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of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
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ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
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DRIEDGER, Myrna	Charleswood	P.C.
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GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
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JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
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MURRAY, Stuart	Kirkfield Park	P.C.
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OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
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TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 9, 2006

The House met at 10 a.m.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

JUSTICE

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Justice.

Does the honourable minister have an opening statement?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Okay.

Mr. Chairperson: The floor is yours, honourable minister.

Mr. Mackintosh: I am here with senior officials from Manitoba Justice, and introduce Deputy Minister Ron Perozzo. Ron has been the deputy since September 12. Pat Sinnott is the director of Finance and Administration. Kim Nicholson is the assistant to the deputy. Greg Graceffo is the head of Corrections. Aurel Tess is the comptroller in Corrections. Mike Horn is the head of Criminal Justice that deals with Aboriginal community policing. Don Slough is acting director of Prosecutions. Jeff Schnoor is the head of Courts, and David Greening is the acting head of policy.

So this is a few introductory remarks. I think we have seen some significant changes and indeed enhancements in the provincial government's approach to public safety and justice generally over the last few years. Over the last two years, for example, we have seen the largest increase in funding to policing in Manitoba. In Winnipeg alone, 46 new positions have been directly funded by the Province, and Operation Clean Sweep will become a permanent unit due to provincial support by way of fine revenues generated in the city of Winnipeg.

Brandon now has seven provincially-funded positions over the last few years and, most recently, we added two more positions. Working with

Brandon police, they are dealing with major crimes. We are very pleased that the other officer will be assigned as a school resource officer, SRO, or police in schools, in the elementary schools in that city. That complements the Police in Schools initiative and the SROs that are in 17 other Winnipeg and Brandon schools.

The Province has helped to create and fund the successful Integrated Organized Crime Task Force with the RCMP, the Winnipeg and Brandon police to seriously disrupt organized crime at the leadership level.

In the area of Prosecutions, the investment in prosecuting accused has increased by over 70 percent, I understand. We have been adding new Crown attorney positions and, indeed, there are, as I recall, I think, five new positions in this budget.

The Gang Prosecutions Unit and Prosecutions was created to develop an expertise in targeting of those accused of serious gang crimes. I understand they have prosecuted about, or they are prosecuting over 200 cases. Those are the number of active cases. We are in the process of doubling that unit and the current budget fulfils our commitment to doubling that unit.

More aggressive prosecution of gun crimes began in 2005, with a new prosecution policy. Canada's first community prosecutor is now proactively targeting street crime and other locally identified priorities in the downtown and west end of Winnipeg. The community prosecutor has had three high-profile convictions and sentences in the last several weeks, and members of the committee I think will continue to be aware of this model of prosecution which is being wholeheartedly welcomed by community stakeholders in the downtown and West End. We will look very closely at how that model is working in the interests of public safety.

The strategy led by the Chief Judge, known as the Front End Project is reducing court backlogs. We have started in domestic violence cases, and last fall it began with regard to custody cases. With regard to provincial laws, I understand now there have been about 165 drug dens, prostitution, sniff houses and booze cans shut down under The Safer Communities and Neighbourhoods Act and the Public Safety

Investigation Unit is being strengthened further with this budget. There are new investigators and an analyst position being added, and that will allow more teams to deal with these problem properties.

MADD Canada now recognizes Manitoba as No. 1 of the provinces and territories in the fight against impaired driving, and we are always looking to see how we can improve our responses working with law enforcement, first and foremost, and with MPI and others whether it is MADD Manitoba, MADD Canada, the Safety Council and others.

Women and families in Manitoba are benefiting from strong laws dealing with dating violence and domestic violence generally and child support.

In the area of probation, the Criminal Organization and High-Risk Offender Unit has been focussing on serious domestic violence and gang and sex offender cases. The new Auto Theft Suppression Unit is targeting the worst auto thieves who are released by the courts, and that, coupled with MPI's immobilizer plan, is, I understand, the country's most aggressive auto theft initiative and perhaps the continent's most aggressive initiative. That is being adjusted as we go as the suppression strategy learns from successes and failures. We are now several months into the initiative, and they are now meeting on a regular basis. The auto theft task force is meeting every two weeks now, and of course the front-line workers in that unit are meeting weekly. But there is an ongoing and daily dialogue and review of the incidents of auto theft and how to deal with this very stubborn challenge.

Yesterday, MPI announced further initiatives with regard to the immobilizer program, and it appears now that Manitobans are embracing the offer of free immobilizers for most at-risk vehicles, and that will be enhanced by focussing on vehicles being imported into Manitoba and vehicles that have been stolen and are at high risk. We will be assisting those vehicle owners with free installation and indeed prioritizing installation for new residents and giving them some good time in which to have the immobilizer installed.

The Victims' Bill of Rights, of course, unique in Canada, is being phased in for victim notification and consultations starting with the most serious offences, and that is being reviewed.

* (10:10)

In addition, we have been working with police to ensure the Manitoba integrated high-rsk offender

unit is established in Manitoba and out doing its work. As well, it administers the sex offender registry in Manitoba. Cybertip.ca was launched with Child Find, and I understand that approximately 1,000 porn sites have now been shut down since its launch in 2002, and, of course, the federal government and industry expanded this Manitoba success across the country in 2005. We have in Manitoba now a child-friendly waiting room at Winnipeg and other locations at a child-friendly courtroom in Winnipeg. We have specialized prosecutors in child victim cases, and victim services have been expanded from five to 52 court locations in the last short while.

The Integrated Child Exploitation Unit has been recognized as the Canadian leader for its method to investigate child exploitation, and we link with that and support it. We have a prosecution linkage there. The high-risk offender Web site of the Province has, I understand, received over 64,000 hits from Manitobans on the release of information on sexual predators, and we have been increasing funding for domestic violence services significantly.

Now, just to conclude, the Manitoba Meth Strategy is unfolding. It has about 100 moving parts to that, and we will continue to lay out, strengthen and conclude the blueprint that is set out. It is available on our Web site and set out in our initial release. As well, that is being backed up by some legislative pieces that are before the House now. Turnabout is continuing to provide help for offenders too young to be charged under the YCJA. Lighthouses will be expanded to a total of 50 in the course of the mandate. Project Gang-Proof is being examined to expand its role, and I can go on about Safety Aids and some Aboriginal justice initiatives if the member wants to pursue that.

So that is an overview of some of the initiatives over the last few years that are being bolstered, supported and continued with the current budget.

Mr. Chairperson: We thank the minister for those comments.

Does the official opposition critic, the honourable Member for Steinbach, have any comments?

The floor is yours.

Mr. Kelvin Goertzen (Steinbach): Mr. Chairperson, I appreciate the comments from the minister. Also, I would like to welcome the staff here from the Department of Justice, the new deputy

minister. It is not a recent position at this point, but I am sure you are still feeling as though it is somewhat recent. Congratulations on your appointment.

We have a shorter time perhaps than normal for the Estimates process, not just in Justice but, to some extent, overall for a variety of different reasons. But certainly, in the short time that we have today, I look forward to hearing some of the responses or hearing back from the minister.

I know in the last Estimates process last year, the minister undertook to respond back to a number of different issues that he did not have immediately at Estimates. Credit where credit is due, he certainly did respond to those issues and did so in a timely fashion, so I appreciate that. Perhaps, if he sees his colleague the Minister of Water Stewardship (Mr. Ashton), he could let him know I am still interested in seeing, the questions that I posed, the answers in 2003 to the then-Conservation Minister, but certainly you have lived up to your end of the bargain, Minister, in the last year, so I appreciate that.

We do have, not the same list of staff on our side of the aisle, but we do have our researcher here for the PC caucus, Julie Goertzen, not a relation. I get that question now and again. There are a few Goertzens out in rural Manitoba—

An Honourable Member: In Steinbach.

Mr. Goertzen: Yes, and there are two Goertzens here from rural Manitoba, unrelated, and that does happen sometimes even in rural Manitoba. I do want to thank her for the work that she does within the conducts of our caucus as well.

With those few comments, because of the short time frame we have, Mr. Chairperson, I think we are ready to proceed to questions.

Mr. Chairperson: We thank the critic for those comments. Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for the department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in the resolution.

Does the committee wish to proceed through the Estimates in a chronological manner or have a global discussion? The floor is open.

Mr. Goertzen: Well, given past tradition and the short nature of the time we have, global fashion.

Mr. Mackintosh: Defer to the opposition.

Mr. Chairperson: So ordered. Agreed that we will have a global discussion.

The floor is now open for questions.

Mr. Goertzen: Mr. Chairperson, I will just ask the minister to give an update on his political staff in his office who have currently filled those positions, and also who fills the positions—we have had some introductions, but on the Policy Development and Analysis side of the department.

Mr. Mackintosh: I forgot the most important thing I could do today, and that is to actually thank the staff, not only those who are here, but those elsewhere in the department. Some may be reading the Estimates. It has been a tireless effort. I have been doing a lot of, as is well known, we have a reformer agenda on Criminal Justice policy, in particular, but the areas of Family Law and civil law have not been left out of that at all.

In the minister's office, the political staff as well I thank wholeheartedly. It is a tremendous challenge to deal with the issues that come in each day. Of course, I am sure that is the way for all ministers' offices. Janis Bermel is the special assistant to the minister and she has been in that position since I was sworn in as minister. My executive assistant who is available to do constituency work largely and assists with the appointment processes is Patrick Sarginson. He has been in place for at least a couple of years, I believe. If the member wants a date I can find that.

On the MPI side, Pauline Riley, I believe she is called an executive assistant as well and she has been filling that for a couple of years. Then on the House Leader side, as the member knows, Erin Crawford has recently been appointed to that job. Rory Henry has moved on to the Policy Branch.

The second part of the question, then, was Policy Development and Analysis, and what has happened there, Jeff Schnoor was a long-time Director of Policy Development and he was successful in the competition to be the Assistant Deputy Minister of Courts replacing Irene Hamilton, who went on to be Ombudsman. David Greening is the acting director now of Policy and has been in that branch, well, since I have been here, 10 years, and David Greening, along with one or two other people only in Manitoba, actually knows and understands every section in The Highway Traffic Act of Manitoba.

The other staff in Policy, five positions in Policy Development, and they are currently filled by Dina Bruyere, Darlene Jonsson on term, Glen Reid has

been there for a long time, and he is seconded from Prosecutions, Glen Lewis, who has been there for quite a while, and Veronica Benderski is the assistant over there. There is a competition, I understand, ongoing for the director's position.

Mr. Goertzen: I thank the minister for that response. Moving on, and we are going to move through different topics quickly, obviously, because of the nature of the Estimates period this time around.

Could the minister give us an update on the prison populations in the provincial prisons, including the Remand Centre?

* (10:20)

An Honourable Member: I am just going to watch.

Mr. Mackintosh: As Greg, who watches carefully—*[interjection]* It is sort of a visual thing that we do as well here.

This is today. I want to make that clear. Today, meaning this date.

On the youth side: Agassiz, actual in-house population today is 67; Brandon youth is 2; the Manitoba Youth Centre is 147; The Pas youth unit is 3; a total of 219.

On the adult side: Brandon is 197; Dauphin is 54; Headingley is 639; Milner Ridge is 107; Portage is 59; The Pas is 85; the Remand Centre is 331; for a total adult of 1,472. The total population is 1,691.

Mr. Goertzen: I thank the minister. I do not want to be presumptuous. I am not sure if those numbers are available on a daily basis or if today was a special day because it was Estimates day, but are they available on a daily basis?

Mr. Mackintosh: Yes.

Mr. Goertzen: Thank you. I think, going through the Estimates book if I remember correctly, I did not mark it so that is my responsibility, but I think that there was additional staff added to Corrections to deal with the population numbers. Is that correct?

Mr. Mackintosh: Yes, in terms of FTEs, there are an additional 8.8 positions to deal with the adult side. In addition, I am advised that the Corrections Division will staff up if there is a need, depending on populations and other pressures with part-time positions that will not be reflected in that number, but that is the formal full-time position count addition.

Mr. Goertzen: Is there some sense of what the need will be for part-time or on-call staff because of the high population numbers?

Mr. Mackintosh: Yes, we can provide that information on a timely basis in terms of the current part-time contingent, but we are going to have to be careful in terms of how that is displayed and measured. We will use, I guess, the traditionally accepted method, if there is one, and how that can be measured and reported, but we have those numbers. They will just have to be compiled.

Mr. Goertzen: I thank the minister and his staff, their undertaking. Again, they have been proven to be good to their word on these things.

Also, has the department done an analysis on what they might expect for increased numbers in Manitoba prisons once the new federal legislation on the restriction of conditional sentences come on, which I know that both the minister and I have supported?

Mr. Mackintosh: It is proving to be a challenging task for provinces to determine. For one very important reason is we do not know what the legislation will read like when it comes out of Parliament. It is a minority Parliament, and I have never seen justice legislation that has not been amended in the House of Commons. So that is first of all. So I think we have to be cautious on any expectations based on that.

In terms of the existing draft of the bill that is presented to the House of Commons, there are a number of variables at work there. The current bill includes many property offences, for example. It includes theft over, for example. It includes B and E, for example. I can go on. There is quite an extensive list of those offences. Even with some violent crimes, the question remains as to what will be the judicial behaviour in response to the new legislation. Will the courts in Canada, instead of ordering conditional sentences, and given now that they would not be available for those offences, move to incarceration, or will they instead move to probation, fines, conditional discharges, suspended sentences and, indeed, the federal minister was of the view that suspended sentences may pick up in terms of their currency?

So that is a huge question, and I think one has to conclude, though, that it will have an impact, I believe, at the higher-end offences. Certainly, I am very concerned that on the driving-cause-death cases,

that we do get results that were consistent with the intent of the legislation. There still is no mandatory minimum to bring that home. But that is the intent of the legislation and that would be the expectation if that is how the legislation is worded when it comes out of the House of Commons.

So, with regard to those serious crimes of violence and those driving cases that have caused so much undermining of public confidence in this province and elsewhere, I do expect to see an increase in rate. I think, as I recall, when the Justice ministers of Canada looked at this and when the study was completed by the five provinces that put the study together in terms of the cases that were attracting conditional sentences, their view was that there would be only a slight change in incarceration rates. But we are hearing, from some analysts across the country, very serious concerns that the incarceration rate could skyrocket. More recently, from Ontario, I understand there were some figures from there that I am not privy to, but I did hear that there were some discussions at a recent officials meeting where they had projected very serious increases.

I think the conclusion is there will be an increase, I think, reasonably in the incarceration numbers, but the extent of that cannot be determined and will be more fully judged when the legislation is concluded. I think there is also some ongoing discussion in terms of whether the legislation should more properly be brought into force on proclamation rather than Royal Assent, in order to have that kind of analysis concluded and changes made as necessary by the provinces in their correctional facilities. The other conclusion, though, is that the change will be gradual. The sentences will come in one at a time, as they do every day. It will not be an immediate change.

I think that reflects some of the ongoing discussions that are taking place.

* (10:30)

Mr. Goertzen: Can the minister indicate then, he had referenced the Ontario study and I have heard of that as well. Is there any sort of analysis that has been done in the department? I recognize the difficulty of determining what the end product is going to be on the legislation coming out of Parliament. Has the department undertaken any analysis on a preliminary basis, even on the current legislation as it is being proposed?

Mr. Mackintosh: I just have to be very cautious with these numbers because, as I could say, there are just too many variables. We could not accurately at this time predict judicial behaviour and where the courts may go on this one. So, if I put a figure out and I said it was even a maximum, then I suspect it would be quoted as the figure, and I do not think that would be fair. So I think the best, the safest, way to proceed is that we will continue to do the analysis. We will be sharing that kind of analysis with other jurisdictions and looking to see what kind of variables they work into their calculations.

I think the best way, and indeed we can come back to the member with what is developing over the coming months, but it may be that there will be a better sense of the measure that is appropriate for these cases. Officials just met this week, actually, to discuss this for the first time across the country and started to share some of their methodology in their analyses. As I say, some of the numbers were quite significant in their difference across the country. So I think that is the safest at this point. It is, I think, premature, given the status of the legislation. We have tried our hand at calculating the impact, but the numbers, I am told by the department, have to be considered soft at this point.

Mr. Goertzen: I am comforted to know that the analysis has gone on. If there is further information the minister can provide in terms of the results of those analyses, recognizing some of the variables that are in play, I would appreciate having that brought to my attention.

A question regarding the new women's correctional facility. Have tenders gone out on the facility and can the minister indicate what the proposed budget is for the completion of construction?

Mr. Mackintosh: The community consultation committee comprised of Elder Gladys Cook, former chief of police of Brandon, Dick Scott, and the Women's Transition Centre director, Lucille Bruce, provided the report on March 31, 2005, to the government with a number of recommendations on how to proceed. On the receipt of that report, the Department of Transportation and Government Services and Justice then analyzed each of those recommendations. The pros and cons and cost issues were considered. So it was earlier, a few months ago, we recently announced that the government would accept all of the recommendations in their report, and what they said there was the facility should be

located in the St. François Xavier-Headingley area for a number of reasons. One of them is that by far the great majority of inmates were from Winnipeg, were on remand in Winnipeg and, as I recall, I think about half of the workers were from the Winnipeg area. There were issues about access to services and counsel as well as court facilities that went into their recommendation.

The departments then, with Government Services now being, of course, responsible for the construction and the tendering process but in consultation with Justice, are proceeding with the consultations on the design stage right now. That was one of the recommendations: how the facility should be configured in terms of programming space and living accommodations should be concluded as a result of the consultations. That process is underway. There is a significant number of stakeholders who are being consulted on that. That was very important. It was made clear to us that there be that involvement. So the tenders will go out when that phase is completed over the next several months. We have a target date for when the facility will be completed, and we will certainly keep an eye on ensuring that the time lines can be met. This has been quite an interesting process.

We announced our acceptance of the AJIC's recommendation of a new facility in June of 2002 and immediately were confronted with some very strongly held views in terms of what the facility should be like and where it should be, so we thought the only way to proceed fairly was by an independent community consultation committee. I want to commend them for their tremendous work. They really became a great collegial effort. We are now proceeding, then, to replace this terrible facility that has been there far too long.

Now, there are some issues in terms of the size or the number of beds at the facility that will have to be concluded in the coming months as well. First of all, the conditional sentence impact will be important to that, and second of all, the role of the federal government and its interest in partnering with Manitoba Justice will, as well, have to be concluded. There is a real interest, I think, in being able to allow federally sentenced women to serve their time in Manitoba, and this has been recognized by the federal government. They have expressed an interest in partnering, and we will determine whether we will conclude an agreement or not with the federal government. That will be their call, but we certainly are keen to facilitate that kind of partnership.

I understand that there are discussions about how that would look in terms of how they would contribute, both on the capital and on the per-diem side, and we await the conclusion of those discussions that the department is involved in. I think that would fully answer the question.

Mr. Goertzen: You missed that one component about what the facility is projected to cost. I am advised that one of the numbers the minister has put out there is \$25 million on the facility. Is that still current?

* (10:40)

Mr. Mackintosh: When the design elements are finally known, we will have a concluded cost. The initial estimate was in the range of \$25 million, I understand. It was a conceptual cost based on the nominal number of beds that could change and that would not include any federal components.

Mr. Goertzen: I thank the minister for that. We will move to some other issues.

In December of 2003 the minister put forward that the new legislation regarding cross-border policing would be put into effect. Can the minister indicate if there has been any application of that legislation to date?

Mr. Mackintosh: I have seen a number of these come in over the last several months and just last week, and I understand that there are three more in today to the department that will cross my desk. The Winnipeg Police Service is the authorized authority, and they advise, then, when they have made authorizations. Mr. Chair, I have seen applications from Ontario, in particular from the OPP, and I am very pleased to see this act operating on the ground here now in providing that kind of assistance.

I understand that the move to grow the adoption of this legislation across the country is resulting in some other provinces bringing in the legislation. I think Nova Scotia recently brought in legislation. As I recall, Saskatchewan is on board. I can get the status of that. In some provinces there is very careful consideration of certain particular points that to the casual observer may not seem significant but have been of serious concern.

I think of Québec, for example, where there was concern about the oversight mechanism, and we believe that the model that Manitoba has adopted is the right one. I have been urging my colleagues to do that. I have been working with the Canadian

Professional Police Association over the last two or three years to encourage its adoption in other provinces, and, indeed, I have had personal discussions with Québec, my counterpart there on this legislation.

I hope our vision and that of the CPPA and I am sure all the other police in Canada is to see a relatively uniform adoption of this model in Canada. But I believe that the model in Manitoba is serving us well and it is, indeed, the model, though, that was recommended by the Uniform Law Conference and by the policing community.

So the answer specifically is that we will provide the actual numbers to the member but I can assure him that it has been used and is continuing to be used well.

Mr. Goertzen: I appreciate that. So I look forward then to getting the number of applications and the number of times it has been approved since the enactment of the act. That would be appreciated.

Also, in 2003, the minister indicated or announced legislation regarding The Criminal Property Forfeiture Act to allow the Court of Queen's Bench to order a seizure of property. Can the minister also provide either in committee or in the future the amount of property that has been seized under the act?

Mr. Mackintosh: We are not aware of any applications. I will make additional inquiries, but none has certainly come to our attention. We have some concern about the application of the legislation, and that is one of the areas that the special counsel on organized crime is looking at to see how we can ensure that the legislative tools made available for law enforcement are available generally, are useful to countering organized crime and crime generally. That is one part of the mandate, and I look forward to any advice that may come from the special counsel on that.

Mr. Goertzen: I would like to thank the minister for his response. I look forward to the confirmation that there has not been any application to date under the act.

November 29, 2002, The Civil Remedies Against Organized Crime Act, introduced by the minister, if he could indicate any applications that have come under that act. I know there are a number of different possible applications regarding withholding of liquor licences. I think that has been utilized. Also, businesses knowingly being used for

unlawful purposes, whether that application has been utilized, where two or more people have conspired to commit unlawful acts or are likely to commit injury to the public, whether that has been utilized.

Mr. Mackintosh: I am advised it is best that we should confirm any numbers there and we will let the member know.

Mr. Goertzen: I appreciate the undertaking by the minister.

April 29, 2004, Manitoba partners in an innovative companion program for victims of crime. It is regarding the Victim Companion program. Could the minister give us an update on that program?

Mr. Mackintosh: That initiative is run out of MCC. That is headed by Wilma Derksen. It is a very commendable initiative to help victims of crime, and I think is a great innovation. Does the member wish to know how many victims have been assisted in that program? We will have to ask Ms. Derksen for that information. I would be more than happy to provide that. If there are any other measures of that program, perhaps the member could let me know now so that we can pursue all of the answers at the same time from Ms. Derksen.

Mr. Goertzen: Sure just for clarification then that would be great in terms of the number of victims who have been assisted through the program. Also, I noted in the release from April 29, 2004, that Manitoba will be contributing \$70,000 for the next two years as a pilot project. So, perhaps I have missed it, but I just want to confirm that that program is then going to be continued on and funded through Manitoba Justice.

* (10:50)

Mr. Mackintosh: The funding is continuing in this fiscal year for that initiative, and the contribution goes from Victims Assistance grants, that is the victims' trust fund, and it goes to the Mennonite Central Committee. There has not been any curtailment of that grant.

Mr. Goertzen: I thank the minister for that. I think that is positive.

On July 12, 2000, a new policy from Justice was introduced on jailhouse informants, whether or not to use the information from jailhouse informants. It was noted that a committee would be making decisions, and a registry would be kept by the committee of decisions about whether or not to use—and I

apologize to staff, by the way, for the comings and goings. I know we are kind of moving around different areas.

Could the minister indicate whether or not that registry is still available and if he could provide an update to me on that?

Mr. Mackintosh: I am advised by Prosecutions that the registry has been used once for a jailhouse informant. That was the only application. That reflects, indeed, what the intent of the overall initiative and the response to the Sophonow recommendations was.

Mr. Goertzen: I understand from the release that the registry is a public document. Could I just get a copy of that?

Mr. Mackintosh: We will advise the member whether that can be public or not.

Mr. Goertzen: I thank the minister for that undertaking.

On April 7, 2005, The Criminal Notoriety Act was brought forward. Can the minister indicate if they have had any application of that legislation to date?

