that. We do all the social services in Manitoba now through a single tier. We are doing all the health care services, so we have taken over services and yet we have the most generous transfer to municipalities. I am feeling like, where do we see that in terms of infrastructure? I would like to see stronger infrastructure with the municipal transfers we make.

**Mr. Hawranik:** The \$129 million in terms of reconstruction that is in the budget, can the minister confirm to me how much of that \$129 million would go into debt versus on the profit-loss expense statement of the government, I guess the operating statement of government?

**Mr. Selinger:** I will get specifics on that for the member on what the capital debt amortization program is for the highway program this year. I do not have the precise number in front of me, but we will get that for him as soon as possible.

**Mr. Hawranik:** Would the minister recognize that, well, of course, the reason why it is going into debt I take it, or being amortized, not necessarily going into debt but being amortized, is because of the

Province's commitment to use GAAP, I take it? Because of using GAAP principles, would the minister recognize that, in fact, because he is doing that, the operating statement looks much better than it would and it allows him more leeway to increase expenses or to spend more in the province without showing a deficit? I think it really does because what you end up doing is not putting the whole \$129 million as an expense in the department. He has only got a \$3-million surplus from what I can see in the budget. If that GAAP was not used, that whole \$129 million, I would take it, would go into the budget as an expense, and, in fact, we would not have a surplus of \$3 million but we might have a deficit of \$126 million.

**Mr. Selinger:** Actually, the switch from cash financing of highways and infrastructure to amortization and debt financing them as required by GAAP made a very small difference because we had to bring on to the books our existing infrastructure that we had spent on and amortize that. So it was not like we went from spending \$129 million to say, spending \$12 million. The rest was amortized. We went from \$29 million to spending say, \$12 million or \$13 million on the current program plus we had to put on the books the amortization costs for all the previous infrastructures so the actual GAAP was maybe a million dollars or something. It was not significant, so the benefit was small, but the accounting transparency rules allowed us to comply with GAAP.

Before, when we cash financed it, we did not have to carry on the books any of that debt, even though it was cash financed. Under the new rules, we do have to carry it so the actual difference after we have washed the two out was quite small. I would have wished we could have had a huge difference then we could have done more in terms of actually building infrastructure in that sense, but we really got a very small gain out of that.

We were able to meet one of the Auditor General's critique's on the way we were doing it. It took a long time but the Finance people in our Department of Finance in co-operation with the Department of Government Services and highways had a lot of due diligence to do to identify all the assets that had been paid for in the past, to identify their amortization schedules and to put all of that together and bring that forward into the new accounting system as we went forward. But I can tell the member there was a very small gain there.

\*(10:50)

**Mr. Hawranik:** I believe last year in Estimates, the minister indicated that there was about a \$10-million difference. I would have to check the record, but it was around a \$10-million difference. If he can get back to me, he may not have it right off the top. He did mention a million dollars, but could he provide me with details as to what the real numbers are in terms of the real difference? I know a million dollars is probably a guess.

**Mr. Selinger:** Yes, I will get back with specifics on that. I do not have the exact information, but I can see my officials actually feel they have homework now as a result of your question. They are going to get on it right away, and we will get that to you as soon as we can.

**Mr. Hawranik:** The minister made a comment about The Gas Tax Accountability Act and how we are spending more money on roads than we take into the province in terms of gas tax. It seems to me that the Province, in order to justify that, is really including more expenses than it really should be. I have checked the terms of the act, but I know that the critic for Transportation always has taken the position that, of course, you know, if you keep putting in more salaries that really are not justified or you keep putting in more expenses that are not justified according to the act, then, of course, you can justify anything, that your expenses are higher than the gas tax that you collect.

Hopefully, you have done an analysis in terms of whether or not the expenses that are actually brought into that equation actually comply with what is in the act, and it is not something that is questionable. It is direct, I would hope.

**Mr. Selinger:** Yes, that has been done. We have looked at it to make sure it is fair and reasonable that the overhead expenses and professional expenses attributed to the highways program are legitimate, and the Auditor General has agreed to it. He has allowed it to be shown that way in the Public Accounts and signed off on it. Of course, the Auditor General has the right to go in and check anything they want anytime they want.

But, no, there is no padding in there. There is no attempt to try and inflate it. We are just reflecting the real cost of mounting the program.

**Mr. Hawranik:** My next question is in terms of job creation again. If the goal is to provide people with jobs that are well paying and meaningful and tap into their talents, I think we need an environment that

enables business to create and to maintain those jobs in the first place. The question becomes how much corporate tax relief is warranted as opposed to increases in program spending. I think that is the trade-off there.

When I look at the budget, the budget just presented, it seems that there are eight times more program spending than tax cuts. It seems like for every \$8 of new spending, there is only \$1 in tax cuts. Obviously, the minister presented the budget, so he agrees with it. Are there any plans on changing that formula in terms of spending versus tax cuts and trying to give Manitobans a little more of their money back?

**Mr. Selinger:** Well, first of all, we do not follow a rigid formula of saying we are going to allocate a certain amount to spending versus a certain amount to tax cuts. We try to come up with a balanced program that maintains government as an affordable resource to Manitobans and at the same time provides them with the goods and services that they expect from a government. Every year there is a set of judgments that go into that, as to where do we have to deploy our resources to get the results we need.

Our per-capita spending in this province is recognized universally by independent agencies such as StatsCan as being the second lowest per capita. So there is no Cadillac government being offered in Manitoba that is high priced and expensive. You could actually argue the contrary if you wished, but I do actually think we have a fairly efficient level of government here given the kinds of services we provide.

We provide, and I have said this in my budget consultations, 42 percent of our budget is health care. About 23 percent is Education, 10 percent to 12 percent is Family Services, and Justice another 6 percent to 7 percent. I mean, these are all programs that are driven by human demand, by needs in the community. They are very difficult programs to manage because you cannot just sort of say no to certain kinds of needs as they emerge. You have to find a way to constructively respond to that.

I see questions every day from the members of the opposition demanding more drugs, demanding more this, demanding more that. As a matter of fact, I think the questions on spending versus tax cuts are probably higher than an 8 to 1 ratio. They are probably 20 to 1 in terms of the questions I get from the opposition for more spending versus the

questions I get for tax cuts. The member opposite is sort of the tax-cuts guy, at least at certain parts of the year, but I do note in the rest of the year I get a lot of pressure, and other members of our government get a lot of pressure for why are we not spending more here, why are we not spending more there, more on highways, more on hospitals, more on emergency rooms. I do not get any questions for more on daycare, mind you. I have noted that. But there are many, many questions demanding more spending from the members of the opposition.

So we try to keep government affordable. We try to keep it providing good quality programs and services, and we try to do that while continuing to remain competitive on the tax side, as well as the service side, and it is never easy. I do not actually think there has been one budget that I have been involved in that has been easy, because the pressures and demand for resources and the demand for tax cuts always outstrip what you have available in each year, and there are always certain uncertainties you have to work with, too, when you go into the forecasting part of what resources you have. We have a lot of challenges on doing our forecasts to make sure they are accurate and will be sustainable.

So it is an art based on the best analysis you can get, and we try to make sure that we remain competitive and do a good job. I honestly do believe, not just because we are in government, I just think that provincial governments are good-value propositions across the country generally. I think they do the most onerous services, the most human-needs types of services because of constitutional responsibilities, and I think they have the most pressures on them versus other levels of government.

Now, in some jurisdictions, municipalities provide a lot more of the human services. In most other jurisdictions, municipalities deal still in social assistance and primary health care services. We take a lot of those responsibilities at the provincial level here. So it is a question of finding the right mix.

Now, 65 percent of the jobs that have been generated since we have been in office are private sector jobs. If you look at Stats Canada, I do not think they are actually accurate on this. They actually say that we have had a dramatic decline in public-sector employment, and the last numbers I saw it showed about a 3,000 decline in public-sector employment. That seemed to me to be a bit exaggerated, but generally the public service has remained pretty stable in terms of its size. There has

been growth in the health area and in the education area which are priorities where we have been told people want more services in.

**Mr. Hawranik:** I note the minister likes to quote Stats Canada when the statistics perhaps favour him, but when they do not, he discounts it. [*interjection*] I followed your cue. That is what I always thought.

I think the minister's comments about us demanding more spending on this side of the House, well, I take issue with that. We are not demanding more spending. We demand more results for what we spend, and there is a difference. In fact, we think there should be more tax cuts than spending, and I think when the minister describes me as a tax-cuts guy, he is probably accurate in that respect. Certainly, I think we have to do more tax cutting to ensure that our economy grows, and I am not denying that the government has done tax cuts. I have never said that you have not. I just said you have not tax-cut fast enough or in step with the rest of Canada. So, as I say, it is not fair to characterize the opposition as asking for more spending. I think you have to characterize us a little more often as demanding more results for what we do spend.

Result-based spending, I think, is pretty important, and I would ask whether the minister supports that, and if he does support it, what measures is he taking to ensure that we do get results for what we spend?

**Mr. Selinger:** Well, every department is expected to present a budgeting request which attaches to it the results they are going to get for the spending. So results or performance-based spending is something where departments are expected to come up with strategic plans on how they want their budget to achieve certain results in program areas and in areas where they are responsible.

\* (11:00)

That is a fundamental part of the budgeting process, and every year we try to hone that requirement for showing value for money and results a little finer with each department. It depends on the type of program. Some programs are easier to show results in than others, are easier to quantify than others. But, in all cases, every department has a requirement to give us an indication of how that money will add value to the quality of life in Manitoba and make a difference now. So that is just a fundamental requirement of how we do budgeting in Manitoba.

**Mr. Hawranik:** I appreciate the fact that budget requests and, obviously, that is before the budget is prepared, the departments come to the minister and they say, at least, I take it that what they do is they say, well, this is the amount of money we want and this is what we expect to get.

My question, though, is what follow-up is being done once the money is spent, it is over with. What measures is the minister taking with respect to whether or not, in fact, they did produce results? If they did not produce results, what is he saying to the departments in that respect, and how is he counter-acting that disconnect, if there is one?

**Mr. Selinger:** As the member knows, the budget cycle in Manitoba is an annual cycle, so, when they come in, they get questioned and they have to show results for the previous year's resources they have. They have to do an annual report on the department by department basis, which discusses what they have accomplished. The specific programs are reviewed not only by internal audit, but by the Auditor General. We have service purchase agreements with agencies that we contract with. There is just a variety of instruments that are used.

In the health care field, we have to show what we are doing on waiting lists in certain areas. In education, there are instruments that evaluate whether students are learning and how effective they are learning with some sort of international and national comparers. The Healthy Child program does longitudinal as well as summative research every year on the results they are getting for the investments we make there. The member might remember the discussion document that I put out last summer, performance measures on a wide variety of indicators throughout Manitoba: environment, economy, poverty, a whole variety of them.

I can make a fresh copy of that available to the minister if he wishes. It looks like a copy is coming forward, as I speak. So we have a document, the first in its history in Manitoba that tries to show what is being achieved in Manitoba. Perhaps, you could provide it to the Member for Lac du Bonnet (Mr. Hawranik). Thank you.

That was the document that we put out that has never been done in the history of the Province before. So we are trying to put in front of the public what Manitoba accomplishes for the investments we make with their tax dollars throughout Manitoba. We have asked for feedback and comment on that from anybody who wishes to do that. They can come

through a variety of forums to let us know what they think of that. We are going to continue to move forward on providing measures of what is happening in Manitoba, whether they are environmental measures, social measures, economic measures, health measures, early childhood development measures, conservation measures. All of these things are going to be an important part of how government provides accountability to its citizens as they go forward.

**Mr. Hawranik:** I would ask the minister, in terms of value for money, I take it that the ministers are obviously looking for efficient ways of spending money. I do not think that there is any minister that does not try to do that and try to do the best job no matter what party they represent, but in any event, they probably are. But, of course, ministers do not always have full control. I do not think there is any minister that has ever had full control over their entire budget and knows where the money is actually being spent before it is spent.

I guess my concern is whether or not your employees, the civil servants, are in fact doing the same. I am sure that they are trying to do the same. Are there any incentives, are there any measures being taken by each department, by your department, by other departments? Are there any incentives for civil servants to look for efficiencies and to try to save money within a department? I think that is an important part of it all. You have to have some kind of incentive to do it. I know it is their job, but sometimes people need an incentive to do a better job than what they are doing now.

**Mr. Selinger:** I think the member raises an important question. There is no question, that, at the level that we function at, it is a high overview of what is going on. There are many levels, tiers as to how we deliver a public service, and all public servants, in the first instance, are trained to put service as their No. 1 priority, quality of service, efficiency of service as their No. 1 priority. That is what they are trained. They do not operate in the private sector. Their objective is not to make a personal profit. Their objective is to provide the best professional service they can, and we have invested money in training our civil servants in improved policy analysis. We have given them leadership growth opportunities. We have given them tools to do better analysis of programs, cost-benefit analysis, equity analysis, environmental analysis, various forms of analysis to understand what a specific program is intended to accomplish and whether it can accomplish it more efficiently in a certain

configuration versus another configuration. That is a very important part of equipping our civil servants to do these things.

Senior managers have to ask the people delivering the programs to be accountable for that in terms of the data they collect and the outcomes that they measure. When we contract with outside groups to do that, we ask them to do that as well. It is not easily done in all cases. Some forms of evaluation and review are more complex than others, particularly in human service areas. These things get challenging. It is pretty hard when you are providing policy advice to know whether your policy advice has made a difference because the variables that go into a policy decision start with information and analysis, but they also go through, as the member knows, various stages in the Legislature and intergovernmental. So, sometimes, it is not easy to see whether the inputs you have had have made a difference, but we can, over time, get a sense of whether we are making progress on a variety of these things.

I think we can get more sophisticated and more skilled on developing the instruments to do that, and there are a number of them out there. That is why I have put that report reporting to Manitobans out there on performance measures. There are a great variety of tools that we can use, and we are starting to use more and more of them to make sure that the money we put out there—I think the member and I would agree that we do not want to spend money inefficiently.

Now, can he or I know every program is doing a perfect job? Highly unlikely, but can we ask that we look at a culture of continuous improvement? Can we look at every year through the budgeting process and throughout the year and ask ourselves, can we get more results doing this program this way versus an alternative way? Can we use the different policy and legislative and budget tools available to us in different mixes to get better results? We have to do that. There is just no question about it, whether it is keeping our soil clean as we go through a water protection act, whether it is reducing the number of unwanted teen pregnancies, whether it is getting literacy levels up in the province, whether it is reducing crime in the streets. All of these things we have to be accountable for, not 100 percent accountable in the sense that it is all the responsibility of one individual, but accountable in the sense that we make a contribution to that with other tiers of government, with our community

partners to make sure that things are getting better for people. That is why you go into public service, and I think if you stop doing that, it is time to not be here. So I am committed to doing that. I know the people I work with are committed to doing that, both the elected officials and the professionals.

I think we are committed to doing that, and it is not easily done. Sometimes there are some great barriers to getting things moving forward. Sometimes the conditions that we are trying to address are far larger and more difficult than originally anticipated, and you are chipping away at these things. You are chipping away at these processes, and I think the tools we use to measure outcomes are very important.

If the member looks at this book, we tried to sort of classify the areas that we want to make improvements in, four areas: economy, people, community, environment. If the member would go to page 5 just to sort of show the macro breakout of how we classified the different areas where we want to make improvements. So, for example, in economy—the Education ministers do not really like this, but we included education in the economy, not because it is the only purpose of education, but education economic opportunities.

\* (11:10)

So what are we doing on post-secondary? What are we doing on literacy? What are we doing on income? What are we doing on employment? Topics that the member and I have canvassed together this morning.

On people: Health and early childhood development, two main categories.

Health status: Access and quality, readiness for school, parent-child interaction; we are trying to get measurements on all of those areas.

On community: Building communities and social supports, two broad categories. What level of citizen involvement do we have on building communities? Well, one of the indicators that I found very interesting that was there before we showed up was the charitable giving in Manitoba. I think it is the second-best in the country on a per capita basis. That is a pretty strong indicator that Manitobans care about their communities, care about the social services that are provided, the charitable activities that we do. We would like to know if that is going in a good or a bad direction. We have had excellent conversations with organizations like the Winnipeg

Foundation, and we have supported some of their initiatives to build community-based foundations in rural areas, so that people can take some of the money they have earned and make an investment back in their community, whether it is a social group, a cultural group, a seniors group, a heritage project or an environmental project.

Community development and then social support, housing and safe communities, all of these things. Environment, environmental management, climate change, water quality, which I have discussed, protected areas, meeting Kyoto targets and renewable energy.

So we have tried to come up with a broad list of goals that we want to achieve for our community in Manitoba, categorize them into areas of activity that government has a role in, and then break them out in a way that we can identify indicators, and then look at those indicators over time to see if we are making progress.

This is not a perfect document by any means. It obviously can be further developed, but it is a pretty ambitious beginning to taking a look at. I think it is a pretty good document upon which we can build further progress in the future and be accountable for results.

**Mr. Hawranik:** One thing I failed to do but was asked to do, on the record in particular, is that we have agreed to accommodate the minister's schedule. He has got, obviously, something else to go to that is quite important, and just to put on the record that we will be rising at 11:45 this morning, without any further Estimates being done until Monday. Would that be correct? I just like to confirm that.

**Mr. Chairperson:** I will just canvass the floor here. Is it agreed that we rise at 11:45? *[Agreed]*

**Mr. Selinger:** Yes, I would like to thank the member for that accommodation. I had an engagement that I really cannot miss, and I appreciate the member giving us that flexibility today.

**Mr. Hawranik:** Okay, my next question relates to, and I know the minister gave us an overview in terms of reporting on Manitoba's performance, and I will certainly read that discussion document.

We are talking about the broad aspects of results spending, results-based spending. Getting back to something very specific, there may be occasion in this budget, as I am sure there were in others, where different departments may underspend their budget.



They may be able to provide the results in their own department with less money and that is always a good thing, as long as they provide the results, of course.

If there are surpluses and, given the fact that highways reconstruction budget, the reconstruction budget that is there now may not meet the results that the minister would have hoped for because of increased construction costs due to steel costs and asphalt costs and so on; in support of that, would he be prepared to make a recommendation that the highways reconstruction budget become a priority item, in terms of maybe even spending more than \$129 million, provided that savings are realized by other departments?

**Mr. Selinger:** Well, first of all, the infrastructure budget, or the highways budget in Manitoba has been a priority under our government, as evidenced by increasing contributions to it. As to the larger question, would I be able to make it an even higher priority in the future? That is not a question that an individual member answers on behalf of the government. We go through a budgeting process where we set priorities. We have a dialogue with the public. We do budget consultations. We do discussions among the caucus. We do discussions among Cabinet. After all those processes are worked through, we determine the mix of resources that we want to deploy in the province every year.

Obviously, the member of the opposition's job is to press us on areas that they think we should put more priority on. We listen to that as well, but it would be inappropriate for me to individually commit the government to re-allocating resources from unknown departments, unidentified departments to the Highways budget in year. First of all, I do not have the mandate to do that, nor the authority to do that.

But, if the member is saying to me, will I take into consideration his concern about a higher priority in more spending on highways in the future, the short answer is, yes, but it has to go through that proper process every year, though, the budget cycle. Then we see what comes out versus other priorities. Then the member will question us and demand accountability as to whether we have got the right mix. Then, of course, I will be ready to respond.

**Mr. Hawranik:** Of course, with respect to the minister's last comment, I hope he agrees that that is my job to do that, and I—

**An Honourable Member:** Absolutely.

**Mr. Hawranik:** It is not just because I want to personally do it; it is my job. So that is the way it is.

**Mr. Selinger:** As it is mine.

**Mr. Hawranik:** That is right.

In my view, the government really should develop a long-term plan for tax reform that really should be designed to enhance our economic strengths. I think we need a multiyear plan, and I know the minister might respond saying, well, you know, he has got a multiyear plan in the budget. You know, this year we have got this many tax reductions, next year we have that many tax reductions. Of course, when you point at the corporate tax reductions, it goes into 2008.

But that is only one part of a tax reform plan or a long-term plan. That is not the whole part of it all. I think we need a multiyear strategy. I think we need to create a climate in this province in which business can function over the longer term. I think we need economic certainty, and that is really all that business wants. They want certainty for the long term.

My question to the minister is: Outside of what he has done in the budget, in terms of a tax reduction this year, and one next year, and, possibly, one the third year, are there any plans to come up with a long-term tax reduction strategy for the province?

**Mr. Selinger:** Well, the member is correct. We do have a tax plan that is part of an economic growth plan in the province. We have been rolling out over several years. It is not normally my style to pat ourselves on the back as a government or to take credit, but I would point out to the member that I would ask him, on an objective basis, I do not think you could find a government since the Second World War that has done more to reduce taxes in this province. I think you would be hard-pressed to find that. That is a just a straight objective statement that I would be willing to be challenged on by the member opposite.

We have made taxes more affordable. We have reduced the corporate tax for the first time since the Second World War. We have reduced small business taxes. We have increased the threshold for small business. The small business tax reduction will be in the order of 67 percent when it finalizes. It is at least 50 percent right now. The threshold has increased by 100 percent.