Mr. Mackintosh: Well, as I said at the time, it is our hope that it will never be used, and so far it has not been. I understand that legislation is being accepted across the country. We said at the time of its introduction and at FPT meetings since, at least on one occasion, that that works best when all the provinces would have that legislation on the books.

I think, most recently, Alberta has introduced that legislation. Ontario was the first province to introduce that legislation, and ours is based largely on the Ontario model. I think the other provinces are following variations of Manitoba and Ontario's approach. I, indeed, hope that it will be a deterrent as well—that is part of that—but I hope it is never used.

Mr. Goertzen: I thank the minister for the response.

On November 19, 2001, The Fortified Buildings Act, can the minister indicate how many times that piece of legislation has been used in relation to biker bunkers or anything else in the province?

Mr. Mackintosh: The last numbers I have are as of February 15. If the number has changed, I will let the member know, but as of that date, the legislation has gone to work on 12 occasions for the removal of fortifications.

It has been, according to the Public Safety Investigation Unit, a useful piece of legislation. I know officials from other provinces have come to Manitoba or have been picking the brains of those in the unit. I understand it is being adopted, as well, outside of Manitoba. I cannot recall the provinces that have been contacting us. I think Saskatchewan recently introduced and proclaimed this legislation. I think it is a useful tool in the toolbox, and I cannot recall if the member has had this conversation with me before, but this came from consultations that we did with some expertise in Québec, where the approach there, and I think in Ontario was to have this kind of legislation promulgated on a municipal basis or on a local or regional basis. I was advised that was not the ideal situation at all, that province-wide legislation was preferable.

I think, as a result of this legislation, we have had some use in Manitoba. This has led not only to the removal of the fortifications as one of the stated objectives of the legislation but has resulted in some very strong partnerships with police and, for example, we had a fortified drug house that was discovered to be the base of, allegedly, a \$1.4-million marijuana grow operation. In that case, the Winnipeg Police assumed the investigation of the grow op following our inspection. So I think, like The Safer Communities and Neighbourhoods Act, it has led to criminal investigation, and I think that this legislation, along with the safer communities act, has been wholeheartedly welcomed by police, because of that synergy and that sharing of information, evidence and intelligence.

Mr. Goertzen: I thank the minister for that response.

June 13, 2001, there was a release put out regarding a collection of outstanding fines and restitution, new proposals to assist the government in collecting those fines. Can the minister indicate, on court-ordered fines in Manitoba, what the outstanding fines are that are to be collected from the Province?

Mr. Andrew Swan, Acting Chairperson, in the Chair

Mr. Mackintosh: Yes, we have increased the tools for collecting fines over the mandate. I recall that in 1999 I think there was one position in the whole department responsible for fine collection. So we began the development of a fine-collection unit. In this budget, there are enhancements for fine collection, for staffing and targeting of larger amounts. So we have not only increased the legislative tools, but, as well, the resources, and we

continue to use collection agencies, as well, or one collection agency that we contract with for assistance in that regard.

* (11:00)

I could go through a list of some of the changes. I note here the advice I have is that the amount recovered annually increased from about 1.8 million in 2000 to 8.8 million in '04-05 as a result of enforcement action, as I recall. This year, as of February 14, 2006, the collections have already recovered \$9.5 million and will exceed '04-05 recoveries despite a reduction in fine orders. Last year the department placed almost 56,000 driver's licence holds. They issued 418 garnisheeing orders, and as of February 14 in '06, the department has issued 515 garnisheeing orders and has over 36,700 driver's licence holds in place. So these increased recoveries are both due to better enforcement tools and the more timely use of them.

In most cases, offenders pay fines without the need for enforcement, but when necessary the department has been stepping up its action. So the advice I have here is that since 2000, we have recovered over \$28 million actually by withholding 86,000 licences in total—so that is as of February—and garnisheeing over 1,600 debtors' wages or bank accounts. We have seized personal property of 126 debtors and placed liens as well. We are working with Revenue Canada to further enhance our tools, and now under active consideration is how vehicle registration holds can be better used to provide another tool. I hope the member will find that useful.

As I say, most of the fines are paid voluntarily. It is when they are not, and those are the numbers I was talking about, that the department has to step in there. But, we will see over the course of this fiscal year the development of an even more robust collection process and resourcing because we have more to do. I think, historically in Canadian justice systems across the country, it was an area that was not getting adequate attention, and so starting in 2000, we have embarked on this path of stronger laws and stronger collection efforts. We will continue on that and report progress. I think we will see some more significant progress as the new staff resources come in later this fiscal year.

Mr. Goertzen: Could the minister indicate, I know that he gave some statistics on the collection rate over the last couple of years, but could he indicate what the outstanding balance is for fines in the province of Manitoba?

Mr. Mackintosh: We can crunch some numbers further on that and let the member know.

Mr. Goertzen: I appreciate that. I find it hard to judge success without knowing sort of what the overall target is, and so I look forward to seeing that from the minister. He referenced, obviously, that there are new initiatives going forward on fine collection. I notice in the Estimates books, on page 79, under Supplies and Services that there is a significant increase, and it is noted in regard to the funding for the Fine Collection Unit. Is that increased allocation result of staff, or is that contracting out on collection under the Supplies and Services portion?

Mr. Mackintosh: The efforts will engage collection agencies in terms of focussing on larger accounts and, as well, to proactively make calls before these matters go into any serious arrears. It was discovered, as a result of our efforts, that the timeliness of interventions was important and so we will be trying that. So I think that adequately deals with that question.

Mr. Goertzen: I thank the minister for the comments.

Moving on to issues regarding sex offenders in the province of Manitoba and notification to community, and I apologize again to the staff for the movement of chairs. I have had concerns raised to me and I am sure the minister has as well, in fact I know the minister has as well, from people in communities who are alerted that a sex offender, convicted sex offender, has moved into the community, often by schools or by day cares or places that people feel particularly vulnerable with those type of offenders in the area. They are concerned because there is not community notification. Sometimes schools have said that they are concerned that they have not been notified.

Can the minister just sort of walk through a bit of the process by which community residents might be notified about a sex offender who is moving or taking up residence in a particular area?

Mr. Mackintosh: When it comes to the notification to communities or smaller numbers of individuals in the communities of high-risk offenders it is, of course, inherently the ambit of law enforcement to provide that notification. It may not just be sex offenders, but the police are certainly entitled to make notification, weighing the relevant factors and the risk. Indeed there has been litigation, most

recently in Ontario, about the law and the tort of negligence with regard to the role of police in providing warnings or notifications to persons deemed at risk. But it is the police, of course, that would make the risk assessment and weigh that with any privacy interests that may be at stake.

* (11:10)

Mr. Chairperson in the Chair

Now, in Manitoba, in addition to that inherent jurisdiction of the police and their ongoing role with regard to notification, we have the Community Notification Advisory Committee here. How that works is that, before the release of a sex offender, there is a risk assessment done by, usually, federal or provincial correctional authorities. If there is a concern based on that risk assessment, then the police will be notified, the police in the jurisdiction where the offender is intending to reside. The police then have the Community Notification Advisory Committee available to pursue advice in terms of whether there should be a notification and, if so, what should be the breadth of that notification. Notifications can be made generally, and we see them sometimes on the television or in the newspaper, or it may be specific to a community or even perhaps to just abutting neighbours, but that is entirely dependent then on an assessment by the advisory committee of the information that they have available.

The police then would be given that advice and may well act according to CNAC's conclusions. The police though, of course, are free not to accept that advice and indeed on many occasions, they do not even take a matter to CNAC. They may just do a notification on their own and indeed sometimes, well, I should just say that whether the matter has gone to CNAC or not, then the Manitoba high-risk offender Web site provides another tool for public safety. That was established in April of 2003, and the Manitoba Justice Web site displays the names and photographs of high-risk sex offenders who have been the subject of a full public notification by one of Manitoba's police forces, whether or not CNAC was involved. So again the police are the trigger for the notification.

As of February 2, there have been 63,347 visits. That has increased since, I have about 65,000 now. Ever since it was established, the number of visits to the Web site has steadily increased. I am advised there about 2,000 visits to the Web site every month. So that is to provide ongoing notification and was

recognizing that when you just had a flash on the television screen or an article in the paper, that would disappear by the following day. We thought it was important to augment that with using the relatively new technology of the Internet.

There are two sections on that Web site. There is the current notifications and then there is the previous notifications. In the current notification section, that shows all the media releases issued by the police in the past year about high-risk sex offenders and usually has information on the past offences committed by the offender, the area of the province where the offender is expected to live and the type of person who is at risk, for example, is it adult females or children. The second section in that previous notification section has information after the notification has been displayed in the current section for a year, and there is more limited information about the offender there.

The offender information will remain in the previous notification section until the offender provides the deputy minister of Justice with proof that he or she has received a pardon for the offences committed. Manitoba was the second province to introduce this after Alberta. So that has been the system in place in Manitoba but it more involves law enforcement than any other stakeholder or any other section of the justice system in Manitoba.

Mr. Goertzen: Maybe for greater clarification, the minister could indicate then the applications or the offenders that go before the CNAC committee. The committee then makes a recommendation to the police about notification?

Mr. Mackintosh: It is this important distinction that CNAC is not the decision-making body, it is an advisory body. It is comprised of a number of skill sets and approaches, and it provides, I think, an examination of the pros and cons of the different types of notifications that could be available, but it recognizes the inherent jurisdiction and, indeed, the common sense responsibility of law enforcement to make the final decision. Again, too, though, at the front end, it is the police that trigger the CNAC process.

If the member is interested, we can provide statistics on the number of cases that have been considered by CNAC and the notifications that have resulted. They provide independently from Manitoba Justice a report to the public on their annual activities.

Mr. Goertzen: That would be great. I would appreciate if the minister could indicate how many offenders' cases were brought before CNAC and, then, as a result, how many notifications came forward.

Does the department keep statistics then on re-offences of individuals who might come before CNAC who find themselves re-offending on the same sort of sexual charges as a way to measure the success of the recommendations coming out of CNAC?

Mr. Mackintosh: CNAC notes those who have been referred multiple times to CNAC. So that is one of the functions and that will be recorded and reported in their annual reports.

Mr. Chairperson: The Minister of Justice. *[interjection]* Oh, honourable minister from Steinbach.

Mr. Goertzen: Make sure you correct the record on that one. You would not want to leave that. *[interjection]* Yes, I know, it is hard to imagine. I think the Deputy Speaker of the House called me the Leader of the Official Opposition last week, and that is very career-limiting if you do not correct those sorts of things.

I thank the minister for the response. The AMBER Alert, I know the minister in the past has been a proponent of the AMBER Alert in the province of Manitoba, and Child Find Manitoba lists the Manitoba AMBER Alert plan on their Web site. Can he indicate how many AMBER alerts have been issued since the enactment of that program?

Mr. Mackintosh: I am very pleased to announce that there have been none so far and I hope it stays that way. More than anything else, I hope it stays that way.

The AMBER Alert program was developed with Child Find. I should just make a few comments on the record before moving to the next issue. I want to thank the media in Manitoba, the broadcasters, and the police and Child Find for coming together with Manitoba Justice to make sure we had an AMBER Alert program and protocol in the province.

We were early on in developing this compared to the other jurisdictions, and we are in the process of strengthening AMBER Alert in two ways. First of all, the member may be aware, but we have an agreement in principle with Minnesota and North Dakota to conclude a network so that if there is

reason to believe that an abducted child is heading to or is in either of those two jurisdictions, that an AMBER would be triggered by those states and vice versa. So that work is being nailed down now in terms of the contact individuals and ensuring that the protocol is in place.

* (11:20)

Mr. McCaskill, in our department, has been tasked with that responsibility. The Winnipeg Police Service is currently the co-ordinating—*[interjection]* The RCMP are being the contact now. It has been the Winnipeg police, but because of the rural components, it has been decided now the RCMP would be the single contact.

The other job that is ongoing is to establish a network across Canada, and the Member for Minto (Mr. Swan) has been working not only on the state protocol but on the provincial protocol. So we are working away with the different provinces there that have expressed an interest in concluding a protocol, and we are hoping to nail that down in the coming year. There are a lot of issues there. There are some variations across the country, but it is our intention to deal with those and that is well underway.

There have been two exercises, two AMBER Alert exercises, to help ensure that the system is going to be effective in responding, but it could happen any time. It could happen today. I hope not. I hope it never happens, but I know that North Dakota recently had an AMBER trigger, and we hear across United States from time to time of these horrible instances. As I recall, I think, since AMBER began in about 1996 in the United States, there have been about 250 abducted child returns. It has been proven to be effective in being like a Neighbourhood Watch, if you will, for children when there is a high risk of abduction.

Now, there are criteria. It is not every abducted child. There are very strict criteria that the police will adhere to before triggering an AMBER Alert. It has to be high risk, and there are some measures in terms of, you know, it has to be a person under 18, and it has to be a confirmed abduction by a stranger or an abduction, parental or non-parental, where the circumstances lead police to believe the abducted child is in danger of serious bodily harm or death. There also has to be sufficient information to share with the public that could assist them in locating the abducted person and apprehending the suspect. It is not just to do it for the sake of doing it. It is for the

purpose of getting the return of the child and apprehending a suspect.

The police in Manitoba have the protocol, and I think those are the current issues with regard to AMBER Alert. I want to thank the Member for Minto who took on some of the work to strengthen AMBER Alert and ensure that we were beginning the development of the networks which Manitoba has been the lead on and, as well, to make sure that the organizational efforts are sound here in Manitoba. I believe that, in Canada, there have been AMBER alerts triggered in Québec, Ontario, B.C. It is most unfortunate.

Mr. Goertzen: Thank you, Minister. We certainly support AMBER Alert, and we would agree that it would be a good thing if it never had to be used. I just wanted to ensure, of course, that the program is operating the way it should in case it ever has to be used.

The minister then is saying, I guess, by his comments, I understand it is an RCMP-triggered initiative now that there have not been any cases that have met the criteria, which is why there have not been any AMBER alerts.

Mr. Mackintosh: That is correct.

Mr. Goertzen: I thank the minister for that response.

In the past, I know there have been reviews regarding Crown Attorney workloads in the province of Manitoba. Can the minister give an update regarding the workload of Crown attorneys within his department? Whatever measure that may be, whether it is caseloads or other measures or whether it is time allocation, if he could give an indication about the current workloads within his department for Crown attorneys?

Mr. Mackintosh: In terms of first overall numbers and then context, as the member is surely aware, it was a serious concern to us that Prosecutions division had not been adequately attended to in terms of the organizational efforts that were needed to better ensure effective delivery of service and resourcing. As well, we were concerned about the need for greater specialization in certain areas. So on all three fronts there have been some significant changes.

In terms of overall FTEs, my figures indicate that in '99, there were 134 FTEs, which is now 177.3 in the final Estimates for the current fiscal. If there should be any adjustment to that, I will let the

member know by written. I just wanted to ensure that any special top-up FTEs for a certain trial were not included in that. I did not want to skew any numbers by having a one-time infusion in that, but those are the numbers that I had.

The book should show 175.3 on page 35, and the reason for my number of 177.3 is because two FTEs are funded by MPI, and that is directed at auto theft. Of course the funding has gone from \$9.9 million to \$17.8 million in the current fiscal. That would include the MPI allocation which would then be different than at page 35.

*(11:30)

Now, in terms of, if asking a question about the caseload, in Manitoba, we have developed several units. I think of the High Risk Offender Unit for example, where the whole intention there was to allow prosecutors to go back and get the history, interview previous victims of a high-risk offender, and be able to present to the court the true risk of an offender to get more, you know, to get high risk and dangerous offender status. I think that has proven to be a wonderful initiative. I do not know if other provinces are moving that way, but I think that you have to do that if you are going to complement the available criminal laws to deal with the highest risk offenders to the community.

We have of course the Auto Theft Unit now that is part of the auto theft suppression initiative. We have the Gang Prosecution Unit that we spoke about earlier. We now have, most recently, the development of a more co-ordinated impaired driving initiative where there is senior counsel and then designated Crowns from the general trial division who have agreed. I think it was a volunteer initiative. I think it is about 14 of them, and they take the impaired driving cases. So we have a cadre of expertise there. I think of the Family Violence Unit, and I think of specialization when it comes to child offences, and I am sure there are some others. So the workloads will vary according to their assignment.

The development of our computer system, which is called PRISM, has also enabled better assignment of prosecutors to cases to ensure more even workload distribution depending on those units. We have more recently developed a one-case-per-prosecutor approach starting in domestic violence, and we are expanding that so that there is what is known really as vertical prosecution, where there is ownership of a file, and that has been shown to be very effective in terms of access by defence counsel,

knowledge of the case, making sure that the cases do not fall through the cracks, obviously.

I could go through a number of the other initiatives in Prosecutions, but I think the member was pretty specific in terms of trying to get a measure of workload and all that. I will say that in addition to the very significant increase in the number of FTEs and the investment in Prosecutions, I am advised by Prosecutions today that there has been noticeably a stabilizing of the number of files coming in. So I would say in conclusion then getting back to the main question, that the workload, statistics will vary from unit to unit, and that is by design.

Mr. Goertzen: I do appreciate that, and certainly I know in relation to FTEs it is sort of like when we talk about the police complement versus the amount of crime. If you do not have the crime you might not need as many police, but the minister, just in terms of the workload, he indicated that there were statistics I suppose that are available by units on the average number of cases that each unit or each prosecutor in a unit would be dealing with. If he could provide that then—I do not expect that he has that here—but if he could provide that for us that would be appreciated.

Mr. Mackintosh: We will certainly do our best to. Well, I am advised that those numbers are available certainly for some units and they may be available for others, but I do not want to commit to that for sure. But it is my understanding that the PRISM system should help us with that, and we will make best efforts to provide that information to the member.

Mr. Goertzen: I look forward to that response as well.

Briefly, I want to talk about the Turnabout program, just to get an update on the intake volume in the Turnabout program over the last year or 12 months, the number of children under 12 who have been brought forward into that program.

Mr. Mackintosh: Well, the member may be aware—this may predate his interest in this area, but we were supportive and indeed, I think, vociferous in asking the federal government of the day, when it got to the YCJA, to allow for bringing into the criminal justice system youth under age 12 in certain exceptional circumstances. That would be by application of the Crown, and there would have to be consideration of the nature of the offence and the nature of the

offender. That was in the interest not only, I think, of ensuring that the whole range of options was available to deal with an exceptional case but, as well, for the Charter rights of the individual. So I thought for every reason that was a good argument and it was rejected.

I understand there may be a new-found interest in that with the new administration in Ottawa and looking at that. The intention there is not to throw very youthful offenders into jail. That is not the driving interest here, although that may be the necessary consequence in a most extreme case, but it is to ensure that there is a full range of consequences. Sometimes those consequences can be very helpful in protecting public safety and turning around the life of a youth.

When that was turned down I think it was even more incumbent on provinces to look then to see what they could do within their areas of provincial responsibility. We concluded, as a result of the examination of the jurisdiction available to the province, that we could introduce a program that would provide for some interventions with youth under age 12 in addition to the Child and Family Services and protection of children jurisdiction that exists.

So it was with Healthy Child Manitoba and the involvement of people. I think of Wyman Sangster, for example, who did an early proposal funded by the federal government to see how this could be piloted that we were able to introduce it in Manitoba. I think of some early discussions with people like Yude Henteleff and others that thought this would be a valuable addition to the consequences in Manitoba.

We heard over and over again frustrations from police that, when a child is under 12 and they are acting out doing offences that otherwise would have resulted in charges, there was nothing that could be done. So in October of 2002 we started up Turnabout, and it is my understanding that as of March 31 of 2006 Turnabout has received 811 referrals involving 560 incidents. Fire setting had 219 incidents; mischief, 152; shoplifting, 105, so you can see some of the numbers there. You can see the incidence of fire setting is the largest single category of behaviour.

* (11:40)

The number of incidents, I think, is the more telling numbers. There could be more than one youth involved in one incident, so of the 811 referrals, 126

are females and 685 are males. So we are looking at that program to see how it can be strengthened, bearing in mind that Turnabout has always been the important objective and to not duplicate and not start setting up other agencies. This is not an agency. This is a triage function. This is referring youth to existing programs and being a hub in the wheel, if you will, for those other existing programs.

The results can range all the way from child apprehension to referral to a program, like Fire Stop, for example, that has been a very common consequence for the fire-setting youth. The interventions will not be sometimes with only the youth, but sometimes will be with the family and assisting parents with a plan to provide protection and recreation and other needs of the child. Turnabout conducts home visits when the families do not have phones. There may be home visits in other cases, as well, depending on the circumstances.

There is an ongoing relationship with the SROs and the schools in the core area in particular in Winnipeg. I have here a note that, just for the member's information, the referral organizations include, of course, Winnipeg Police, RCMP, Fire Stop, Youth Emergency Crisis Stabilization services, Child and Family Services, First Nations and Métis family services, Mamawe, New Directions, Anishinabe, Flora House, Family Centre, Winnipeg Boys & Girls Club, Lighthouses. So Turnabout continues to work with WPS and RCMP, in particular, to promote referrals. It is available and, of course, it rests with the police as to whether they wish to use Turnabout in particular cases. I think it fills a gap, and we are going to look to see how we can enhance the program as we proceed. I think that should provide a full answer.

Mr. Goertzen: Can the minister indicate how many children referred to Turnabout in the last whenever the reporting period is that you might have, last year, or the last consecutive 12 months, whatever reporting period that you might have; or if you have a month-by-month breakdown, that would be fine, too, and also any statistics on further involvement with police from children coming out of the Turnabout program?

Mr. Mackintosh: Yes, we can provide that information.

Mr. Goertzen: I appreciate that.

Turning to the young offender mentorship program, can the minister indicate how many mentors are currently operating within that program?

Mr. Mackintosh: The mentoring program is operating in two centres, in Winnipeg and in Brandon: in Brandon since 2002, and in Winnipeg as well since 2002. The partners in Winnipeg actually were into a new era, I think a very optimistic era of a new partnership with Big Brothers Big Sisters of Winnipeg. It is a natural fit, so we look forward to good results there. In Brandon, the Friendship Centre has been the partner.

I thought I had the numbers at hand, but we will have to provide those numbers in terms of the number of mentors or those mentored.

An Honourable Member: Both.

Mr. Mackintosh: Okay.

Mr. Goertzen: I thank the minister for that undertaking.

An October 23, 2000 news release regarding a high tech crime-fighting operation, \$568,000 in funding from the provincial government related to the Manitoba Violent Crime Linkage Analysis System to gather facts about serial assaults, sexual assaults and homicides and compare them with other incidents, can the minister give us an update on the success of that program?

Mr. Mackintosh: The staff just want to clarify what the member is asking for with regard to ViClass. ViClass is an operation in "D" Division RCMP that links to other divisions across Canada and beyond. There is an expertise there, and there is assigned staff to ViClass by the RCMP. The Province began funding that a number of years ago. As I recall, we ramped up our funding over a short period of time. It is a specific unit. So any statistics we will have to request from the RCMP. Perhaps if the member could put on the record what it is he is looking for, and then we will have to pursue that with the police force.

Mr. Goertzen: Sure, I appreciate that, and the minister indicated in his news release that predators who travel between communities and across borders will no longer go to flee their crimes. They can expect the knowledge of their acts to follow them and makes Manitoba safer. So I wanted to just simply ensure that we were getting value for our money, not only within Justice but across the government as a whole. So, if there is any indication

of how many predators perhaps have been caught in Manitoba as a result of our ongoing investment, that would be appreciated. I am sure there are some sorts of statistics the RCMP can provide about the success of that program.

Is there any other funding that has been invested in ViClass since 2000? I would imagine there is probably ongoing funding as well.

Mr. Mackintosh: We will ask that question of the RCMP, give the RCMP the member's question, but it will be up to them to decide how to answer that and what they can say about ViClass. We will work with them to get that information to the member and in terms of how the funding is allocated as well.

*(11:50)

Mr. Goertzen: I thank the member for that. I look to the response from the RCMP through him.

August 9, 2004, new legislation, amendments to The Highway Traffic Act allowing vehicles to be impounded for 48 hours for the act of street racing. Can the minister indicate how often that legislation has been put into effect since the legislation was enacted?