Personal income taxes are down by over 20 percent. We have eliminated entirely one entire tax in this province; never done before in the history of the province, the education support levy. A \$34-million reduction in this budget; started out over \$100 million, \$98 million. That \$98 million of tax revenue has completely evaporated from the provincial bottom line right now.

So the member would always like me to have a more forceful—he says that all the private sector, or all he wants is economic certainty. Well, the whole world wants economic certainty. You know what? I think you have got to have a plan B, because there is no such thing as economic certainty in this world. The science of economics is still the dismal science. Just about all predictions are wrong. Present company excluded, of course. I should not slag my staff too much, but the reality is that economic forecasts are always challenging, and the quest for economic certainty, by any sector of the community, unfortunately, is not available.

\* (11:20)

What we can make available to people is a commitment to work with various sectors of the economy, various sectors of the community to help them thrive under any conditions. Nobody predicted the run-up on the dollar in the last two years. Nobody predicted the dramatic increase in oil and gas prices in the last two years. Nobody predicted that the President of the United States was going to invade Iraq and destabilize one of the major centres of oil production in the world. Nobody predicted the difficulties that are going on in Nigeria right now that are affecting oil and gas revenues. Nobody predicted that Katrina would whack New Orleans and take out a major chunk of the American economy and create insecurity all over the world with respect to climate change. The few people that did predict those things were ignored. They were said that they were kooks. Nobody predicted September 11 and what that did to corporate tax revenues in Canada and the United States, the dip in the international economy.

So there are a lot of unpredictable factors out there and tax reductions or tax affordability is one element of that. But, if that is your only focus for making the economy competitive, I humbly suggest you have missed the point. You have got to have investments in education. You have got to have investments in infrastructure. You have got to make sure you have a sustainable environment. You have

got to make sure that you have proper respect for human rights and labour market conditions so that people have some choices in a society. You have got to have a priority on social justice so that people are not feeling that only some are benefiting from growth in the economy while others are not. All of these things are elements of building a cohesive community that can prosper in the future.

**Mr. Hawranik:** Well, I certainly agree that tax reduction is only one element to growing a prosperous economy. I do not think I have ever suggested that it was the only method of doing it. But, certainly, when I see possibly where the government is not acting as fast or as quickly as other provinces, I have to have some concern. That is why I bring it up.

No, I have not looked at what our tax reductions have been since the Second World War compared to what you have done in the past seven years. I have not done that comparison. I will not go back to the forties and fifties. I am not interested really in what happened in 1940, 1950. I am only interested in your performance as a government since 1999, and how we have compared to other provinces and whether we are continuing to maintain or whether we are actually maintaining any tax competitiveness at all with other provinces.

What the minister has to remember is that we have had in the last seven years probably the greatest increase in revenues available for the province of any seven-year period of any government. Certainly, he has an obligation, I believe, to ensure that some of that increased revenue, whether it is federal revenue coming into the province or whether it is increased tax revenue coming into the province, that a fair share of that goes to tax reduction. It is not all just about spending. There has to be some incentive for individuals, for entrepreneurship, and to stay here in the province. So I believe that tax reduction is an important part of economic growth.

I am somewhat concerned, as every budget goes by, and I recognize the fact that he does have some plans this year, he obviously is implementing some tax reductions this year in 2006-2007. He has announced a little bit in 2007, particularly with respect to corporate tax reductions and possibly 2008. My concern, again, is business certainty. Businesses need to know, individuals need to know what level of taxation they can expect in the future. That is important, I think, to our economy.

My question, I guess, to the minister is: Does he not believe that a five- or a six-year tax reduction plan is necessary, and does he not believe that certainty is required in our economy, particularly as it relates to tax reductions?

**Mr. Selinger:** Well, if the member looks at page D1 in the Summary of 2006 Tax Measures in the budget book this year, he will see \$115 million of '06-07 tax reductions, and, when they fully roll out, \$165.766 million of tax reductions in a wide variety of areas touching on just about every dimension of personal and business taxes, as well as property taxes. This is not insignificant; this is significant. It builds on a record that we have established every year. There has not been one budget that we have put out that did not have tax reductions in it.

So, if past performance is any indication of future performance, we have delivered year-over-year tax reductions inside of Manitoba, while at the same time we have reinvested in infrastructure, while at the same time we have reinvested in education, while at the same time we have reinvested in our health care system, while at the same time we have invested in young families and children to make sure they get a healthy start, while at the same time we have invested in our northern and rural communities to make sure that they have opportunities and are not excluded from the future at the same time as we have invested in rural areas, including the area the member represents, which he knows fully well.

But, no, the reality is there has been a growth in revenues in the province and that is based on the fact that we have had a very prosperous economy, and the member should remember that the ability to generate revenue as a government is fundamentally attached to the health of the economy. Our economy has grown \$12 billion. It has grown by over 33 percent.

I know the member would not give this government any credit for that, but, if he was government, he would be saying it is because we have a Conservative government that the economy has done so well. I do not say that the government is the only factor in growth in the economy. It is a contributing factor, an important contributing factor, as the member would acknowledge, through the tax regime it has and the spending programs it has. Interest rates are another factor. World economic conditions are another factor. Commodity prices are another factor, as we have seen the struggles in the rural areas. Low commodity prices have made traditional oil and grain

seeds farming activity very challenging. Weather is a factor.

There is a whole variety of factors that go into growth in the economy, but through the hills and valleys of the economy of the last seven years, we have been consistently growing. We have a diverse economy. We tend not to do as well in terms of growth compared to the petrol economies to the west of us in the good times, but we tend to do better in the tough times because of the diversity of our economy. We strategically look at how we can build and further economic growth not just in new economy areas but in traditional economy areas, including manufacturing, including agriculture where we know we need more value added, and taxes are a part of that.

Also, for example, in the manufacturing sector, we have done lots on corporate taxes, capital tax, small business tax and R&D tax credits, but we have also invested in things like Lean Manufacturing initiatives so that they can be more efficient in the way they produce their goods because they no longer can rely on a low dollar being their competitive advantage. They have to have state-of-the-art technology, the ability to generate good products at good marginal cost rates.

We have also invested in advance composites, for example, in certain areas of manufacturing. I have to give the industry credit. They took a leadership role. Certain individuals, for example, at Boeing took a leadership role in advance composites here, but government has partnered with them as well as the universities to put an advance composites centre together. Our industrial production centre, with a virtual reality investment, now is located right beside the advance composites centre. So collaboration between the private sector, the public sector, the non-profit sector and our educational institutions has been a good model to advance our ability to generate wealth in this province and to maintain our competitive advantage.

**Mr. Hawranik:** I take it from the minister's answer that he is not really prepared to answer my question about a long-term tax reduction strategy, but, having said that, just a brief comment in terms of what he said. In terms of economic growth, that GDP growth has increased by \$12 billion since '99, well, the minister has to acknowledge that all economies have grown in Canada, not just Manitoba's. I think the key to the whole issue about GDP growth is not necessarily how much we have grown but how much

we have grown in relation to other provinces' economies.

I know the minister likes to be selective with Stats Canada statistics. He will accuse me of exactly the same thing, but the fact remains that the last six years, the economy, the GDP growth or the economic growth in Manitoba, real GDP growth, has been at a rate less than the national average in each of the last six years. When you look at other provinces in Canada, even Newfoundland has had economic growth above the national average in at least one of those years, even P.E.I., and so on.

\* (11:30)

I think that is the issue. The issue really, I think, is not necessarily how much we are growing because, obviously, there is a good economic climate, not only in Manitoba. There is also one in Canada, in the United States and, in fact, around the world. The question remains as to whether or not we are falling behind, as opposed to keeping up to other provinces. That is critically important to retain our young people in the province. I think the minister probably recognizes that. I am sure that he recognizes it is important to have a strong economy and to ensure that we compete with other provinces. I would be surprised if he did not agree with that, but I am sure he does.

*Ms. Marilyn Brick, Acting Chairperson, in the Chair*

In any event, getting back to taxation and so on, the chambers of commerce have indicated that one of their greatest needs for their members is to eliminate, or at least substantially reduce, the payroll tax. They believe it is really a tax on business for increasing staff and increasing wages.

I am asking the minister whether he has any plans, in light of what the Chamber of Commerce and businesses have been saying across the province, to eliminate that tax and what his thoughts are on that tax. Of course, he raised the threshold, but that is only one of the methods. In terms of tax reduction, I think what you have to do is have a long-term plan to reduce that tax substantially and perhaps eliminate it. I would like to have the minister's thoughts in that respect in terms of the payroll tax.

**Mr. Selinger:** First of all, the member suggested that I did not answer his question about a long-term tax plan. Right off the hop, in the very first question, I said we have a long-term tax plan and we have implemented it every year, so I have answered that question. I, in no way, tried to avoid that. I answered

and then I elaborated on it, so I just want the record to be clear on that.

The member suggests that the issue is growth relative to other jurisdictions. As the member knows, our growth has been quite dynamic in the last seven years. Our economy has done quite well to the point where we have certain areas of labour shortage that we have to address.

The member also knows that even Stephen Harper, in the federal election, when the former Prime Minister Martin was claiming that he was the harbinger of the strong economy that Canada had in his former role as a Finance Minister, Stephen Harper said that the Prime Minister of the day, Paul Martin, should not take any credit for high oil and gas prices which are set at the world level. In other words, he was suggesting that Paul Martin was claiming too much credit for high oil and gas prices. High oil and gas prices, as well as potash prices and as well as uranium prices, are what are driving some of these economies including the province from which the new Prime Minister comes, Alberta.

So, if we take his words as being accurate, the economies that are doing better than us, it is not because of what they are doing; it is because of high world prices driving up the price of oil from 22 bucks a barrel in '01 to \$65 to \$70 a barrel now. The member never mentions that when he accuses me of not doing as well at nurturing the Manitoba economy as these other jurisdictions.

The endowments of natural resources under our Constitution have been made the jurisdiction of provinces. If all natural resource revenues were accruing to the federal government, the growth in jurisdictions would not be as big a factor because all those revenues would go to the federal treasury, and they would presumably invest them back into Canadians on an equitable basis across the country. The reality is that, because these natural resource endowments accrue in terms of ownership to provincial jurisdictions, some jurisdictions benefit off that more than others.

Then the issue is what do you do with the endowments you have. I do not think there is any doubt that we have taken our natural endowments such as hydro-electricity and we are moving on developing those endowments to the advantage of Manitobans.

We have another resource in Manitoba, a natural resource, that has been completely ignored historically: wind power. We have some of the best wind power in North America, completely off the radar screen in any previous government in the history of this province. We have recognized that we have a natural endowment, a renewable natural endowment, which, presumably, will never go away, that can be used as a form of economic development for rural communities. We have put in one of the largest wind-power projects in Canada down in southwestern Manitoba, in the St. Leon community, in partnership with the community and private investors. That was because of government vision and foresight that that happened, that we brought that to bear.

*Mr. Chairperson in the Chair*

Biodiesel, another renewable source of fuel being developed in rural areas by local entrepreneurs, we have incented that, never done before in the history of the province. Ethanol, an industry that was languishing for the last 20 years, we have taken advantage of that potential to grow the ethanol industry in Manitoba, and we have provided a legislative framework that will have a mandate for a mix of up to 8, 10 percent ethanol in our fuels in this province, which will be a source of economic development for farmers.

So we have done a number of things. We discussed yesterday the announcement on hardwoods in the member's region that have all taken a look at what strengths we have and how we can build on those in a sustainable way to grow our economy. Every province ought to be doing that. I do not think you can find a province that has been more proactive in building on its natural endowments than Manitoba has, but there is a different mix of endowments across the country.

Mr. Chairperson, one of our key endowments is our people, and we have been investing in our people in a record way through our college expansion initiative, through our university investments, through our Healthy Child investments, through our day-care investments, through our immigration program bringing more people to Manitoba, through partnerships with Aboriginal communities. All of these investments are what grows your economy, what grows your capacity to have a stronger community.

We have been doing those things. So, when the member says that our taxes are not staying

competitive with other jurisdictions, actually, evidence suggests otherwise. Evidence suggests, for example, on the Manufacturing Investment Tax Credit, it is one of the best marginal rates of taxation. When you take the Manufacturing Investment Tax Credit into account, it is one of the best tax credits available for the manufacturing sector anywhere in the country. That did not come from us; that came from the federal government when they evaluated that. Our small business tax regime is in the top two in the country.

So there are things we are doing to make our taxes competitive at the same time as we invest in developing our natural assets, at the same time as we are investing in our people, at the same time as we are investing in our infrastructure.

I think the debate about the mix of those investments is always a legitimate debate, but for the member to continuously say that we are not doing as well as some other provinces, which, through no credit of their own or fault of their own—I do not think any premier of Saskatchewan, Alberta or British Columbia had anything to do with the price of oil or gas. I do not think they would even claim credit for that, but they know they are getting the benefit of that. So I will leave that at that stage for now.

**Mr. Hawranik:** Getting back to GDP growth and what the minister said with regard to our growth in GDP, it reminded me, I guess, of some of the comments made by the minister and the Premier (Mr. Doer) lately about GDP growth in Manitoba. Of course, I acknowledge we do not have the revenues, the oil and gas revenues, that are available to Alberta. Of course, we do not have that.

But, when the minister—I cannot remember whether it was the Minister of Finance or it was the Premier—when he used the excuse that Manitoba was not performing as well as the national average because, well, first of all, if we excluded agriculture, we would be better off. We would actually have a higher GDP growth than the Canadian average. Then he went on to say, he cited rain as being the reason, and it was. There was no doubt about it. The rain was certainly the reason for bad agricultural performance last year and the year before, but what he failed to do—and I do not know if it was the minister or the Premier; perhaps the minister can clarify it—but what he failed to mention was the fact that all that rain had offset some of agricultural losses, and Manitoba Hydro made more money as a result.

So my question is: Why did he not mention that?

**Mr. Selinger:** Well, the member raises an interesting question. What do you count in the equation of economic performance? What do you count out? We simply stated that the Manitoba economy broadly had performed extremely well, except in that area where, through no fault of farmers, there had been very difficult crop growing conditions because of the excess moisture, which for the first time in the history of this province is covered under the crop insurance program, an excess of moisture coverage which has paid out over a half a billion dollars in support payments in the last couple of years. Then the critique I got was, well, gee, if you are going to factor out agriculture, you will have to factor out Hydro.

I will tell you what. I will factor out Hydro if Alberta, Saskatchewan and British Columbia factor out oil and gas, because both are set by world commodity prices and the natural endowments that they have to work with.

\* (11:40)

So all we were saying was that the Manitoba economy globally performed very well, except in that area, through no fault of anybody's. Weather conditions were challenging, unless, of course, you want to get into the climate change discussion and ask whether climate change is a factor in creating some of those adverse weather conditions in this province. Then we could start going to who is creating the most climate change problems. That would be a very interesting discussion. I do not know if the member wants to go there right now, but it opens up a number of intriguing avenues of thought. I am not going to get into that stage right now.

So the member says, why did you not include those Hydro revenues? Yes, Hydro did very well. Well, I noted that, in the year that Hydro had a very dry year and they lost a lot of money, the member was relentless in making that my personal responsibility that Hydro had a very bad year and that that summary budget loss of \$450 million was my personal fault that the summary budget had been out of balance because Hydro lost a whack of money that year.

You know, I was not actually in any way trying to be partisan. I was simply pointing out the facts, as the Member for Steinbach (Mr. Goertzen) likes to do in a non-partisan way on a regular basis, as well as the Member for Lac du Bonnet (Mr. Hawranik).

**An Honourable Member:** Fair and equal.

**Mr. Selinger:** Right, especially on crime issues.

Anyway, the reality is that the Manitoba economy being a diverse economy, having a strong entrepreneurial cultures, having a number of natural advantages that it can work on, actually has performed extremely well in the last couple of years. Agriculture has been a challenging area. In one year we had a very bad year on Hydro because of the dry conditions, no question about it.

But you look at other economies. Are you going to try and tell me that the high oil and gas prices are the result of anybody's entrepreneurial or political skills in Alberta? I think we have to acknowledge that they have incited the development of those resources, but nobody predicted that the price of oil and gas would triple in under five years. The driving factors behind that, in terms of economic security, well, if you ask any political pundit, they would suggest that one of the reasons that oil and gas prices are high is not because of economic security. It is because of political insecurity, political uncertainty in the global community.

What are the factors in the political insecurity or uncertainty? The Middle East, the invasion of Iraq is a big driving factor. That is a huge source of world energy. Nigeria, that is a huge source of world energy. Climate change issues or weather-related issues, more properly put, with respect to natural disasters such as Katrina and the impact that that had on the oil and gas industry, all of those things created concerns about supply, security of supply of those resources and drove up the price. The beneficiaries of those prices are certain provinces because they happen to be the owners of those natural resources under our constitutional regime.

Then the member says: You have an increasing reliance on transfer payments from the federal government and what a horrible thing that is. Well, I can tell you that the most rapid growth in transfer payments has been to Ontario and Alberta and British Columbia, not Manitoba. They have seen the most dramatic increase in their transfer payments. I think I have here a document on that, if I could ask my able deputy to yank that out for me so I can put some stats on the record.

They have seen the most dramatic increase in transfer payments, not Manitoba, at the same time as they have had record increases in natural resource royalties.

So, when you have a federation, and I know I only have a few minutes left. Perhaps, we can carry on this conversation—*[interjection]* Actually, I think we will, because in spite of your bravado you are not as mean as you look.

**An Honourable Member:** Count me out.

**Mr. Selinger:** Yes, exactly.

The reality is that, when a federation has natural resources allocated to provincial jurisdictions, they need a mechanism to share the wealth across the country. In Canada, we use equalization. Switzerland uses another mechanism. The United States tends to allocate on a leverage basis. For example, when the United States tries to equal out opportunities for North Dakota versus, say, a state like New York, when they build a highway—

**Mr. Chairperson:** As we had previously agreed to rise at 11:45, committee rise.

#### FAMILY SERVICES AND HOUSING

\*(10:00)

**Madam Chairperson (Bonnie Korzeniowski):** Order. Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Family Services and Housing.

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

**Mrs. Mavis Taillieu (Morris):** I just want to start with a few questions in the Estimates book, on page 27, the Social Services Appeal Board. I notice that the expenditure for Other Costs and Benefits is quite increased from last year from \$70,000 to \$120,000. I am just wondering if there is an explanation for that.

**Hon. Christine Melnick (Minister of Family Services and Housing):** We found that the Social Services Appeal Board, while being a quasi-judicial board, the members were not being compensated at the same level as the other quasi-judicial boards. So we went to the Compensation Committee of Cabinet and realized that it is important to have the Social Services Appeal Board in the same per diem scales as other quasi-judicial boards. That is what is reflected in the number on page 27.

**Mrs. Taillieu:** So there are no more staff there, they have just been given wage increases?

**Ms. Melnick:** Per diems are for board members, not for staff, and there has not been an increase in the staffing at the Social Services Appeal Board.

**Mrs. Taillieu:** What is the per diem?

**Ms. Melnick:** The current per diems with the increase are reflected as such. The chairperson receives a biweekly stipend of \$230 for administrative work plus \$138 for a half day and \$243 for a full day. The members receive \$79 for a half day and \$139 for a full day. Just to give some clarification, a half-day session constitutes 3.5 hours of work and can represent as many as four hearings. Normally, a full day of hearings would be comprised of a morning and an afternoon.

**Mrs. Taillieu:** Thank you, Madam Chair. How many times would these board members meet in a month?

**Ms. Melnick:** That varies by board member; it varies by the number of appeals that are brought forward to the Social Services Appeal Board. I think it is important to recognize that there is representation from around the province and that the Social Services Appeal Board deals with issues that have been brought forward from the E and IA area of the department mainly and that there is a lot of work that is done to prepare for hearings. There is then the hearing and then, certainly, the discussion after. So the board members are able to determine, based on their availability, what hearings they will go to, how many they will attend, and that is left up to them.

**Mrs. Taillieu:** Thank you. Have there been an increased number of appeals?

**Ms. Melnick:** I do not have a chart, and I am not sure what time frame the Member for Morris would be referring to.

**Mrs. Taillieu:** Well, I am just looking in last year's Estimates books and it says 800 projected appeals. This year's Estimates book says 800 projected appeals. It seems to be that a lot of the Estimates books are just repetitive from one year to another, and this may be part of that, because when you look through the book a lot of things are just the same as they year before. So I am wondering if that is an actual projection because it appears like it is just a reprint from last year.

\*(10:10)

**Ms. Melnick:** Well, we have up to February, the beginning of February, 2006.

I have a couple of documents to go through here. One is the number of appeals that the board has handled in the last fiscal year. To February 2006, there are 624. In 2004-2005, there were 703. In 2003-2004, there were 777. In '02-03, there were 714, and in '01-02 there were 825.

So it appears that numbers have been going down. Certainly, when we look at the difference between '01-02, which is 825 and '05-06, which is 624, we see a difference of 201. What the board does is when they are preparing their Estimates to prepare for their budget they project what they believe might be the total. So we see the projection in '06-07 being 800, which may or may not be the number that they actually deal with in any given year. But they just want to make sure that their projections would cover what they believe might happen. If numbers come in less, as we are seeing over the spread of the last five years, then to my mind that is a good thing. That means that there is less need to appeal and that it allows the board members still to choose which hearings they will be going to, which hearings they will be preparing for. This is a board, again, that is quasi-judicial and that deals with very, very interesting areas, actually of E and IA, and I think they have done a tremendous job.