Mr. Mackintosh: The amendments enable police to impound vehicles of drivers caught street racing. We were the second province to do that and it came into force on August 10, '04. So there is the 48-hour impoundment period available if police wish to use that. As well, the range of available consequences include fines of up to \$5,000 and a driver's licence suspension if convicted. Of course, in addition, owners would be responsible for towing and storage bills.

I am advised that this is the most recent figure and this will not represent the entire Manitoba statistics. This is only for two jurisdictions, that is Winnipeg and RCMP jurisdictions, as reported, so the numbers could be higher. But I can say that I have a total of 47 impoundments at least.

By the way, another measure of success, one of the areas of concern was Grassmere Road, north of Winnipeg, and what has been relayed to me is that there has not been reportable incidents of street racing since last summer in that area. So it looks like there is a message there that was delivered but it is one day at a time, as we know.

When you look at some of the other measures of impact here, we just have a reported statement here that went to one of the local papers. One racer said: I

am staying away from street racing from now on. It is not worth it. Since my car got impounded, it has given me second thoughts. So, hopefully, that is the kind of message that is being shared out there and we will continue to be vigilant on that issue.

The federal government announced on May 25 that it would bring in a law this spring to make street racing a criminal offence and we have supported that. Indeed, I supported Chuck Cadman in his efforts. Our own Premier (Mr. Doer) here last June called for Criminal Code amendments to make it a violation of the code with mandatory jail.

So we will see how the law looks and we will look to see whether Manitoba should pursue further efforts on the provincial side, administrative sanctions or not. But having it stand alone as a Criminal Code offence may enable other options to develop. But, again, it will depend on the federal law and what the penalties are there and whether there are penalties that involve a loss of the use of a vehicle or not.

So it is an open file but it looks like we have had some good messaging delivered as a result of the police using this law. It is their actions that have to be commended.

Mr. Goertzen: I thank the minister. We share in those comments regarding the police here in the province of Manitoba.

December 2, 2002, Manitoba to seize and sell vehicles driven by impaired drivers: The minister indicates that if you drive while impaired you have a lot to lose, including your vehicle. Can you indicate under that legislation how many cars, snowmobiles, ATVs or dirt bikes have been forfeited and sold?

Mr. Mackintosh: Manitoba was the first jurisdiction in Canada to introduce forfeiture with regard to impaired driving. Indeed, it was even available on a first conviction for death or bodily harm, and it has been commented on by MADD Canada as one element of our aggressive strategy, but it is only one element.

As I recall, I am just going by memory here, but in the first measure that we tallied, I was rather disappointed in the numbers because there were some projections developed that showed that the maximum exposure if every relevant conviction ended in forfeiture was a number that was quite a bit higher than the experience then. Further analysis indicated that there were a lot of drivers who did not own their vehicle or did not have asset in their

vehicle. Indeed, I think with the prostitution scheme as well, forfeiture has to be recognized as just one tool and speaks to certain persons, offenders, but not others. I think with the development of lease vehicles over the last number of years, the shortcomings of forfeiture as speaking to every offender is even more pronounced. So that is why, for example, when it comes to prostitution offences, we just a couple of weeks ago proclaimed a law to have licence suspension.

But I think as part of the scheme it is useful to have, even recognizing that people are leasing. They are renting. They are borrowing. I know the vehicles are owned by someone who is not the driver. Now, the numbers, I am advised that we do not have current numbers. *[interjection]* Okay, we can crunch those numbers and let the member know of our tally.

Mr. Goertzen: Just for clarification, I am looking for the number of vehicles. That is vehicles. I think the news release also indicated snowmobiles, ATVs, off-road vehicles would be eligible as well. If we could have that number as to how many have been forfeited and sold since 2002, I would appreciate that.

* (12:00)

I know there are other members of the committee, or the Legislature, I should say, who are looking forward to posing questions in the short time that we have, so I will start to move on more quickly to some other areas.

Regarding the Auto Theft Suppression unit that the minister referenced in his opening statement, can he indicate how many of the top re-offenders for auto theft are being targeted by that unit?

Mr. Mackintosh: The numbers, I am advised, vary daily. The highest-risk group that have the most intensive support and surveillance activity, what they call the level 4 kids, there are currently—this is April—at the end of April there were 51 in that group, high risk. In the next group, in level 4, and then six in the next—well, there are three different groups in level 4, it looks like here, and in level—there are 160 right now.

You know what, I think it would be best, I am going by a lot of short forms, and so on. Perhaps, we should respond by way of a response to the member just to make sure that these numbers are described appropriately because it looks like there are sub-categories within the different levels. Okay?

Mr. Goertzen: I appreciate the minister undertaking that.

The next question then, if he could also provide, of the individuals who have been monitored since the program began, the number who have been subsequently charged again with an auto theft offence.

Mr. Mackintosh: I am advised that that number, indeed, may be crunchable. We think we can do that, yes.

Mr. Goertzen: I appreciate that undertaking. The minister indicated in his opening comments that they might be adjusting that program. I noticed in one of the local news reports back in April that they reported a 26 percent increase of auto theft in that same time period, January till March, I believe it was; or, sorry, the first quarter of 2006, that auto theft was up 26 percent from the previous quarter in 2005. I assume that the auto suppression unit was already in place at that point. Is that part of the adjustment that the minister is looking at? Is there any indication that the program is not as successful as we had hoped?

Mr. Mackintosh: This is truly a work in progress that has engaged partners like never before in the history of this province on a very concentrated effort. I can talk about some of the trends and what we have noticed here. I will do this as briefly as I can, but this should be on the record.

In the first few months of this initiative, the auto theft rates plummeted. There obviously was a significant result from the intensive surveillance efforts. Then the numbers increased so the task force went to work to identify what was driving the increase. As I recall, it was the last three months of '05 was this plummeting and the first three months of '06 was the spike. So we met, in fact, I met myself with the task force just in the last two weeks or so to find out what they had discovered, and this is what occurred.

The intensive surveillance had the result of pushing some of these kids underground, if you will, what was called whereabouts unknown. In other words, in order to get out from under the watchful eye of the initiative, these youth disappeared, and they were going into breach status. So one of the responses then, obviously, was to focus on the whereabouts of known kids, and there was, I think, a reason to conclude that those individuals were driving the rates up again.

There has been some good success in that refocussing. Again, this is an example of how the initiative has to be nimble and respond to the shifting pattern. More recently, it has been concluded that there have been some new youth becoming involved so the strategy is shifting accordingly there. Of course, the suppression initiative is only one part of the initiative. It is both a suppression and a prevention initiative.

So the auto theft group is going to continue its vigilance and its flexibility in responding. When I see the reduction in the number of whereabouts unknown, it gives me reason to believe that we are going to continue to meet the objectives, but this is a two-year initiative. It is an experiment, and in meetings with both the mayor and the chief of police and with the officers who have been assigned to the task force and to the correctional officials and Mr. Linden and Mr. Graceffo, I am heartened that we have a partnership like we have never had before, but we have to continue to be nimble here.

In the last two weeks of May, for example, there were 11 new youth that had not been identified before, so that shows you the challenge that we have. That is why also it shows us all that the only long-term way that we are going to significantly reduce auto theft in this province is to make sure that you cannot steal vehicles in the first place.

I regret that these vehicles have been manufactured to be stolen. They know darn well that that is the risk when they turn them off the assembly line, and it is not until this coming vehicle year that we are going to have in place the Transport Canada regulations to require the manufacturers to immobilize these vehicles to Canadian standards. In the meantime, the Province is going to do what it has to do. This is a very serious challenge, and we are bound and determined to do whatever we can to bring it down by, like I say, on both the suppression and prevention angles.

* (12:10)

Mr. Goertzen: One final question. I would like to thank the staff for their indulgence in moving back and forth on some of these issues. If I get a brief answer from the minister, I can turn it over to some of my colleagues.

We had asked about six months ago regarding statistics on those who were currently in violation of their probation and were told that those statistics were not available because the computer mechanism

was not in place, but I understood the minister in the media said that that was coming on-line and that there were some improvements being made, and so, when I asked the federal government for the number of people who have broken the condition of their parole in Manitoba, I got the answer within three hours. Can the minister indicate when it is that we will be able to have that information on a timely basis in Manitoba?

Mr. Mackintosh: Well, the effort is well underway. You know, the information systems that were in place, that we discovered, were sorely lacking, and I am sure in many areas of private and public endeavour, but I was very disappointed to see the state of our information system technology in Manitoba. We have invested huge dollars in upgrading that. Well, it began a number of years ago, but I am not going to get partisan about it. But there was—*[interjection]*

No. But there have been huge investments in this area, and the department has had to prioritize and, you know, in concert with the experts on information technology and where to invest and where to improve, but the COM system, which is the relevant one to the question, is under further development. There will be further developments in this fiscal year.

So I look forward to being able to push a button and get that information, as I am sure the member looks forward to it. But there are enhancements that are being budgeted for, and we will continue to develop that and make sure as well though that the different systems, whether it is prosecutions, courts or corrections and police are compatible and that information is being shared. There are some wonderful developments, and if the member wants to get into that in more detail, if we have time we can do that, but that work is underway. The provision officers know about their breaches and the actions on the different files. It is not a matter of not knowing information, it is not being able to push a button and have the information pop-up with the information technology, with the COM system.

Mr. David Faurshou (Portage la Prairie): I appreciate the honourable colleague from Steinbach allowing me to ask the question that is on the minds of the residents of Portage la Prairie, and obviously in wake of the announcement that the women's correction facility will be moving to Headingley, but Portage is still a strong consideration for the healing centre. In the Aboriginal justice committee report

they were talking about a transitional centre as well. Is it the minister's intent to have the healing centre, transitional centre as a combined type of facility, and when will the minister be looking for interested communities to put forward their intent to be the potential site?

Mr. Mackintosh: One component of the question was whether the transitional housing and the healing lodge were one and the same. I think the fair interpretation of the recommendations is that it was two different functions. The healing lodge would be available for low-risk sentenced women, and the transitional housing was not dependent on that but it was I think contemplated as a community option. We accept the recommendations with regard to both.

Now, there was a recommendation as well that was important to the consultation committee to have a council of elders to provide some guidance on this. It is my understanding that that is coming together or has come together, and I understand that Elder Gladys Cook is going to chair that or is already chairing that. They will be providing advice on the issues raised by the member.

With that in mind, it is our expectation that the RFP will be out this year. I trust and I expect that the member's area will be putting its best foot forward. We understand that there already has been some development of ideas around that, and I think there was a submission to the consultation group on that one.

So we do see that as a part of the recommendations that are worthy. But our number crunching has shown that there are not a large number of women who would fit that criteria. Indeed, there could be six or ten— *[interjection]* Yes, there are 16 sentenced women today. You can see how women's corrections in Manitoba is being driven by the Remand population.

But that is all consistent with the recommendations and we will proceed that way. Perhaps with the small numbers, it will be even more effective for those individuals. Sometimes you can make the community safer one person at a time.

So that is that, and then I know, too, that there was a recommendation that we look to see how the southern healing lodge developed and what our experience is with that, and then we would turn our minds as to whether or not there should be a northern facility. I know there has been an interest from the North for that.

But we are not going to cherry pick those recommendations.

Mr. Kevin Lamoureux (Inkster): Mr. Chair, I have several questions I am hoping to at least attempt to get on the record. If I can get brief answers, I would appreciate it.

The first question is in regard to electronic tools that could be available for assisting in enforcing curfews. I am not referring to GPS because I understand the government is not overly sympathetic to that. But is the government prepared to look at other forms of electronic tools that would be available, that are available to ensure that we can provide for offices, like probations, to be able to use to enforce curfew.

Mr. Mackintosh: We do use electronic monitoring where it has been proven. For example, with regard to impaired driving, we have introduced into Manitoba the state-of-the-art electronic monitoring by way of the ignition interlock. I am keen to see the introduction of more technology if it will make Manitobans safer. I am very keen on this technology and, certainly, on the face of it, I think it has great potential. I am, though, mindful of some elements of this issue.

It has been used and has been promoted, perhaps even by the member, to reduce incarceration, to get people out of jail and to provide an argument by defence counsel or provide reasons for judges to release people who otherwise would have been incarcerated. We are very concerned about that and would want to proceed only if it could be shown to enhance public safety.

* (12:20)

Now, we cannot be uncertain with people's safety. I continue to hear these accounts of bracelets, for example, electronic monitoring bracelets, whether it is GPS or the traditional kind just being cut off. A terrible false sense of security perhaps on the part of the victim, in that case, where the victim may believe that an offender is safely in his bed with the monitor on. In fact, the only thing in the bed is the monitor and the offender is at the window.

Now there have been signals about effectiveness that have been mixed and perhaps mixed at best. As well, offenders on monitoring can kill and that has happened. We have heard of those instances where electronic monitoring has been introduced. The technical shortcomings, I have talked about this with the member. I think last year at this time we were in

Estimates, we had a brief discussion on it too, but now I have heard more recently that the signal can be either interrupted or, in fact, countered by covering the monitoring. *[interjection]* Well, that is on the GPS technology.

So, given my interest in this one, the department has been asked to ensure that the measures of success are known from wherever. They have been tried. There has been some sporadic use of this around the western world and there has been some use of the traditional electronic monitoring in Canada in some jurisdictions for some time, but even there, I look at, there is a federal government Web site on electronic monitoring and it says being placed in an EM program had no appreciable impact on the future criminal behaviour of the offenders. They continue to engage in as much crime as those who remained in prison or those who received a sentence of probation, and went on to say, the findings cast doubt on the potential savings promised by EM, as well, and talk about how it can be counter-productive. That was a study by Bonta.

There is different, I was looking here, bail granted in a murder case. The ankle bracelet was it appears the reason that the person was released and it caused an outcry in the province of Ontario last May. I can go on and on with the examples, but that is why I asked the department to make sure they combed through all of the available research. If they could find a reason for a thumbs up on proceeding in Manitoba, that they would come forward with a proposal to, at least, on a pilot basis look to see how that could be implemented in Manitoba. I think we would be looking at what would be the offender population given my concerns that I have just stated. We would have to have a measurement to go with that. As the member knows, Nova Scotia is trying an experiment with GPS. Ontario tried GPS and dumped it, my understanding is.

So we will carefully look at that. If there is a thumbs up, we would consider that in the course of the Estimates process then and weigh the pros and cons very carefully. As I say, I am very keen to see this introduced but my job is to enhance public safety and not just introduce something because it sounds good. It does sound good, but there have been some real mixed signals about effectiveness there and technical shortcomings are one thing. It is also, of course, just the fact that you can have a bracelet on and can commit crime. I think there are questions as to whether the technology has been perfected for correctional use which, I think it explains why

provinces have been quite careful in terms of the population it is selected for use of the electronic monitoring.

Alberta just started a pilot of electronic monitoring, I think traditional electronic monitoring, but for intermittent offenders, for those who are just sentenced to like a weekend. So you can see the very careful application of this. So that is the state of that. It is under active consideration as we speak by the department, and I look forward to getting their recommendations in the coming weeks or the next few months.

Mr. Lamoureux: Mr. Chairperson, I think what we need is less politics and more action coming from the Minister of Justice and maybe we would have a better overall judicial system in the province of Manitoba. That was a fairly simple question, and I am going to try to incorporate a couple of questions into this. Obviously, the minister, if he has the courtesy, will respond then in a written form, unless of course we are provided another opportunity before the end of the session.

Mr. Chairperson, providing ankle bracelets for young offenders to ensure that they are respecting curfew, I think is a positive thing, and I think the minister is doing a disservice by not acknowledging the potential role of electronic monitoring devices, in particular, ankle bracelets. I am not talking about GPS. I understand there needs to be a lot of work done in that area. Having said that, I do believe that there is a role here, and I guess we are going to have to agree to disagree. I will take the side of the victims and advocate on behalf of the victims on this particular issue.

Having said that, there is a great deal of concern in regard to minimum sentences, and there are far too many break-ins in the province of Manitoba that are taking place. People are concerned in terms of, in particular in the youth area, but also in terms of adults, that we have too many break-ins occurring in the province of Manitoba. Whenever you have a break-in, there is always the opportunity to classify it as a home invasion, and we have found it very difficult to get any sort of statistical information in terms of the consequences of break-ins.

I have raised this issue before, and I would very much appreciate to get an answer in regard to what an individual can expect to receive as a disposition as a result of breaking into someone's home. Is the government lobbying for minimum sentences in this area for Ottawa? Does he believe that there needs to

be minimum sentences in this area? I think that is something which Manitobans have an interest in hearing from it, especially where there are occurrences or re-occurrences in this area. There are too many people that are stealing cars, breaking into homes and left out on the streets with no consequence.

My constituents, in fact I believe all Manitobans, are fed up with it, and they want to see a government that is prepared to take action on those types of issues. I think that there is a responsibility of the Department of Justice to be able to provide information. The Member for Steinbach (Mr. Goertzen) made reference to computer technology that is out there. If you want stats from Ottawa, they are much quicker and made available in an apolitical fashion. I would like to see some of those statistical information being provided to members where there is a need, and I think there is a need for us to get a better understanding of some of the things that are going through our courts.

Mr. Chairperson, I realize that I have only got two minutes left. I had an important issue that was raised by a constituent in regard to the appeal process for individuals that had been caught with impaired driving and how they could go about in terms of getting their licence or their ability to be able to drive in certain situations. I know that there is an appeal mechanism that is there.

What surprised me with this particular one is that the individual in question had a very sick father that was inside a hospital. He had children and he had wanted to be able to provide some care for his father, and it was fairly well documented, from what I can understand. It was decided that an extension would not be given, knowing—*[interjection]*

Point of Order

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

Mr. Chairperson: Mr. Goertzen.

Mr. Goertzen: I wonder if the committee would offer leave for the Member for Inkster (Mr. Lamoureux) to finish putting his question and for the minister then to provide the answer, and then the committee could rise.

Mr. Chairperson: The committee cannot give leave on that. Only the House can.

The hour being 12:30, committee rise.

HEALTH

* (10:00)

Madam Chairperson (Bonnie Korzeniowski): 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 Health.

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

Mrs. Myrna Driedger (Charleswood): Can the minister tell us where the '04-05 annual report is? It seems to me to be quite overdue.

Hon. Tim Sale (Minister of Health): The '04-05 annual report? *[interjection]* Sorry, I am not responding properly in the mike. I thought it came out in the fall. We will check, but it has been done a long time. Remember that now that we have the different rules reports are not tabled in the House. They are just tabled with the Clerk and sometimes they do not find their way to everybody. I guess you have changed critic role so it is conceivable that Heather has it, but I mean it is a long time ago that that was released.

Mrs. Driedger: I guess just when I pop by the minister's office this afternoon if there happened to be an extra one around, could it be left at the desk there as well?

Mr. Sale: I will check with the deputy but I think the copies are available, the annual report 2004-2005. It was last fall I believe it was released. Sure I will ask Richard if we will make sure that we have an extra copy of the annual report. I will put a dozen tickets in it at 40 bucks each in a brown envelope and you can have them.

Mrs. Driedger: I thank the minister for that undertaking.

Can I ask the minister why the government will not address the issue of smoking or preventing of smoking in Aboriginal casinos, considering where we are with Aboriginal health care and the challenges there and the lung cancer rates. I wonder if the minister has lobbied around this issue in terms of, for instance, preventing licences going to Aboriginal casinos if smoking is allowed. What kind of discussion has happened around this issue?

Mr. Sale: I just remind the member that there was an all-party task force, which she is well aware of, that

great credit is due to Denis Rocan, the Member for Carman, who really was the spark plug behind getting it dealt with as an all-party issue.

The recommendations of the task force are what we followed, and I think the member knows the debate. The debate is around whether, from a legal point of view, the Province can make a law that would be enforceable in federal territory. That is, could we enforce a ban in a sergeants' mess at the armoury on St. Matthews Avenue, given that that is armed forces jurisdiction and federal jurisdiction. Would we have the right to walk in and grab the sergeant's cigar?

I think that wise minds put their mind to that and said, at the very least it is in dispute. We do not think we have jurisdiction on federal land, and First Nations reserves are federal land set aside for the exclusive use of First Nations members. So I think what we were interested in doing was the same thing that probably the member over many years has been involved in, and that is promoting no smoking in as many places as possible.

If she goes to the Otineka Mall in The Pas, she will find that it is a smoke-free mall. It is on a reserve. If she goes to Little Grand Rapids and Pauingassi up on the east side, she will find that all the band facilities, which are very, very sparse facilities in those communities, all have no smoking signs in them. So First Nations governments, I think, are increasingly conscious of health issues just as all governments are.

We think that the prudent course was to recognize the jurisdiction of the federal government where it existed and to set the example of a province taking the first action for a comprehensive ban in Canada, which has been very effective, and, apart from a couple of protestors who lost their cases in court very quickly, it has been virtually trouble free in implementing the ban. I think that when I talk to my First Nations colleagues, they express the same kind of concern the member does, and that is that we need to get reductions in smoking as quickly as we possible can.

But I think that New Brunswick has run into a serious problem when they tried to do a province-wide ban. They ran immediately into the question of jurisdiction. I am sure the member remembers and realizes that the issue of jurisdiction has been one that has been adjudicated a number of times at the Supreme Court level and is a constant issue for First Nations who feel perhaps, not always correctly but

they have a lot of evidence and history on their side, that they often become the meat in the sandwich between jurisdictions. They are very protective of what they call and what we call in our documents the fiduciary responsibility of the federal government. They are wary that anything that they agree to which appears to accept provincial authority will weaken their case under treaty.

So I take it that the First Nations are not at all unconcerned about smoking or about health, but they are very sensitive to the question of jurisdiction. So the decision that we made and that I think was the right decision was to respect that and to keep working on the voluntary side with First Nations, which I think is working effectively. Lots and lots of communities I go into, it is very clear that their public facilities are smoke free.

*(10:10)

The member mentions smoking in casinos. I have been in the casino in The Pas, and I have not been in the new one at Brokenhead. I do not know whether the member has or not. Casinos are not my favourite place so I do not go in them very much, but I have been in the one in The Pas, and I have to tell the member that almost no one was smoking. There was the odd person smoking, but the atmosphere was very clean, and the number of people who were smoking was very, very few. I think that community, Opaskwayak Cree Nation, has made a real effort in their public facilities to reduce or eliminate smoking, and I think that is what is going to happen everywhere across our country. I was just in Nunavut not very long ago and it is interesting there. There is still quite heavy smoking in restaurants and they are just now moving this year to a comprehensive ban. But these things are cultural changes. They are not things that you can just do with a hammer.

So I think that is why we did it. I share the member's concern, but I think we made a prudent decision, and I think it is serving Manitobans well with the reduction in young smokers in particular, down to the 16, 18 percent region which is well below where it was eight, ten years ago in the high twenties in terms of people starting to smoke.

Mrs. Driedger: I certainly understand jurisdictional issues. I would indicate to the minister that the previous Health Minister at one point had made some comments that sometimes you have to do some things even if it goes beyond jurisdictional issues—he is on the record in Hansard saying that—because it could be the right thing to do.

There are certainly a lot of initiatives this government has taken on reserves, and it just seems to me that this argument does not quite fly when it could be made a condition of licensing. It does not have to interfere with jurisdictional issues as much as the Province's jurisdiction is to determine a condition of a licence. So it would seem to me, in order to get rid of second-hand smoke and protect workers, that certainly there is a good opportunity just to put as a condition of a licence, no smoking or you do not get a licence.

Can I ask the minister whether or not with Bill 27 going forward and if we were to be successful with the legal action against tobacco manufacturers, is there a solid commitment to reinvest that money into smoking prevention education, treatment programs related to smoking? Would they be prepared in any way to bring in any amendments at this stage to ensure through legislation that that money is targeted in this area?

Mr. Sale: There has not been a detailed discussion about the size of the settlement or the potential timing. In the United States it took four or five years to work out the settlement after there was an agreement to a settlement. It was not an immediate kind of thing. We do not know yet whether the tobacco companies will file—first of all, we are not in a position to file yet. There is a great deal of work, if I can just go over with the member what has to happen.

First of all, obviously, we have to have the legislation. B.C. has developed an algorithm for calculating the costs based on the data that we have from our health care billing system about lung disease, lung cancer, esophageal, laryngeal, et cetera, the various cancers that are clearly smoke-related. So we have to use a consistent method of calculating what we will claim in terms of damages.

It is interesting, the Supreme Court allowed that it was fair for us not simply to go back and claim past damages but to project forward the damages that are coming because of current rates of smoking. So you can now, using good economic models, predict, based on the prevalence of smoking, what the costs are going to be within a reasonably close estimate.

So there is a great deal of work to be done yet, now that we have the legislation and we have a number of provinces working together. Now we have to get to the point of quantifying the damages, constructing the actual claim and laying the suit. Then there will be, inevitably, a protracted process.

There will be a legal dance, basically, and parties to the dance will both attempt to minimize the likelihood of the other party winning. At some point we believe that the tobacco companies will understand that they cannot win this action based on all of the evidence that is out there, in fact, based on a tremendous amount of evidence about their collusion to deliberately manufacture a product that was more addictive than the natural product, than to tell people it was less addictive. For instance, all of their advertising on light tobacco, which basically was false advertising.

So I cannot say that this will be in five years, four years, seven years, so I think we are still at an early stage. But I think what the member is saying also makes a great deal of sense, that this is clearly one-time money or it is money that is limited to a period of payments over a period of years. Some of the American settlements have been X over 20 years, X over 10 years. Nevertheless, it is not long-term base funding, so you have to use it in a way that has some kind of sunset related to it, and it would only make sense that you would use it for health promotion, given that that is where the expenditures have been.

But there has been no formal decision. I think the member is voicing an opinion that is probably fairly widely shared in our Cabinet and caucus, but we have not come to a firm conclusion on that. I think she has the right idea in terms of how we should use the money.

Mrs. Driedger: I guess this whole smoking issue is certainly one that I am sensitive to just because my father was a smoker. He was also a pool elevator agent, a grain buyer, and was around grain dust. He died a horrible, horrible death of chronic obstructive pulmonary disease. All it takes is watching somebody in the last stages of life die would certainly make people stop smoking.

I now have two young men in my house, my sons, who have not necessarily learned this lesson. There are a lot of their friends who are smoking. I think, while maybe some good things are happening, there is still a lot more to be done. I certainly would like to see if there was a solid commitment, that that money go into prevention would be absolutely the right thing to do.

The last time we sat we talked about nursing vacancies. I did go to the site, and I did look at the numbers, and it is only current to '04. I have e-mailed the minister's office to see if there was any more

current information in terms of the '04-05 numbers, and I have not received anything. Is the minister able to get any of that information to me, maybe today?

Mr. Sale: I think I referred the member to a publication which has our doctors, nurses, technologists—*[interjection]* Yes, that is right. The Health human resources report. I do not think it has been formally released yet, but I think it is on the Web. Sorry, it is on the Web. That has the '05—*[interjection]* I thought it had '05 in it too. We have '05 data. We will look at the data for you and see if we can find it for you.

* (10:20)

It has not dramatically changed. We have a slightly higher vacancy rate, but a significantly higher employment. So if the vacancy rate is calculated on a larger base, the actual number of vacancies is down, but the rate is slightly up because the number of positions is up. So it is on a larger base. But I think we have that information and we can get that for you.

While the member is raising the issue of vacancies, we are having a very good discussion, I think, and I do not want to change the tone of it, but I have to just take issue with the recent concerns about Westman Lab and the way in which they were dealt with. We were very, very careful to check this assertion about vacancies.

I can tell the member that both Dr. Jim Dalton of DSM Manitoba, who is the CEO of DSM, he was the head of labs at Health Sciences, I believe, a long-time person in the field not in any sense a partisan position, as well as the actual manager, chief operating officer of the Westman Lab itself, both confirmed that the positions that were vacant had been filled at the time the members were asking the questions, including the Member for Minnedosa (Mrs. Rowat), and that the key in filling them was the return of service agreements that were provided for a number of our different professions, as the member knows. There are no technician or technologist vacancies at the present moment. You cannot ever say that there will not be one, that somebody will not resign today, but at the present moment there are no vacancies.

The interesting question about shortages, we have hired 150 more than were in place in 1999. In other words, we have 150 more technologists, not that we have hired and then lost some. We have a net gain of 150. But very interesting, we asked them to

go back in their records to look at how many people have left and how many people have been hired and where they came from. So, from 2001 to 2006, a five-year period to this date, to June 1, 40 technologists left the lab. Now there are 70 positions in the lab, so over a period of five and a half years it would be, we had 40 people leave which is a little less than 80 or 70 out of a total complement of about 70, so it is 10 percent. That is a higher turnover than you would want ideally but it is not catastrophic. It is not, you know, people leaving every day, but the really interesting thing was that we hired 53. So we actually have a net gain in technology positions there of 13, not any loss. It is a net gain.

It was very interesting to me when the staff reported back, that they came from Alberta, Ontario, British Columbia and Newfoundland, came here. So our assertion that our working conditions and salaries are competitive, they are not at the top, they are not at the bottom. They are about where Manitoba likes to be in terms of average annual salaries, was correct.

I think it is interesting that neither of the members who asked questions seemed to put any credence in the fact that we are in the middle of collective bargaining and so the lab has changed unions from MAHCP to MGEU, and that is fine. I have no quarrel with staff members making the best they can of their position. They are bargaining, just as we are, but I think that the suggestion that there were 50 who had left, not true; that we were suffering a big shortfall, not true; we could not recruit from other provinces because our working conditions and wages were not adequate, not true.

We have a significant increase in the numbers of technologists, 150, and I do not want to go back into the discussion about programs that were cancelled and programs that were reinstated, but clearly those things are linked into the issue of shortages. So we will bargain effectively and fairly and all that sort of thing, but I just think it is important when members get up to make assertions that they take real care to make sure that they check information, particularly when they know that the party providing the information is in a process of collective bargaining. We try very hard to keep bargaining out of the Legislature and out of my office, and I try to respect that. Well, I do more than try to respect it, I do respect it completely. But I just hope the member will take that information and share it with her colleague and suggest that it is always fair to check information out whether it comes from management or whether it comes from labour, but it is really

important to check it out. I think in this case there was some unhelpful debate that was based on misinformation.

Mrs. Driedger: Well, I would indicate to the minister that the Member for Minnedosa (Mrs. Rowat) had, on numerous occasions, very lengthy ones with a number of the front-line people, not necessarily those that were in negotiations, just those that were concerned with what was happening there. I would certainly indicate that she was listening and she was talking and she was making phone calls. The information she brought forward was supported by a lot of those working on the front lines there, in that facility, on a day-to-day basis. There are some huge concerns. She was representing those people that were stating those concerns. I guess the minister was providing some numbers, and great offence was taken by those front-line people to some of those numbers. All I can say is the Member for Minnedosa went back, time after time, and asked those managers that she was speaking with or front-line workers, are these numbers correct that you are provided us, and she was told, absolutely, yes.

I appreciate that there could be a number of things happening here, but certainly when front-line workers are bringing forward some of those concerns, we feel we have to deal with them. I do not know if the minister has any further comments. If not, I will go on to another issue.

Mr. Sale: Well, just that we recognize that working conditions in the lab and the adequacy of the space is a serious problem. It should have been remedied a long time ago. We are in the process of remedying it now. But I think that when those kinds of assertions are made in the midst of collective bargaining, it is probably important to check out the correctness of the information with sufficiently senior management that one can put the concerns in perspective and make sure that they are representing a factual situation. But I agree that we do not need to spend a lot of time on this, but I wanted her to have the information that we have been consistently provided with. I just suggest that we should check those things out carefully.

Mrs. Driedger: I would like to share with the minister an e-mail that I received very recently on the Reynolds's ambulance closure, and perhaps the minister can provide some clarification. It says, and this was an e-mail to me: Are you aware that the Northeast health region plans on closing our ambulance. We are isolated, and the nearest

ambulance is stationed at Falcon Lake, at least 30 kilometres away. Falcon Lake is a park ambulance and will only respond if they have staff, and they are reluctant to cover this area. It is not progress. There has been an ambulance in our area for 20 years and they have saved lives. NEHA says the new ambulance act states that NEHA will not train any more paramedics. Please look into this issue. We will pay the same taxes for the homes, but a response time of at least 30 to 45 minutes will leave residents and voters feeling unsafe.

I am wondering if the minister has any information that can be provided back to this person.

* (10:30)

Mr. Sale: I believe that Northeast Region has already communicated back to the region in terms of the plans for maintaining that service. I do not think there is any question about that. The issue is, though, it is an interesting issue. Because of the low volume of service that that ambulance provides, it is not ever going to have a full-time paramedic staff. They could never keep their skills up, in the first place, and you would never get anybody to sit there for days on end doing absolutely nothing. So I think the ambulance volume there is about 80, or certainly 80 or 90 in that region, a year; about a call every four days, or sometimes you get two calls in one day and nothing for a week.

So it is on an emergency medical technician level of service, as well as first responder. They are all volunteers and are paid, you know, for the time that they spend, a kind of on-call sort of honorarium.

One of the concerns as we brought in the new ambulance regulations recently was to upgrade the skills of all of our ambulance system, and so one of the things that northeast health region has agreed to is to support additional training for the people in that region and to work at getting the response time better. Because they are volunteers and are not always available, the time out of the chute in that community is quite varied, and so we need to work on that question. The reality is that that community can be served from other ambulance stations that have higher levels of training in the same, or in some cases, less response time than the Reynolds ambulance can serve.

We recognize the importance of having that ambulance service there, and northeast health region has worked with the community. In fact, the community has also come forward to offer some

solution to some of the problems. So I think the member should be comforted to know that that ambulance will remain in place and that we are going to try and strengthen that service, recognizing that it will always be a low-volume area. That is kind of challenge we have in a lot of our ambulances in some of our very small communities, particularly in the North but not only in the North, where the challenge is how do you keep your skills up. You do not want more accidents, you do not want more calls. That is not the goal of an ambulance system. But if you do not have enough, then you are not also providing the best care you could to citizens.

So it is a struggle to deal with smaller ambulance services, but this one will remain open and we will be providing some additional supports to increase the training.

Mrs. Driedger: Can the minister tell us whether the Pain Clinic at the Health Sciences Centre was ever expanded? I know it had been announced a few times and then again in '05. I wonder if the minister can tell us if the actual clinic itself had ever been expanded in 2005 or since.

Mr. Sale: The expansion, the physical renovations were done. My understanding is that they were completed and that equipment was purchased. The problem in pain clinics is the staff, staffing. It is a speciality that is not easy to recruit. Dr. Intrater is still the director of the Pain Clinic; I do not know how long he has been there. We do not know that information. Though our problem has been finding staff to expand the volume of service, but the 2.5 million that was committed to the renovations and expansion—I believe it is done, it was 2.5, we can check the number—was spent. The work was done and we have done work at Pan Am to provide a CRN and to do the physical work to have that centre able to expand. They are providing treatments at Pan Am, in terms of pain management treatments, but they do not yet have the clinical specialist that we need to have, or GP pain management specialist. GP, there are a number of GPs who have made a sort of personal specialty of increasing their confidence in pain management.

So that is the direction that we are going at Pan Am, because it is so difficult to recruit pain management specialists. They are just very thin on the ground. We are recruiting, but in the meantime I think we have to move in the direction of getting staff available to do the consults and not just the treatments.

But we are doing treatments at Pan Am and that may be some of the confusion about whether it is open or whether it is closed. It is providing treatments; it is not providing consults. So it is not doing the intake and diagnosis, but it is doing pain management treatments.

Mrs. Driedger: Can the minister, if he has the information, tell us when the expansion at the Health Sciences Centre actually happened?

Mr. Sale: No, I cannot without asking staff to go back and find that information. We will do that.

Mrs. Driedger: So, then, just for confirmation, I know that Pan Am was opening this satellite pain clinic. I know they have been treating people there with pain for years and I think have had a CRN for quite some time.

Mr. Sale: Yes, there is a new CRN there that was bought this past fall, I think is when it was purchased. There was one on loan there for a short period of time while the renovations were done at Health Sciences. Then it went back to Health Sciences. So we now have what was in Health Sciences plus a new CRN at Pan Am.

Mrs. Driedger: Can the minister just confirm that it is the satellite pain clinic that was supposed to open this past February, and that is the one that still has not opened? Is there a date for when it might open?

Mr. Sale: It was to open in conjunction with HSC, but we have not been able to make an arrangement for the specialist diagnostic volume that would be needed to support an additional satellite. So what we are working on is to find GP pain specialists who have done work to increase their skill in that area so that we can provide diagnostic and treatment at Pan Am.

I do not know how far along Dr. Hildahl is in finding appropriate people. I know he is talking with several. The member probably understands the recruiting dance that goes on when you are finding people. They generally have about three offers on the table at any one time, and it can be a protracted process.

But that is where we are at. The equipment is there. The funds to operate are there. The difficulty has been finding the specialist capacity for diagnosis.

Mrs. Driedger: Well, knowing all of that then, can I ask the minister why he would have announced that the Pan Am Clinic was going to open this satellite

clinic this past February when a lot of these ducks were not in a row?

Mr. Sale: Well, I am not sure about ducks, but chickens and eggs are maybe an analogy that is more the one that I would use. If you are wanting to attract people and let people know what it is you are doing, then announcing that there is a permanent funding base for and equipment for an expansion of your pain capacity is an important tool for recruiting. I think that generally we might be criticized if we undertook significant spending and significant renovations in a facility and did not tell the public that that is what we were doing with their money.

*(10:40)

So I do not think it is at all unusual to do what we are doing. For example, in the CSRP in Winnipeg general hospital, at the HSC, that is a \$112-million project. The additional staff required for it were certainly not hired when it was under construction. It has been about a three-year process of constructing it. It will open between December and April of next year on a gradual basis, bringing in all of the ICUs and the burn unit and emerg and all of that stuff.

So I think that the member can be critical that we did not have everybody in place before we announced the expansion, but if they were in place and we did not have the equipment and we did not have the space for them to work, that would not be very smart either. So I do not think it is unusual at all to announce expansion of programs, and while you are doing that work you attempt to recruit. We have had more difficulty recruiting than we expected to have. I am not happy about that but that is the real world of health care.

Mrs. Driedger: I can understand part of the minister's comments in terms of announcing expansion, but would it not be more prudent to be clear then in the announcement instead of saying to the public that the clinic would open in February? That put out a lot of false hope for people. I have a friend, and it is somebody I have known for years through nursing. She worked at St. Boniface Hospital; then she was involved in Child Find. She is living with horrendous pain. She has been waiting on a list for probably three years with what you might call suicidal pain and she cannot get into the Pain Clinic. She is desperate, like absolutely desperate.

She and I are playing phone tag right now. She and others were very excited to hear the announcement about the opening of a satellite pain clinic but

that is false then because there was no intention of opening it then without the doctor. You know, if the minister knew there was equipment there, there was the space there but there was no doctor, then he should not have made the announcement that it was going to open. There were a number of people who were so excited that maybe they would finally be seen. I would note that in 2004 there were 1,200 patients waiting on average two years to get treatment, and in January of this year that number increased to 1,400 patients waiting on average, average, almost three years, which means somebody is on the far end of that waiting six years with chronic pain that cannot get treated.

To me, I guess, in today's day and age that is barbaric that we cannot do something for people. I worked in a pain clinic. I was an assistant to two neurosurgeons who were doing research with patients with chronic pain. We spent, you know, it was a year or two doing research. I worked with a lot of patients with chronic pain and I know what they are trying so hard to live with.

This person that I know right now is probably the worse case I have ever seen, and I saw a lot because while I worked with the two neurosurgeons in research I also became a pain treatment nurse on the wards where we did—

An Honourable Member: Want a job?

Mrs. Driedger: My skills in that area have not been kept up, but I was doing injections, various injections into pouches lying under the dermis so that we could try to treat pain. I have done national speeches in Canada about pain treatment and chronic pain. This is one area that I think there has got to be some absolutely aggressive attempts, and whether maybe it is looking more here at nurse practitioners too, that we have to do better than having people wait an average of almost three years having 1,400 people on that list, and it is going up. That is why, I guess, I take offence to an announcement that says this satellite is going to open, and the minister knew full well that it was not going to open because there were no doctors in order to allow it to open. So I guess I would just say that I would like to see a more aggressive strategy in this area and some innovation in terms of if we cannot find the specialist positions what other options are open to us, and just to not put out false hope to patients by putting out news releases that are erroneous.

Mr. Sale: Well, first of all, let me tell the member, not that I am satisfied with this or that this is

acceptable; in fact, this is why we have got it on our additional number of areas where we want to do wait- list reduction, but the Pain Clinic wait list is dated as the oldest referral. So the oldest referral is 34 months. That is not acceptable, but it is not an average wait time. The aging of that list is actually the same as we do for MRIs now which is that the MRI wait time is now the booking of the next available appointment time. So we no longer talk about averages because basically they are not very helpful. If you are going to have a benchmark, the benchmark is how long should anybody wait. So having an average time against a benchmark is not a terribly helpful measurement technique. So our diagnostic wait times now are all the next available date or the oldest referral. The oldest referral for our Pain Clinic is 34 months at this point. So that I think is useful information for the member, and it is information that I track monthly in terms of what the diagnostics mean and what the wait time really is. Now, it has not come down, and I am not claiming any success there. But I just want the member to know what the number means.

I do not know if the member saw the TV coverage when we did the announcement. She may not have. She probably just saw the press release which is fine. There is no reason why she should have. But, if she had seen that coverage, she would have seen Dr. Howard Intrater sitting there in the release at the Pan Am Clinic, and she would have read comments by him that indicated that they believed they were going to be able to provide service at the date that was in the press release. It was our belief that we had physician capacity to meet that time.

Unfortunately, and I do not like this, but unfortunately those arrangements did not produce what we expected. So we did not, and I hope the member will accept this, we did not put out a false release, we did not offer false hope. I would never, ever want to offer anybody false hope in the medical field. The member has been a nurse, I am a member of the clergy, and I do not think that false hope is ever helpful for people. So it was never our intention and would not be our intention to put out something that we could not achieve. It would be politically stupid as well as morally unacceptable to put out something that you knew was not going to be true because ultimately you get, you know, a 15-second headline and then grief from the member a few months later and questions in Question Period. The member, I cannot image that she thinks I enjoy the

fact that we do not have the pain clinic open at Pan Am. I take no pleasure from that. So I think if the member goes back and checks the coverage she will see a quote from Dr. Intrater, at least certainly in the TV coverage and the media who were there and spoke to him, and we all had the impression that we were in a position to offer the services that we said we were going to offer.

* (10:50)

I would also point out to the member that in virtually every other area where we have made a commitment we have either fulfilled it or over fulfilled it. We did more procedures at Misericordia in the 12-month period from the time they started for dental than we advertised. We have done more hips and knees than we said we were going to do. Our wait lists for heart and cancer, access to radiation therapy beat the national averages, national norms, rather.

So I think that it is not ever our intention to offer false hope or incorrect information. Twenty-twenty hindsight is always wonderful but I would never stand up in a press conference and deliberately say there is going to be something open here in a month or six weeks or whatever, knowing full well I was lying. I simply would not do that. So I take some exception to the member suggesting that we put out a false press release. We put out what we believed to be the case at the time. It turned out not to be correct and I am not happy about that.

Mrs. Driedger: I would like to now ask the minister some questions about the org chart on page 10 of the Supplemental Information for Legislative Review book. There are some changes I see at ADM level, at least new to me, and I wonder if the minister could indicate who J. Stinson and where that person came from prior to being ADM.

Mr. Sale: John Stinson replaced Dwight Barna who retired to build his dream home in B.C. The member probably knew Dwight, a good guy.

John has had a career with the federal government in health promotion. He has been the director of Nine Circles health clinic, and sort of a variety of management jobs in the health sector for, I guess I first knew John maybe 20 years ago when he was active in the AIDS community at that time. So that is where he came from.

Mrs. Driedger: Had he been involved at all within the department prior to assuming this role?

Mr. Sale: He worked briefly, well, for a number of months I guess, maybe closer to a year, I am not sure how long. He worked as part of our health reform policy management team that worked with Treasury Board and policy in our department to put in place things like the wait-list strategy, Pharmacare strategy, the long-term care strategy. So he worked in those areas on a contract basis for a number of months, maybe about a year, before moving into the ADM position. It was an open competition and he was the successful candidate.

Mrs. Driedger: Could the minister indicate, I note that we see here the Chief Medical Officer of Health, Dr. Kettner, and then with the public health department changing around a little bit, will this position now have the new name of—

Mr. Sale: Chief Provincial Public Health Officer.

Mrs. Driedger: The Disaster Management box in there with J. Lavery seems to be a new box. When did that come about in terms of reorganization?

Mr. Sale: After the SARS epidemic in Toronto, there was a concern across the country, obviously, about emergency preparedness. In Manitoba, there was a working group that looked at how we structured our emergency planning processes.

Across most departments that have a major responsibility for emergency planning, the member will see that there is a box in the org charts that relates the senior person for emergency planning in departments to the deputy to raise the profile and to give it a consistent reporting relationship across government. We also have a deputy ministers' committee on pandemic planning which represents a number of departments. Our deputy minister chairs that group. So most of us have had a lot more involvement in the whole emergency preparedness than perhaps was the case before 9/11 and SARS.

We had one of our roughly quarterly briefings yesterday for the all-party security committee which the Member for River Heights (Mr. Gerrard) attended and the Leader of the Opposition (Mr. McFadyen) attended, and several ministers of our government were there, as well, where we received briefings on current plans from Transportation, Emergency Services, EMO, Health, Agriculture and highways.

Mrs. Driedger: The Strategic Priorities Office, there is a J. Plater. Could the minister give us a sense of what that office does and who J. Plater is?

Mr. Sale: It is Joanna Plater. The Strategic Priorities Office was created last fall as a result of the fact that my deputy and I and the senior management group were looking carefully at how we could manage the many different priorities that we had in the department, whether it is primary care reform or the drug policy management unit or the wait-list long-term care strategy. We wanted to make sure that the department understood that these were not business as usual issues; these were major strategic change management issues that required priority and focus.

In order to help that happen, we created a small unit, drawing staff from our policy area, and we welcomed Joanna from the Department of Labour where she had done tremendous work for them in terms of some of the major legislative changes that had taken place there. She staffs that office along with two others. We manage about 13 major priorities on a monthly reporting basis in terms of critical paths for each of those priorities.

The member may remember that in our first discussion, we provided her with a list of the 13 priority areas that are being managed through that office. Joanna is seconded from Labour, and we redirected two staff from our policy area to support that work. Each of the priority areas has I guess you call it a strategic overview plan and deliverables attached. They are managed to pretty tight expectations that we are going to see significant progress in each of them, and we are. We are very pleased with the work the unit is doing and the capacity in the deputy's office to focus significant attention on the high priorities of the department.

* (11:00)

Mrs. Driedger: The minister indicates that this was created last fall. I believe that there was something similar to this, and the minister could correct me if I am wrong, but under the former minister with Rick Dedi as part of that. But the Minister of Health would never indicate to us—he refused to answer any questions about what that office did or what Mr. Dedi's role is. Is this the same?

Mr. Sale: I know Rick quite well as well, and he was an ADM as the member might know. After he stopped being an ADM, for a short time, he was given some temporary assignments that might have had the same kind of sound as some of these. This is a very different office in terms of what it is doing and how it is functioning for the deputy.

I get reports on each of these projects actually on a weekly basis, in some cases, and on a monthly basis in others. The kind of co-ordination and accountability role that these three staff are playing, I think, is of a substantively different nature than the work that Rick was doing during the last period when he was with Health.

Mrs. Driedger: In that org chart, and I cannot find it; maybe it is there. Where did French Language Services go?

Mr. Sale: It under Mr. Stinson, and it is the third bullet down under Corporate Services, fine print.

Mrs. Driedger: I knew I needed new glasses, and I could not find it the other night.

Where would Women's Health or Aboriginal—I see Aboriginal Health now. I know that back in 1999, we were looking at Women's Health, particularly from a gender perspective too, playing a more prominent role within government so that we could look at some of those issues more closely. Where would that fit now in this org chart?

Mr. Sale: It is contained in the Healthy Populations area. It is not separated out in the org chart because if it got any finer print, neither I nor you could read it. That is where that issue is, and that is where the gender analysis work is done is under the Healthy Populations area.