I would like to at this time recognize the work of Dave Schellenberg, who has been our chair for the last number of years. His final term will be expiring, I believe, at the end of this month, and he has really brought a lot of leadership and knowledge. His background was as a social worker working often on the front lines of income assistance, working with people through difficult times in their life, and certainly his compassion and depth of knowledge and concern for people has shown its way through the leadership he has shown on this board. So I would like to thank Dave very much for everything that he has done and let him know that this government very much respects and appreciates the effort that he has put in as chair.

**Mrs. Taillieu:** I would like to ask some questions around the review that was called for by the authorities to account for the children in care. I believe that they showed initiative and took it upon themselves, which was the right thing to do I think, to have an accounting of all the children who are in care and who would have recently left care. I know that the minister refused initially to do this and felt that it was going to be covered in the internal and the external review, but I am happy to see that she lent her support to this in the end.

I would like to ask some questions around that. There have been many questions and we know that that review is now completed, and we still do not know publicly what the results are. We will be looking forward to that, and certainly our concerns around that would be that we would like to make sure that any children that may have been deemed to have been at risk or unaccounted for that the appropriate action and steps have been taken to make sure that any children that may have been at risk have been put in a safe environment.

So there are some questions that I think Manitobans are anxious to know. It is a very serious situation where we see 31 children that have died in the last five years, nine in the last one year, and that is a very terrible thing that we must address. So I think that the reviews that are ongoing, the one conducted by the authorities, the internal and the external reviews are very good starts in there, and I hope that those will provide answers. I still have some concerns though that the answers we need to really get will be to look at the whole system of how we deliver child welfare in the province, just look at what things in this system work well, what things in the system are not working that well and how can these be addressed.

I think when things go wrong in other departments they can be corrected, but when things go wrong in the Department of Family Services there are very human consequences and I think that deserves immediate action. That is the reason why I need to ask these questions because I do feel if children are at risk that this situation must be addressed immediately.

So I would like to ask the minister to please cooperate in this and provide answers, because the answers I am seeking are basically that I would like to know—I know that the review is completed; I know that there will be a report coming—but in the meantime I think I would like to be assured that any risk situations that were identified have been taken care of.

So I would like to ask the minister how many, if any, children were found in this face-to-face review to have been considered to be at risk in the situation they were found in.

**Ms. Melnick:** I think it is important for the Member for Morris to recognize that we had worked with the authorities through the development of the review. I know she likes to misrepresent, and her approach, as the approach of all members opposite, has been to



continually attempt to undermine the child welfare system here in the province of Manitoba.

She has continually put misinformation on the record. She has participated with her friend the Leader of the Liberal Party to have a little game of putting candles on desks in the House one day. She, along with her colleagues, were even using the situation to ring the bells in the House because they just did not want to do any work for a number of weeks. When we talk about concern for children in child welfare, those sorts of antics just do not really fit under that model.

In B.C., there was the Hughes inquiry, which was brought about by the withdrawing of funding for the child welfare system in B.C. to review some 700 deaths of children. Judge Hughes came out with his report and he made many recommendations, one of which was that funding should not have been withdrawn. When we look at the record of this government on funding in child welfare we see that there has been some \$80 million infused into the child welfare system. That is an increase of about 75 percent. There are more monies in this budget, and I am glad that the Member for Morris and her counterparts—I am not sure if I should include the Liberals anymore; I am not sure if they are still friends, but we will see in the House—are seeing that it is much more rational to debate the budget. It is much more rational to talk about the budget. I encourage them, if they are concerned about children in care in this province, to support this budget as it does include increased funding.

\*(10:20)

The other main recommendation of the Hughes report is that the child welfare system in Alberta does not reflect who is in the child welfare system. In fact, Judge Hughes was very clear in his recommendation that an Aboriginal face must be put on that system. In fact, he recommended the devolution of child welfare.

We, of course, have done that in Manitoba. At the last provincial and territorial meeting, Manitoba presented a presentation on the devolution of child welfare in the province here to the other provinces and territories. I would like thank the ADM, Peter Dubiński, for accompanying me to that meeting and for his very eloquent presentation there. The result of that was that the B.C. government actually asked members from our Child Protection branch to go to B.C. and talk to them about the devolution here in

Manitoba, as they are in the beginning stages, I believe, of a devolution.

I credit the government in B.C. for that. Of course, the government in B.C. was also very supportive of the Kelowna Accord, as this government is.

It is time, Madam Chair, to begin to treat the Aboriginal people of this country like Canadian citizens and to end these third, fourth, fifth world conditions that they are subjected to.

Now, what I wanted to point out was when this review came out in B.C. and was released, the Leader of the Official Opposition, Carole James of the New Democratic Party, took a very different position than what we have seen in the attempts to undermine the system here by members of the opposition and the Liberal Party in Manitoba. She said this is a very serious issue. We recognize this is a serious issue, and we want to be part of making the system better, that we want to be part of what could be improvements. We want to work with whoever is working on this issue in the best interests of the children.

Madam Chair, that is political leadership. That is really saying we are concerned about the children. We are not going to attempt to score cheap political points just to try to get a headline, that we are going to work in the better interests of the children. It is continually disappointing to me to see the tactics of the members opposite on this very serious issue.

So I would encourage the Member for Morris (Mrs. Taillieu) to have a much more constructive approach. I know that she comes forward with phantom sources and a whisper campaign against the workers, and I think that also is very inappropriate. It is time for her to start naming these sources. It is time for her to also start recognizing that she is talking about people who are professionals, who have many years of experience. What she says and the way she conducts herself is not supportive of them, and, in fact, I believe, very hurtful. I think it would be very appropriate for the Member for Morris to apologize for the way that she has gone after people in the system, for the way that she has tried to create an atmosphere of a whisper campaign against people who have worked very hard, under very stressful situations when dealing with vulnerable families, vulnerable children, and that she serves the people of Manitoba, but, mostly the children who are at risk, no good service when her approach is one of undermining, misinforming, little

games that she plays. I think it would befit, the official critic—

**Point of Order**

**Madam Chairperson:** The Member for River Heights, on a point of order.

**Hon. Jon Gerrard (River Heights):** I know that the minister is quite partisan at times, but I kind of think that the extent of the attack on the opposition critic is a little bit unwarranted at this point. Maybe the minister could answer the question.

**Madam Chairperson:** The Member for Minto, on the same point of order.

**Mr. Andrew Swan (Minto):** On the same point of order, Madam Chair. The minister is answering a question that was posed to her by the Member for Morris (Mrs. Taillieu), and she was given a wide latitude to answer that question appropriately, especially given the antics of the past two months.

**Madam Chairperson:** This is not a point of order. This is a dispute over the facts, and, just a reminder, a point of order should not be used to ask a question, dispute the accuracy of facts or clarify remarks which have been misquoted or misunderstood.

\* \* \*

**Ms. Melnick:** It would be most appropriate for the Member for Morris and the Leader of the Liberal Party to apologize to the workers for the antics that they have carried on with. I think it would also be most appropriate for the Leader of the Liberal Party to show the sort of leadership that was shown by Carole James in B.C. and, instead of attempting to undermine the system, attempt to work with us and with the others who are looking at ways to make things better here in Manitoba.

**Point of Order**

**Madam Chairperson:** The Member for River Heights, on a point of order.

**Mr. Gerrard:** The minister is making very misleading statements. I think that they should be stricken from the record and the minister should apologize.

**Madam Chairperson:** The Member for Minto, on the same point of order.

**Mr. Swan:** Well, I do not know if the Member for River Heights needs to get some wax out of his ears, but I believe just about two minutes ago you

explained the parameters of a point of order and it is a dispute on the facts.

**Madam Chairperson:** This is, again, not a point of order. It continues to be a dispute over facts. I would just like to take a moment to caution all honourable members, not necessarily on their language here in the committee today, but on the temperament of the words spoken.

While I recognize that at times discussions in committee can become heated, I would ask that the members keep their remarks temperate and worthy of this Assembly and the office that we all hold. This is for all members of this committee.

\* \* \*

**Ms. Melnick:** So I will continue with my response to the question from the Member for Morris (Mrs. Taillieu). The Hughes review found that B.C. had a confusing regime for the review of child deaths and critical injuries, which was compounded by extensive changes to the child welfare system and years of severe budget cuts.

Manitoba's system for child death reviews has been in place for many years. In the case of child deaths or critical injuries, the police are involved in the first instance. If a child dies, the CMA may do a review of the case based on Section 10 of The Fatality Inquiries Act—

**Point of Order**

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** On a point of order, Madam Chair, I am not asking about the Hughes case. The question I posed was: If there are children at risk right now, how many have been identified?

That was the question, and I believe that the minister is not even attempting to answer the question. I have asked a very simple question. I am just asking for an answer.

**Madam Chairperson:** The Member for Minto, on the same point of order.

**Mr. Swan:** I believe the minister is endeavouring to answer the question in a full way, talking about the child welfare system in Manitoba. She is also talking about lessons which we are able to learn from other jurisdictions, in particular British Columbia, where there has been a judicial report that has made some very interesting findings on child welfare in that province.

\* (10:30)

**Madam Chairperson:** We continue to have a debate on the—this is not a point of order. It is, clearly, a continuing dispute on the facts.

I would like to remind all honourable members that their remarks should be kept relevant to the matter before the committee. As our Rule 75(3) states: "Speeches in a Committee of the Whole House must be strictly relevant to the item or clause under discussion."

In the consideration of the current department, however, a global discussion has been agreed to allowing for some latitude in the scope of questions and answers. In a debate such as this one the entire department's Estimates are effectively the matter under consideration. However, within the context of this agreement, I would like to ask members to keep their contributions relevant to the department under consideration. I respectfully ask for your cooperation in this matter.

**Ms. Melnick:** Madam Chair, my comments are, in fact, very relevant to the question. It shows, again, that the Member for Morris is not—

**Madam Chairperson:** I would ask, if you have point, comments are allowed in committee as long as they are not disrupting the proceedings. I would appreciate that you keep your comments until you have a question. Thank you.

\* \* \*

**Ms. Melnick:** This reflects, as I was mentioning earlier, the Member for Morris' ways of attempting not to deal with the facts, instead of understand the whole system and be supportive of the difficult situations there, just wanting to ask little questions—

#### Point of Order

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** I would like to make a point of order here. If the minister is saying that I am disputing the facts, could she please say which facts?

**Madam Chairperson:** The Member for Minto, on the same point of order.

**Mr. Swan:** With all due respect to the Member for Morris, that is not a point of order. She does not raise any rule in her question.

**Madam Chairperson:** The Member for Inkster, on the same point of order.

**Mr. Kevin Lamoureux (Inkster):** Yes, on the same point of order. Madam Chair, you know, I did get the opportunity to listen as I was sitting inside the Chamber because we are afforded the opportunity to have an ear piece so we can tell what is happening in the committees. I understand that the Member for Morris has put forward a fairly simple, straightforward question and the minister has gone out of her way to avoid answering the question.

*Beauchesne's* is fairly clear in the sense that you do expect some relevancy, also, to the question that is being asked, otherwise, if the minister chooses not to be relevant, one could be suggesting that she be filibustering her own departmental Estimates, which is not appropriate when an opposition member is trying to ensure that there is accountability within the minister.

I would suggest that the Member for Morris does have a valid point, if not a point of order, Madam Chairperson. The minister should take note of that.

**Madam Chairperson:** This is clearly, again, not a point of order. It is a dispute over the facts. I would like to repeat that in a debate such as this the entire department's Estimates are effectively the matter under consideration and a global discussion has been agreed to allowing for some latitude in the scope of questions and answers.

\* \* \*

**Ms. Melnick:** The interesting part about this for me, Madam Chairperson, is if members opposite would have listened we would have been well on to several other questions now, but I will continue with the question that was asked some time ago and hope that this time they will be prepared to listen.

The structures in place here to review deaths of children have been in place for quite a long time and are part of the Section 4 of The Child and Family Services Act as well as Section 10 of The Fatality Inquiries Act. The point that I am wanting to make here, Madam Chairperson, is that the review that was just undertaken—

**Madam Chairperson:** Pardon me, but your time is up.

**Mrs. Taillieu:** I would just like to note for the record and for the listening and reading public that this is a tactic that we see all the time with this minister. When she does not want to answer questions, she stalls and makes all kinds of ridiculous statements. I think that is really unbecoming of a minister. I think

that she should be ashamed of herself for this and her government should be ashamed of her. I think that, as a minister, she has a responsibility—

#### Point of Order

**Madam Chairperson:** The Member for Minto, on a point of order.

**Mr. Swan:** I think it is very telling that the Member for Morris talks about irrelevant, ridiculous statements when the minister has described the result of a very serious review in British Columbia, specifically dealing with Aboriginal people. That appears, unfortunately, to be the view being taken by the Conservative Party of our Aboriginal Manitobans.

**Madam Chairperson:** The Member for Morris, on the same point of order.

**Mrs. Taillieu:** Well, the member does not have a point of order, Madam Chair. In fact, he is misleading in those comments. That is just untrue.

**Madam Chairperson:** This is not a point of order. It is clearly a dispute over the facts, and I would like to take a moment to caution all honourable members on their language here in the committee today. While I recognize that at times discussions in committee can become heated, I would ask that members to keep their remarks temperate and worthy of this assembly and the office that we all hold. Thank you.

\* \* \*

**Mrs. Taillieu:** Thank you, Madam Chair. I would just like to give examples of the types of questions that I have been posing to this minister and her lack of attention to answering and the way she has been stonewalling.

On March 27, I wrote to the minister and I asked her: In light of ongoing concerns, I am writing to request clarification and further information on the following. I asked her about this family support innovative fund. I asked her what the status of the CFSIS, the computer system within Child Welfare, how that was working. I asked her what the ratios were of workers to computer terminals because I understand that these kinds of tools are necessary to do the jobs that so many people have difficulty doing under this minister. I asked her about transition. I asked her about how many new hires there were and how they were fostered and mentored into full-time employment, and how they came with a lower caseload and then were increased to a—I asked her that on March 27. I have not received an answer.

On March 28, I asked her: In light of ongoing concerns, I am writing to follow up on the recommendations in the inquest report into the death of Nadine Beaulieu. How many of the 71 recommendations have been implemented and when were they implemented? I appreciate your clarification. No answer.

On April 6, I wrote to the minister and I asked her: I am contacting you in regard to information either myself or members of my caucus requested from you during the Committee of Supply on March 21 and 22. You indicated that it would be available as soon as possible. I also went on in this letter to ask for the terms of reference of the internal and external review. I have no answer.

On April 12, I wrote to the minister and I asked: Further to the ongoing concerns that are being raised by Manitobans about the care, protection and safety of children, I am writing to further request information. I would appreciate receiving a copy of the province-wide risk assessment standards that are provided to front-line workers. It would be helpful to receive a full and complete copy of the document. I have also heard concerns from front-line Child and Family Services workers that case files were sealed in archives in November of 2005. Are files available to new agencies, authorities and CFS staff or are they sealed in archives? I am simply asking a question. I have no answer.

On April 21, I wrote to the minister: In light of recent articles on Child and Family Services, Aboriginal children receiving care from Child and Family Services and adopting children from Child and Family Services, I have a few questions of clarification. I am asking again for clarifications around adoption. No answer.

On April 26, I wrote to the minister: In light of ongoing concerns about the delivery of child welfare throughout Manitoba, I have a few questions of clarification. I ask: How many additional workers are hired to assist with conducting face-to-face reviews? How many of these staff are already working for CFS? How much overtime is put in to date? Are front-line workers expected to be putting in longer days? I am simply asking this in light of I understand that there is a huge number of children to see and it is a very big job to conduct all these face-to-face interviews.

\* (10:40)

I asked again: How many staff have been hired or seconded to review the decisions that led to the closure of 6,000 to 10,000 files, and what is the plan regarding how these meetings will be conducted? Will there be face-to-face meetings in overall file review or just a sampling of a few? More questions. No answer.

This is on February 24. I wrote to the minister asking her for clarification on the number of child care spaces just in light of some discrepancies in numbers, and I do not believe I have received an answer to that. Yes, on April 26, two months later, I did receive a response from the minister outlining the number of child care spaces, so I stand corrected on that.

But my point here, Madam Chair, is that I have asked a number of what I believe are legitimate questions to the minister in the form of a letter, and a very reasonable letter, as you can see, and I have not received those answers. So I was hoping to come today to receive some answers instead of being stonewalled. I guess I just have to believe that the minister either has not got the answers or is unwilling to provide the answers.

I would like to simply start again here and ask again, I am really seeking clarification here. I know with that face-to-face review of accounting for the children who are in care and the children who have recently left care—I believe it is just the children who have been open-case files that have been reviewed—I would simply want to know, for the sake of the safety of the children, if there were children who were assessed at risk, how many were there and what has been done to protect them? I think that is a very straightforward question.

**Ms. Melnick:** Well, I think we all just learned from that that the member writes a lot of letters but does not seem to read the ones that she gets back. She might want to check her files a bit.

Again, on the question of the review, the open-case review, it is very important to recognize—and I hope the member who has emphatically stated she wants information today is now prepared to do some listening, maybe some learning, and maybe her questions in the future will be more based on fact. So I am asking her to be co-operative in listening to the answers that she has just told us she so desperately wants.

I think we need to talk about the child welfare system here in Manitoba and recognize that the

face-to-face meetings with children who are in care is a standard procedure, is a standard process within the child welfare system here, as with most other systems. The only thing that was a bit different here was the 30-day face-to-face, and I do have a letter that I will table. It was sent to Mr. Jay Rodgers who, we established yesterday, is the Acting Executive Director of the Child Protection branch, and this is a letter that was sent earlier this week by Elsie Flette, who is the CEO of the Southern authority on behalf of the four authorities. It was a letter that was agreed to by all four authorities. I am glad that after a week of not paying much attention to it in the House, that the member is showing a little bit of attention here in Estimates.

When a child is in care of an agency, in addition to the standards around contact with family, the case manager has face-to-face meetings with that child as well. When the Member for Morris talks about, are there any children in the child welfare system at risk, the answer is that children who are in the child welfare system are at risk. That is why they have been brought into care. That is why there has been concern over them. That is why they are within the child welfare system. So I think we have to recognize that, again, these are very vulnerable situations, vulnerable children and families.

The provincial standards for case management are, for the first time, province-wide due to the devolution of child welfare. They are posted on the Web site. I know that the Member for Morris (Mrs. Taillieu) has wanted information. Well, all she had to do is check the Web site. They have been posted there for quite a long time. They are currently under review. They are currently under assessment and, when need be, can also have changes made to them.

There are standards with regard to the contact requirement of the Child and Family Services case managers to provide a minimum amount of contact with the family receiving services and with the child in care based on the degree of risk. Now, there is continual risk assessment. It can start at no risk when it is agreed that a family may have been in a difficult situation but may have worked well together and have been able to come together, and children have been returned to the home. That is a very positive outcome. Again, I credit the front-line workers and all the support within Manitoba for families and children to have positive reunifications. There is low risk when the home is safe for the child, but there is maybe some preventative services provided, maybe some family counselling, that sort of thing. There is a

medium risk when there is a concern that a child may suffer a degree of harm if they remain in the home without an effective, protective intervention plan. The decision is then made with front-line workers and the supports that they have to monitor closely and, at times, actually remove the child from the home. Then there is the high risk. That is when there is concern that a child is likely to be seriously harmed or injured, that there is some situation of great danger to them.

I think it is important to point out caseloads at this point in time. We know that during the nineties, caseloads were as high as 45 to 80 with no support. When the former minister, the Member for River East (Mrs. Mitchelson) was approached to help work with the community on caseloads, her response was Winnipeg Child and Family Services, an independent agency. So there was absolutely no movement by the former government, the Filmon government in the nineties, to work on caseloads. We know that Judge Gregoire wrote in his report that he was concerned about these caseloads. He realized that, by 2001, because of the work of, again, the agencies and the department and the former minister, the current Minister of Health (Mr. Sale), that there was an infusion of money that today there are 113 new front-line social workers in the child welfare system and that caseloads, excluding respite, adoptions and voc rehab, are now 28 and that that is with support staff as well who do a lot of the phoning, a lot of the arranging for meetings, et cetera. So, when we look at children at risk in the child welfare system, we recognize that children who are in the system are at risk of different levels, that can be a high risk to a low risk, and that there is continual contact and work with the children. Also, the devolution of child welfare has brought us into more of a model of working with the family as a whole.

\*(10:50)

**Mrs. Taillieu:** Again, I am really seeking some simple answers. I think that it would be befitting of the minister to show some responsibility here and answer the questions. I understand, of course, that there are varying degrees of risk of children that are already in a risky situation.

But my question, I guess she does not really understand it, but I am really saying that when children are in care they will either be placed with a foster family or a group home or be reunited with the birth family or kinship care. With the number of deaths that we have seen, the 31 deaths in the last

five years, it begs the question of what is going wrong here.

So the idea to conduct face-to-face meetings to determine that there were children not lost in the system was a very good idea because as we know with the death of Phoenix Sinclair, this little girl was dead for nine months before anybody really noticed that she was gone, and she had extensive involvement with the child welfare system. It is just a horrendous situation where no one was checking on her for a length of time, lost track of her, I guess, because her file was closed.

So it is important to not only look at the cases that are open, the open cases where there is an open file, so to speak, on the child in care, but also to assess the risk of the children who have been released from care as in cases where files are closed. I know that the authorities did decide to do this as well, to look into the number of cases that had been closed in the 30 days prior to calling of this review, and certainly they were going to look even further back. But I think that it is important to know: How many of these children whose files were closed or the children left care 30 days prior to the calling of this review by the four authorities, how many meetings with these children have taken place?

**Ms. Melnick:** It is very interesting that the Member for Morris did not request the letter from the authorities signed by Elsie Flette. I will table it for the committee. So, again, we see the Member for Morris not really interested in information, not really interested in learning, and again not supportive of the work of the people in the child welfare system.

I will just quote from that letter about the open file review, and it is in the second paragraph, and it says: "please be advised that all of our respective agencies have completed their review of current cases. This included all open cases and cases which had closed within the last 30 days (referred to as current cases)."

Then it goes on, further down: "Agencies were also instructed to immediately attend to any concerns about a case arising from the review and they have assured us that they are following up on any concerns identified."

Now I know the Member for Morris will be wanting to jump on that and say, well, what concerns were raised, as she had asked in the House, knowing full well that it is inappropriate to and in fact breaking the law, which the Member for Morris does

not seem to have a lot of regard for, to be discussing this.

### Point of Order

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** Madam Chair, the member just said that I did not have any regard for the law, and that is just a ridiculous statement to make, I am sure. If she has any proof of that or if she wants to make any remarks about that, then I invite her to do so.

**Madam Chairperson:** The Member for Minto, on the same point of order?

**Mr. Swan:** Yes, on the same point of order. It is clearly a dispute on the facts. The minister's comments have dealt with questions that the Member for Morris has raised in Question Period which she knows, or I would hope in consultation with her caucus ought to know, are confidential and not able to be released to the general public. The Child and Family Services system has a very high level of confidentiality, and the member ought to be aware that certain questions she is asking simply cannot be answered by the minister, or, frankly, by anyone else in the child welfare system.

**Madam Chairperson:** The Member for River Heights, on the same point of order.

**Mr. Gerrard:** Yes. In this Chamber and in committees, all MLAs are honourable individuals, and I think that it would wise for the minister to recognize that.

**Madam Chairperson:** Thank you. This is clearly not a point of order. It is a dispute over the facts, but I would just like to take a moment to remind all members of this committee that, although the language has not been necessarily a question, I think tone can often speak volumes.

I would like to remind all members of the committee, and I am hearing from both sides, just a reminder that, as the Member for River Heights just stated, we are all honourable members. If we could attempt to keep a tone that allows courtesy of some respect for each other, I think that will go a long way toward keeping this discussion flowing productively and constructively.

\* \* \*

**Ms. Melnick:** Well, the Member for Morris (Mrs. Taillieu) may not like the responses. All she has to do is read Hansard if she does not remember asking

for specifics. I remember last year, her bringing, actually, a family member in, and the family member was going through a very difficult time. This was a pure exploitation of someone going through a very tough time in their life. The Member for Morris only needs to look at Hansard if she does not remember her actions in that way.

Again, we have seen the same behaviour in the House where members from both the Liberals and the Tories feel they can put forward misinformation, and then behave in a way that is inappropriate. When we call them on it, all of a sudden there are points of order, all of a sudden there are points of personal privilege. So, I think, if they are not wanting to be called on the behaviour, do not behave that way.

I will just continue on with the letter from Elsie Flette: "In total, based on a very preliminary review, we estimate that reports on over 14,000 cases have been received by the Authorities."

"Over the next few days," this is the next paragraph, "a more detailed analysis of the information will be completed. We anticipate that our final report will be completed by late May . . . or early June . . ."

And, the next paragraph says: "We would like to assure you that any concerns that are identified about any particular case are being followed up on by the Authorities. We will not be waiting for the final report to address such concerns." Some people might have a question about the number of 14,000 cases. Just to clarify, those include the current open cases for children in care, cases that were closed within 30 days of being open, and families who are receiving services.

So I would like to take this opportunity to thank very much the people working hard in the agencies, the people working hard in the authorities, and the people working hard in the department, and working together, working very well together in the best interests of some of the most vulnerable children in our province.

The Member for Morris talked about the closed case review. That is beginning. Staff are being hired. The discussion with the children and the families, et cetera, is continuing. *[interjection]* The closed ones is a file review. Again, it is my belief that if concerns are arising, that they will be dealt with in the same way as explained in this letter to Mr. Jay Rodgers, Acting Executive Director of Child Protection branch, from Elsie Flette.

I believe that a very good job will be done. Certainly, this has been done with the support of the department, and this is being done by front-line workers, who are professionals with expertise and have demonstrated day in and day out their compassion and their commitment to the vulnerable children of Manitoba.

\* (11:00)

**Mrs. Taillieu:** I want to thank the minister for this letter, and thank the authorities for taking it upon themselves the responsibility to conduct these face-to-face reviews which I felt was very important right from the very beginning, although the minister actually refused to do this. So I am very pleased to see that the authorities have done it, and I look forward to getting the final review.

My questions, today, were simply just to be reassured, and to reassure the listening and reading public that these questions are being asked and addressed for the most vulnerable children in care. I think that, again, when I ask questions and the minister responds by trying to make disparaging remarks about members of the opposition, I think that is just totally unbecoming of a minister of the Crown, Madam Chair. I think that that is just unbecoming behaviour.

I would like to proceed with some questions in regard to the internal review that the minister called after we continually called for that in the House, for reviews. Again, we have asked for the terms of reference of the review committees, both the internal and the external review committees. I know that the Member for River Heights (Mr. Gerrard) has asked for the terms of reference. I know that this review is ongoing right now, and we still do not know what the terms of reference of that review are.

I think that would be helpful to know what the terms of reference are, so I just ask the minister if she might be able to table the terms of reference today.

**Ms. Melnick:** Well, again, I will go back to the House. I have tabled that. I hope that the Member for Morris has read it, but we cannot be sure because we witnessed, just maybe 20 minutes ago, her claiming not to have a response to a letter about child care spaces, which was, actually, I believe, stapled—the response was actually stapled onto her written letter. So we can never be sure if she is actually using the information she is getting.

Again, I tried to share information this morning that she was not interested in, but if we need to get another copy of the press release around the reviews, we can get that for her and encourage her to actually read it.

**Mrs. Taillieu:** We all know that a press release is not terms of reference. Everyone knows that. I just do not know what I can say to that remark.

Again, if we are not going to get terms of reference, we need to know exactly who is on the review committee. What are they doing right now? I know that in the press release, we have been told for the internal review who the leaders are on the review, but my question is more as to who the actual people on the ground doing the work are. How many are there? I understand that they will be reporting in—actually I do not believe that there is a time frame for the internal review. Perhaps the minister could clarify when she expects the internal review to be done.

**Ms. Melnick:** The internal review, and again, we have the Member for Morris asking who is on the reviews and then reading the press release and finding out who is on the reviews, so we might be making a bit of progress here.

The internal review is a Section 4 review, and, again, it is covered under The Child and Family Services Act. The Member for Morris has stated today that she, in fact, does respect the laws of the Province of Manitoba. Again, that is progress. I am assuming she will not be demanding specifics from the Section 4 reviews dealing with the individual cases that will be reviewed.

The Section 4 review will be done in such a way that we have allowed the people who will be conducting the review to look at whatever number of cases they feel they need to look at. Now, that could take a short period of time. That could take a longer period of time. But I think it is very important when we are dealing with the seriousness of the issue that is at hand, because it is a bit of an open-ended review, that we allow the reviewers to take the time to do the work that they need.

So they are, I know, underway with their process. Again, I would like to thank the members of that team for the work that they will be doing on behalf of the vulnerable children in Manitoba and assure them that we will take very seriously the results of their review.



One of the points that I did stress right from the beginning is that if the members of the external review and the Section 4 reviews, at any time, have any recommendations that they would like us to look at and take action on that we encourage them to bring those recommendations forward as soon as possible so that we can look at them and work with them on that. So, if the Member for Morris is going to express concern about waiting for a long time before recommendations come forward, we dealt with that question. We dealt with that issue. There is a known understanding that if and when they feel that any recommendations should come forward that we are very open to receiving them as soon as they are ready to present them.

**Mrs. Taillieu:** Again, I just want to reiterate my comments about the behaviour of this minister as unbefitting to her office.

I would ask, again, though, it is quite unclear to me, I do not see that there is a deadline for the internal review. I am just curious as to when the minister expects to have either an update on the internal review or when is it expected to be completed.

**Ms. Melnick:** I have answered that question.

**Mrs. Taillieu:** Can the minister tell me the job title of Audrey McIlraith?

**Ms. Melnick:** I believe the official title for Audrey McIlraith is community liaison. We are going to confirm that. She does report directly to the associate deputy minister of the department. We will confirm that. If there is a correction to be made, we will bring it back. Otherwise, we will let stand what I have been advised of.

**Mrs. Taillieu:** When was she hired?

\* (11:10)

**Ms. Melnick:** Well, it was the latter part of '05. We do not have a specific date. If the Member for Morris is requiring that, we could research that and come back.

**Mrs. Taillieu:** Just for clarification, I believe the minister said that she reports directly to the assistant deputy minister. What exactly is her job description?

**Ms. Melnick:** The Member for Morris is incorrect. I said that she reports to the associate deputy minister.

Her job description is one of communicating with the many organizations that we work with. One of the challenges that our government has had has

been to communicate all the improvements that we have made, all of the positive things that we have done from the rapid re-enrolment within the EIA system to the \$100,000 trust fund for persons with disabilities, to the various support programs that we have around employment for persons with disabilities to working with the community around employment for persons with disabilities.

Certainly, we are hoping that people will hear about the new Manitoba Shelter Benefit which increases shelter benefits for various people who are struggling in low-income brackets. Madam Chair, certainly, we are hoping that people will know that we will not be clawing back from persons on income assistance the child allowance that has been brought in by the federal government; certainly, the residential schools compensation where Manitoba is the only jurisdiction in Canada to have entrenched in law the wording that there will be no clawback from survivors of residential schools for the compensation they are going to be receiving. So there is a myriad of positive improvements that this government has made, and it is a challenge to make sure that those who would benefit most receive it.

I was very pleased to see in the, I believe the report is called *Income in Canada*, the StatsCan report that showed that the drop in poverty from 1997 to 2003-2004 has been some 40 percent. We have gone from over 20 percent in the late 1990s to 12.8 percent in '03-04. We are hoping that, with the other initiatives that this government has led, we will see a continual drop in poverty, Madam Chair. But again, it is a challenge to communicate what we have done, and so Audrey's position is one of communicating with the community, working with the community, certainly hearing any suggestions that they have and having us all try to work together to better improve life for persons with disabilities, who, unfortunately, are often on income assistance and also low-income families and working with the community in the broad sense to help us bring about more improvements for individuals in Manitoba who are currently in need of assistance but may not always be in need of assistance. That would be a very positive thing for them and for all of us.

**Mrs. Taillieu:** Madam Chair, it sounds like the minister needs a person to be an internal public relations person within a department that is, as we understand to be, in quite a bit of upheaval. But I am specifically wondering if I could have her title and her job description tabled.

**Ms. Melnick:** Again, it would take a Tory to turn something positive into something negative. If she finds it a negative to be communicating with low-income people and persons with disabilities, the benefits that are available to them, it is a very sad statement that, as the critic on Family Services and Housing, she does not think it is appropriate to do everything that we can to attempt to ensure that those folks are receiving all the benefits that are available to them. Also, I am assuming she does not feel that it is appropriate to be working with departments like Advanced Ed through training programs, through various other programs to give people a hand-up rather than—

### Point of Order

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** Yes, Madam Chairperson, I think that the minister is making assumptions and reading that into the record where there is no fact there.

**Madam Chairperson:** The Member for Minto, on the same point of order?

**Mr. Swan:** On the same point of order, the member does not have a point of order. The minister is answering the member's question and answering it quite well, may I add.

**Madam Chairperson:** The Member for River Heights, on the same point of order?

**Mr. Gerrard:** In my experience, having been in the Legislature and attending committees since September of '99, committees can run a lot more smoothly if we stick to questions and answers rather than taking cheap shots at other members.

**Madam Chairperson:** I will take this opportunity to once again remind, first of all, this is not a point of order. Again, it is a dispute over the facts.

But I would remind all members to please, it is very difficult to define the tone. I would ask again to keep some temperance and keep a sense of respect for each other in this committee.

\* \* \*

**Ms. Melnick:** We have the title for Ms. McIlraith. The title is Community Development Specialist. We do not have the position description with us here, but we will be bringing it forward.

**Mrs. Taillieu:** Was she hired through a direct appointment or through competition?

**Ms. Melnick:** She was hired through a direct appointment.

**Mrs. Taillieu:** Is she hired on a full-time permanent basis?

**Ms. Melnick:** It is a full-time permanent basis hiring.

**Mrs. Taillieu:** Can the minister explain why there was no competition for this job?

**Ms. Melnick:** I am not sure if the Member for Morris is familiar with Ms. McIlraith, although I suspect she may not be. Just to give some of her background, she is an extremely well-respected member of the disabilities community. She is, in fact, a person with a disability. She is someone who is using a wheelchair on a permanent basis.

She has worked for the CPA for many, many years, has been a real leader in the community, and I know that she has been doing an excellent job in the two-way communication, both into the community and from the community back into the department. She is a tremendous asset, as is the position, to the department on making sure that our messaging is getting out on benefits available to people, but, also, getting recommendations, getting advice, getting a stronger partnership on moving forward.

\*(11:20)

**Mr. Kelvin Goertzen (Steinbach):** I certainly do not have the knowledge that my friend, the Member for Morris, does on this issue or the minister, obviously, so, if she could indulge me with some questions that I might kind of get myself up to speed on the issue.

I understood that there was not a competition. Certainly, the minister gave a fairly strong endorsement of the individual, and I would not dispute that. But, also, I am sure that there is more than one well-qualified person in the province of Manitoba and, perhaps, they would be out there wondering why there was not a competition, that they might have been able to apply for the position. So maybe the minister could just clarify that for me because I might just simply be missing something important on the issue.

**Ms. Melnick:** The Member for Steinbach has asked me to indulge him with questions. Perhaps it will suffice if I indulge him with answers.

This is a position that is very important. It is a position that is a two-way communication between

the department and the community. There is a lot to communicate. I do not think the Member for Steinbach was in the room when I was talking about the description of the work done by Ms. McIlraith, but one of the important parts of her job is to communicate to those who would benefit most the number of things, the large number of things that this government has done in working with benefits for persons with disabilities, persons who are in low-income situations, organizations that both represent and communicate back to those individuals.

Ms. McIlraith has been very effective in communicating the large number of things that we have done. I mentioned most recently the Manitoba shelter benefit. We are hoping that people who will benefit from that will get the information about it. One of the most important aspects of the new Manitoba shelter benefit is that, for the first time, single men with disabilities will be receiving a shelter benefit. It is very, very important that they become aware that they are eligible for that and, in fact, move forward on the registration work that is necessary to make sure that they are receiving it. Another is the announcement of us not clawing back from individuals on income assistance, the child allowance that will be forthcoming from the federal government, I believe, on July 1. So these are some of the more recent communications that Ms. McIlraith would be working with.

Her job is also to talk to organizations, talk to individuals about what recommendations they would have, what suggestions they would have, how we work together to better the situation for individuals who currently are in need of assistance, but who hopefully will not always be in need of assistance.

One of the areas that we are really seeing a drive for employment, and I really respect the individuals, is the area of disabilities. We have seen that persons with disabilities so long held out of the labour market, so long told that they could not be contributors, so long told that there was no place for them in the mainstream, in the paid labour force, in the area of contributing, being full contributors to society, I believe, part of it is the work of this government with the rapid re-enrolment policies, et cetera, have told us very clearly that they want employment. So we have established within the Department of Family Services, the area of disabilities, a unit that is dedicated to working with these individuals to find employment. I am very happy to say that well over a hundred persons with

disabilities are now working and contributing to the Manitoba economy and within our province.

So this is part of the work that would be done by Ms. McIlraith, both to communicate what is available for these individuals, but also to receive information back from them to bring to the department for us to work together on.

**Mr. Goertzen:** I am sure the minister heard the question but chose not to answer it, about the competition. I wonder if she could advise whether or not there is any discussion to open up this position with her officials in the department for a competition, or who gave the direction for it to be a direct appointment without competition.

**Ms. Melnick:** The decision to make a direct hire was made by the deputy, Milton Sussman, who has shown incredible leadership within our department. It is a large department; it is a department that deals with vulnerable people at difficult times in their life. It could be in the area of housing; it could be in employment assistance; it could be dealing with persons with disabilities. Milton Sussman has worked for a long time, both in volunteer and in paid positions with disabilities, persons with disabilities. He was executive director at Ten Ten Sinclair for a number of years. He also was chair of the national Child Care committee, secretary-treasurer of the national Child Care organization in Canada. He has, and continues, to make a tremendous contribution, and has shown, in my estimation, impeccable judgment.

When we realized that this position would be beneficial to the people of Manitoba who would be receiving the services, or we hoped would be receiving the services, of Family Services, Housing and Persons with Disabilities, that we realized that we needed to have the right person.

My understanding is that this decision was vetted with HR within the Department of Family Services and Housing, and I think it is very important to point out that we have an employment equity strategy that is supported by this government. It may not be supported by members opposite, but it is supported by this government, and wherever there is the ability to bring in a disadvantaged group, Madam Chairperson, it could be Aboriginal people; it could be persons with disabilities, that we are a government that wants to open the door and bring people in.

\* (11:30)

With, again, Ms. McIlraith's width and breadth and depth of commitment and experience and her unflawed reputation within the province and beyond, we felt that this was an appropriate way to make the employment equity policy live, that this was a way to, particularly it being a middle management position, that the decision was made to invite her to come and be a member of our department.

It is a very specialized job. It is a knowledge-based job because there is so much to impart to Manitobans about what this government has achieved and continues to achieve. It is also a job in which you need extremely well-honed interpersonal skills, which fortunately Ms. McIlraith also has as part of her strengths. So the decision was made and she began late last year. I am fully supportive of the decision and of the creation of the position and of the good work that I know she does.

**Mrs. Taillieu:** Can the minister indicate whether she knew Ms. McIlraith personally before she was hired?

**Ms. Melnick:** No, I did not. I had seen her at a few events but I did not have what, in any way, would be considered a personal relationship. I knew her certainly by her exemplary reputation and, again, it is our deputy who made the decision, and he made the decision based on her experience and the tremendous abilities she brings to the position.

**Mrs. Taillieu:** Can the minister indicate the salary range for Ms. McIlraith?

**Ms. Melnick:** Again, we do not have that information with us now. We will have to bring it back.

**Mrs. Taillieu:** Could I ask then that that information be tabled, along with the job title and job description?

**Ms. Melnick:** Sure.

**Mrs. Taillieu:** I would like to clear up a concern that I have, and it is a concern I have expressed to the minister before. It is a concern that has been expressed to me, and I have also expressed this concern to the Children's Advocate, and she was concerned about it. It is just in regard to the files, the Child and Family Services files that were reportedly sealed in archive in November of 2005. I would just like some clarification on that. What files were sealed in archives?

**Ms. Melnick:** During the devolution of Child Welfare, there were some 3,600 cases that were transferred. Authorities determined when agencies under their purview would be ready to receive cases.

So every transfer was subject to four different procedures, and I will just go through those.

The first stage was the joint transfer planning at the case transfer table. Secondly, there was prepared a written case transfer summary. There was financial and personal documentation required by the case transfer manual. Thirdly, there was what one might call a typical social work practice which included case review meetings among staff of both agencies so that there was communication about the child, any concerns, any positives, just a general discussion so that the receiving agency and the individual would know more about the child. Then there was a formal letter from the receiving agency acknowledging it was responsible for the transfer case before the sending agency relinquished its responsibility. This is to ensure that if agency A was transferring a case, agency B knew the case was coming to them. So this was a communication tool that was used to ensure everybody knew where a case was going and where a case was coming from.

Now, the volume was greatest in Winnipeg, Winnipeg Child and Family. So agencies were given the option to receive photocopies of part or all of the case files of a receiving agency. Because the volume was so high in Winnipeg, all of the materials were not transferred, but are available to the case workers in the new agencies.

That is, in fact, what I believe the Member for Morris is referring to. Again, she has not named the source of the concern. This is, again, a bit of a whisper campaign from a phantom source. I am sure she will not reveal her source today, if indeed there is one. Again, she is attempting to undermine and put in doubt the child welfare system in Manitoba. I do hope that she has been able to hear the information I have just imparted to her, that there were four steps, that the information on each and every file is available to the appropriate authority, to the appropriate agency and the worker.

**Mrs. Taillieu:** Madam Chair, again I just want to state for the record and for the reading and listening public that the member, when she gets herself into a corner and she cannot answer the questions, she tends to go on the attack. It is simply an undignified manner in which the minister is conducting herself again.