Mrs. Driedger: Are we making any headway in terms of looking at health issues through a gender lens, or a disability lens in terms of how policy is developed taking those into account?

Mr. Sale: A couple of different things, first of all, the member probably knows that our government appointed a Minister responsible for Persons with Disabilities. I was the honour of being the first of those. The Minister of Family Services and Housing (Ms. Melnick) is that person, and while I was still minister, we established the first office, actually, the first such office in Canada as a department, in fact, not as a department, as a free-standing, very independent office. Jim Derksen, whom the member probably knows, an incredible leader of the disability movement, not just in Canada but one of the founders, along with people Henry Enns and Al Simpson—I was having trouble with Al's name—were the founders of DPI, Disabled Persons International.

That office has an annual planning cycle. It has a spring retreat which brings an environmental scan for the year into place, develops sort of priorities for the

year. Those flow through the Estimates process of various departments, saying here are the concerns from the Disabilities Issues office which has both analytical capacity as well as the leadership of David Martin now. The member, I am sure, knows David as well. So the disability lens process works through that annual planning cycle that was established with a round-table process every spring, leading into the proposals for government to have in its Estimates in a number of departments in the fall. So that is how that is tracked on an annual basis.

In terms of the gender analysis process, we have had a very helpful report from the Manitoba Centre for Health Policy initiatives around that issue, and that has helped to inform our planning in that area. Then there is the work that is done under the Healthy Populations Unit on women's health issues and gender issues. Then I am sure the member also knows that the Women's Health Clinic is a very major proponent of the whole use of a gender analysis approach to health care planning.

The member probably may know this, that the River East Access Centre just received an award for being a facility that is just incredibly disability friendly. This was a significant award both for its programming role and for the actual facility design. It is, of course, the newest of our clinics until Transcona opens, but it is the first one that was built from the get-go with the international standards for access that we adopted. The City of Winnipeg was the first jurisdiction in Canada to adopt it, and we were the second at the provincial level a few months later, the international standards for accessibility that were developed at the University of Manitoba under their program there.

Just a little side note. We were also able to get funding for and support for a master's program at the—what is it called?—Disability Studies Centre, I think it is called. Deborah Stienstra is the executive director there now after Henry Enns's unfortunate death a couple of years back. But we now have a master's training program there, one of the very few in North America that works at postgraduate studies in disability access and treatment.

Mrs. Driedger: Could the minister indicate who the Medical Director Physician Resource planning person is?

Mr. Sale: There is a variety of functions here. Dr. Chris Burnett is in that position on a part-time basis. *[interjection]* Sorry, he has been full time. He is moving to part time because he and his partner are

servicing a clinic in Niverville, a couple of good Scots serving that good community at Niverville. So he is moving to a part-time role with us.

* (11:10)

The office that co-ordinates physician recruitment is directed by Jerry Ross, who is not a doctor. Jerry is a civil servant and works with our committee that deals with improving our recruitment and retention strategies, manages the Web site and the various things that we are doing to strengthen our recruitment and retention work. There is also the northern physician—[interjection]—office of Northern and Rural in Dauphin, which is also part of the whole recruitment retention strategy as well.

Mrs. Driedger: So many questions, so little time.

An Honourable Member: Well, the time was burned off by others, not us.

Mrs. Driedger: It is too bad the government did not call an inquiry into Crocus, and then we could have had a lot of time to ask questions.

I would like to move to page 15 under Administration, Finance and Accountability. Under Executive Support, I see 18 FTEs, which is seven more than there were in 1999 and wondered if the minister could indicate what all of those positions are and who is in them.

Mr. Sale: I am informed that this is not an increase in numbers of staff but a move from what was in the Health Regional Affairs branch staff into Heather Reichert's area of the chief financial officer. Staff moved, there were no additional bodies. They are just in a different place.

Mrs. Driedger: I note that Corporate Services has moved down into the No. 2 area, 2(d), where it used to be up in section No. 1. So there seems to have been some movement of areas or people. I would note that, under Administration, Finance and Accountability, the spending in that area is up \$3 million since 1999. Then the total number of people, it was 108 in 1999, and now it is almost 134 FTEs. So is the minister saying this is all just a movement from elsewhere?

Mr. Sale: I think that, if we wanted to sort of check that out, we would have to go back to the counts in 1999. I do not have that information here, but my staff tell me that—it may be a bit humorous, but that is at least two organizational changes ago that the member is referring to. So there have been a number

of moves in the department, a number of changes organizationally.

The member probably can understand that, when senior staff change, and we have had a number of ADM changes over the six years, six and a half years, as well as change in deputy, the skills and the fit of the departments change as well as the reality of—for example, six or seven years ago, information technology played a relatively minor role by comparison with the role that it plays in health care today. So there have been numbers of organizational changes.

I think that, if you look at the administrative staff count of the department, well under 400 staff who actually administer the department, as opposed to Selkirk Mental Hospital, Cadham labs, public health, those kinds of staff. I do not think that she will find anything but, in fact, reductions in aggregate terms. But, yes, people do move around. Branches move around to take advantage of the different skill sets that people have.

Mrs. Driedger: Can the minister identify who, or how many and then who his special advisers, special assistants and executive assistants are?

Mr. Gregory Dewar, Acting Chairperson, in the Chair

Mr. Sale: Sorry, would the member repeat the question?

Mrs. Driedger: Can the minister indicate how many and who are his special assistants, executive assistants and special advisers?

Mr. Sale: Richard Mahé, un homme bilingue de Saint-Boniface [*a bilingual gentleman from St. Boniface*], is my special assistant. Jeff Lengen is acting as our overall policy and chief of staff person. Jeff was my special assistant, but in the absence of one of our staff, that position he is filling currently. Jennifer Moszynski fills a policy role, as opposed to chief of staff. Those are the three people who are in kind of policy roles. Patrick Caron is our communications person, because Health is such a large component. We have a person who works with our Cabinet communications on Health communications and the many publications and all those other kinds of things that we do in the Department of Health. So those are the four people that work in the minister's office, as opposed to in the deputy's office.

Mrs. Driedger: Can the minister tell us if there is any movement toward setting up ophthalmology

services at the Swan River health centre? He may have received, or perhaps the department received, information about that. Oh, I see the letter was cc'd to the Minister of Health as well. But there is a movement afoot through the town of Minitonas and people within Swan River wondering if there will be ophthalmology services there because it would be very helpful to the Swan River Valley. I am wondering if any such thing is happening.

* (11:20)

Mr. Sale: Dr. Dunford, who is the optometrist in Swan River, has been actively promoting the development of an ophthalmology program at the Swan River Hospital. She is suggesting that we use an ophthalmologist from Yorkton to come in on a once-a-month or a once-every-two-weeks basis and do cataract surgery in Swan River. The issue, of course, is the unit cost of doing that. If you are doing thousands of cataracts, as we do in Miseri and Pan Am, and significant numbers in some other communities as well—Western Surgery, we do quite a few there, too—then the unit cost of those surgeries is reasonable. When you have to spread the cost of the equipment, which is the same whether you do one or a thousand over a small number of surgeries, then the question of stewardship has to be answered.

I know the member is fond of telling us that we have spent more money, and she does not feel that we have always gotten the best value for our money. We, of course, feel that we have got tremendous value, and we will have that debate until the cows come home.

But the issue in Swan River is what is the reasonable volume that would allow for safety because you are not wanting to monkey with somebody's eyes if you do not have sufficient volume of surgery. Now the surgeon that we are talking about is a surgeon who obviously does lots of surgery. So we would be talking about the recovery and nursing staff that are trained to support the procedure. So then the question becomes what does it really cost to do that.

I do not think there is any doubt that the people of Swan River would love to be able to have cataract surgery in their area. But, what we have asked Dr. Dunford to do in conjunction with the hospital board—because the Swan is an undeveloped hospital, it still has its own board and operates under agreement with the Parkland Regional Health Authority—we have asked them to put this into their plan for '07-08, which is due to be submitted in June, I believe, this

month in other words, so that it can be considered in the Estimates cycle for next year.

I do not want the member to interpret that as anything more than willingness to look at a submission which we look at every year from a variety of places, and in any given year, we can only do, in many cases, a fraction of what is being asked for. But we have certainly said, put forward the numbers, and I believe there is already some interest in the town in raising some capital that might be associated with this program.

But the question of whether we can afford to do it and whether the volumes are there to support safe practice, I know Dr. Dunford is very keen, and certainly I am sure the Swan Valley would welcome it. But we have to also make decisions on the basis of both safety and stewardship which is what we will do through the plan. But we have encouraged her and the Swan Valley Hospital to put forward whatever their proposals are, and they will be considered in a fair way when we look at the overall regional health plan.

Mrs. Driedger: One more question about Swan River, and then I wonder if we might have a five-minute break.

Dialysis in Swan River, is that coming to be? I understood there might have been a recent announcement about the dialysis services being offered there. Is that happening?

Mr. Sale: I think that the member is probably referring to our honourable deputy leader making an announcement there a couple of weeks ago, that we were beginning to recruit nurses for training to prepare for the opening of a program. The member probably knows that the provincial standard for a minimum dialysis unit is four patients requiring twice-a-week dialysis. It is just cost prohibitive and real questions of maintenance of skill if you go below that. So we are just barely at that threshold, but we know with the number of First Nations communities that are nearby and with the Swan Valley population itself, which is an older population, that inevitably there will be need for more dialysis in that area.

So the hospital was built with the space for dialysis in it, but we did not open it at the time because there were, I think, initially, only one or two patients who could have been dialysed there who were being dialysed elsewhere. But, as time goes by, there are more. We are not at the four yet. I believe

there are still only three identified, but I expect, by the time the training takes place and the equipment is purchased, that we will be at that threshold. So that is how we are planning it.

The member, well, I am sure she knows this, that all dialysis patients have to start in Winnipeg. If they are stable and well controlled then they can be dialysed at home, but they all start here. Our real crunch is the capacity here to start patients safely and make sure they are ready to go home. We have also announced expansion of a dialysis unit in Thompson. There are some 16 patients in Winnipeg from Thompson currently and we need to expand that. Not all of them will be able to go back to Thompson because they are not stable, but we need to expand that capacity. I wish we did not have to. It would be a lot better if we did not have people progressing to end-stage renal disease.

The Acting Chairperson (Mr. Dewar): Is there agreement of the committee to take a five-minute health break? *[Agreed]*

The committee recessed at 11:26 a.m.

The committee resumed at 11:36 a.m.

Madam Chairperson in the Chair

Mr. Sale: I would like to give the member an honorary copy of the purple 2004-2005 annual report, which was—it does not have the date in here—but it was last fall. *[interjection]* September of last year.

Mrs. Driedger: And I would like to thank the minister for the copy, and ask a question. He was mentioning the River East Access Centre and I would just, as a follow-up question to that, ask him when the Transcona Access Centre might be opening.

Mr. Sale: Staff began to move in, in the later parts of May and they are moving in now. It is a fairly large moving process of people from different offices into the consolidation. So service has been provided from there, currently, but the official opening, I do not think a date has actually been set, but it could be, basically, any time. We just did not want to open it, following the member's, you know, little concerns about not opening something that is not open. We wanted to really make sure it was open, so staff are in there now. I do not think all the staff are there yet, but it will be fairly soon.

Mrs. Driedger: I had heard somewhere or seen an announcement that it was a June date. I had heard somewhere or seen somewhere that it was early June, so I was waiting for that to open because I know that over the years Transcona has certainly expressed a concern about the need of one and the location of one.

I note that in some Freedom of Information documents that there might be four primary care physicians short in the River East Access Centre and wondered how they were going to manage to open a new one, if there is a shortage out there already of primary health care physicians.

Mr. Sale: There were some vacancies at River East. They have all been filled. I visited there and met with the physicians who were there and it is a really neat place, in terms of access, integrated care. It provides all of the wound management care from Concordia Hospital now. It is open until 11 at night, so it is open extended hours and I think it is working very well. Yes, there was some turnover of doctors, but the positions are all filled now. I cannot tell the member, if this is her next question, I cannot tell her about the positions for Transcona. I do not know the status of the filling of those positions. It is under WRHA and we would not have that information here.

* (11:40)

Mrs. Driedger: When I look back at the WRHA rollout plan for health access centres they had identified, actually, years ago, where primary health centres would end up being, the access centres and the dates of which they would become operational, and we are way behind. Does the minister have any comment in terms of why this is so slow to roll out?

Mr. Sale: Well, we have the third one underway up in the Inkster area. I think that probably more than anything else, it is a question of cost, a question of how quickly you can move on all the fronts that you want to move on. I think the other reality is that the thinking has evolved somewhat from the first proposals for access centres.

The first one, as the member knows, was started under the previous government. Planning was started for the River East Access Centre under the previous government. There were virtually no government-supported offices in the East Kildonan-Elmwood area. It was a real gap in the city, and so that is why I think that area was chosen as the first area. I do not

think it was particularly a political choice. I think it was chosen because of lack of service in that area.

So where we have things like Klinik, HOPE Centre, NorWest clinic, where we have major Child and Family Service agencies and things like the bilingual service centre in St. Boniface. The model we will use for Access centres in different parts of the city will vary depending on whether other services are already available in the community. For instance, in the south Winnipeg area, there is a fair cluster of services available through Victoria and some offices sites that are near Victoria Hospital. We do not want to just do a cookie-cutter kind of approach. We think that if we can work through our primary care reform area, we can get some of the same gains with existing physician groups.

But the plan for having regionalized access centres is still there, but I think when we experience the challenge of getting the River East one to work properly, which I think it is now, but it was a challenge to get it to work properly. I think that probably the thinking is evolving about the model that will be used, but we are still committed to access centres around the city. Whether it will turn out to be 12 new centres, I doubt that. I think we will be using existing spaces, consolidating existing spaces, changing the model somewhat, but the notion of access centres is still alive and well and part of our primary care reform process.

Mrs. Driedger: As I recall from the way it was first proposed, it was more just around the more pure health care needs, issues, and I know that. I think the intent was more around keeping it more simple and then having an opportunity to roll it out that way. I know that this government then added a lot more of the other areas. Other social issues were integrated into that. I think that did make it much, much more complicated.

I know there were questions even going back to previous NDP governments trying to do that model, and it failed in other years, back when the complicated structure was tried to move out. I do not remember under which government it was. Maybe it was Pawley's government or maybe even Schreyer's before that. They did not work because they were so cumbersome and complicated. It is too bad that they are rolling out as slowly. I hope there is an evaluation component in all of this because I think that is always important with something like this. I do not know if the minister wants to comment on any of that before I go on to a whole new topic.

Mr. Sale: Well, I would like to comment briefly. Actually, I think the member may have even known the director of People's Opportunity Services, which was the model that she is referring to. It was Lee Glasgow [*phonetic*], who was the person responsible for implementing it. He is a wonderful man, a social worker, a fine person.

It is ironic. The member said it failed. Actually they did not fail. The evaluation was incredibly positive of that. The bureaucracies of the established silos did not like it because people worked across the silos and the control of the old managers, that vertical control, with which she is very familiar in the medical system, was very prevalent in the social services system, and the hierarchy did not like that at all. POS was one of the things, it was a victim of its own success.

We then had, as the member probably remembers, two different welfare systems, city and province. There was a lot of confusion around probation and child welfare in those days of the late sixties, early seventies, into the late seventies. It is best known as the SUDS model, single unit delivery system, and it comes out of Scotland's approach to social services.

When I was Minister of Family Services it was, I thought, just bizarre that our various income security areas worked in pretty complete isolation from each other with silos and with caseloads that were based on when the person came in for care, not where they lived. So we had social workers with cases all over Winnipeg, and then we complained that they did not ever see their cases. Well, they would spend their whole day driving.

So, when I was minister and Tannis Mindell was deputy, we saw the opportunity with the access centre movement to move our whole management structure into a geographic base so that people got to know their communities, got to know their resources, the community clubs, the churches, the various community resources that were there to support people and would be able to work with day care, child welfare, child guidance, probation, housing to be able to co-ordinate services to a family because as the member knows most of our highest needs and highest cost families are multi-agency families. So they will have 10 people working with them, and that is at least as confusing for the family as it is for staff.

Interestingly, the River East Access Centre, the family services component of it worked like a charm from the beginning. They thought they had died and

gone to heaven because they could walk down the hall and come to an agreement with somebody in what used to be a totally different office in a different part of the city about how to work with a family. You could have family conferences and sit down and get a plan together, and it was actually the medical side that had a harder time figuring out how to really work in a collaborative team, largely, the member will probably guess, because the advanced practice nurses, the nurse practitioners, were not being used in a way that reflects their skills.

I think we solved that problem but ironically the problem was not on the social service side with all its complexity, the problem was on the primary health care side. I think we have gotten well past that now with the physicians who are there now, and it is a very positive environment. But I think that working to have regionally distributed services is a far more effective model than having services centralized in Winnipeg in either health or income side.

So when you look at how Health Action works, if we simply were able to add in that building on McDermot, St. Andrew's Place, if we were able to add a social services component to that, it would not take a lot of staff but we would be able to provide a tremendous service to the seniors and many disabled citizens who are quite poor for the most part but get great health care through Health Action. If we just added a social service component we could solve a lot of other problems that way.

So that is why I say the model is going to change as we take advantage of different settings. But I do not want to go on because the member I know has questions. But this has been one of the loves of my life is the whole area of how do you get integrated services to citizens and break down some of those silos.

* (11:50)

Mrs. Driedger: I do not have a problem with integrated services because I like the view of one-stop shopping, if there can be such a thing, as long as it works. I mean, while it sounds good in talking about it, as long as it ends up fulfilling the functions it needs to at a reasonable cost and it actually works for who it is meant to work for.

When I hear that it is so complicated that you have to put a navigator at the front door to help you work through a system or work through an access centre, then it just raises some concerns. I know that a lot of this is we have to look at innovation, a new

way of doing things, and I truly believe that that is the way to go, because the old way of looking at health care is—we are way past the time we need to do that, to be innovative and look at some exciting opportunities. But, as long as there is a good evaluation component in all of this, I think that is what is important.

I just have a few questions I would like to ask about Pharmacare, about drugs, and just some reference to the Auditor General's report because it does appear that he has slammed the government on lack of transparency and accountability and recommends improved efficiencies in Pharmacare. I think one of his major focuses was not so much on cost reduction as it was on accountability in this particular area.

Now, I understand that he is making a second report available and I wonder if the minister could indicate when that second report will be made public.

Mr. Sale: Well, we really have no idea because that is his function. I think that it is in a pretty early stage in terms of his setting out of the scope for it. He is just doing that now, as far as we know, but that is obviously in his hands, not ours.

Mrs. Driedger: In the report he mentions that there are five other objectives that he is going to look at. Has the minister been apprised of what those are?

Mr. Sale: It is our impression from early discussion that the focus in the second one is to be more internal and administrative on claims processing, but I am not certain of that. As I said, the timing is in his hands, or his successor's hands, I guess, and, as far as we can tell, he is still at a fairly early stage of scoping what it is he is going to do.

I want to emphasize to the member that the preliminary report did not find weaknesses of administration. In fact, the report is quite explicit that drugs are priced correctly, claims are paid correctly, changes are made correctly, and the system, from a point of view of delivering an insured service to citizens, works very well.

The concerns that the Auditor raised were around whether we were getting good value for our money in terms of listing new drugs, were we getting the benefits promised. He asked some questions which we thought were pretty provocative in terms of the appropriate role of Manitoba Health in overseeing prescribing practices. We do not believe that is our job. We think, in fact, that is not our job, that that is the job of the College of Pharmacists and

the College of Physicians and the college of nurses. We do not oversee the prescribing practices of professionals. We do not have the appropriate skills for one thing.

We think the Auditor may be a little bit confused about what the appropriate role of an insurance system is in terms of providing insured benefits to people. We think we have to run a tight system in terms of making sure that drugs are properly priced, that they are properly listed or moved from one listing to another, that the DPIN system functions with all the checks and balances that are required, that nobody can change a price and go in and rip the system off, that sort of thing.

When he looked at those aspects of the system he found nothing to be concerned about, but he raised questions that caused us to put in place the group that the member is aware of, probably, that represents the College of Physicians. The pharmacists now, well, hopefully next week, will be the College of Pharmacists, assuming all goes well on Monday and Tuesday. We will hear from that group in September about the Auditor's recommendations.

We have also put some pharmaco-economist types on that that can speak more clearly to how you would ever be able to determine the cost benefit of a given drug because when a drug company says to us, list Spiriva and you are going to save X on hospital admissions, well unless you have a double-blind base-line study, you are never going to know. They can claim that and you can go back and look and say, well, yes, our hospital admissions did decline, but you cannot attribute it to Spiriva. It could be because we did a really good asthma education program at Children's which, by the way, is a really good program. It has been going for some years now and it has had the effect of reducing the numbers of people coming in with acute asthma attacks because they have learned how to see the early signs and use the appropriate dilators or whatever the person uses.

So we think the Auditor may have perhaps gotten enthusiastic about what is possible to determine as an insurance program about costs and benefits of drugs. If we had to do a cost benefit study on every drug that we had approved for the pharmacy formulary, we would be spending a hell of a lot more money than we are now, and we probably would be doing things that we were not capable of really doing because, as the member knows, to really fairly test whether anything, a procedure, a drug, has a true cost benefit to it, there is no good way of doing

that beyond a double-blind placebo-controlled study, and we are not going to do that on a drug that has been approved and that patients are benefiting from.

So I think our job is to run a tight system and then to have policy management capacity to look at what is happening across the world in terms of drug policies and how we are getting your best prices, whether we can substitute generics more aggressively, whether we could even source generics from the United States where they are much cheaper than Canada, ironically. Our big pharma drugs are cheaper in Canada, but generics are cheaper in the States. It would be very interesting to run some Internet pharmacies in reverse and bring in American generics, absolutely brand identical to the ones in Canada, and bring our prices down.

So that is the kind of work our drug policy unit is doing. We put that unit in place in September, some eight months before the Auditor's report. So I think that is what we are doing. I do not know what his second report will look like and obviously the timing is in his hands, not ours.

Mrs. Driedger: The member from Portage has some local issue questions and I would just like to come back to the Pharmacare questions after he has had a chance, if the minister does not mind.

Mr. David Faurichou (Portage la Prairie): Madam Chairperson, I want to ask the minister, on behalf of Portage and district residents, who are all concerned about the medical facilities in Portage la Prairie. I know that you are very familiar with the facility, having visited on a couple of occasions in the last couple of years, on three occasions. I know that we do appreciate the minister's understanding and familiarity with the facilities, although there is, though, concern about throwing good money after bad.

The department has three studies conducted as to whether a new facility or to upgrade the old facility, and the department came to the conclusion on three separate occasions that a new facility, without question, is the best spent taxpayers' money.

So I ask the minister, on behalf of my constituents: Is there some time in the future that he believes is coming a replacement of the Portage District General Hospital? I know both the R.M. and the City of Portage la Prairie are already setting aside monies for infrastructure and site development.

* (12:00)

Mr. Sale: Oh, I am sure that at some time in the future there will be a new hospital in every community.

Mr. Faurichou: Could the minister be a little more specific as to how far in the future we could expect a new facility?

Mr. Sale: The member and I have had this conversation before, and I am sure that he is having it here to put it on the record. I think he knows that we recognize that all of our older hospital facilities have limitations. I think he probably has been around the province long enough to know that the Portage hospital is far from the oldest and far from the least functional, far from the most dysfunctional. We have hospitals in The Pas much older and much less easily used for modern medical purposes. You can look at the hospital in Flin Flon. There are many other rural hospitals that are older.

The Portage hospital, although it is older, interestingly, it was actually built with very wide corridors. It is often the big problem in our older hospitals: the corners are very narrow, and so it becomes a real problem with the beds and the various pieces of equipment that often go with patients. The rooms are handicap accessible, which many of our older facilities are not. Even though the lower, older part of the hospital in the older wing is perhaps slightly less accessible, it is still accessible. Of course, we have built the brand-new CT addition which the member was present at the opening of. We are in the process of renovating the emergency to make it more functional, and it has a new pharmacy which people really appreciate. It is also doing ophthalmology surgery, and, in spite of being an older facility, that does not mean it is not functional. It has a very high level of IT by comparison with many of our older hospitals, in fact, some of our newer hospitals.