Again, my concern is with these files. Of course, when information is summarized and transferred, I have a concern, I believe, and others as well, that information that should be going with the child is

not. If it is an incomplete file, whether that is educational records, whether that is medical records, whether that is anything to do with social services or justice or anything, mental health records, whatever it could be, I think that what we would like to see is a complete file with all of the child's information transferred with them.

I know that the foster mom that I was speaking with was very concerned because she was changing agencies, changing workers. She had had her foster child for seven years and it was a very extensive file. In fact, I think she said if she stacked the file up, it would be about 10 inches high. So she was very concerned that the summary of this file was the only thing going with the case transfer. She was afraid that, if her child, her foster child, was taken from her care and placed in another foster placement or another home permanent placement, all of the information on the child would not be available. She had the information, but she was afraid that, if she was not the caregiver at some point in the child's life, that information would not be with the child. I think that is a valid concern.

\* (11:40)

Again, I am just asking for clarification. If these records have been sealed in an archive, the complete files, have they been sealed in the archive last year?

**Ms. Melnick:** Well, again, for individuals following this discourse, they will know that I, in fact, did just give very valid information responding directly to the question. The Member for Morris need not be so thin-skinned. She need just focus on the information that is being given to her and incorporate that into the body of her knowledge.

Now, previous to 1999, some 700 cases were transferred from Winnipeg Child and Family Services to on-reserve agencies, but what was not transferred, Madam Chair, were the monies needed to maintain these files and these children. That was a decision made by the previous government. This government provided the on-reserve agencies with some \$6.8 million over the last three years to make up for that shortfall.

The transmittal of cases from one agency to another, from one worker to another, is not an uncommon process in child welfare. In fact, it is quite a basic process. The transfer of cases has not really changed here. You know, the member, again, has made some accusation about an archive, some

deep dark archive gathering dust with files that no one can access.

### Point of Order

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** I think that when I was asking about—I just want to set the record straight here. I was asking for clarification. I was not making any accusations. I was asking for clarification.

**Madam Chairperson:** The Member for Minto, on the same point of order.

**Mr. Swan:** On the same point of order, I believe that the member is getting clarification. If she is not satisfied, she can certainly follow up with another question after the minister has completed her response.

**Madam Chairperson:** This is clearly not a point of order. Once again, it is a dispute over the facts.

\* \* \*

**Ms. Melnick:** Again, the member need just listen to the information. She need not respond in that way. She has, again, tried to undermine the system by suggesting that there is an archive with files locked up that no one can access. I have been advised that no receiving agency ever received a file unless they were satisfied that the file contained all of the information that was necessary. So, again, there was a lot of thought put into the process. There was a lot of planning and there was a lot of care during the transmittal of files

I think it is also important to put on the record that the rollout of the devolution took place over I believe it was an 18-month period, close to an 18-month period, throughout the province of Manitoba and that the rollout began—I believe there were seven areas of the province that the rollout moved through. The first area was the area with the least number of cases and that, in fact, was the Interlake Region. That transfer start date was November 23, 2003; Eastman Region, on March 2 start date, 2004; Central Child and Family Services, May 1, 2004; Parkland Region, September 20, 2004; NOR-MAN, or the northern region, October 18, 2004; Western Child and Family Services, December 1, 2004; Thompson, again in the northern region, April 4, 2005; and then the Winnipeg Region May 2, 2005, and I believe that rollout happened over a four-month period.

So there was a lot of good work done, a lot of communication done and a lot of sharing of information, a very open sharing of information, and I can assure the Member for Morris that there is not an archive in a deep, dark place with the rusted key lock and then the key thrown away, that there has been a lot of consultation, co-operation between front-line social workers, of which there are 112, 113 more on the front lines than there were during the 1990s. Caseloads are down to an average of 28, excluding adoptions, vocational rehab and respite.

I believe the workers did and continue to do a very, very good job as do the agencies, as do the authorities, and I also want to compliment the department.

**Mrs. Taillieu:** Madam Chair, did all the receiving agencies receive complete files?

**Ms. Melnick:** I have answered that question.

**Mrs. Taillieu:** Then, for clarification, they did not receive file summaries; they received complete files.

**Ms. Melnick:** Well, again, I will repeat myself and encourage the Member for Morris to listen this time. No receiving agency ever received a file unless they were satisfied that the file was complete to their needs. So, again, this is a case of not undermining child welfare in Manitoba but recognizing that there are professionals making decisions who are competent, who are seasoned. There is communication between them. There is focus on the child. There is continual risk assessment and there is always the discussion about how things are going and how to make things better.

**Mrs. Taillieu:** Well, again, I am seeking clarification because the minister said that the files were deemed by the receiving agency according to their needs. I am just again—you know, when you have a file, a complete file with all of the information on the child, I am simply asking again, was the complete, with all of the information for the duration of the child's life in care, transferred to the receiving agency and did the receiving agencies receive complete files, not summaries of file but complete files?

**Ms. Melnick:** I have answered that question a number of times now. I would encourage the Member for Morris to listen. I would encourage the Member for Morris to recognize that there are professionals working with children in care, that there is continual discussion going on. She asked a little while ago about what she called, I think it was

the CFSIS system; it is commonly known as CFSIS. There is information available on that. There are professional people making professional judgments.

No receiving agency ever signed off on receiving a case unless they were satisfied with the information that they were receiving from the sending organization. Again, there is no deep, dark archive with information on children that is not available to workers and to other authorized individuals when they need that.

**Mrs. Taillieu:** Madam Chair, again it is evasive, but I am not going to belabour the point because it is just not going to get to the answers that I need. So I will look at other ways to get those answers.

But the minister did bring up the CFSIS, which is an acronym for the computer system in Child and Family Services. I am wondering if she can tell me if this computer system is being used by all agencies in the province.

\* (11:50)

**Ms. Melnick:** Just to clarify, the pronunciation is CFSIS. We can talk a little bit about CFSIS. All agencies are, in fact, using CFSIS. CFSIS was developed in 1992 and installed in non-Aboriginal agencies only. So, again, we see the great divide that was followed by the Filmon government in child welfare where there was not communication, there was not co-operation, there was not working together with on-reserve agencies.

I credit the department and my predecessors and the Aboriginal Justice Inquiry, Justice Murray Sinclair, to show us the path to working together. But, in 1992, when CFSIS was rolled out, the government of the day determined to exclude Aboriginal agencies, and it was rolled out between '93 and '96. Installation of CFSIS was limited to places at that time that were serviced fully by telephone.

So, today, we have a much wider span for CFSIS. There are some physical limitations, northern and remote communities. Compliance among the northern authority is affected by lack of previous experience with applications. They are still learning how to use it because they were not incorporated into this in the 1990s. There are extremely remote access issues. The hardware should be completely installed by the northern authority in their agencies by June, which is next month.

Now, I think it is very important, because I know the Member for Morris is going to jump on this and say, oh, how does information get transferred, you know, the sort of scare tactics we have continually seen from her. I want to assure the Member for Morris and the people of Manitoba that there is communication electronically. There is communication by fax. There is communication by phone. There is communication by surface mail. So people of Manitoba need to be ensured that while we are working through hardware issues, through training issues, through remote access issues, as far as the CFSIS system goes, there is communication of other means that are used by individuals in the agencies and in the authorities and also when communicating with the department.

**Mrs. Taillieu:** Well, I think, the intent of this province-wide CFSIS system would be to have all of the agencies using it because it is a means of tracking children within the system, and, certainly, when children do move between different agencies, different authorities, which we do see, whether it is on reserve or off reserve, there needs to be a way of tracking where the children go because, otherwise, we see what has happened. We see children lost in the system or not accounted for.

So that is my concern here, that the system is up and running. Not only that, it is one thing to have the system available, it is another to have provided the training for all of the staff to know how to use it. I am wondering if the minister can assure me that training sessions have been completed with all the agencies to date so that they will be able to use this system to its utmost ability.

**Ms. Melnick:** Well, here is a perfect example of the misinformation presented by the Member for Morris. We have, in fact, not seen children lost in the system. Again, she is attempting to undermine, and I think acting in a way that is not supportive.

#### Point of Order

**Madam Chairperson:** Member for Morris, on a point of order?

**Mrs. Taillieu:** Yes, on a point of order. The minister has said, in fact, we have not seen children lost in the system. I think she is forgetting the tragedy of Phoenix Sinclair, who was lost in the system. Her file was closed. She was lost. Unfortunately, the child was not with us for nine months before she was found.

**Madam Chairperson:** Member for Minto, on the same point of order.

**Mr. Swan:** Same point of order. It is a dispute on the facts.

Frankly, I believe the Member for Morris in her point has raised the issue that, indeed, the case that she is raising was a case where the file was, in fact, closed.

But this is a dispute on the facts, and the member does not have a point of order.

**Madam Chairperson:** I thank the members for their contributions, but this is not a point of order. Points of order should not be used as the vehicle for debate.

\* \* \*

**Ms. Melnick:** I think that when we look at the number of workers trained on the new intake model, the new intake model again encompasses agencies on reserve which were excluded by the former government, the Filmon government. In fact, we just referenced the some 700-plus cases that were transferred during the nineties from the Winnipeg Child and Family Services to on-reserve agencies. The funding did not follow, so there was very serious exclusion of the child welfare agencies on reserve that, again, I credit my predecessors and the department and the child welfare system in Manitoba as a whole for ending that practice of exclusion and creating a new vision and a new reality of working together.

The intake module has, when we look at the number of workers trained, there are over 1,200. When we look at the number of new computers installed, there are over 300, and when we look at the number of new sites, there are over 94. We do have a dedicated team that does training year round on CFSIS and the intake module. They do on-site visits, they do coaching and I know that there is a support line that is available throughout the province as well that is well utilized. I know that because some people think the number is actually the number of my personal line in my office, and sometimes I get calls. So I know people are calling in, and I also know that, when they get the correct phone number, that they are getting the support that they need.

Also, there is an annual schedule for training that is produced. So this is one part, another part of the child welfare system that has been greatly improved since the 1990s. There has been inclusion of on-reserve agencies. There is province-wide training.

Except in remote communities and areas where there are difficulties, there is access.

There is higher compliance and I guess when you include the third that was excluded, the third of the child welfare agencies that were excluded during the nineties, you would see higher compliance. But where there are difficulties with access, et cetera, there are the other means, what might be considered the more traditional means such as the phone, fax and surface mail. I know that communication happens on a continual basis throughout this province around the children in care.

\*(12:00)

**Mrs. Taillieu:** In the recent reviews, face-to-face reviews, conducted by the four authorities, can the minister tell me if the children that would have been placed in group two facilities were visited? To clarify what I mean, just for the record, I am thinking of group homes, such as Marymount or Knowles Centre or Macdonald Youth Services and the like—whether these children in these Group 2 facilities had face-to-face meetings?

**Ms. Melnick:** Yes, I can confirm that the review was conducted for all children that had cases open, which include cases at Group 2 Resources such as Marymount, or Macdonald Youth Services.

If the member takes the time to read the letter that I tabled probably an hour ago from Elsie Flette, CEO of the Southern Authority, to Jay Rodgers, Acting Executive Director of the Child Protection branch in the department, on the first page, Madam Chair, in the third paragraph, I will just read this into the record: "Every agency was asked to make contact with every current case and to have a face to face visit with every child in care, and every child in a family receiving services. Agencies were advised that the face to face contact had to be made by the primary social worker assigned to the case. Where that was not possible, a family support worker or staff person from a key collateral directly involved in the case could also provide verification to the social worker that a face to face meeting occurred."

So, I think it is very important to, again, recognize the team work, recognize the communication that occurs throughout the child welfare system. This was a very big task. Some 14,000 cases were reviewed, and that would include the children who are current residents who are receiving services from the Group 2 Resources.

**Mrs. Taillieu:** So the minister is saying, then, that every single child in Group 2 facilities had a face-to-face meeting?

**Ms. Melnick:** Again, I will refer to the letter from Elsie Flette where direction was given, and in the second paragraph on the first page, "This included all open cases and cases which had closed within the last 30 days."

**Mrs. Taillieu:** Then I am to understand that the minister is saying that all children in Group 2 facilities with open cases had a face-to-face meeting?

**Ms. Melnick:** Again, I will refer to the letter that says, "This included all open cases and cases which had closed within the last 30 days." Now it also talks, and I will just go to the third paragraph where social workers were the predominant individuals to be talking to children in cases. Where this was not possible, "a family support worker or staff person from a key collateral directly involved in the case could also provide verification to the social worker that a face to face meeting occurred." "Agencies were also instructed to immediately attend to any concerns about a case arising from the review and they have assured us that they are following up on any concerns identified."

Now the nature of child welfare, and again I am going to ask the Member for Morris to listen to this, is such that there can be times when children are AWOL. If that is the case, then the agencies would have recognized that, and they would have followed up on any concerns. So what I am again quoting from is the letter from Elsie Flette to our Acting Executive Director in the Child Protection branch about their preliminary report on the 30 days for face-to-face meetings. They are working on a final report which will be completed in late May or early June, and they have been instructed that, if there are any concerns, they will act on them immediately. My understanding is that this has happened. Now, if the Member for Morris has any specific concerns, it is very important and, in fact, it is her legal obligation to bring those concerns forward in a confidential way.

**Mrs. Taillieu:** The minister refers to children in care as if they were in the army away without leave. I think that the children, when they are missing, it may be by their choice that they have run away from a facility, but there may be other worse cases where a child may have disappeared. I think it is alarming to find out that there may, in fact, have been some children missing during these face-to-face reviews,



and I simply asked for clarification. The minister did admit that there were some cases of children that are missing.

I am wondering if the minister can say how many children were missing.

**Ms. Melnick:** Now, again, the Member for Morris has misconstrued my words. I have said that if there were any concerns raised, the agencies were instructed to immediately attend to these concerns. She is, again, attempting to undermine the system, and I have said to her if she has any specific concerns, it is her duty under the law to bring those forward in a confidential way. So I think it is very important that the Member for Morris recognize that when concerns are raised, if she has any concerns about any specific instances, she must bring these forward in a confidential way and not attempt to undermine this review.

What I have said is that the nature of child welfare is such that children can go AWOL, and that is the term that is used throughout the child welfare system. She has tried to undermine the system by saying it is being referred to as though it was the army. I think that that is another disservice that she has visited upon the system. But I want to make very clear, if she has concerns about a specific child, if she has any specific concerns at all, it is her duty under the law to bring these forward in a confidential way and not to, again, go on her tactic here of attempting to undermine the system, of attempting to undermine the authorities and the agencies.

**Mrs. Taillieu:** I am simply asking the question. I asked the minister if she could assure me and the listening public if all face-to-face meetings had been conducted, and she brought out the notion that yes, sometimes children go missing. So now I am simply wanting to follow up on that to see if there indeed are children missing.

**Ms. Melnick:** I have not received any indication that there are. Again, I think it is very important that we allow the authorities to complete their final report late May, early June, and that we also recognize that in this letter from Elsie Flette to Jay Rodgers that there is stated, "Agencies were also instructed to immediately attend to any concerns about a case arising from the review and they have assured us that they are following up on any concerns identified."

So, again, we have the Member for Morris without any fact, but facts do not seem to matter to her, continuing on with her attempts at scare tactics,

her attempts at undermining this very important system in our province to vulnerable families and vulnerable children. While it is not surprising that she would continue with this, it is somewhat disappointing.

\* (12:10)

**Mrs. Taillieu:** I am wondering how the situation would be handled if during face-to-face meetings or an attempt to have a face-to-face meeting a child could not be located, what would be the next course of action.

**Ms. Melnick:** If there was a concern that a child was missing, the police would be notified. But there would also be steps that would be taken. For example, we have the sexually exploited youth strategy that was brought in by this government in 2002. Part of that strategy has an outreach project component, which was enhanced in February of 2003. This strategy employs three full-time workers, and it is the first time we have had this in the province of Manitoba. The strategy and the workers focus on locating and returning runaway youth in Winnipeg and from unsafe situations in the community.

The three outreach workers have usually formed very good working relationships with the children. They are aware of their running patterns and the common locations where they may run. It may be a home community. It may be any location. But the workers are aware of where the children may go. They have access to whatever needs they need to look for the children and to locate them. This is very important because, as I said, it is the first time in our province that we have had three workers who are actually dedicated to children who may be, or who have been at risk of sexual exploitation. It is the first time that we have had workers who are developing the sort of, what I hope would be, trusting relationships with these children.

Part of the search could be a house-to-house search on reserve. So there is not one set process for this situation. Depending on the child, depending on the child's history, depending on the child's connections, the search process would follow what is known about the child, the pattern. Certainly, as I had mentioned before, there is a report made to the Winnipeg Police Service and to whatever local police service would be there, say, if it was beyond the City of Winnipeg, the scope of the City of Winnipeg.

So, again, it is not a particularly rare occurrence for a child to run from a placement, particularly in a Group 2 resource. There is a support network in place to recognize when a child has gone. There are the three workers who will have built up relationships with the children as well as WPS. There would be a process followed, depending on the individual child.

**Mrs. Taillieu:** I am going to leave off these questions right now, although I will return to some more questions in regard to the child welfare system at a later date. But I do want to just do a few more questions, and then I will turn it over to the Member for River Heights (Mr. Gerrard).

I would like to ask the minister when her department first became aware of irregularities around misspending at the Aiyawin Corporation.

**Ms. Melnick:** The department learned of an issue regarding the organization's managerial decisions and processes in late 2002. We were concerned with the matter and began to try to obtain information from the group about these claims. We were also in communication with the Auditor General's office about the various concerns.

In our discussion with the Auditor General's office, it was agreed that an operational review would first be done by Family Services and this was launched in 2003. There was a delay in completing the operational review as we found this group to be extremely unco-operative, extremely difficult to deal with. The operational review was completed in late '03, early '04, and it covered many concerns. It was at that time that we began to work with or attempt to work with the board. We had hoped that we would have the partners at the table that we needed to look in a very objective way at the concerns and get the Aiyawin Corporation back on track. We did not find that we had the partner that we needed, and through a series of attempts we put in a professional property manager who was not welcomed into the organization, was not allowed to attend certain board meetings. Her advice was not heeded. So there were several attempts over a period of time to work with the then-current board.

Realizing we did not have the partners that we needed, we began the transfer of Aiyawin's housing portfolio to the Dakota Ojibway Tribal Council Housing Authority Inc. or DOTCHAI. This was agreed to in June of 2005 and the actual transfer was completed on October 19, 2005.

Now, as the member knows, this is part of the Urban Native Housing portfolio, and because the federal government of the nineties and the provincial government of the nineties walked away from social housing, we know that there is a shortage of units right across this country and certainly within this province.

\* (12:20)

So we realized that it was very, very important, as we worked through this situation, that a couple of principles be adhered to. One is that some 600 Aboriginal people, many seniors, many low income, about 219 families or units, that no one be displaced through this process. Also, it was very important to keep what is now the formerly Aiyawin Corporation units under the auspices of urban native housing. Again, I credit staff with some very delicate negotiations, for having worked through this so that not one person, in fact, was displaced.

The other part of our experience with Aiyawin is recognizing that during the download of social housing from the federal government through the nineties into the arena and area of responsibility to the Province that the former minister, the current Member for Southdale (Mr. Reimer) had, in fact, signed agreements or had agreed to signing agreements that did not call for the sort of accountability that really is needed.

So, through the process with Aiyawin, we actually developed a new template and we developed a new SPA, a new agreement. That agreement focussed on accountability. It focussed on reporting, it focussed on financial reporting, it focussed on reporting of upkeep, conditions and obligations. It set the terms for tendering. It also dealt with conflict of interest protocols.

So I think that through the experience of Aiyawin, I still feel it is unfortunate we did not have the partners from the Aiyawin Corporation that we had hoped we would have. We did have to take the step, after many, many attempts to work them, we did have to take the step of actually removing the portfolio from the former Aiyawin Corporation into DOTCHAI. We did have to take the step, because of the poorly executed agreements of the previous decade, of creating a more comprehensive, effective contract. But I think the new contract leaves us in a much more positive situation.

Again, I want to thank the department for the work that they did on this not only through the

detachment of Aiyawin, but also through the development of the new contract with DOTCHAI.

**Mr. Gerrard:** Yes, from the letter that the minister read earlier on, it is my understanding that all of the children in care have, in fact, been seen face-to-face. Would the minister confirm that?

**Ms. Melnick:** Are you referring to the letter from Elsie Flette? Is that the one?

Again, I will quote from the letter, from the first page: "Please be advised that all of our respective agencies have completed their review of current cases. This included all open cases and cases which had closed within the last 30 days (referred to as current cases)." In the next paragraph it says: "Agencies were instructed to immediately attend to any concerns about a case arising from the review and they have assured us that they are following up on any concerns identified."

Now, this is a letter with very preliminary reporting. On the second page, second paragraph, it says: "Over the next few days, a more detailed analysis of the information will be completed. We anticipate that our final report will be completed by late May/06 or early June/06." The next paragraph states: "We would like to assure you that any concerns that are identified about any particular case are being followed up on by the Authorities. We will not be waiting for the final report to address such concerns."