Portage, the whole hospital is essentially wired so that patient records, patient information is available at nursing stations. You can read scans and that sort of thing at nursing stations. They have a high capacity link to Boundary Trails, and so the radiologist work that can be done in either hospital can be read in either hospital. So, from the point of view of functionality, it may be, I think it is about a 30-year-old in the newer wing and maybe 40, 45 in the older. It is far from a dysfunctional facility so I know that there are concerns about, at some point in the future, having to have a new hospital. I am sure

that is true, but I cannot give the member either a date or a date when there will be a date.

What the member probably knows is that every year regional health authorities put forward their capital plans, their capital proposals. They are always about 10 times more than we can do. I am not exaggerating. We get about 10 times the requirement, and so all I can tell him is that we will continue to work at the capital issues in all regions and allocate as fairly as we can. But the central region has had very major capital allocations over the last few years, well in excess of some other regions of the province.

Mr. Faurichou: Madam Chairperson, just in the interest of time, I just want to leave a concern with I have in regard to nurses' training opportunities in Portage la Prairie in the central region. I know the department funds a rotating licensed practical nursing program offered through ACC. I would certainly like the minister to look long-term as far as funding for that program, and also to the concern that is there is the accredited time that is recognized of that program when the LPN nursing students are now entering the diploma nursing program. There are the pilot projects, and I believe that there should be further consideration of the accreditation of the actual instruction that the LPN training program offers the students. I believe they are getting only about nine months, if that, accreditation toward the diploma program. I believe it is a 17-month program of licensed practical nursing at the present time. So I leave that with the two considerations.

Also, look to the merger of the two high schools. We will have over 1,000 students on one site location. The opportunities for accreditation in health care aid is certainly there, home care aid training, so dual accreditation can be received at graduation.

No comment is needed. I just want to leave that with the minister, in the interests of time. Thank you.

Mr. Sale: We take the member's concern. We are also aware that many R.M.s have written to us and towns have written to us, encouraging us to continue that training program in the rural area. It is certainly an attractive option. We will take his concerns.

Mrs. Driedger: Can the minister tell us if he is aware of the Auditor General doing any other audits related to Manitoba Health or any organization directly or indirectly funded by his department?

Mr. Sale: Staff are reminding me, and my memory not functioning very well, that he is doing a review

of compliance with the ambulance act, the standards and whatever. The member probably knows that we released new standards that became effective April 1. I think they were released in January. The reg was put in place and we have been working with our system for a number of years now to upgrade skills and upgrade standards and put in place the appropriate reg to make sure that there is compliance with all of our licensed operators. So the Auditor is doing the review of compliance.

Mrs. Driedger: The minister has indicated that Pharmacare has added 1,500 new drugs to the formulary since 1999. Can he please tell me how many of these are actually new chemical entities and not just generic additions or line extensions?

Mr. Sale: No, not without a great deal of work on the part of the department. I could not tell her that information.

Mrs. Driedger: Can the minister indicate how many ADMs of Pharmacare there have been since 1999? In my count, there has been about five. Is that correct?

Mr. Sale: Interesting number, but I cannot confirm it. We will try and get that number. The member probably knows that we do move sections of departments around, depending on the skill set of our ADMs, but I cannot give her that information without going back and checking.

Mrs. Driedger: I did do a little bit of checking, and I know that what we have been able to note is that there have been five ADMs since 1999, and whether or not I have actually properly identified them all, it would be Rick Dedi, Marcia Thomson, Dwight Barna, Marj Watts and now John Stinson. That seems to be a lot of changes around the Pharmacare program, and the minister has said he changes people around based on different skill sets. But that must create some instability when there are so many changes like that, it must create some instability within the Pharmacare program or the management and direction. Could that account for some of the Auditor's criticism within his report?

* (12:10)

Mr. Sale: First of all, the department did not move. Dwight Barna retired and Marj Watts acted while we went through a competition, so I do not think it is quite accurate to reflect that as a different ADM, but more importantly, Jack Rosentreter, Gail Keeley, the senior staff of Pharmacare have been consistent for a number of years, although Jack was quite sick last

year, the member may know, but he is well and he is back working very hard.

So the program has had very consistent leadership and very good leadership over quite a number of years. I do not think, first of all, that the program was weak. I think the Auditor's report did not find any administrative weaknesses in the program at all and, in fact, was quite explicit about that. The areas of his criticism we have already talked about, and I do not want to take time going back over that again.

He raised value-for-money issues and the issue of whether we had sufficient capacity to access that. That is why we set up that reference group, because we do not think that it is our job to talk about the prescribing patterns of physicians and pharmacists and whether or not we can do a cost-benefit analysis on any particular drug. That is simply not within our competence to do that kind of work in government without adding a tremendous amount of staff. To determine whether or not a particular drug has changed admitting patterns over a period of time would require a tremendous amount of scientific work to be valid. It would at least require a placebo or a control group, and I do not know how you can ethically put in place a control group when you have an approved drug for treatment.

I do not want to go back over the time we have spent on that already, but I do not accept the member's notion that because there have been changes at the ADM level, that that somehow has weakened the program. If you know Jack Rosentreter, that program was not weakened.

Mrs. Driedger: I understand that there was a consultant who had been hired at the request of the former Minister of Health who focussed on Pharmacare costs. Can the minister indicate who that consultant was?

Mr. Sale: The person I think the member is referring to was Graham Lane, who is now the head of the PUB and was previously, I think, vice-president of Finance for U of W. What he was looking at was whether there were alternative models for the delivery of the Pharmacare program. It did not proceed to a full study. It was more in the range of consultant advice to the previous minister, but it was not ever pursued to the point of a full workup of alternatives.

Mrs. Driedger: Was that a tendered contract?

Mr. Sale: I think I am safe in saying, no, I do not believe so. I was not minister at the time, but I do not believe it was. I think that the minister sought advice from Mr. Lane. I have to tell the member that I have a singing friend who is Lane Graham, and so whenever I have to deal with Graham Lane, I just have to sort of stop for a minute and make sure I have got the right name. I think that he was asked to do this work because of his particular expertise and availability on the part of the previous minister.

Mrs. Driedger: Is the minister aware of how much he might have been paid?

Mr. Sale: I believe that information is probably in Public Accounts. I do not have it with me.

Mrs. Driedger: Can the minister indicate why none of this information was ever made public?

Mr. Sale: It is in the nature of confidential advice to a minister in an area of policy that might have gone to Cabinet, and so in that area information should really not be made public.

Mrs. Driedger: I understand that a lot more approvals related to drugs end up at Treasury Board. The minister is indicating no. Can the minister indicate, then, what exactly Treasury Board does in terms of looking at drugs?

Mr. Sale: Yes, I have been on Treasury Board since we formed government, so I am well aware of that. We, from time to time—it is not on a regular cycle, but it depends on our drug approvals committee—bringing forward recommendations for coverage of drugs, or non-coverage. When those that are recommended for coverage are identified, they are put into a regulation format. They go to Treasury Board as a Treasury Board submission, if there are costs associated. Sometimes the additions represent savings. In fact, the most recent one that we put forward a few weeks back represented an actual net saving because of generic substitutions. But, in any case, they all require Treasury Board approval, always have, and there is no change in the process that has taken place since I have been on Treasury Board, which means since we formed government.

Mrs. Driedger: Well, I am going to turn over the questions now to the Leader of the Liberal Party. I would just like to thank the minister and his staff for all of the responses that have been forthcoming over the set of Estimates, and I look forward to the rest of the session.

An Honourable Member: All two days of it.

Hon. Jon Gerrard (River Heights): Let me start with some questions about the situation in the emergency rooms. How many emergency room physicians are there in Winnipeg and in Manitoba currently?

Mr. Sale: Well, given that the member is a physician, and I am sure that he is going somewhere with this question, I will give him an initial answer, and that is that we were told most recently we have 19 who are specialists out of 500 in Canada. We have 70 emergency room doctors who are filling regular shifts. That is, they are quarter time, half time, two-thirds time, full time, and that is down one from 1999 when we had 71. But, as the member knows, there are many docs who fill in as locums. There are docs who pick up shifts. You might call them locums, but they are not really locums in the normal sense of that word. They regularly pick up shifts, but they are not on a permanent part time, quarter, or third, or half, and I could not give him the number of different docs who cover ERs across Manitoba. It is a huge number.

Mr. Gerrard: Those are the numbers for Winnipeg?

An Honourable Member: No.

Mr. Gerrard: Those are the numbers for Manitoba?

Mr. Sale: To be clear, my understanding is that in the province, across Manitoba, we have 70 doctors who are performing full- or part-time emergency medical services in emergency departments, and that is one less than we had in 1999 working in that kind of capacity.

Now, staff are looking for information to be sure that we are talking about Manitoba and not Winnipeg, but we will confirm that if there is a change.

Mr. Gerrard: Can the minister indicate as to whether there were emergency room physicians who have left in the course of the last year?

Mr. Sale: I am sure there are. Tony Herd, for example. The member may know Tony, who was the president of MMA, is moving from full time at Health Sciences to half time and going to do anaesthesia, I believe. So there have been changes. I am sure there have been others, but I cannot tell the member how many, or specifically which hospitals. The answer is yes, but I am not sure where we are going with it.

* (12:20)

Mr. Gerrard: Can the minister tell us how many residency slots there are currently?

Mr. Sale: The residency slots were increased to five this year from two previous years, but the deputy is reminding me that there is also the separate training program for general practitioners to become GP/Emerg, with an emergency specialty. I cannot tell the member how many are in that training stream without going back and finding the information.

Mr. Gerrard: Of the six graduates in the last two years, there is just one who is practising in Winnipeg or in Manitoba, of the residency program. That clearly is a concern in terms of what is happening. Has the minister looked into why the emergency programs here are not attracting graduates from Manitoba and what can be done about this?

Mr. Sale: These were not questions that I was expecting this morning. We have that information back in our office but we do not have it here. So we can undertake to confirm whether the member's number is correct or not and what the flow has been in terms of recruiting from elsewhere and people moving in and out. There is no question that there is a shortage. That has been well established. It is why we have raised the number in the residency area. But it is a high-stress, high-burnout, high-turnover area. Most emerg doctors seem to work about 15 years at max and then they move into some kind of shared situation.

My own family doctor who is well known to most Manitobans because he is in all the posters, he is Dr. Seuss, but it is Suss, S-U-S-S. You can pronounce it Seuss if you want. He was an emerg doc at Vic and has moved into doing some emerg work, but now into the faculty of Family Medicine at the university, the Department of Family Medicine.

So there is a lot of stress in that and it is a difficult life if you have a family. It is high turnover and we need to have more people moving through it. I think, more importantly, we need to stream more effectively in our department so that we can use family physicians, family physicians with some emerg background. We need to train people in resuscitation, which is not an impossible thing for people to learn since our paramedics learn it and nurses learn it. We need to provide a broader range of professionals who can help in an ER setting and not expect that everybody is going to be seen by a specialist. It just is not needed and it is not an appropriate use of skills, but we are playing catch-up

with that issue. It works very well in the Children's, I think as the member knows, we have got a Fast Track Clinic there with a pediatric nurse. That has helped a lot with parents who have a legitimate concern about their child, but the child is not actually that sick. But when you are a parent and you have got a little kid, you do worry and so you go, but you probably do not need to see a specialist.

So segregating that stream off has been very effective. I think we just need to do a lot more of that because we are not going to have, nowhere in Canada is going to have enough highly trained emergency doctors to staff all their ERs. It just is not going to happen. So we have got to figure out something that is a more effective approach.

Mr. Gerrard: I have here the graduates from 2005, and one, Dr. Weldon, who is at St. Boniface, and then two others, one who is in British Columbia and one who is outside of Canada. In graduates from 2004, there is one at the University of Ottawa, and there are two who are outside of Canada. So only one of the six graduates in 2004-2005 is still in Manitoba and practising here. It certainly indicates that there is an issue here when we are not able to retain residents who are coming through the program who have an opportunity to look at the program.

I bring that up to the minister and suggest that is a question that the minister could ask in terms of why is this happening. What needs to be changed in terms of the attractiveness of emergency medicine here? Clearly, at a time when they are facing significant concerns over the summer, this is probably something that should have been addressed some time ago, but at least have a look at it now.

Mr. Sale: I just want to perhaps indicate to the member that we do have 13 more sessional ER docs than we had in '99, 35 up from 22. There must be movement—there is movement in every area but we have got 70, we had 71, so we have not exactly, you know, failed to replace the ones that we have lost but it is an issue. The member is absolutely right, and we need to work at not just recruitment but retention. If we retained all the people we recruited in rural Manitoba, for example, we would not have any problem at all. So that is why we work with towns and communities to say, when you get a good doc that you like, for heaven's sake, figure out how to make that family, the spouse, make them part of the community, make her part of the community. If you

make it a good place for them to practise medicine, they will stay. So that is a critical role that citizens have, not just the health system.

Mr. Gerrard: Just before I arrived, there was some discussion about the costs of drugs and Pharmacare. Let me give you an example in terms of the treatment of children who are diagnosed with ADHD. Ritalin has been said to be a gateway drug in terms of children being more likely to end up using crystal meth and other street drugs. There are increasingly reports from reviews, panels put together by the FDA about concerns with these drugs, their effectiveness and so on. I would just ask the minister, with his concern with drug costs, whether he is doing anything to reduce the use of drugs like Ritalin and other drugs used for ADHD at a time when there is concern about their effectiveness, their potential to cause significant side effects, including heart side effects and deaths and so on. I will turn it over to the minister.

Mr. Sale: Well, there is a very short time left and this is a big subject area. This raises the question the Auditor was raising. What is the appropriate role of a provincial insurance scheme for the provision of drugs versus the appropriate role of the College of Physicians and Surgeons, the College of Pharmacists? I think we would be criticized if, without the scientific capacity—we do not have, and I am not sure we should have—if we decided that we are not going to cover Ritalin anymore because there have been some studies out of the States that are negative. I am a layperson. I do not know from nada about Ritalin. I know that some parents think it saved their lives, and other parents think it has made their kid crazy.

But I am not sure it is the role of a public insurance system to pass judgment on the clinical efficacy of a drug that may or may not have that efficacy. We can talk about Celebrex, Vioxx being terribly abused, misused, overprescribed, vastly overprescribed, so that is why we were moving them from Part 2 to Part 3 to force them to be only prescribed for the uses for which they were approved. That is different from taking a drug off on the basis of some studies. That is why we asked the panel to give us advice on the Auditor's report as to what is the proper role of the Pharmacare system in terms of those broader questions of cost benefit and appropriateness because I am not sure it is our role to tell people to stop prescribing something that is still a legal product. That is a good question.

Mr. Gerrard: My view is that, clearly, we need, in terms of the provincial system, to have some quality standards, and that those quality standards should apply to the prescription of drugs or the use of medical devices or the surgical procedures or what is done in a whole variety of areas. You may not be able to have quality standards in everything that is done in medicine, but, clearly, there is the capacity to develop and use quality standards in certain areas where there is a critical need.

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

AGRICULTURE, FOOD AND RURAL INITIATIVES

* (10:00)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Agriculture, Food and Rural Initiatives.

Does the honourable minister have an opening statement?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Yes, Mr. Chairman.

Mr. Chairperson: Please proceed.

Ms. Wowchuk: Mr. Chairman, I am very pleased to be here to present the '06-07 Estimates, a department that deals with issues related to rural Manitoba. We all know that rural Manitobans have demonstrated their resilience in dealing with the many challenges that they have faced, challenges such as last spring's excess moisture, extensive flooding that hurt the production of crops. Issues such as BSE, border closures, low farm commodity prices have all been a very great challenge for the industry. But, despite these difficult conditions currently being experienced, our agriculture continues to be one of the key building blocks of the provincial economy. Indeed, agriculture across Manitoba is a rapidly evolving sector with many new opportunities for economic development emerging almost on a daily basis.

Staff in my department take pride in working together with farmers, farm families and rural communities to overcome whatever obstacles they encounter, to pursue the opportunities that interest them. Today I want to focus on five areas of support provided by the department: support for primary production, support for diversification and value-

added, support for vibrant rural communities, support for environmental sustainability and support for food consumers.

Our budget in '06-07 is approximately \$181 million. Overall, that is an increase of \$6.6 million from the budget of '05-06. This is to support the increases in farmland school tax rebates from 50 percent to 60 percent, increased support for production insurance, and to support initiatives established under the Growing Opportunities initiative. Within the budget of \$181 million we have allocated \$112.4 million for risk management credit and income support for our farm population. This is equivalent to about 62 percent of our overall budget.

Under production insurance, as a result of the very difficult last year we had, MASC is expected to pay out a record \$300 million in Production Insurance, including \$58 million for Excess Moisture Insurance. This is the largest payout ever for the Production Insurance program. To ensure producers have a safety net that they need, we need to rebuild our reserves and provide an increase to MASC base premium budget of approximately \$3.6 million.

We continue to make changes to crop insurance that results from work that the board does in consultation with producers. We have enhanced crop insurance and given producers the option to buy up \$25 per acre, bringing the total coverage to \$75 an acre, which is what the producers have been asking for. We have expanded the insurance area for soybeans, introduced a new production loss insurance program for proso millet and added sweet corn to the eligible crops under the vegetable acreage loss insurance. And we have increased the maximum coverage available for hemp and open pollinated corn from 70 percent to 80 percent of excess yield. We also this year through MASC have a pilot project to see if there is a demand for an insurance program that will provide protection against early fall frost.

CAIS is another very important program for our producers, and in 2005-06 we drew an additional \$62.3 million for CAIS from the fiscal stabilization fund to support farm families. In this budget you see a return to our lower projected level for CAIS payments. Our budget includes an increase of \$1.2 million for negative margins coverage under CAIS, so producers are no longer restricted to a two-year negative margin payment in a five-year period.

CAIS needs adjustments, and we continue to pressure the federal government to make the program

more simple and more responsive to the needs of producers, while still being affordable to the taxpayers. The Canadian government, along with the provinces, will review options to improve CAIS and carry out consultation with producer organizations.

One of the possibilities is to replace the current integrated CAIS program with one that has a separate disaster relief program that is separate from the income stabilization. This is something that has been discussed and put forward by provincial ministers in the past, and it is one that the federal government is considering.

Program changes to provide better predictability and bankability are also under consideration. More discussion on this issue will take place at the federal-provincial-territorial Agriculture ministers' meeting, which will take place at the end of this month.

Another area of importance in the budget is the farm school tax rebate. We have added \$4.6 million to the farmland school tax rebate. This reduces farmland school tax from 60 percent from the previous reduction of 33 percent and 50 percent.

Another important issue is the World Trade Organization, WTO talks. Manitoba continues to urge the federal government to ensure a more level international playing field for Canadian producers. A more level playing field would include improved market access for our exporters. Manitoba believes that no further concessions should be made on the Canadian Wheat Board at the WTO negotiations, nor no changes should be made to the Wheat Board powers without the consent of farmers. Similarly, we must protect our supply management system through a sensitive product designation. The Province and the agri-food industry have a vital role to play to help Canada develop and advance the position at WTO, and Manitoba will work in that area.

Our young producers are our future in this province in the agriculture industry. We have introduced initiatives to help the succeeding generations take over the family farm. Since 2002, our Bridging Generations Initiative has provided \$45.1 million in loans to help farmers with the transition process. We have also provided 86,000 in management training credits to young clients enrolled in the accredited training course. Certainly, the challenge that is facing young farmers tells us that there is more to do in this area.

With regard to diversification and value added in Manitoba in the agriculture and agri-food sectors,

there are many examples of where we have been expanding in this area, and, certainly, we want to see more growth in this. Value added and diversification offer opportunity potential for further economic growth in Manitoba. Our government is currently consulting with rural and northern communities for new ways to create opportunities for increasing economic development, jobs, slaughter capacity and value-added processing in this community.

I just suddenly realized that we have only 10 minutes. I did not realize that, but I will just say that there are many areas that we are working as a department, many activities, areas that I outlined, certainly, in research and development, in processing. Many activities for further value added in this province, the biodiesel, agri-industry and agri-fibre sectors, rural development initiatives and many programs that we offer under rural development.

But, certainly, the area of co-op development and environmental sustainability are areas that we are doing work on, and we will continue to work in those areas. With those few comments, Mr. Speaker, I will end my comments, and look forward to the questions from my critic.

Mr. Chairperson: We thank the honourable minister for those comments.

Does the official opposition critic, the honourable Member for Lakeside, have any opening comments?

* (10:10)

Mr. Ralph Eichler (Lakeside): With the respect of time, and we have such a limited amount of time we are going to be able to go today, I just would ask if there is a will of the minister to sit past 12:30 so we can cover off more Estimates. I know she is a very hard worker, and, if she has the will, then we would be happy to.

Mr. Chairperson: Order please. Business issues are not made by committee. They are made by the House.

Mr. Eichler: With that in mind, then, with respect to time, I do have a number of questions I want to try and get through before we rise at 12:30. So I invite the minister to bring her staff in.

Also, I do want to give the minister credit. We did bring the idea forward last year, with the heavy flooding, increasing from \$50 to \$75 for the unseeded acres, so we want to thank the minister for her increase in that from 50 to 75, as we had

suggested. So, with those few comments, we will move on, Mr. Chair.

Mr. Chairperson: We will move on, but we should note that, under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of item 1.(a) and proceed with the consideration of the remaining items referenced in the resolution.

At this time we invite the minister's staff to join us in the Chamber. Once they are seated, we request the honourable minister to introduce the staff in attendance.

Ms. Wowchuk: Mr. Chairman, I am very pleased to be joined by my deputy minister, Mr. Barry Todd; Assistant Deputy Minister Allan Preston, who is the ADM of the Agri-Industry Development Division; Mr. Lorne Martin, who is the ADM of Policy Management; and Marvin Richter, who is the Executive Financial Officer.

Mr. Chairperson: Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

Mr. Eichler: Global would be the preferred method with respect to time.

Ms. Wowchuk: Staff from the corporation is on the way, so if there are questions with regard to that section, if the member would wait until that staff is here, I would appreciate it.

Mr. Eichler: Agreed.

Mr. Chairperson: So it is agreed. We will proceed.

The floor is now open for questions.

Mr. Eichler: Mr. Chair, on the minister's urban GO Team that was established to serve agriculture and agriculture food needs in the city of Winnipeg, could the minister or staff give us a bit of an update on how this team goes about trying to provide more information to the urban sector?

I do want to take this opportunity to welcome the staff. I want to commend the staff for the job that they do day in and day out. I know we have had a real tough three years, and the department has done a superb job in trying to give the minister good advice. I know they do their very best with the limited resources that we have out there as far as provincial

funding, and the federal government has a certain responsibility as well to help us financially. I do want to commend the staff for their hard work and hard efforts, Mr. Chair.

Ms. Wowchuk: Mr. Chairman, this is a new initiative under our reorganization, and we feel that it is very important that we have staff in place in the urban centres because a very important part of agriculture takes place here in the city, certainly in the area of processing, but it is also important that we have staff in place that works with the urban population so that there is a proper linkage. We all know that we have lost a lot of connection between urban and rural people.

So at the present time the staff under the urban GO Team are working with many of the industry partners to identify programs that are needed and how we could best deliver those programs. We are working very closely with the Manitoba Food Processors and, in fact, there has been an agreement that the Manitoba Food Processors will share an office space with us. I think that this is very positive, but there are many areas that we could be working in more jointly and better promoting agriculture products and creating opportunities in the further processing of agriculture products. So that is the goal of this section. The team leader for the urban GO Team is Mavis McPhail, and she works along with other staff. There will be additional staff added to that office as we move along.

Mr. Eichler: I thank the minister for that. I am supportive of her concept there. I think that we as rural MLAs and especially representing the agricultural sector, it is important that we move forward and try and educate the people within the urban setting that milk does not just come from the store. We need to do more development when it comes to educating the urban people.

The minister also has a consultation committee that has been travelling throughout Manitoba, and there was going to be a report that she was going to bring forward in her Estimates process in the spring of '06. I was wondering if she could give us an update on that particular committee. I believe that was a political appointed committee, and I was wondering if the minister could tell us who was on that committee and if she does have the report, in fact, for the House.