Now, as I am sure the Member for River Heights (Mr. Gerrard) knows, the nature of child welfare is such that children can go AWOL. I have not been made aware of any concerns, but I have, in reading this letter, been assured that, if there were any concerns that were raised, the agencies and the authorities would be dealing with those.

The Member for Morris (Mrs. Taillieu) asked the similar question, I do not know if you were listening when you were in the House, about what process would be followed. I did talk about if the whereabouts of a child was not known that the police would be notified, that also through our sexual exploitation strategy there are three full-time workers for the first time in the history of Manitoba whose job it is to, in fact, when a child's whereabouts needs to be determined, that they will go and look for the child.

They have often established good working relationships with the child. They are aware of the pattern. Different children exhibit different patterns.

Even their patterns can change over time so the workers would be aware of that. They would go to where they would logically think a child would be, and that if there was a thought that a child might have gone to a home community, that there would be communication and searching for the child there. The local police force would, in fact, be contacted and that this would be the process that would be followed, not only through this review but through, again, this is an ongoing process within child welfare.

**Mr. Gerrard:** Just two follow up points: That face-to-face meetings would include all the children under the Awasis Agency. Second: Of the 14,000 children, could the minister break this down, in terms of the number of children in care, the number who fall under the 30-day rule and the number in families receiving services? I think your total was 14,000.

**Ms. Melnick:** All agencies would have been conducting the face-to-face meetings. I do not have a breakdown of the 14,000 cases. I believe that will be part of the final report that has been referenced in the next paragraph that will be made available in late May or early June.

**Mr. Gerrard:** My recollection, and I do not have the figures here, is that there has been a number of about 6,000 children in care. Clearly, 14,000 is much larger than that and I am just trying to understand where the other 8,000 comes from, or maybe the 6,000 number is incorrect.

**Ms. Melnick:** Again, I am sure the final report will give us that breakdown. I do not want to take a chance on guessing. I think it is really important when we are talking about child welfare that we speak to the report that will be coming out, again, in late May or early June.

**Mr. Gerrard:** Somebody wanting to make a formal written submission to the external review would send that formal written submission where?

**Ms. Melnick:** The external review is being headed by the Children's Advocate, and it would be appropriate to send it to her.

**Mr. Gerrard:** Is the administration of the external review being conducted through the Office of the Children's Advocate?

**Ms. Melnick:** The Children's—

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

## CONSERVATION

\* (10:00)

**Mr. Chairperson (Conrad Santos):** This section of the Committee of Supply has been dealing with the Estimates of the Department of Conservation.

Would the minister's staff please enter the Chamber.

We are on page 44 of the Estimates book.

When the committee was about to recess yesterday, the honourable Member for Portage la Prairie (Mr. Fauschou) had asked a question. I will now recognize the minister to respond at this time.

**Hon. Stan Struthers (Minister of Conservation):** The question dealt with, if I remember correctly, protected areas in Manitoba. It is a part of our department that is a particular target for our department. It is one of our priorities. We have, over the last two and a half years, added a whole number of entities to our protected areas network.

Probably the part of it that I am most proud of is the work that we have done in terms of ecological reserves. Ecological reserves are the highest level of protection. I tell people that in order to go into one of these ecological reserves to pick a daisy, you pretty much have to get a letter from the minister to go in, and there is good reason for that. They are a high level of protection.

There had not been movement in terms of ecological reserves in quite some time. In the last couple of years, we have added five ecological reserves to our list; most recently, the Brokenhead Wetland Ecological Reserve, an amazing part of our province; the Armit Meadows Ecological Reserve and the Birch River Ecological Reserve up in the Porcupine Mountain area. We have extended park reserves in different parts of our province. We have added parkland to our parks network out at Rivers and at Manigotgan River and others.

I take this very seriously, because this is important for the next generation of Manitobans in terms of protecting area. It is important because we do that to protect a species. We do it to protect a type of land. We do it to protect a sensitive area. I think this is a worthwhile goal on the part of any government, and I certainly have in the past and continue to value the input that I get from the Member for Portage la Prairie because I know he is a supporter of protected areas. I commend him for that.

Just before I turn the microphone back to the Member for Portage, I want to add a little more detail to an answer I gave yesterday. In terms of the predator control program that we have put in place, the arrangement we have made with the Manitoba Trappers Association to specifically look at problem wolf and coyote predators, that \$40,000 that I mentioned was in addition to the \$105,000 that is already in the budget. The \$40,000 was not the total on that fund. It was in addition to \$105,000 we already spent in terms of problem critters out there in Manitoba. So I just wanted to make sure that I corrected that. Sometimes, Mr. Chair, I do make a mistake every now and then. Thank you.

**Mr. David Fauschou (Portage la Prairie):** I certainly appreciate the minister's candour in regard to acknowledging that we are all human and do have from time to time opportunity to perhaps not have all of the information and some of our answers are perhaps less than accurate.

I appreciate the minister's response in regard to protected areas, but I believe, in the refinement of my question from the last day, the letter of commitment that the minister referred to yesterday with Ainsworth Lumber Company as it pertains to 838,000 cubic metres of annual harvest of timber, does this have any impact on areas either currently protected or under consideration for protection.

Before I turn the microphone back to the minister, I recognize that today we have from the viewing gallery, from Oakenwald, Mrs. Mitchler, and there are 27 students and nine parents with us today having the experience of viewing the proceedings, perhaps, somewhat boring today seeing that we are in committee of the legislative proceedings.

If I might just with your indulgence, Mr. Chairperson, explain that the budget was passed earlier this week and subsequently the budget is examined more thoroughly through a process called Committee of Estimates, and that procedure is taking place currently as I am engaged in asking questions of the Department of Conservation to which the honourable Minister of Conservation is responding with the assistance of staff from his department. So we are asking about parks and the environment, as well as natural resources here in the province of Manitoba. All of those are under the direction of the Department of Conservation. Honourable members are also with us today. The honourable Member for Inkster (Mr. Lamoureux) is assisting myself. I am the

Member for Portage la Prairie. So I hope you enjoy your morning here in the Legislature.

Mr. Chairperson, I would appreciate it if the minister would respond to the specifics of the protected areas that pertain to the Ainsworth Lumber.

\*(10:10)

**Mr. Struthers:** Certainly. I want to join with the Member for Portage la Prairie in welcoming our guests in the public gallery. I was a school principal and schoolteacher before I got into provincial politics, and I understand how important it is for the next generation to come and see how laws are made in our province. I think it is important for them to see the opposition holding to account the government, and that is what this process of Estimates is all about, which means I had better get on to answering the question that the Member for Portage la Prairie put forward.

But, welcome to the Legislature, to all the folks in the public gallery.

I want to stress, again, that this announcement with Ainsworth is a very good news announcement. It is a fundamental shift in the way we make forestry decisions in this province. Previously, a company would come forward. The Province would sit down with the company and work out a forest management licence agreement, and then it would be announced, quite often to the surprise of First Nations who live in the area.

We wanted to change that, so, in 2002, we stepped forward with a new direction for a provincial government, and that direction was one that included First Nations in the decision making. We have worked with First Nations in putting forward a request for proposals, which a number of companies were interested in, and Ainsworth made the cut. They were the ones that we figure have, I think, a very progressive view toward the kind of decision making that we want to make. That is in terms of working with First Nations and that is in terms of protecting the environment, which we need to do when we enter these kinds of arrangements.

The first very important step in this is the Section 35 duty to consult, the obligation that we have to First Nations in the area to consult in a meaningful way, as per court decisions like the Haida-Taku case emanating from British Columbia. That is the first and very important step that we need to take. From there, we will be considering that that

goes well. We will be sitting with our partners in the First Nations along with Ainsworth and working our way through a forest management licence agreement.

Now, we have forest management licence agreements with other companies in Manitoba: Tembec, Tolko, Louisiana Pacific. In those forest management licence agreements, we work with the companies, in terms of protected areas. Now, the Member for Portage la Prairie knew I was getting there eventually. I knew he was confident that I would get to that, but I think it is important to really make sure we set the context leading up to decisions that we made in terms of protected areas. It is part of the whole big picture. It is not something that this government is going to forget about. We are committed to our protected areas network. We are committed to the existing network and adding to that network. We take that approach when we sign agreements, whether it is just a forestry company or anybody else for that matter. We want to continue to locate chunks of land in our province, in each region, that represents a certain land type, a certain biology, certain species of plant or animal that needs to be protected.

So what we are looking at in this particular case is not impacting in a negative way on existing protected areas that have been designated. We are not looking at slowing down the ones that we are working on, that do not have the official designation, and we are looking to continue inside an FMLA that could flow from this agreement, to expand our protected areas network. So that is the direction that we are going, in terms of this particular agreement.

**Mr. Faurichou:** I am thinking of the analogy of watching paint dry trying to get the answer out of the minister and the department. Seeing that we do have a viewing audience, the next generation, I am certain they are all interested in summer holidays and potentially going to the parks and beaches throughout the province, so maybe I will just leave this topic for a moment and ask a couple about parks.

The other day the First Minister (Mr. Doer) was citing the development of a memorial in regard to the 2001 tragedy of the World Trade towers' collapse and that the International Peace Garden was in receipt of a number of girders from the Trade towers. I would like the minister to update us as to how that memorial is coming along. I understand it is a collaborative effort between public and private funds that are creating this memorial at the International Peace Garden.

**Mr. Struthers:** Mr. Chairman, our friend from Portage has his finger on, I think, a very worthwhile, a very valuable project. It is an international project in our International Peace Garden.

I was thrilled to learn that we were in receipt of wreckage from that disaster that took place. I wanted to make sure, as did our Premier and other members on all sides of the House, that we did the right thing with the wreckage that we had received because the important thing—and here is the old teacher in me, I guess—is that we use those sorts of opportunities to impart to the next generation the lessons that we need to learn whether we are in the Manitoba Legislature or any Parliament around the globe in terms of keeping peace, in terms of helping democracy flourish, in terms of recognizing those people who were victims in that tragedy.

On this particular project we are working together with the Department of Culture, Heritage and Tourism. We are in a supportive role with that department. Certainly, from a larger government perspective, this is a priority for our government, and we appreciate the support from across the way, but we are working in a support role with Culture, Heritage and Tourism.

The other project that is connected to this—and I think the member has been up-to-date on the progress in terms of the natural resource officers museum that they have been working on, another international project, along with resource officers from the United States of America, particularly North Dakota, where there has been a huge amount of co-operation in building the museum that will go along with this memorial.

\* (10:20)

I had the honour of, two summers ago, helping to host game wardens and natural resource officers from every jurisdiction in the whole continent here in Winnipeg. Our conservation officers did a bang-up job in hosting all of these enforcement officers. Part of that was a trip out to the Peace Gardens, where a memorial service was held. I had the honour of reading into the record fallen officers, fallen Manitoba conservation officers, one of whom I knew when I was in the teaching world, and reading into the record at that ceremony. This is an important project for Manitobans, and it signifies our willingness to take our place on the world stage. This is a very good project, both the museum and the memorial that the Member for Portage la Prairie references.

We do have available in our Estimates, under the heading International Peace Gardens, \$182,000 in terms of a grant to assist in this matter. So we are quite proud of our association with the Peace Gardens and our resource officers who have been raising a lot of money in the area as well.

**Mr. Faurichou:** Just to clarify, the \$182,000, as it pertains to budgetary expenditures for the International Peace Gardens, that would be for all displays, all of the amenities at the International Peace Gardens on our side of the 49th?

**Mr. Struthers:** We always have to make sure that we up-keep the infrastructure that is present at the Peace Gardens. This is an absolute jewel for us in Manitoba and so close to the centre of our continent. We had floors in some of the different buildings that needed to be replaced. There was some work done on some of the dormitories. It was upkeep which we understand we need to continue to be making. That is the amount that I had referenced in my previous answer.

**Mr. Faurichou:** I do recognize the importance of the International Peace Garden to Manitoba and to relationships with our neighbours to the south. In regard to the memorial, without question, we should be very cognizant of the fact that this is the only site outside of that of New York where the Trade tower disaster is recognized through the use of actual debris from the Trade towers. This started with a letter from a school student, with the idea of constructing a memorial so that all would recognize the disaster and the impact that it had on not only those who lost the lives of loved ones there, but globally.

I want to commend the minister and his department in the collaborative efforts with his colleague in Cabinet. I am thankful for his recognition of all members in the Chamber's support for this memorial site and the caption that we call "Reflect, Remember" that this memorial will be deemed to have.

In moving forward on the park situation that the minister alluded to in his budgetary speech, he made the statement that the new reservation system would be foolproof as far as queue jumping, and that he believes that all persons should be registered in time of contact, should not be anyone that should be looked upon with favour.

I would like to ask the minister, though, in light of a grandparent making a reservation for himself

and his spouse with the idea that they will be accompanied by children and grandchildren at neighbouring sites and, for them, as is recognized currently under the system, that they must register themselves first, then again re-initiate a contact to then register their children, then re-initiate the contact again for their grandchildren to attempt a family cluster, if you will, in the parks.

I would like to ask the minister, and I also encourage the minister, perhaps, that we can try and keep right to the point, seeing that we only have two hours of time for Conservation, and I have a number of issues to cover. But, if the minister would describe in as brief as possible a manner that scenario of clustering of family members in the park reservation system.

**Mr. Struthers:** Given the admonishment that I just received from the Member for Portage, I should not start by saying the first park in Manitoba was built in, and do the history. So I will avoid trying to do that.

I want to say, though, that our goal is to make our parks as accessible as we possibly can. There were complaints in past years about people being allowed to jump the queue, getting in on the sites before they were actually opened, like we saw the year before last. We had to do something about that. It was awfully frustrating for somebody to be the first person in line, five o'clock in the morning, waiting to get their favourite campsite, knowing that you are the first person in line, and you got in and found out that 1,300 campsites had been booked ahead of you, somehow. We cannot have that kind of a situation.

That is something that we did address in our opening day campsite bookings this year. I think we were very successful in making sure that Manitobans were ensured that Manitobans were taking turns, that there were not people jumping the queue and getting ahead of others.

We booked 6,074 sites on opening day. At one point in the afternoon, we were averaging 1,000 sites being booked on opening day. We had some complaints in the morning about problems getting into the system which we, I think, very quickly addressed that day. This is part of the review that we are going forward with as well.

The main point, the biggest improvement to our park reservation system this year, is that we Manitoba-ized the system. It is made in Manitoba.

Instead of a company outside of our borders making these decisions, we now have the ability to be flexible. We have the ability to adapt our system to make sure that we address the concerns that Manitobans have. That is where I want to get to in terms of the specific question that the member asked.

In terms of the details about the grandparents booking on behalf of their grandchildren and wanting to cluster together and that sort of thing, we want to make every effort to allow families to be close together. I think there are some real advantages to having families in sites next to each other. As much as we can do that, we want to do that.

\* (10:30)

I need to get back to the member very specifically on his specific question, but I want him to know that the way we have organized our system, we do have a lot more ability to make changes as we go along. If we find that there are complaints coming forward in terms of our park reservation system, we now have the ability to make some changes and then respond to the concerns. *[interjection]*

Yes, and I do want to make it clear that already we have seen some improvements in terms of our system being able to accommodate more requests like this from Manitobans and our visitors, people who come in from outside of our province to take advantage of some of our gorgeous parks, beautiful areas of Manitoba that we want to show off.

What we do not have is somebody from Sacramento, California, answering the phone on the other end wondering where Nutimik Lake is. We wanted to move away from that system that was present in the 1990s to something that is made in Manitoba. We have a Manitoba company that is providing the software. We have a Manitoba company that is the call centre and we have the Manitobans serving Manitobans and serving our visitors when they come in. But, like I said, the biggest advantage is that we have the ability to be flexible and to respond to the concerns of not only Manitoba campers but Manitoba businesses in different parts of our province who depend on making sure that as many people as possible can be accommodated in our campsites.

I want to go on record as saying that I very much appreciate the kind of advice that we have gotten from businesses, from Chambers of Commerce, Falcon Lake, West Hawk Lake Chamber of Commerce, different people who have approached

me even just on the street to tell me what they think, people who have e-mailed us with advice. I am confident that we are responding to those kinds of concerns and the advice that we get.

**Mr. Faurschou:** I appreciate the minister's answer, and I think I gathered that potentially this scenario has yet to be addressed. But it is a fact that grandparents phoning in for a campsite where they had to re-initiate the contact in order to make a second reservation for their children and grandchildren to join them, and by that time then the neighbouring campsites on either side had already been allocated, to the great dismay that they were going to have to have strangers between their family within that bay. Anyway, I leave that with the minister. As he said, the campsite reservation system is a work in progress and for the benefit of all Manitobans.

Now, a further observation from a Manitoba camper that has, over a number of years, reserved a season-long campsite and has wanted to have friends and family join him at a specific location, yet the neighbouring campsite has been annually reserved; for four years that neighbouring campsite has been reserved, and not one occupancy night, day, evening at that campsite. He is wondering whether or not the department has any minimal attendance to a park site to continue to qualify for that seasonal campsite. Obviously, the individual has reserved this campsite and in anticipation of attending to it at some juncture in time, but my understanding is that the persons that have registered for the possession of this seasonal campsite have, for the past four years, not spent one, to his knowledge, minute there.

The bottom line, essentially, is: Is the park reservation system looking at a minimal occupancy of a seasonal campsite for continued seasonal status?

**Mr. Struthers:** I hope I understand what the Member for Portage la Prairie is bringing forward. He is speaking of seasonal camping, a seasonal camping lot that for one reason or another keeps falling into the same hands of the same person.

We have to separate and be clearly separating seasonal from transient, the day use. The reservation system is designed to work with transient campers, booking of sites in those camp spots that are designated that way. The seasonal camping is subject to a draw every year. So, whatever the park is, we have a certain number of seasonal sites that are designated seasonal, we accept applications from Manitobans who want to enter into that draw, and

from those applications we draw for the sites, and they are ordered in. So, if you are the lucky one that gets drawn first, you get to choose from the seasonal lots that are available. The complaint I hear more often is actually, you know, you have got 40 seasonal lots available, and you get 50 people looking for them, there are 10 people who are not lucky enough to get drawn. That is the complaint that we get. Those seasonal lots we evaluate to try to get the right number, the right mix between seasonal and transient, and I think for the most part we are pretty adept at that and balancing between seasonal and transient.

The seasonal draws are conducted by our regional staff, and I would recommend that if people have a problem with the way those draws are conducted that they approach our regional staff. Everyone in the regional staff is open to improving our system, getting advice from people who have participated in it and are wanting to make a point to us. I would encourage that to happen because we really need to ensure the integrity of our draw system when it comes to seasonal camping. I want to make sure that it is fair. I do not want preferential treatment for anybody; I do not want queue jumping; I do not want anything like that. I want to make sure that this is a fair draw, and we take every effort to make sure that it is. If there are more particular details, I would appreciate hearing that.

**Mr. Faurschou:** The bottom line is for seasonal campsites. A concern has been raised that there are seasonal campsites being allocated, and yet by observation these seasonal campsites have not been occupied. We do have a minimal amount of campsites available, and to have them reserved by persons who, for some reason, just want to have them for the sake of having them and not using them, I think, is a disservice to the Manitobans and to the investment of Manitoba taxpayers to have constructed these sites.

But, before I leave the campsite issue, the minister keeps coming back to queue jumping here. If a grandparent phones up and wants to make three reservations, and one is for themselves, the parents, and then the grandchildren in one call, I do not see that as being queue jumping, even though other calls may have come in during the conversation for the initial registration for the grandparents. Yes, we should be fair to everybody upon their contact time, and not have persons running out of sequence, but, in the case of a family, I do believe there should be



provision for multiple registrations for one time of contact.

\* (10:40)

Now, the parks throughout the system I see are being, once again, called upon for additional fees. I look to the Conservation Minister's schedule of anticipated revenues increasing by some \$600,000 from last year as an expected source of government revenue. I wonder if the minister can elaborate as to whether that is anticipated additional volume, or whether that is, once again, a call by this government to prey upon those that want to enjoy the greater outdoors having to pay more.

**Mr. Struthers:** That might be a little unfortunate term, "prey upon." My friend from Portage might be a little harsh with that considering that rates have not increased since 1996, and it was his minister at the time who did that. I would certainly hope that nobody in the opposition would have used the words "prey upon," knowing that I was the honourable member across the way at the time.

But, Mr. Chairperson, the increase, particularly, that we brought forward this year was an increase in the park permit fees from \$20 to \$25. Again, that is the first increase in 10 years. We made some increases in terms of camping fees, a \$1 increase to the daily fee, as well. We made some changes to the seasonal camping structure. I actually was criticized by the private seasonal camping people for not increasing the fees enough. That was the biggest criticism that we received.

These rates, I would invite the members opposite to check this out, we are still the lowest in Canada by quite a bit. I think the main point to remember is that it does cost us a good amount of money to not just run the park system that we have now, but to make the improvements that we want to make. For example, we have noticed that, on a weekend in a given park in Manitoba, there will be vacant campsites that are unserviced while people are waiting for electrified sites. So what we have done is we have undertaken to convert the unserviced sites to serviced. We have done 350 now, and we have in the near future plans to add, I believe, another 150 or so, in excess of 100 electrified sites. That costs us money. I think this is a fair way to pay for those kinds of improvements.

We want to be able to offer safe drinking water to people as they visit our campsites and have some fun in our provincial parks, so we have very large

projects at Falcon Lake that have been completed in terms of lagoons and sewage treatment and providing that kind of infrastructure. We are committed to moving forward at West Hawk Lake with the same kind of commitment to infrastructure, plus the general kind of improvements that I feel needed to be made in terms of park infrastructure in every region of our province. This is a facet of our economy that we need to continue to invest in to make sure, not only we are doing a good service for people who want to camp and want to take part in our provincial parks, but also the communities around that benefit from tourism.

Mr. Chairperson, we have a long list of those kinds of improvements. One that I am going to just take a second to highlight is at Tulabi Falls. We are working to make as green a campground as we can at Tulabi Falls, incorporating measures that conserve water, conserve energy, lots of thought going into making sure that we have a campsite that we can hold up as an environmentally friendly campsite.

We have introduced the Camping Lite program. We have introduced yurts to Manitoba. Now a yurt is a wooden structure, a wooden shell with canvass over top and a sun light right at the top. I know that because I had the opportunity to stay in one overnight out at Nutimik Lake last summer and was quite impressed with the structure. We have got very good response from people in terms of whether we should be expanding that program into other parks.

On that basis, we have decided that we will expand that into other parks. There is a \$40-a-night rental of that yurt which, I think, is still amongst the three lowest in North America. If you go to Ontario, their nightly fee, I believe, is \$110. Oh, sorry, that is the park pass, which is about four times the amount of ours. The yurt is something that is new to our parks. It is something that I think is exciting and that we got good feedback on. That, though, is an expense that we have to put up front, and we want to be able to have a fair fee for the use of those yurts.

So I think you can see that when you look at the fee increases that were announced this year, they will bring in revenue that is being used to improve our park system. They have not increased for a decade and they are still amongst the lowest in Canada. It does not make sense to me to not have a fee increase for a whole whack of years and then clobber people with a big increase. I wanted to avoid that. It seems to me it makes more sense to have smaller bite-size kind of increases, rather than choking down a great

big fee increase after not having increases for a number of years. That is the approach I want to take on this, and I am hoping that the Member for Portage sees the good common sense in that.

\*(10:50)

**Mr. Faurschou:** Once again, I appreciate the minister's brevity in his response to a specific answer.

Yes, the minister does have a point, which I completely agree with, as to the incorporation of the cultural aspect of the district or the surrounding area to that of a provincial park. Without question, those visiting our province need to be not only introduced to our beautiful natural resources, but also an understanding of the area's culture and history.

I do appreciate the minister recognizing that costs do go up. I know many parks personnel that say that there could be a significant increase in budget for operations and maintenance, although close to a million dollars of additional resources are being provided to that area. We all want to see the upkeep and improvement to our parks. Unless the honourable colleague from Inkster has any questions on parks, we will move on to the next section.

Now, another significant increase in revenue anticipated for the department is that from the forestry area. I do not know whether the minister was anticipating in his preparation of his Estimates the Ainsworth announcement or not, but I do see almost \$2 million of increased revenue from our forestry fees. Could perhaps the minister identify what area within that department is going to be responsible for that sizable increase in revenue to the province?

**Mr. Struthers:** In terms of hardwoods, and forestry in general in Manitoba, we do expect increases across the board. We recognize that when we have allocations with any of the major forest companies, we expect a significant amount of revenue to come back to the people of Manitoba, because the trees that allow these companies to do the work they do are, after all, the people's trees. This is a public resource, so, in terms of stumpage and other fees that we gain benefit from, we are expecting increases.

These are not increases that I have hatched someplace in the back rooms. We are constantly communicating with the companies that are active in Manitoba, and we are always looking for ways, in a co-operative way with the companies, to make sure that we are fair with our fees, that we are open with the companies so that they can budget. When we had

an increase in stumpage fees the year before last, it was done in terms of co-operation with or, at least, consultation with the companies involved.

**Mr. Faurschou:** Mr. Chairperson, I do appreciate that we want to have a sustainable forest industry here in the province of Manitoba and, yes, stumpage fees for reinvestment and for reforestation is paramount in that equation.

But I want to ask the minister: The recent softwood lumber agreement with the U.S., is there an impact upon our province as far as the required level of stumpage fee charges schedule to comply with that agreement, or is there any modification that we have to make in regulation and legislation to be in compliance?

**Mr. Struthers:** The Member for Portage la Prairie has his finger on a very important issue for a lot of Manitobans who gain employment specifically through the softwood lumber industry. These are folks who have been worried for a whole number of years, working for companies in Canada that have been worried for a whole number of years as well, and have been working together with not just our government, but other provincial governments and the federal government in terms of dealing basically with what is an unfair action by our neighbours to the south.

Over and over again it was shown that the actions that the Americans took on this issue were wrong. Over and over again our government and other Canadian governments made the case that, if we are part of international free trade agreements, our trading partners cannot be doing things that are clearly out of line, having the kind of negative impacts that they have on Canadian companies and Canadian workers.

Having said that, we represent in Manitoba 1 percent of Canada's softwood lumber industry. I guess you could make the argument that that looks small in the big picture, but, boy, when you go into communities like The Pas and others, that is a big number. It is of big importance. So we have been really working hard, our department and other departments and our Premier (Mr. Doer), to make sure that our interests were well-represented at the table, and we have done that.

I think we have to understand that this agreement is still unfolding, and not all of the impacts are understood by everybody yet. Our

commitment is that we are going to stay at the table, and we are going to make sure that we represent the interests of Manitoba workers and companies who are investing in Manitoba, and we need to understand fully what the impacts of this agreement are as we go through this.

But one of my worries, quite frankly, is that the actions of our trading partners be rewarded by a negotiated settlement of some sort when clearly they were wrong in the first place to take the action that they did. I think we have to be cognizant of that as we move forward. We were not in the wrong, and there were trade panels that showed that we were not in the wrong.

\* (11:00)

We do not believe, at this point, that it requires a significant shifting in policies that we have in our department, in terms of softwood lumber. We want to keep our eyes on this one, and have the ability to be flexible should it prove that we have to change policies, that we have to make changes. But the Member for Portage can rest assured that those changes that we make will be in the best interests of maintaining jobs in Manitoba, and maintaining a good eye on the environment, in terms of decisions that are made in the softwood lumber industry.

**Mr. Faurshou:** I was listening intently to the minister's response. Was there anything specific that requires regulatory or legislative change emanating from the recent decision on the softwood lumber treaty between the States and ourselves?

**Mr. Struthers:** The Member for Portage must have been thinking about the great job we are doing with our parks reservation system in the middle of my answer because I think I did say that, from what we can tell right now as this is unfolding, there would not be the need for major legislative changes. I want to point out that the agreement that we have now focusses on export volumes as opposed to the stumpage that we charge and those sorts of domestic considerations.

It is more about the exporting of lumber. Of course, that, then, means that provinces like British Columbia and others who have a huge amount of volume on export really need to have their eye on this developing agreement. It does not mean we are not vigilant; we have to be. But it does not, as far as we can see right now, mean that we are forced to make significant changes in our policies. But, as I said, we want to be in a position that if we have to do

that we will have our feet on the ground on this and be able to move forward to protect our environment and our workers and our interests in softwood lumber.

**Mr. Faurshou:** More specific to the stumpage, the claim from the Americans was that our stumpage fees were effectively subsidized as they were so low in comparison to south of the border, that it was, in fact, a natural resource of the people, and that the people essentially were giving up potential revenue because the stumpage fees were too low.

I will have to move on because we have used up almost half of our time, and I have barely scratched the surface. I know the minister and his staff do not want to be hanging in anticipation of being called back through concurrence, so we can deal with as many matters as possible today that we may minimize that opportunity.

So, moving to the issue of export, the minister did make the claim that the potential Ainsworth agreement would, quite possibly, reduce or eliminate the 132,000 cubic metres of hardwood currently leaving the province, that it would be now otherwise processed here in the province.

I would like to ask the minister: Can the Province essentially curtail an export of a product to which they have already permitted a particular company, and not allow them to carry on their own business as they see fit, whether to process in province or outside the province?

**Mr. Struthers:** Two things: I do want to address something the member did put on the record about the softwood lumber dispute and stumpage. The exact point that the member references in terms of the American claims on stumpage was exactly what the trade panels rejected. So I do not think we can leave on the record anywhere any kind of inference that the Americans had a point on that. I think we have to be very clear that we were not in the wrong on that, and that it is not just us saying it, there are trade panels who have indicated that we were not guilty of what the Americans claimed. So I think that is important, and I know that the member understands that.

In terms of the 132,000 cubic metres of wood that I referenced yesterday, along with the very good news of the Ainsworth news release yesterday, we are not going to be passing laws saying thou shalt not deliver your wood from a private wood source to anywhere. What we are doing is we are creating a

market by which a private wood source can more economically, more easily flow to a Manitoba plant, to add value, to add Manitoba value, in terms of jobs and revenue. For example, instead of a private wood source paying to transport their fibre way down south into the States, what we want to have happen is have that private wood source understand that closer to home, there is a market to take that private wood source. That is the approach we want to take. We are pretty confident that that would work. We understand that all of the partners in this project realize that that is a wood source that we would like to capture in Manitoba.

**Mr. Faurshou:** So, when the minister termed redirect 132,000 to Manitoba processing, that would be on a voluntary basis, rather than a regulated basis.

Now, the other inference about Ainsworth and the accessibility to forested areas of the province, it was stated southeast, Interlake and east side Lake Winnipeg. I want to draw the attention to the minister of the southeast portion of the province, which the honourable Member for Emerson (Mr. Penner) drew to the minister's attention last year because of a rather violent storm and significant number of trees that were blown down, and that there were forest harvesters that wanted to access and to essentially make use now of damaged trees that, otherwise, would just rot. The minister recognized it as an opportunity to make the best of a bad situation caused by Mother Nature. It was the Transportation Department that curtailed this activity because the roads in the area were not constructed to essentially carry the weight of the transport trucks that are used in this harvest.

\*(11:10)

I want to ask the minister: Seeing that we now know that the roads in the southeast are not capable of carrying the loads that are economical, has he consulted with the Department of Transportation? Are the roads looking to be upgraded? Is it in the budget of the Department of Transportation, or is this still something that they are going to have wait on? Because this situation which I describe is certainly current.

**Mr. Struthers:** I was very pleased with the response of our department in terms of responding to the people that live in the Sandilands area. I was very pleased when Marvin Hovorka, who is the reeve of the R.M. in that area, congratulated the quick work of our department in that area. The blow-down took place late on a Saturday night, and quite proudly I

say that our staff was in there Sunday morning, assessing and meeting with people and beginning the process of working with local quota holders, local quota holders who deserve a lot of credit as well for stepping forward and working with our department.

The first worry that I had was that we had a situation around residences where we had created a whole lot of fuel that was then susceptible to a forest fire right next to a community. So we had to move very quickly, and our department did.

I was also very pleased to invite the Member for Emerson and also the Member of Parliament in the area, Mr. Vic Toews, to tour the area. We jumped in a helicopter, saw first-hand the kind of damage that—it was pretty amazing some of the stories, and not just stories but what you could actually see down below on the ground, with the trees down and up against houses and just the kind of devastation that took place. I appreciated meeting with and getting the advice of the residents themselves in that little community.

We worked with salvage rates, which helped the overall situation that existed there. We worked in tandem with the Department of Transportation and Government Services in terms of responding to things at the local level. I do not want the member opposite to assume that this means a problem then for plans in terms of the Ainsworth project. There were parts of that road that we were being asked to provide exemptions on in terms of weight restrictions, not the whole road, and it does not mean that all the roads down there are in that kind of shape. But, certainly, as we move forward with the very exciting far-reaching, very good announcement that we saw yesterday, these are exactly the kinds of things that will be under consideration as we move forward.

Yesterday, the question was about roads and forestry roads and getting access to where the fibre is. We always work in conjunction with the companies, whether it is this one or other companies active in Manitoba. A lot of that can be handled through the annual operating plan that companies bring forward. If we go through the Section 35 consultation, we go through the process of environment licence and everything works fine, then the company has to come forward with an annual operating plan, very detailed, considering roads and all the rest of it so that plans can be made in conjunction with the company and their plans, with us looking over their shoulders to make sure that

their plans are good ones. In that way, we can ensure that it is co-ordinated, that we are not taking fibre from an area and trying to then run it over a road that is going to get the daylight beat out of it, causing us more expense. With a little bit of planning, we can do it in such a way that we can get fibre out on sufficiently strong roads, and then, knowing down the road, if we have to get into that area, we can work with the company to make sure that there is the infrastructure to get the fibre out.

**Mr. Faurschou:** Mr. Chairperson, further to the timber and forestry industry here in the province, I asked yesterday, just peripherally, about the potential of woodlot agriculture. I wonder whether the minister is looking to a potential program similar to that of the reforestation 2020 federal program, through his own department, to either enhance that particular program, or to buddy up with the federal government to see that woodlot agriculture here in the province is given an opportunity to flourish.

**Mr. Struthers:** Mr. Chairperson, the member references the federal 2020 woodlot program. This has been a topic of conversation at our Canadian Council of Forest Ministers meetings. It is something that I actually get quite excited about talking to my colleagues around the country and the national minister as well.

So we work in co-ordination with the federal program. It is not that we have a separate program of our own. The idea of this is for all of the provincial governments to work together with the federal government in a co-ordinated fashion. A lot of credit needs to go to the people who have supplied us with our white spruce here earlier in the week in the Legislature, the Manitoba Forestry Association. They deserve a lot of credit for the kind of work that they are doing in support of woodlot programs and, also, the Pineland Forest Nursery, which works with the Manitoba Forestry Association on these programs as well.

I do want to point out that our Sustainable Development Innovations Fund has a line in the budget to the tune of \$200,000 to the MFA, the Manitoba Forestry Association, specifically for the woodlot program.

**Mr. Faurschou:** I thank the minister for his response. I do appreciate the good work that the Manitoba Forestry Association does in the province of Manitoba, of which I have had personal experience with. I appreciate the volunteer board that

gives direction to the Manitoba Forestry Association for all Manitobans to benefit from.

But I believe we have a tremendous potential here in the province of Manitoba, over the long term, to see a woodlot program making use of land that potentially could do well under forestry, rather than the exposure the land is seeing now in annual cultivation for cereal or oilseed production. So I always have contended that we should be working in harmony with nature in our cultural practices. I do see the area of woodlot production being part of that nature.

\* (11:20)

Now, leaving the forestry at the present time, I would like to move to the cottage country and ask the minister about his contention that they have now satisfied almost two-thirds of the First Minister's commitment of 1,000 new cottage lots here in the province of Manitoba. I believe the minister's number was 630 through four lot draws. He was contemplating a fifth sometime this spring. We do not have a lot of spring left here, perhaps the minister could be a little more specific in a brief fashion.

**Mr. Struthers:** In the four draws that we have brought forward to date, we have 629 new lots. That is in addition to the lots that were out there that we carried forward in our very first draw. There were 340, 350 of those, a lot of which were taken up, were grabbed up by Manitobans who were interested in cottage country.

We will be coming forward with a draw this spring. We need to have a very thorough process to make sure that the lots that we bring forward do not, for example, add too much stress to a certain region. If there is not enough fish in a lake to justify more cottages, I do not want to be sticking cottages on that lake, if there are other infrastructure problems that we have, if there is a treaty claim in an area. For example, I think members know that I actually pulled some lots off from the last fall's draw when it was pointed out that there was a possibility of sacred burial sites. We are not going to be developing on top of treaty, TLE claims and that sort of thing.

The other real advantage that I have seen, as we have gone through four draws already, is when we go into a Crown land and work with a rural municipality, the rural municipality has a process by which the public are involved in giving us feedback on our cottage lots. They have their first, second and third reading, and in that they have a provision for

public hearings, public meetings. *[interjection]* I am hoping for a question on that, too.

So we have used that in conjunction with R.M.s to make sure that the Manitoba public has a say in this. The other thing is, thinking of rural municipalities, the feedback we have got back from them on this whole cottage lot draw program, is the kind of economic boost that this means for their local areas in terms of a tax base, in terms of spin-off benefits, and a lot of people in those R.M.s who are actually participating, hoping to get drawn for cottage lots.

So it has been a very successful program. I look very much forward to the next draw, our fifth draw. I cannot today announce too many of the details of the draw, but I will be very close to doing that.

**Mr. Faurschou:** I appreciate the minister's response. But I know that the real estate market has indicated the demand for cottage lots is continuing to increase, and, because the supply is not satisfying demand, there has been significant inflation in the value of cottage lots and properties. I would encourage the minister to do what he set out to do and to complete the commitment of the First Minister.

I also will take this opportunity, once again, to ask the minister's consideration of the Holland No. 3 dam on the Assiniboine River and the potential of creating a body of water for a significant number of cottage lots and the enhancement of the Spruce Woods Provincial Park. I do believe that, within an hour and a half's drive of the city, the potential of a water body such that would be created by the Holland No. 3 dam would be a significant asset to the department and to the Manitoba economy as well.

Now, there are headlines in the newspaper about the assessments to cottage owners in the provincial Crown lands of the Whiteshell, and there are concerns about being overcharged for whether it be refuse pickup or just park licensing.

I want to ask the minister: Is that proceeding through court and unavailable for comment at this time, or can the minister express as to how he and his department are going to address the cottage owners in the Whiteshell's concerns?

**Mr. Struthers:** Yes, Mr. Chairperson, the infamous Holland dam that the member has—I have to admire the member's consistency, his tenacity, his determination. The Holland dam could have no better advocate than the Member for Portage la Prairie (Mr.

Faurschou), and I must say that, from a number of different angles, I see the logic in what he says. There are examples; there are less expensive examples around and maybe smaller projects where we are trying to retain water out in the watersheds rather than having it all flow through our system and have a negative impact on farmland and residences and the rest of it. I think retention of water in the watersheds is something that we are moving forward on, probably not as quickly as what many, including the Member for Portage la Prairie, would like, but I understand that argument.

I always appreciate positive suggestions from members opposite in terms of good locations for cottage lots. Manitobans like their cottages. There were over 5,000 applications that we have received in the Cottage Lot Draw, 5,074, so that is a very popular program. I am always looking for possibilities in all regions of our province, close to the city of Winnipeg, in the North, in all of the regions, to look for good possibilities for cottage lot development.

\* (11:30)

The member opposite references a court case involving park district service fees. He is right. I mean, we have to be careful what we say with the court case unfolding, but I do want to outline some steps that we have taken to address concerns that have come forward.

We have established a stakeholders' advisory committee that will bring forward advice to us in terms of what the next steps are in establishing a fair fee for the services that cottagers need and enjoy.

That stakeholders' advisory committee has met four times. It has established terms of reference. It involves commercial operators. It includes private interests. It includes cottagers from around the province. Unfortunately, the Whiteshell Cottage Association has determined that they will not be participating in this advisory committee. I have met with the executive of the Whiteshell Cottage Association on a number of occasions. I have attended their annual general meeting—three annual general meetings in a row now—and addressed with them this particular concern.

I want to stress that our door is still open to the Whiteshell Cottage Association to join with the other stakeholders in having a say in what the next steps are concerning these service fees. I have been very clear with the Whiteshell Cottage Association that,

should they decide to join in and be part of the solution, I am open to that.

**Mr. Faursehou:** I appreciate the minister's comment in that regard. I know all of us would rather resolve our differences without the involvement of the court process, but this has been ongoing for years now. I want to emphasize the minister's attention to the differences that are currently being stated by the Whiteshell cottage owners association and let us resolve this. This is not something that we should be burdening our staff with. We have a lot of issues in play here, but this should not be one because then my own assessment is straightforward. We have all of the figures. We should be able to resolve it amicably. So I encourage the minister to do as he said. His potential is still available to the cottage owners.

In regard to the cottage further development, is the minister's department in consultation with other departments such as Transportation and Government Services, Hydro, a Crown corporation under the direction of Energy, Science and Technology? Is there a grouping of departmental individuals that are focussing and looking at available Crown lands in a co-ordinated fashion?

**Mr. Struthers:** Yes. The decisions that we make in this department, we want to make sure it is an integrated approach. Whether it is a decision in terms of cottages, or establishing hunting policies, or whatever we are doing, we first start with an integrated approach. In each of our regions, we have an integrated management group that gets together and looks at, whatever the issue is—let us take, for the benefit of the question, cottage development—looks at where we can find the cottage developments, where we can find the actual lots.

Our department looks at it in terms of the things that affect that particular site from our perspective and we bring in from there Water Stewardship with any concerns that they have. They take a look at it. Transportation, Government Services looks at it, Manitoba Hydro, because most cottage folks living in cottage developments want to have power, telephones. We co-ordinate that kind of an integrated approach and then we work with the rural municipalities, whatever the municipal entity is in that region, and we incorporate concerns that they may have. Of course, their whole legislative cycle involves public hearings so that the general public can have a say in this as well.

This reflects our approach, generally, to Crown lands. We want to make sure that, when we make

these kinds of decisions, we have covered all the bases in terms of getting advice, because what we have found is that the more homework you do up front, the fewer difficulties you have going through the process, but also we make good decisions to improve what we are doing based on the advice that we get either from other departments or other entities such as Hydro or other governments such as the R.M.s and city councils.