Ms. Wowchuk: Mr. Chairman, we at the department thought it was very important that we did

reorganization and looked at new opportunities, that we had feedback from the public and that was why we held a series of meetings, and I appointed a board.

The board consisted of Paul Gregory, who is from the Interlake, a farmer and a honey bee producer, grower of forage seeds; Gaye Lenderbeck, of Roblin, who is a cow-calf operator and Susan Proven, the chair of the committee. Susan is a small-scale farmer, sheep producer and a bed and breakfast operator in the western part of the province, as well Tom Nevakshonoff, my legislative assistant, and he was on that committee.

They held a series of, I believe, eight meetings—

An Honourable Member: Eleven.

* (10:20)

Ms. Wowchuk: Oh, I am sorry, 11 meetings. They are working on the report, but the report is not finalized yet. I can tell the member that I had the opportunity to attend several of the meetings and they were well attended. There was a lot of advice that was given about the kinds of things that people think can be done. There is a tremendous amount of industry interest in value-added, a lot of interest in biodiesels and alternate energies. That was one of the key things that we heard but also a lot of interest in how do we do further processing, how do we do further meat processing? We had the opportunity to visit northern communities and talked about the marketing of non-traditional products that are being harvested in northern Manitoba.

One of the things that I did see people asking for is more training so that they can get their management skills. As they look at developing businesses, they are looking at how do they get the skills that they need and looking for the kind of supports we can provide. Certainly, with the reorganization and the people that we have in place with economic development officers, I think we can provide some of that service for them.

Introduction of Guests

Mr. Chairperson: Before I recognize the honourable Member for Lakeside (Mr. Eichler), we have visitors in the public gallery from Rosenfeld Elementary 20 Grade 4 students under the direction of Mrs. Brenda Braun. This group is located in the constituency of the honourable Member for Emerson (Mr. Penner). Welcome to the House.

* * *

Mr. Eichler: It is certainly nice to have the youth here, and seeing rural Manitoba come to Winnipeg. We are honoured to have each and every one of you here.

Mr. Chair, with respect to the report that will be coming forward, will that be made available to all members of the Legislative Assembly, and, if not, would it be made available to the critic for information purposes?

Ms. Wowchuk: The intent is that when the report is complete, there will be a public version of it. Certainly I would be prepared to share that with my critic.

Mr. Eichler: I would like to move on to horse racing. I know the minister is also the minister for rural development. Recently the Brandon people had put forward a request to the minister, to the government anyway, in assisting in getting a racetrack in Brandon, and they have had a number of hurdles. I know the minister and her staff have been working on that particular proposal.

I was wondering if she could provide us with an update, if, in fact, she sees this initiative moving forward and a time frame in which they hope to try and get something done on that particular issue, Mr. Chairperson.

Ms. Wowchuk: Mr. Chairperson, indeed I have had the opportunity to meet along with my colleague, the Minister of Intergovernmental Affairs and Trade (Mr. Smith)—I have met a couple of times with the group that has proposed a horse park in the Brandon area. What we have said to them is that we welcome any economic development, but their business plan has been based more than just on revenues from VLTs. There are a limited number of VLTs in the province. So we have met with them. We have asked them to go back and look how they can change their plan so that they have other streams of raising revenue rather than just depending on once source.

The member may recall that the harness racers were feeling some pressure and were short of funds to continue their circuits. We put in place \$500,000 to help them with their annual meet, and we continue to offer that funding for them so that their annual races can continue around the province because it is part of the rural fair circuit and racetracks.

But, with regard to the proposal that has been put forward, we have asked them to go back and

change their plan and look at how they can generate revenue at that facility, how they can find further partners, like the city of Brandon, and develop other sources of revenue so that it is not completely dependent on revenue from VLTs.

Mr. Eichler: Mr. Chair, the minister has quite a staff that is available to her. I was wondering if the minister has staff that she has assigned to assist the people in Brandon and, of course, the standardbred racing people in trying to move this project forward. I know it has a huge impact on the Brandon area and the province as a whole. I was wondering if she is planning on allocating staff to assist with that particular initiative.

Ms. Wowchuk: Yes, Mr. Chairman, there is staff that is available to them and has been working with them since the time that they put forward their proposal. They have met with them over a period of time. So, yes; there is staff available to work with them.

Mr. Eichler: Coming back to the time frame, does the minister here, I know this all takes time because of the deals that have been put in place, is there a time line that needs to be met, or has to be met in order to move this project forward?

Ms. Wowchuk: The time line is driven by the proponent and the time that it takes them to come up with a different plan. We have not got any time line set on it.

Mr. Eichler: Could the minister tell me who her staff is that is working with the people that are bringing the proposal forward?

Ms. Wowchuk: Leo Prince and Paul Pierlot. Leo Prince is from MAFRI, and Paul Pierlot is from CEDC.

Mr. Eichler: I would like to move on now to, when it comes to the executive support on the money that was spent in regard to grants and transfer payments, I wonder if the minister could provide us a copy of the grants and transfer payments making up this particular amount of money.

Ms. Wowchuk: Mr. Chairman, the grants that the member is referring to are hospitality grants that, when there are events that are being held in the province that could be based here, could have representation coming from all over the province. For example in '04-05 there was the National Outstanding Young Farmers, there was a Canadian

Horticultural Council, the World Percheron Congress in 2004, the Canadian cattle association, National Agriculture Awareness, National Food Security Assembly, National Agriculture Awareness Day. So there would be a variety of things, but those are the kind of hospitality events that would have been covered in the last year. So it varies from year to year, depending on which events are being held in this province. Requests come in and then, based on that, decisions are made on which events we can provide grants to.

*(10:30)

Mr. Eichler: I do not need it today, but, if the minister would table that to me, or in the form of a letter, that would be fine, if it is not too much work for the minister. It would just be information data that might be useful in later times.

Ms. Wowchuk: We will put together a list of the '05-06 hospitality grants for the member.

Mr. Eichler: I thank the minister for that.

I would like to move to Ranchers Choice Beef Co-operative. I know the government has been working very hard on this particular initiative. We on this side of the House know and believe that we need to be increasing slaughter capacity within the province. I was wondering if the minister could tell us, or her staff, how much money has been committed to Ranchers Choice and how much has been flowed to date.

Ms. Wowchuk: Mr. Chairman, we committed 4.5 in equity, and that 4.5 has flowed to Ranchers Choice.

Mr. Eichler: The amount of money that has flowed to Ranchers Choice to date.

Ms. Wowchuk: Mr. Chair, 4.5 million.

Mr. Eichler: Out of the 4.5 million, do we have any indication of how much money is left that the management there has not spent?

Ms. Wowchuk: The majority of the money, of the 4.5, has been spent, because they bought equipment. They have had legal work. They have hired some staff. So there is a small amount left, but the majority of it has been used by Ranchers Choice.

Mr. Eichler: The \$4.5 million, then, and the money, I believe, that was collected by the Ranchers Choice board is in the neighbourhood of around \$1 million or 1.2. Does the minister or does her staff have any

indication about the amount of money that is left in total for the board?

I know that, on consultation with them, their funds are getting very low. With the hearings that are ongoing with the Clean Environment Commission and so on, is the project in jeopardy, or do they have enough money to carry on the day-to-day business they are trying to use to move forward?

Ms. Wowchuk: The money is very tight for Ranchers Choice right now with regard to their operating money, but I want to also inform the member that there is 1.5 million that is being held in escrow until the share offering is closed. When the share offering is closed, then they will have that money available to them, as well. At the present time, they are working on their finances. Hopefully, that will move forward, but for their operating it is quite tight right now.

Mr. Eichler: I thank the member for her openness, because we do believe that this particular project is very important to the minister. I know she has done what she can to try and move it forward.

With the day-to-day budget that is there on this \$1.5-million share offering, how soon does the minister anticipate this being made available for Ranchers Choice? The information that has been passed on to me is that their days are numbered as far as being able to meet the day-to-day payroll and their operational cost to date.

Ms. Wowchuk: Mr. Chairman, the board is working very hard to reach a deadline that is set for the end of this month to get their financial business in order, and also the end of the month is the time that they have a deadline to sign contracts with the contractors, with the construction people. Once those are finalized, then the 1.5 can be released. So there are a few steps that the board has to take and some deadlines that they are working towards the June 30 deadline.

They have to meet all of the requirements that were in the offer that they put out to the shareholders. When they meet those requirements, then they will be able to release that money.

Mr. Eichler: Also with respect to Ranchers Choice, I know the federal government had some matching dollars and it is my understanding that that program has been cancelled. I was wondering if the minister knows anything about that, if they were able to leverage those funds with this 1.5 in order to try and get some federal dollars into it or if she has any

updates with respect to the federal government's matching dollars for an increase in slaughter capacity at that particular plant.

Ms. Wowchuk: Mr. Chairman, there were two programs that the federal government had in place; one was the Assistance Program and one was the Loan Loss Reserve Program. We were very disappointed that all of the money was allocated out of the Equity Assistance Program and none was available for Manitoba.

The Ranchers Choice was counting on money from that fund, and it is disappointing because it was at Manitoba's insistence and lobbying that the federal government came up with programs. We wanted programs. We asked the federal government to be involved, then when they allocated the programs, they allocated it out to other provinces and Manitoba did not get any. Ranchers Choice was counting on about \$500,000 coming from that program. They will not have that money but we are still trying to convince the federal government and the Minister of Agriculture that there should be money for Manitoba under this program.

The Loan Loss Reserve Program is still available and the financial institute that Ranchers Choice is dealing with has made application to that program and we hope that that will be in place for them. But the Equity Assistance one, that has been a disappointment to us because they ended up allocating the money to provinces that already have slaughter capacity and none came to Manitoba.

*(10:40)

Mr. Eichler: Just for clarification then, for the money that has been turned over to Ranchers Choice, there is \$4.5 million that has already been spent. There is another \$1.5 million the Province has, being held in share offering, plus the \$1.2 million that was raised by Ranchers Choice. So it is a total of roughly \$7 million; is that right?

Ms. Wowchuk: Mr. Chairman, the 1.5 is part of the 4.5, and the reason for that is that the Ranchers Choice had spent some of the money that they got from the share offering. The registrar disagreed with how they had spent the money, and they required the Province to put that money back in for them and to be held until all the details had been worked through that I talked about earlier. So the 1.5 is provincial money that is being held, and it is part of the 4.5.

Mr. Eichler: So the Province really only has \$3 million into the project so far, and the money that

Ranchers Choice has, that they raised, is 1.2. So the total investment is \$4.2 million at this particular point in time that Ranchers Choice has put into it for its actual cost, and the other 1.5 comes out of 4.5 million that was just being held in trust. Is that correct?

Ms. Wowchuk: The 4.5 has all moved to Ranchers Choice from the Province. The registrar is holding 1.5 of that money, but the Province's money has all—I am sorry, the registrar is not holding it. He required that Ranchers Choice hold that money, so that amount has to be held. But the 4.5 from the Province has flowed to Ranchers Choice.

Mr. Eichler: Thank you. I was wondering if the minister also could tell us—I am not sure about this, but I want to ask the minister—the Ranchers Choice, did they tender the building already, and are they paying any penalties as a result of tendering that building out?

My understanding is that they went ahead and tendered the building in January or February, and now they cannot move forward on the project. So they are paying a penalty, so much per month, in order to hold that amount of money, or the bid, at the level it was at.

Ms. Wowchuk: Tenders were let; they have received the bids; and they have got fixed-price contracts. Those prices are fixed until June 30. So that is why the end-of-the-month date is so important. But the member talks about paying for buildings. There are no buildings. It is tenders and there have been a little bit of costs related to that, but they are not very high amounts. They are down payments; they are not penalties that have been paid on the contracts.

Mr. Eichler: I thank the minister for that information. The tenders for the building, then, have been let, and the money that they are paying is money toward the payment of the building. Is that correct, Mr. Chair?

Ms. Wowchuk: Any money that is being paid, such as on design specs or background engineering, is money that is being paid to the fixed contract. It is not over and above. Whatever money they are spending will go toward that contract. So there is some preliminary work, but it is a very minimal amount in comparison to what the whole costs will be. It is some preliminary work that can be done, but

it is not over and above. It is not penalties; it is part of the contract.

Mr. Eichler: So, then, just again for clarification, Mr. Chair, the money that is being paid out, what is the Ranchers Choice co-op giving for that? Are they turning sod, or are they just using this money for part of the prepayment?

Ms. Wowchuk: All of it is an investment in the next step of building the building; engineering specs, architectural designs, all of these things have to be done before construction. So that is what Ranchers Choice is getting for the money that they are spending up front. It is a down payment on their contract, but they are getting some free engineering work, some architectural work that will have to be done, and it is better if you can get some of it done ahead of time.

Mr. Eichler: Then, obviously, did the minister have anything to do with the tendering process, or has that all been done through Ranchers Choice? Has her staff had consultation in assisting and determining whether or not the big process was the way that the minister wanted it to happen?

Ms. Wowchuk: The tendering is done by Ranchers Choice board. It is their project, but I can tell the member that we do have two members that sit as ex officios on the board. These people provide advice and scrutinize the process that the board goes through as they put forward their tenders.

Mr. Eichler: Could the minister name the two people who are there? The second part of that question, do they provide the minister with updates on a regular basis so that the minister is up-to-date on what is happening?

Ms. Wowchuk: The two representatives that the department has are Dr. Allan Preston and Christine Burton, and, yes, they do provide me with regular updates on what happens at board meetings.

Mr. Eichler: With the building and the equipment being bought, and the \$2 checkoff being a significant issue, we do not know at this point whether or not Ranchers Choice has applied for funding through the new \$2 checkoff that the minister is proposing. What back-up plan does the minister have in order to ensure that Ranchers Choice Co-op processing plant moves forward without necessarily having funding in place?

Ms. Wowchuk: The member is accurate. The equipment has been bought, and the equipment is

being stored in Dauphin. Ranchers Choice is working to get their finances in order, and, yes, Ranchers Choice has made application to the council for funds. Their application will be given due diligence and reviewed before a decision is made, as it will be made on others who have made application to the fund.

* (10:50)

Mr. Eichler: Mr. Chair, before I leave this particular issue, with Ranchers Choice, I know that they have had a number of problems in order to try to get financing into place. I know one of the bids came from outside the province. I believe it came from Québec. Other than that, my information, again, I want to clarify for the minister, is not necessarily reliable, but I would like her to clarify it for me. They have a quote from a Québec financial institute, and the department is requiring two financial quotes.

With that bit of information, I would like the minister to clarify how much money they would have to come up with in order for this to proceed.

Ms. Wowchuk: Mr. Chairman, I am just a bit uncomfortable answering questions that are really the business of Ranchers Choice. I can say to the member that there are requirements, but it is not fair for us to be talking about which financial institutes they are applying to. That is their own business.

I can say to the member that they have applied to the council for funding, but I am not prepared to get into details about what they are borrowing or what their other business is. They are a co-op and some of those details, The member appears to have information about their business, but I do not want to be putting that information on the record.

Mr. Eichler: That is fair enough, Mr. Chair. I respect the minister's position on that and certainly do understand.

With the financial problem that Ranchers Choice has, the amount of funding that may be made available to Ranchers Choice through the new initiative the minister has come up with, how much money could they access through her program then?

Ms. Wowchuk: As the member knows, we have made \$10 million available to the council to start to do their work. We have also said that as the levy is collected, we will match that levy for the first three years, and we anticipate that the levy will be in the range of a little over a million dollars. So the

Province will put in another million dollars, so every year there should be about \$2 million in addition that will go into that fund.

But the council has \$10 million to work with. When somebody makes an application, they will do their due diligence and decide on how large an equity position they should take in that facility on behalf of the producers.

Mr. Eichler: The Province does have a significant amount of money involved in this particular initiative. I wonder if the minister or her staff when they are talking about the business plan for Ranchers Choice, I know that we have been talking about it for three years. The current state of profits with respect to slaughterhouses within Canada, I know the margins have dropped significantly since 2003. The margins went from \$500 to \$800 a head. Now, it is roughly \$25 to \$80 per head.

I wonder if the current business plan that has been—or if there is a current business plan, even, in fact, tabled to the minister, if it does show that it is, in fact, viable.

Ms. Wowchuk: Mr. Chairman, financial institutes will do their due diligence, and they will decide whether this is a viable operation to make an investment. I can tell the member they do have a business plan. It is a viable business plan. We, as a Province, a provincial government, recognize that we have to increase slaughter capacity in this province. We do not have enough federally inspected plants in this province. Our producers are paying high costs to export to other provinces. Other provinces are having the economic benefit that comes with slaughter capacity, and that is why we have put the money in place that we have to increase our slaughter capacity in this province so that we are not caught in the same kind of situation again should it happen. But with respect to their business plan, and whether anybody will lend them the money, it is like any other business, and the financial institutes will do their due diligence and review the business plan.

Mr. Eichler: I do understand the business side of it quite clearly. My concern is whether or not the minister feels her investment is secure and whether or not if, in fact, it has anything to do with the next \$4.5 million that she will be forwarding on to them. My concern is whether or not the minister still feels comfortable in the business plan that is available to her if she feels that is significant enough for the

business plan to provide the other \$4.5 million that has been committed.

Ms. Wowchuk: I am not understanding the member's question about the next 4.5. The Province has put 4.5 into the facility. We have put \$10 million into the council. There was additional loan money that was offered to Ranchers Choice. I am not sure where the other 4.5 is coming from.

Mr. Eichler: Then I will rephrase my question. I must have misunderstood the minister when she was outlining her commitment to Ranchers Choice on a financial basis. I understood that there was \$4.5 million initially that was paid to Ranchers Choice, 3 million of which is already there. Another \$1.5 million is being held in trust. Then there was another commitment of 4.5. Is that not correct? Did I not understand the minister correctly?

Ms. Wowchuk: No, Mr. Chairman, that is not correct. What I said is that we had committed 4.5, and 1.5 was being held in escrow by Ranchers Choice, but we have flowed 4.5 million to Ranchers Choice.

Mr. Eichler: So, then, for loans and other initiatives being brought forward by this government, what is the total package that is being offered, outside the 10 million, from the provincial government through MIOP loans or any other financial commitments from the Province?

Ms. Wowchuk: Mr. Chairman, the commitment that we made to Ranchers Choice was 4.5, which has flowed, plus there was the offer of loans to bring that to a total of 11.5, but that has not flowed yet because they are in the process of doing their business plan, working with different financial institutes. So they are not at the point where they would take advantage of the loans that we had offered because they are still doing environmental work. They are still working on their financial plan. All of those things are happening.

* (11:00)

Mr. Eichler: So there is an extra 7 million that has been offered through the government for loans. Is this through the MIOP loan program?

Ms. Wowchuk: Until they put their whole financial package together, we are not quite sure what it is they are going to need, depending on what the financial institutes will offer. We did say that there

was the opportunity for loan guarantees. That could happen through MASC, through the credit corporation, but those are details. That offer is there. The offer was 11.5, part of it in equity, part of it in loan guarantees. Those details are still being worked out.

Mr. Eichler: Mr. Chair, I thank the minister for that. The \$4.5 million, then, since the other has not flowed yet and the terms have not been worked out, the \$4.5 million that has flowed, is there an interest cost on that, and what rate would that be at?

Ms. Wowchuk: Mr. Chairman, it is an equity contribution. It is a contribution of equity, so there is no interest on it.

Mr. Eichler: I know that this is a tough question for the minister, and we do not have a magic ball to be looking at, but I know the days of Ranchers Choice are numbered as far as financial well-being. We have talked about that earlier. But does the minister have any type of an idea that she could share with us as far as whether or not this commitment to Ranchers Choice—in order to keep them financially solvent, will the minister be forwarding more money to Ranchers Choice in the next month or so in order to keep them afloat?

I know that the hearings that are going on with respect to the environmental hearings are very costly. The day-to-day cost still has to be there with the staffing and so on. I was wondering if the minister is going to make any more financial contributions at this particular point in time.

Ms. Wowchuk: Mr. Chairman, we have reviewed with the co-operative their upcoming costs. I told the member they are working toward a June 30 deadline. That is not very far away. We believe, from the discussions that we have had with them, that they have enough money to meet their obligations for the next short time period.

Mr. Eichler: So the minister seems, just for clarification again, confident that the project will not be delayed as far as financial commitments, and up until June 30. What about after June 30? Does she feel confident there will be enough money in place by that time to move forward with the project?

Ms. Wowchuk: Mr. Chairman, that is the target that they have set. That is their deadline for getting their finances in order. I am hopeful that they can move forward and have their finances in order, and can move forward with the other commitments that they have with regard to contracts. They are on a tight

budget, but we work very closely with them. Staff have worked closely with them. It is their view that they have enough money to meet their obligations over the next little while.

Mr. Eichler: With respect to the \$2 levy that has been proposed by the government, will that hinge on whether or not that, in fact, does go ahead or does not? I know that the minister has made a commitment to this board. In fact, in today's *Free Press* the president of that organization, Mr. Uruski, is saying that it may be a while before this is in place. They do not have offices there yet but they have hired an executive director. Will this in any way set back Ranchers Choice if this \$2 checkoff does not move forward?

Ms. Wowchuk: Mr. Chairman, the \$2 checkoff will move forward. It will move forward and the council is working on details. Under the legislation the mechanism is in place as to how the levy will be collected. What is being worked on now is, as the member said, some office space and staffing but the levy will move forward. This does not prevent the council from taking applications because they have \$10 million to start working with. So they can and are able to review applications right now. The member talks about the proposed levy, all the regulations for the levy are in place and it will move forward. We hoped that it would happen in June and I am still hopeful that within the next month or so we will have the mechanisms in place to start to collect.

Mr. Eichler: Would it be unfair to ask the minister if she wants to share those mechanisms with us that she is anticipating in order to collect this \$2 levy?

Ms. Wowchuk: Mr. Chairman, it is part of the regulation and in the same way that the levy is collected at point of sale, and just as MCPA's levy is collected at the time when an animal is sold, the levy for council will be collected in the same way, at the point of sale at the auction marts.

Mr. Eichler: So, just so I am clear then, the auction marts and the cattle producers have agreed to collect this or will it be another agency that will be, in fact, collecting the \$2 levy?

Ms. Wowchuk: Under the act that we are working on all of the buyers have the responsibility to collect the levy at point of sale and then submit the levy to the council. So that is spelled out in the regulation and when we implement the levy then that is how it will happen. Just as MCPA levy is taken off at point

of sale, the enhancement levy will be taken off at the same point.

Mr. Eichler: So then the auction marts and at point of sale, as the minister has said—is there a consultation that has happened with them in order to make this move forward or is she hoping that the cattle producers and the auction marts will buy into a program prior to her having to impose it upon them?

Ms. Wowchuk: MCPA has no role in this. It is the buyers who have a responsibility under legislation to collect the levy and yes, I have met with the buyers and will have further discussion with them as we move forward. The member keeps referring to MCPA; I want it to be clear that it is the buyers that have the responsibility, as they have the responsibility to do the checkoff for MCPA. It is all under legislation.

Mr. Eichler: Because of the lack of time, I will move on. I do thank the minister and her staff for the information with respect to Ranchers Choice.

The professional/technical staff department, did they have a role to play in assisting Ranchers Choice in their business plan and offer advice to Ranchers Choice?

* (11:10)

Ms. Wowchuk: Ranchers Choice, as a co-operative, does their own financial planning; they hire their own people. But I can tell the member that we provided some external assistance to them through Deloitte & Touche. So we have provided some assistance, but they would be responsible for their own business plan.

Mr. Chairman, I would also want to let the member know that we now have staff from the corporation available whenever he is ready to move to questions he might have of the corporation.

Mr. Eichler: I thank the minister for that.

I do have questions in regard to that. I will ask the minister what roles she would like to, or the timelines she would like to have. I can ask the questions now out of respect for staff, or we can leave them till later on, whichever is best for her staff.

Ms. Wowchuk: I think, in the essence of time, that we continue questioning with the staff here that we have at the table, and when the member is done with those questions, then we will bring in the other staff.