**Mr. Faursehou:** Well, I appreciate the minister's answer. It is premised on common sense, that we should engage all those that have an interest or stake, but the minister has opened the door about the co-operation between departments. Currently, before the House is Bill 4, The Dangerous Goods Handling and Transportation Amendment Act, which has significant impact on the agricultural sector here in the province of Manitoba.

I want to ask the minister very specifically: What was the comment that was attributed to this legislation emanating from the Department of Agriculture?

**Mr. Struthers:** Indeed, we have met with the Department of Agriculture. The feedback we have received from them on Bill 4 is that they understand the need to harmonize, which is one of the main goals of Bill 4. They do understand that we need to accept the polluter-pay principle, which I think is pretty much universal in the feedback that I have had from people, and, certainly, the Department of Agriculture understands their need to protect their staff at situations where they could be put in harm's way. So the consultation that we have done with Agriculture has indicated support for that approach.

**Mr. Faursehou:** Mr. Chairperson, I appreciate in the interest of safety, not only for the individuals that are working with dangerous goods, but the public in general. But I am wanting to ask the minister as it pertains to the products used by those of us operating farms here in the province of Manitoba: Did the Department of Conservation consider the impact, or did they hear the concerns from the Department of Agriculture about the impact on the farming community here in the province? Because, as I have personally assessed evaluating the legislation, it is going to be significant.

\* (11:40)

I want to draw the attention of the minister specifically to what is commonly known in the farming sector as slip tanks used in the back of

pickup trucks to transport fuel to the field for farming operations. The minister, under this legislation, virtually prevents that activity from happening. Otherwise, it will be very, very expensive for persons to replace their current slip tanks, and also to maintain certification of the slip tanks on an annual basis. So I will just use that one single example, but our time again is fleeting.

But there are numerous examples within this legislation of significant financial burden upon the farming sector of our province through this legislation.

**Mr. Struthers:** Yes, Mr. Chairman, I understand the point that the Member for Portage la Prairie is bringing forward. I have no intention of looking for ways to make life more difficult in the farm community, which has been difficult already.

This is a national-wide Canadian Council of Ministers of the Environment approach. It is going on right across our nation. We have spoken with Agriculture specifically about impacts on the farm community, on farmers. We have to be able to work as hard as we can to make sure we find the balance between protecting people who handle these goods and not running people off the land. That is not our intention, to force farmers into bankruptcy, whether it is this or water quality management zones or phosphorous regulations or any kind of regulation that we consider. We always have to be cognizant of the impact out on the landscape and, in particular, the impact on the farmer.

We also want to make sure, I want to make sure that people know that we have talked to Agriculture. It is a department that is very well connected with the farm community. They have said that we need to be considering protection for farmers, we need to be harmonizing, and we need to adopt the polluter-pay principle so that we do not end up in situations where we are with contaminated sites and those sorts of things, where a company is just allowed to walk away and not be held accountable, not be held responsible for the mess they leave behind. So, from that perspective, it is a national approach, and the Department of Agriculture has been in contact with us on it.

**Mr. Faurschou:** On the provisions of polluter-pay, I could not disagree with the honourable minister; however, there is, as I am aware because of my own farming corporation, I am licensed to handle dangerous goods in my seed-treating operations, or products that are listed under the schedule of

dangerous goods, and recognize the importance of handling products that are considered dangerous, but I know that there are exemptions to the consumer at certain levels, that farmers can pick up in one lot 500 kilograms of treated Canola seed and not have to be called upon to placard their pickup truck and to carry the emergency response equipment and the manuals of procedure that large carriers are required. So there is an exemption provision. I do not see that in this legislation. Also, recognizing that the suppliers that we have, the custom operators, whether it be our local co-op or other custom operators, that are going to have a significant financial burden emanating from this legislation that ultimately we, as farmers, are going to have to bear because we are the clients of the custom suppliers.

We want to recognize that there is no margin in agriculture these days. To call upon the farming community under the premise of furthering safety and handling of dangerous goods, when I cannot personally cite an example in my 30-odd years of farming, a particular instance where there has been, effectively, negligence in handling of products under the dangerous goods schedule.

I am wanting the minister to fully appreciate how this legislation is going to impact on agriculture. So I request very strongly that the minister truly do the litmus test from a farmer's perspective. I will give the minister one example. Just two days ago, a farmer wanted a repair on his equipment, his seeding equipment, found that he was out of acetylene for his oxyacetylene welder, went to town, and on his way back was prevented from getting that oxyacetylene up and running with a new tank of acetylene by your own departmental personnel preventing him from transporting that tank in the back of his pickup truck.

So maybe I better qualify it and say it may not have been your Conservation or environmental staff that did that, but the provincial personnel were acting under the direction of this legislation that, I believe, has not yet been passed through this House. But it is under the premise that it will be and that they are doing their due diligence as they believe they should. But that is an example of a direct encumbrance upon a standard operating procedure. I personally have run to town to the co-op and gotten a fresh tank of oxygen or fresh tank of acetylene on occasion.

**Mr. Struthers:** As I said, I am very interested in hearing how this bill will impact out on the landscape, and I think we always have to be cognizant of that. I appreciate the advice that I get



from the Member for Portage la Prairie on those sorts of things. I want to stress that we are not here to make life more difficult for farmers. What we want to do is we want to put, first of all, an act in place that is the umbrella for this, and an act that will try to balance the need for protecting people without going overboard and making it so onerous that it becomes an enforcement problem. I trust that farmers who got a lot more experience at those sort of things than I do are going to make good decisions. That does not mean that we simply back off from any kind of regulation in this area. But I do accept the point that the member makes, that we have to understand the impact that it has on people.

If I could, can I request a one-minute time out, lifestyle break? And I do not mean smoking.

**Mr. Chairperson:** Is it the will of the committee to make a recess for one or more minutes? *[Agreed]*

*The committee recessed at 11:50 a.m.*

*The committee resumed at 11:53 a.m.*

**Mr. Chairperson:** Committee, please come to order.

**Mr. Faurshou:** Mr. Chairperson, before leaving this topic of interdepartmental communication regarding regulation and legislation, I do want to emphasize to the minister that there is significant concern, not only by the farming community, but the businesses that assist the farming community in their production here in the province of Manitoba. There is no room for margin, as far as additional costing at the present time, but we should not compromise safety. But let us use common sense in doing this. So I look to the minister to, yes, in harmony with the federal regulation, but let us also recognize the quantity of exemption that is afforded within the federal legislation and work through that direction.

Now, speaking of one area that does assist the agriculture community in that is the aerial applicators here in the province of Manitoba. There has been a crossover to services to the department in the forest suppression here in the province of Manitoba. I understand from past experience that this has been a very valuable service through the department; yet we are now facing, as has been related to us, a situation with the aerial applicators having invested hundreds-of-thousands, millions of dollars, actually, Mr. Minister, in specialized equipment to have this

option available to the department. In the last two years, scarcely an hour of fire suppression has been afforded to the aerial applicators here in the province of Manitoba. Yet the aerial applicators have had to maintain and effectively sustain this option for the department out of their own pocket.

I would like to raise the issue with the minister today that we may lose this option if the department is not proactive in this area. Can the minister update the House to the status of the discussions?

**Mr. Struthers:** This is a problem that I appreciate the member opposite bringing forward. We have been having some discussions with him and others who are interested in this program. Technically, it is called the SEAT program, single-engine air tanker program. We have had good experiences in terms of using this program to help in fire protection. We have gotten off lucky the last couple of years in terms of the number of fires and amount of land that has been consumed. Of course, the other side of that coin, the not so positive side, is that there is a lot of water that we have had to contend with. I hate to think that we just put that onto another department, but our responsibility includes fighting fires and getting ready to fight forest fires, grass fires and the rest of it.

We consider the SEAT program a very valuable arrow in our quiver when it comes to the overall readiness for a forest fire season. Any decision I make, and I think I have been clear with this, any decision that I make with this program needs to be seen in the overall readiness of our department, our provincial government to deal with a fire season.

I expect that this year's fire season is going to be busier than the last two, given how early the spring was. We have already had a number of fires that we have taken action on. Nevertheless, whether there is one fire or lots of fires, we have to expend a certain amount of funds just to get ready because you do not want to be caught flat-footed having to evacuate communities and all the rest. So a whole lot of money is spent just to get ready and a whole lot of work and effort just to get ready.

We have worked with the Canadian Interagency Forest Fire Centre, which is a national body that coordinates firefighting strategies from around the country. A very good program that we have, in the last number of years, contributed firefighters, contributed support to, in terms of equipment and other requests that have come our way when Québec or Alberta or British Columbia have had major fire

seasons, through this interagency, contributed to the cause. We have in the past received help through CIFFC when we have had a need for that. We have included the SEAT program in that as well.

\* (12:00)

I am hoping that helps, in terms of the particular private businesses that the member has come forward to talk to us about. We are including them in our staff-up operations for our fire season this year. We understand, and I want everybody to understand, that they are part of our staffing-up to be ready for a fire season.

**Mr. Faurschou:** Well, I appreciate the aerial applicators who are being referred to as another arrow in the minister's quiver, who fight forest fires and preserve our natural resources here in the province of Manitoba, but they are doing it out of their own pocket, Mr. Minister, and that is the concern that has to be addressed. I want to emphasize at this juncture in time that the department must find some way of keeping that arrow in the minister's quiver, because, if the minister does not act, that arrow will be broken and not available to him when he perhaps most needs it. So I will leave it at that.

Now, I am going to beg off at this point in time for a few moments, because I believe the honourable Member for Inkster has some wildlife questions that he would like to pose to the minister.

**Mr. Kevin Lamoureux (Inkster):** I did have a number of questions that I would like to ask the minister. You will have to excuse me if I am not necessarily following the line-by-line-discussion. I think we are under general.

I want to start off by looking at the whole wildlife situation in our province, and to ask the minister to what degree the Province is promoting elk farming, or how many elk farms there might be in the province today.

**Mr. Struthers:** I appreciate the question. Our department is not doing anything to promote elk ranching. Our prime focus is the wild elk herds. Our primary focus is protecting the wild elk herds from chronic wasting disease, a whole number of other—you know, tuberculosis, bovine tuberculosis and the rest. We have been actively looking for partnerships with the federal government and local R.M.s, such as the one we have around Riding Mountain National Park. It is not this department that is responsible for The Livestock Industry Diversification Act. That

would be the Department of Agriculture. Our main focus is protecting the wild herds.

**Mr. Lamoureux:** There was a point in time in the start-up of these elk farms where wild elk were, in fact, being captured. Can the minister indicate how many wild elk over the years actually have been captured for the purposes of farming?

**Mr. Struthers:** In the 1990s, starting in about 1996, there was a program in place administered by the previous government that captured wild elk primarily from outside of the Riding Mountains and around the Duck Mountains. My position, then, was the same as it is now, that that should not have happened. That was a five-year program. When our government came in in 1999, we discontinued the last year of the five-year trapping program that was in place. So we ended that practice. We made it clear that we were not going to participate in game farms, penned hunting, and we passed a law prohibiting that.

In terms of the specific numbers, making an effort to be accurate, I am going to take that as notice and get back to the member with as accurate a number as I can.

**Mr. Lamoureux:** Mr. Chairman, I do appreciate that because I would be interested. He can just do it through mail correspondence, sometime in the next month would be nice, the actual number of wild elk that would have been captured and ultimately sold off.

Because of time constraints, I want to keep my questions as short and concise as possible. There was a commitment to provide more cottage lot sites for the province from the Premier. Can the minister just refresh the House as to what was the actual number of cottage lots committed to from the Premier and his government that the minister is responsible for and give us indication as to how many of those lots have actually now been sold?

**Mr. Struthers:** The commitment was 1,000 cottage lots that he would make available. We have made available in the first four draws 629. We will be proceeding this spring with our fifth cottage lot draw. I am hoping to get to 1,000 or very close to it. Of course, the sooner we get there, the better, as far as I am concerned. So that is our target.

When we announced a 1,000 cottage lot commitment, there were approximately somewhere over 330 existing cottage lots that were not being marketed very effectively, I did not think, so,

between those lots and the newly offered lots that we have brought forward, we have sold 554.

**Mr. Lamoureux:** So there are 330 lots that were there, just not adequately promoted, but, out of that 1,000 commitment, there are actually 554 lots that have been purchased, or is that 330 plus the 554?

**Mr. Struthers:** Some of the 554 that have been sold come from the 300 that we carried forward, which I thought was great because they were languishing. They were not being seen by Manitobans, and a number of Manitobans were very interested in them, so they have purchased them. We do have a two-year rule that you have to be purchased and to lock up within the two years. So the number of 554 will grow from there.

\*(12:10)

**Mr. Lamoureux:** If you have sold roughly 550 lots, how many lots have you actually made available? Because my assumption is, if you have put a lot up for sale, if it is in a poor location, it might not sell, period.

Can you give an indication of how many lots you have made available for purchase, including the 330? We will assume the 330 is a part of the 1,000, for all intents and purposes.

**Mr. Struthers:** I need to be clear that we have made available 629 brand spanking new lots. That is in addition to the 330 or 340 that we have carried forward before the announcement. Our commitment is 1,000 brand spanking new lots. So, when we hit our—which we will—we will hit our 1,000 commitment. We will have a 1,000 brand spanking new lots in addition to 330 or 340 that we carried forward from before.

**Mr. Lamoureux:** I do appreciate the clarification on it, to the minister.

When you are looking at these lots as possible locations, to what degree do you work with the communities that are currently in place before making a determination that you are going to allocate those as lots available?

**Mr. Struthers:** We work very closely with a whole number of partners in this. First of all, within our department, each region of the province, we have land managers and other groups as part of an integrated team who go looking for suggestions. They are out scouring behind rocks and trees. Our department is right out there on the landscape.

If it is on Crown land, we go through the process available to us through the rural municipality. So they will put forward a by-law. It will go first, second, third reading. The public has a chance to come to the R.M. and speak with them and to us. If they have concerns, they bring them forward. We try to address those concerns. We do not move ahead without that kind of a green light from the local R.M. The R.M.s understand that this is a good local boost to their economy, but they also understand that, for all the reasons, they have their own legislative cycle that they go through as well. That is the bulk of the lots that we have put forward.

There have been some in provincial parks that we have dealt with, but we want to minimize the number of lots in provincial parks. We are very much in tune with the need to be sustainable. We do not want to overload parks, and we want to make sure that we are providing a benefit for the local R.M.s. So the vast majority of our lots have come through the local R.M. legislative cycle.

**Mr. Lamoureux:** Again, only because of time constraints, the next question is in regard to our lakes. I do not know to what degree the department is responsible for ensuring basic stock levels of fish in, whether it is lakes or rivers. Does the minister have at his access a list of lakes and rivers in which the Province monitors the number of fish, and to what degree does the department take on the responsibility of ensuring that there is adequate fish stock in these lakes and rivers?

If there is a list that the minister has, that would suffice. Again, I do not need the answer immediately. Sometime in the next few weeks would be nice, because I know the Member for Portage la Prairie (Mr. Faurichou) would like to continue on with his questions. Thank you.

**Mr. Struthers:** Our role in terms of the fishery is to make sure that people do not take too many fish out of the lake. Our role in this is enforcement. It is compliance with the rules.

The member really asked a question for Water Stewardship, in terms of stocking and fish habitat and those sorts of things. We can either get that information for him through Water Stewardship, or he can approach the Minister of Water Stewardship (Mr. Ashton), whichever would be easier. I am sure that kind of information would be available, but just through Water Stewardship.

**Mr. Faurschou:** Recognizing that we have just 15 minutes left and we have to have time enough for staff to be excused and pass line by line before 12:30, brevity is paramount, please.

In the interests of the area of environmental stewardship and recycling, specifically, I know that there has been transferral of some responsibilities to the energy technology area of government, but I want to state at this juncture in time that there is an outstanding correspondence from myself to the minister regarding the financial obligation of the government as it pertains to the tire levy that has been paid by all motoring Manitobans over the number of years, in advance, because the program calls for the levy to be paid upon purchase of new tires, and that that money be held in trust for recycling of tires when they are spent. Currently, the Tire Stewardship Board does not have a reserve, which should be in place because we have prepaid for the recycling. I want to leave it with the minister that that correspondence is outstanding. I look forward to his response. *[interjection]*

I wrote to the Minister of Finance (Mr. Selinger). I did copy the Minister of Conservation (Mr. Struthers) on it. But I had originally written to the Minister of Conservation and not received a response. So I wrote to the Minister of Finance, because there was an obvious transferral of responsibility with the new structure of the Tire Stewardship Board. So I want to ask the minister to look into that at this point in time, or soon, because this is an outstanding issue.

The expansion of recycling here in the province of Manitoba, I have a resolution for consideration of all beverage containers here in the province of Manitoba. Unlike other provinces that have more comprehensive beverage container recycling, we here in the province only have it for beer bottles. As everyone recognizes, the degradation of glass, it takes a thousand years in some instances to degrade. I think a recycling program is vitally necessary in that area.

Also, it has been almost five years now since the minister announced a pilot project for electronic equipment recycling here in the province of Manitoba, and we have yet to see any substantial expansion, other than that brief piloting period, for this type of recycling. I want to leave it with the minister that this is an area that is definitely wanting here in the province of Manitoba and encourage his attention to that.

If the minister has any brief comment, I am just raising these issues because of time frame.

\* (12:20)

Further to the department responsibilities, as they cross over to agriculture, there is a very specific situation involving Alfalfa Products Limited south of the city and their continued operations with the encroachment of urban dwellings in near proximity to Alfalfa Products Limited operations. It has been the determination of the department that the drying of alfalfa and the pelleting of alfalfa is not considered an agricultural process. I will state at this time that the department, at the federal level, Agriculture, does recognize that as an agricultural product. That is in contravention of the determination that the minister has made in correspondence earlier this month, or perhaps I should say last month, April 4. The department issued correspondence to Alfalfa Products Limited with the wording that they have had legal advice on this matter, and it is in the opinion of the department that the alfalfa drying and alfalfa pelleting is not an agricultural process.

I want to bring that to the attention of the minister proper at this time that this is not in sync with the federal determination of those products. I ask the minister's consideration in the interests of persons that have engaged in this project at the same location for more than 50 years. We have to deal in fairness.

If the minister wants to briefly comment, then we will move to line by line.

**Mr. Struthers:** I think the member has his finger on something that is very important, and that is the importance of planning. We cannot have a situation where one level of government authorizes the building of residents all around. Whether it is an agricultural designation or otherwise, it makes no sense to me to have residents zoned in way too close to an existing operation, to allow that to happen and then spend how much time and effort dealing with the complaints from people who have moved in next to an already existing operation. We have to take planning seriously at all levels of government, including at the city level, so that we avoid these kinds of situations.

There are others that exist in this city and in other municipalities. So it really is a planning issue that we have to be mindful of and have the courage sometimes to make common sense decisions.

**Mr. Faurschou:** The final section I want to ask of the minister is in the relationship his department has with the special operating agency known as Pineland nurseries. I would like the minister to comment on the tabled documents that indicate a net loss experience with Pineland nurseries. Obviously, special operating agencies were created to be self-sustaining, and not losing either in the cash flow schedule or in that of your overall equity position on the schedule that incorporates depreciation of capital. So, if the minister would briefly comment on Pineland.

**Mr. Struthers:** This is one of those impacts of the softwood lumber dispute. Pineland has struggled with that, high fuel costs, a whole number of things that pile up in terms of their impact on Pineland nursery. I have to say that they have made some steps internally to make sure that they are as efficient as they can be and have tried to cope with those kinds of external pressures. We want to be able to be supportive of the actions that they are taking to make sure that they remain viable. It is an important part of our province, I believe.

**Mr. Faurschou:** I believe that is the final question I have that could engage staff. I believe we could move to line by line, and I would like the opportunity, as I deferred my opening comments to the concluding of our Estimates.

**Mr. Chairperson:** Resolution 12.2. RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,751,100 for Conservation, Support Services, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.3. RESOLVED that there be granted to Her Majesty a sum not exceeding \$46,280,600 for Conservation, Regional Operations, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.4. RESOLVED that there be granted to Her Majesty a sum not exceeding \$41,429,400 for Conservation, Conservation Programs, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.5. RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,025,000 for

Conservation, Environmental Stewardship, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.6. RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,195,900 for Conservation, International Institute for Sustainable Development, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.7. RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,769,700 for Conservation, Minor Capital Projects, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

Resolution 12.8. RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,268,100 for Conservation, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

We have to go to the Minister's Salary.

The last item to be considered for the Estimates of the department is item No. 12.1(a) Minister's Salary contained in Resolution 1.

The floor is now open for questions.

Resolution 12.1. RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,846,900 for Conservation, Administration and Finance, for the fiscal year ending the 31st day of March, 2007.

***Resolution agreed to.***

This concludes the Estimates for this Department of Conservation.

The next set of Estimates that will be considered by this section of the committee are Estimates of Advanced Education and Training.

The hour being 12:30 p.m., the Committee of Supply will rise.

Call in the Speaker.

**IN SESSION**

**Mr. Deputy Speaker (Conrad Santos):** The House is now adjourned and stands adjourned until Monday at 1:30 p.m.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, May 12, 2006**

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