Mr. Eichler: That would be fine with me, Mr. Chair. I will try and save roughly about a half an hour, 45 minutes, with the people that are involved with the crop insurance side of it. And they do, just for clarification, have the information in regard to the CAIS program that goes through the crop insurance, rather than through this department?

Ms. Wowchuk: It is this group at this table that would have the information on that issue.

Mr. Eichler: Mr. Chair, then we will move forward the way we are.

In regard to Policy Analysis, the managerial staff, you have two people there. Who are these two people in this particular department and will they have a responsibility to the new minister's advisory committee?

Ms. Wowchuk: With respect to the Policy Analysis division, the ADM is Lorne Martin, who is here at the table, and Greg Fearn, who is the director. Greg Fearn, right. With respect to the advisory committee, no, it will not be Policy Analysis that will be doing that work. It will be the Strategic Planning unit.

Mr. Eichler: Again, thank you for the clarification.

I know that it publishes *The Young Farmers Newsletter* and that type of thing. Does this department offer advice to the minister, as far as changes in policy, for example, the water regulations, the \$2 checkoff, information on the CAIS program? Is this where she gets her advice, from this particular department?

Ms. Wowchuk: Yes; they give me advice on all of those issues.

Mr. Eichler: Thank you for that, Madam Minister.

I know the advice that we get from our staff is so important, and I know that the department does not seem awfully big. There are 20 people there to do an awful lot of research and development for the minister to offer advice to the minister, so they certainly must have their hands full and I certainly do respect the job that they do do.

The knowledge department then, Mr. Chair, the manager there, could I have the minister outline who the manager is in this particular department?

Ms. Wowchuk: Mr. Chairperson, when we were talking about the policy division, I want the member to recognize as well that he mentions that it is a small division, but there is the ability to draw on all the

technical divisions within the department to provide advice and information, and that is what we do.

With regard to the knowledge division, the person in charge is Darren Brothers. He has the responsibility for knowledge management, industry, intelligence and technology services.

Mr. Eichler: One thing that we have heard from the agricultural people is that we need to have more value added. I was wondering if the minister or her department could outline some of the initiatives that her department is planning with respect to more technology, or any other issues that may be coming forward in order to try and get away from farming with subsidies, rather than good ideas and good value-added products.

Ms. Wowchuk: Mr. Chairperson, the reorganization of the department that we took on in the last year was what this was all about, about providing service for producers in primary production, but moving in the direction of adding value and looking at new opportunities. That is why we have business development specialists that are working in all of the GO Teams to work with people as they come up with ideas.

Another section is the food commercialization and marketing section that has been developed under the reorganization. The establishment of the agri-energy office, which is a joint office between Agriculture and Energy, Science and Technology, looking at where we can move on alternate energies, wind energy, biodiesel, biomass, looking at how we can create new opportunities.

Certainly, I am very proud of the cluster that we have put together with the Food Development Centre, the Richardson Functional Foods and Nutraceutical centre and the work at the St. Boniface Hospital where, first of all, you have the primary research, then you have the application at the St. Boniface Research Centre and then the Food Development Centre, where you can then commercialize the product. There is a lot of work and a lot of interest in adding further value to our products.

The other area that we are working on is establishing value chains. We have the bison value chain, and the lamb value chain which have got started. Producers are recognizing that they have to move up this value chain. They just cannot be producing the animals and then shipping them off for someone else to add value to them.

Another good example where work has been done in adding value and commercialization is in the saskatoon industry. It is one that has struggled to some degree, but we see some real progress being made.

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So there are many areas, but I would agree when the member says, we have to move beyond primary production. That is what we are doing with slaughter capacity. That is why slaughter capacity is so important. That is why we have put enhancements and programs in place to help people with their business plans and, in fact, make some investments so that they can move further up the value chain and capture more of that value here in this province, because, every time you capture value, it helps to create some jobs and new opportunities in this province.

Mr. Eichler: Within this department, I know the government and several states—I have been to some of the meetings where the minister has been at with respect to ethanol and biodiesel. Is this particular department charged with trying to assist these businesses in trying to get rid of their by-product? I know the ethanol plant that is in Minnesota, there is enough by-product that comes out of there for 40,000 head of cattle, just for that one plant. I was wondering if this was with the staff that does look after that particular initiative.

Ms. Wowchuk: Yes, my department does work in those areas. In particular, we work with the proponent as they are putting their business plan forward so that they have a plan of what they are going to do with that by-product. But, I can also tell you that there are feed trials that are happening at the University of Manitoba, looking at how this by-product can be used for feeding. Our Food Development Centre is also looking at the by-product to see what the food ingredients might be, what might be extracted from this by-product as well. It is many times called waste, but there is also a lot of value in it.

The member talks about the number of head of cattle that can be fed off this stream, and that fits in as well with our plan to encourage more livestock production in this province.

Mr. Eichler: I know we need to have checks and balances in place. I know of a particular feedlot that has been trying to get approval for a 10,000-head feedlot, and I know that they have had an awful lot

of hurdles to jump through. Is the department looking at, maybe, changing some of the requirements along the lines of some of the other provinces, when it comes to approvals, so that maybe the operations whether it be increasing hog capacity, feedlot capacity, whether there are GO zones, or no-GO zones, similar to that of some of the other provinces?

Ms. Wowchuk: Mr. Chairman, our department always works in the best interest of the industry and looks at opportunities for further value adding and production in this province.

The member talks about regulations. The regulation of the industry is in another department, but I can assure the member that our department always has input as regulations are being made and changes are being made, with respect to water quality management, and with regard to licensing. There is a process in licensing where it is a technical review process, and our department is involved in that as well.

Mr. Eichler: I know that the neighbouring province of Saskatchewan, kind of, has an open door policy, and they have been stealing a number of our hog operations in Saskatchewan. I know that we did pass Bill 22, with respect to clean water, and we are all in favour of clean water. We need those checks and balances in place. But I do have a fear that, with the ethanol plants and the biodiesel plants coming, we definitely have to have enough consultation with the industry as far as increasing the number of livestock operations within the province in order to use up some of that by-product.

I was just wondering if the minister could enlighten us with the consultation process that is in place, or that is going to be taken in place with respect to the by-product side of things.

Ms. Wowchuk: Mr. Chairman, I have to comment on the member's comments about Saskatchewan having an open-door policy and that our hog producers are leaving Manitoba to go to Saskatchewan. I have not seen a reduction in our hog production in this province. In fact, there is an increase in hog production, but, you know, both provinces have a similar approach. Both provinces are trying to increase livestock production in their areas, but in both cases there has to be environmental sustainability. So there is a very similar approach in both provinces with regard to how the licensing takes place.

With regard to the consultation on by-product, the member will have to clarify that question. I am not sure what he is referring to.

Mr. Eichler: My question there, Mr. Chair, is whether or not there will be stakeholder meetings with the various different levels, whether it be the pork producers or the cattle producers with respect to the by-product that is going to be coming out of the ethanol biodiesel plants.

Ms. Wowchuk: Mr. Chairman, there are biodiesel discussions. There was a biodiesel committee that put out a report and recommendations on biodiesel, but when you are having discussions on biodiesel, the discussions in the community are about feedstocks coming in, where is the diesel going to go and discussions about the co-product as well. It all has to be one package, so it is not as if you are just going to be starting to create a product and not talk about the co-product, whether it is from biodiesel or whether it is from ethanol.

Cattle producers and pork producers want to purchase their feed at the cheapest possible price, and I know that they are interested in the by-products that come from these facilities and they have been part of discussions. As people look at producing a product and know that there is going to be a co-product, they have to have discussions with the people who might use that co-product because if you do not have a use for it, then you have a problem. So all of them are involved, but if you are talking about us having specific public meetings on by-products, no, that is not going to happen. It is part of the whole discussion on production of alternate energies.

Mr. Eichler: I thank the minister for that, Mr. Chair. I do want to come back just for the minister's information. I know of a hog barn that is close to Brandon that people have invested very close to \$100,000 and they still have not got approval, so I know the hurdles that are out there are quite stringent. I think that particular project is now considering moving to Saskatchewan, so I know there is some hardship out there and I am not sure where the 10,000-head feedlot is at. I have not had an update on that, but I know the level of frustration is quite high. I do know that, in order to grow the industry, we need to make sure that we do have the checks and balances in place, but we also need to have a clear understanding about where we want to go with the livestock sector and where that livestock sector should be best placed. I will just leave that

with the minister's information unless she wants to comment on it. We can certainly do that.

* (11:30)

Ms. Wowchuk: I know the feedlot that the member is talking about, and the member should know that they do have municipal approval, but it is the residents of the area who are now taking them to court. There are always challenges in rural areas when someone wants to have some economic activity, and when it deals with livestock, there tends to be a tremendous amount of pressure.

So there are rules that have to be followed, but when there are court challenges, that is not a government regulation that is happening here. The member says that there are challenges. Yes, there are challenges with the particular feedlot that he is referring to.

Mr. Eichler: I would like to move on to the Boards and Commissions. My question for the minister—and I know that a number of these boards we are all in favour of. They do a great job. I am just wondering if the government has changed their position with respect to supply management.

I know the First Minister, while in Gimli, made a few comments with respect to changes to supply management in respect of the WTO talks. I was wondering if the minister would like to comment on that.

Ms. Wowchuk: Actually, Mr. Chairman, it is the federal government that changed their position. We wrote to the federal government saying that they had to be at the table in the negotiations rather than being away from the table. That is who has changed their position. It is the federal government.

Mr. Eichler: Fair enough. That was for clarification, so we will move on. I did need to get that on the record.

The farmland management or farm ownership department, has foreign ownership increased to the minister's knowledge as far as the amount of foreign ownership?

Ms. Wowchuk: I am advised that the board has not seen a significant rise in the number of applicants from non-Canadians in recent years.

Mr. Eichler: Would the minister care to share with us the countries from which the largest portion of foreign ownership comes, whether it be the United States or another foreign country?

Ms. Wowchuk: The higher number comes from the U.S. The next in line is Europe.

Mr. Eichler: Under the government programs, they offered loans up to \$50,000 three years ago when the BSE crisis broke out. How many of those loans are still outstanding?

Ms. Wowchuk: Can you save that question for when we have the corporation here?

Mr. Eichler: Certainly, I will be happy to do that.

Then we will move on to the CAIS program. My question there is: With regard to the payouts that come from the federal government over the past number of years, the way the CAIS program has been set up, does the Province have a figure of what they saved by these particular federal programs because it would not trigger a payout for the Manitoba producers?

Ms. Wowchuk: Mr. Chairman, I believe the member is referring to some of the programs that the federal government did that were separate from provincial programs that were considered income eligible. I can tell the member that the Province also did programs that were considered income under CAIS that the federal government did not match as well. So there are different programs that the federal and provincial government do that are then considered income under CAIS.

But to indicate, it is very hard to determine at this point because, as the member is aware, CAIS payments are—the 2003 CAIS is completed, but 2004, their applications are still being reviewed. So it is very hard to determine the amount of payout that someone would have got had there not been a program put in by the federal or the provincial government.

Mr. Eichler: So the total CAIS allocation, as far as the budget is concerned with the provincial government, was all that money spent, or were there savings as the result of the federal program payouts?

Ms. Wowchuk: No, Mr. Chairman. In fact, each year we have had to increase the CAIS budget. There was an increase in '04. In '05, we had to increase the CAIS budget by a little over \$52 million. As the applications are all calculated, then there could be some additional money that may be needed, but it is too early to tell him that. But, if the member is looking at to what the Province saved, the Province did not save money; the Province had to add money into the CAIS program.

Mr. Eichler: Well, I think that is important to get on the record, because the assumption that is in the farmer's mind— am sure most of them feel that the federal government paid out all this money and the Province was a benefactor of that. So I am glad that the minister put that on the record as far as the provincial government's payout.

The number of days that it takes to receive a payment, I know the program is administered federally, but through Winnipeg. Does the department have a time frame, or do they assist in trying to expedite the payments to the producers? Is there a general time line that they try and shoot towards?

I know a number of complaints have been lodged to me in regard to how long it takes to get the money. Then, with the calculation, the other concern is whether or not the calculation was done right. We are into year three of the particular program, through CAIS, so there are very serious concerns. I know the minister in opening comments said that some of those changes have been put in place. But my concern is still with the number of days and the method of which is used for the calculation to ensure that the farmers, in fact, will be getting that money in a timely manner.

Ms. Wowchuk: Mr. Chairman, this is a frustration that we have raised year in and year out since CAIS has been put in place, and we have been asking for the process to be streamlined. We have been asking it to be more clear, transparent on how the application should work, more bankable. Those are issues that the provincial government has been raising for some time.

I can understand the frustration of producers when it takes so long, and it is not clear to them. They may do their work on the application. They may think they are getting a payment, but by the time it is all worked out, they may not end up getting money. So we have been asking for a more streamlined, clearer process of application so that producers can tell ahead of time. If you could streamline that process, perhaps you could reduce the number of days, but there are some that take far too long. It is usually the more complex ones that take the longer period of time. But, definitely, we have lobbied, and we will continue to lobby, to have this process streamlined and become more transparent and more reliable.

* (11:40)

Mr. Eichler: The CAIS program has been under a lot of criticism, of course, and the government has been trying to make changes and the federal government now with a new government in place has advocated to try and get rid of the CAIS program and start a new program. The minister is on record as saying that she wants to stay with the CAIS program. The program will be cancelled within the next two years, and the minister has made it very clear. What changes does she see that she is going to be making recommendations to in order to make the program more bankable, more sustainable for our farming industry within the province of Manitoba given the fact that she wants to stay with the program?

Ms. Wowchuk: The federal government, when they were running an election, did say that they wanted to get rid of CAIS, but when they came into office, what they said is—and they did talk about a separate program for disaster assistance. Certainly, we have been lobbying, we have been talking about a separate disaster assistance program. It was on the agenda at our last ministers' meeting.

The member talks about what my position is. I do not want to end a program without having another program in place. You cannot say you want to end CAIS if you do not have a new program in place. The federal government does not have a new program in place. And we have been making suggestions, and we will continue to make suggestions on how CAIS can be improved.

One of the most important changes that we talked about and Manitoba pushed very hard for was on the inventory evaluation, because if you can have the changes to inventory evaluation, then income is calculated in a way that better represents what is happening on the farm. So that has been what we have been asking for, that is what producers have been asking for. But we have administered to the greater principle to replace the deposit requirement with a fee of 0.45 percent of the reference margin. Once this is implemented this is expected to result in reduced payments. There has been a relaxing of rules on negative margins that I mentioned earlier to the member and certainly the changes to the inventory evaluation and the separation out of a disaster assistance component.

But the member questions my comments. I would never leave farmers without some program, and my position is we cannot scrap CAIS until we have something new, and that is the position of the federal minister as well, to move toward a new

program, but we cannot end the program. Can you imagine if he ended the program, the millions of dollars that have flowed through that program that would not be there? So there has to be some mechanism to have support for farmers. I want better programs, and I will continue to work on that.

Mr. Eichler: In respect to time, I have a couple of colleagues that do have a few issues they would like to get on. For the minister's information, we should maybe send a note out to her staff. I will call in the insurance people at 12 if that is okay so they can maybe have a cup of coffee or something so they are not bored out there.

The other issue, just before we do leave CAIS, I know the minister is having a conference in July with respect to—I am sure that CAIS will be the No. 1 item for discussion. Does the minister, and we agree, when we have to have a program, when it comes to making sure that the farmers have a bankable and sustainable income program, when it comes to something that is going to work.

The concern I guess I have is that, with the time coming up very shortly, is there a program that the minister has that she would rather follow, that has been used in the past, or does she have anything that she wanted to put on the record with respect to other programs that she may be wanting to look at?

Ms. Wowchuk: Mr. Chairman, I want the member to know that we have just recently had a meeting with all of the commodity groups to talk about safety net programs, and the advice of the commodity groups is to continue to modify CAIS. They are not looking to see CAIS scrapped and start from scratch on a new program. They want us to move along the path, to make enhancements and improvements to the program. I value the advice of the commodity groups.

Mr. David Faurshou (Portage la Prairie): I want to ask the minister, from her perspective as it pertains to Bill 4 that is now coming forward in third reading, changes to The Dangerous Goods Handling and Transportation Act, currently, there are a number of regulatory exemptions for Agriculture. In discussion with the Minister of Conservation (Mr. Struthers), he did commit to be in consultation with your department. I want to raise this to your attention that the changes to The Dangerous Goods Handling and Transportation Act rely very heavily on regulation as it pertains to the size of containers, the construction of the containers, who uses the containers that relate to agriculture, whether it be for

your oxyacetylene welding outfit, or whether it be for fuel for your tractor in the field, or even conveying your treated seed to the field. Agriculture has changed, Madam Minister, of which you are very well aware, much larger equipment. Currently, the regulations, I do not believe, have been truly reviewed to reflect the changes in agriculture because of—

I will just give the example of the treated seed; 1,500 kilograms is the maximum amount of treated seed that can be transported by a farmer to the field. With the seeding equipment that we have here today, that is just a few minutes, actually, of operating time. Most seeding equipment now can cover—well, I should not say "most,"—but there is equipment now that over 40 acres an hour, and they do consume a lot of seed, as well as Highboy sprayers and other equipment now that is used in agriculture.

So all I am asking from the minister through this question is that she make a commitment to be in consultation with the Department of Conservation, to effectively review the regulations as they pertain to the transportation of agricultural products considered contaminant in nature or dangerous goods status.

Ms. Wowchuk: I thank the member for that question.

I can tell the member that we have had some consultation, and we will continue to have discussion with the department as they go forward with the regulation.

* (11:50)

Mr. Faurshou: Just out of curiosity, because this cat is curious, the additional half a million dollars from Agriculture and Agri-Food Canada that is listed in the other revenues for the department this coming year, can the minister perhaps identify what Agriculture and Agri-Food Canada is funding for the department this year for a half a million dollars?

If not readily available to the minister, she can contact me at a later time.

Ms. Wowchuk: I am sorry, can the member clarify, is he talking about additional money that is showing up in our budget that is money from the federal government?

Mr. Faurshou: It is listed on the back page of the Manitoba Budget 2006 Estimates of Revenue. It is additional monies received by the Government of Manitoba from Agriculture and Agri-Food Canada. It

is intended, I believe, for the use of Agriculture, Food and Rural Initiatives Department.

Ms. Wowchuk: That is cost-shared money that will go into additional soil survey crews. That money is still under negotiation with the federal government.

Mr. Jack Penner (Emerson): I also want to extend my appreciation to the Agriculture Department and the staff working within the department for the excellent job they do in providing the kinds of services that in most cases are needed in rural Manitoba. I just want to encourage them to take a hard look at the massive changes that have occurred in agriculture over the last number of years, not because of, I believe, the farmers' will but because of economics and methods of operation.

I want to ask the minister whether she can identify the staff people that she would have had involved in the discussions of the regulations of The Manitoba Water Protection Act.

Ms. Wowchuk: Mr. Chairperson, we had a number of staff who were involved in this. The staff would be out of the Agri-Environment office. The director is Leloni Scott. There would be other staff members, as well, but Leloni is the director.

Mr. Penner: Is the minister satisfied that these staff people were familiar enough with the agricultural industry as it pertains to the various areas of Manitoba and how that business must be conducted in order to make it economically viable?

Ms. Wowchuk: I am absolutely confident in the staff that have been working on this.

Mr. Penner: Is the minister aware of the huge impact to the livestock industry in southeast Manitoba that these regulations, under the maps identified, the impact they will have on the R.M. of Stuartburn, the R.M. of Piney—and you can look at these maps—and the R.M. of La Broquerie.

All of these areas are either zone 3 land, zone 4 land, or much of this land is zone 3 and zone 4. Some of it is actually zone 2, but as the minister is quite aware, I am sure, this is cattle country. There are also a very significant number of other livestock operations, such as dairy in the R.M. of La Broquerie, such as hog operations in the R.M. of La Broquerie and all the other municipalities.

Can the minister tell us what initiatives she is going to take through the Department of Agriculture to mitigate the financial losses that will be incurred by those that are now operating on zone 4 land or

whether she has any plans for relocating these operations to other areas of the province?

Ms. Wowchuk: Mr. Chairperson, I would remind the member that this is a draft regulation, and work continues to go on. Unfortunately, some people are looking at it as the final regulation that is going to be there. I can assure the member that my department and staff have been working very closely with the other departments, expressing the interests of the agriculture producers across the province and will continue to do that. But I just remind him that this is not a final document, it is a draft. A lot of discussion is taking place with the industry on this.

Mr. Penner: Thank you very much for that answer, Madam Minister. I would like to ask the minister whether she can identify for me how many barns and livestock operations have been closed over the last three years in the province of Manitoba, not simply because of environmental regulations and environmental orders.

Ms. Wowchuk: Mr. Chairman, it is my understanding that any hog operations that have become available, have come up for sale, or have been closed have been bought up and are back in business.

Mr. Penner: I am sorry, maybe I was not clear enough, Mr. Chairman. But, I would like to ask the minister how many barns have been closed in Manitoba because of environmental orders over the last two or three years.

Ms. Wowchuk: Mr. Chairman, I cannot answer that question because environmental orders are not issued in this department to close operations. They are issued in the Department of Conservation. So I do not have that information, if there are any.

Mr. Penner: Then I would like to ask the Minister of Agriculture, Mr. Chairman, whether she has any conduit to that process of environmental inspections and/or evaluations before closures are made, and does she have any input into that process?

Ms. Wowchuk: Yes, Mr. Chairman, there is discussion between the two departments when there are issues with manure storage facilities and when there is discussion on what the remedial action should be and the contingency plans that have to be put in place while the storage facility is being redone. There is work that happens between the two departments to ensure that there is continuity so that the operation can continue.

Mr. Penner: Well, thank you very much for that answer, Madam Minister.

Mr. Chairperson, what I would like to ask the minister then is when these kinds of discussions take place between an operator and the environmental inspectors, is the Department of Agriculture brought into that discussion before a closure is determined.

Ms. Wowchuk: No, that is under The Environment Act. Where the department is involved is if there is remedial work and there has to be a contingency plan put in place, then the department is involved. But the questions that the member is referring to are staffed under The Environment Act.

* (12:00)

Mr. Penner: I need to raise this and I want to do this publicly. There was a barn closure close to the U.S. border, in the R.M. of Stuartburn, the name of the dairy was Red Top Farms. They had operated a molehill manure storage for a number of years. They had put in new equipment and they built a new barn and used the molehill system. The last number of years have been very wet years and there was some runoff off the farmyard out of that molehill system. So they dug a pit and used the dirt out of the pit to build a dam around their yard to ensure that there would be no runoff into a swamp which was not too far from their yard. They wanted to prevent that.

The inspectors came down, and in the final analysis that dairy farm was closed. There were three young boys that were going to take over that operation when the dad retired and that is now gone. I just want the minister to be aware that when these kinds of things take place there is a huge economic impact to the family, and there needs to be a greater degree of involvement by the Department of Agriculture before closure is announced even though it is under the new Environment Act and I understand that.

We are not arguing with that, but we believe that the Department of Agriculture should have a significant involvement before actual closures do take place. Sometimes I believe there might have been personality conflicts involved in these kinds of discussions, and that is again the reason why I would ask that the minister might consider bringing to her Cabinet this kind of an issue and get Cabinet to give direction that there must be some Agriculture staffing involvement before the actual closure would be ordered.

Ms. Wowchuk: I want to thank the member for bringing that particular issue to my attention. Certainly we will follow up on it just to clarify for our own interest exactly what happened, and I thank him for his advice.

Mr. Eichler: In fairness to the crop insurance people, maybe we should bring them in. I would have a request though. If the staff would not mind, I have a couple of issues I would like to—we can either do it now or we can ask the insurance people to wait, whatever the minister feels.

If that is fine with the minister, maybe we will just postpone that for another five or 10 minutes, if that is okay, and then the staff can go ahead and go. It has to do with OlyWest. We are so in favour of this particular project and want to make sure it goes ahead. I guess the concern that I have is what role the department has played in this particular project as far as assisting OlyWest and moving it forward in a timely manner, and if there are any other plans that the minister wanted to share with us as far as assisting the public in the role that they have been playing in order to move the project forward.

Ms. Wowchuk: Mr. Chairman, when the pork industry was faced with heavy tariffs from the U.S., they recognized that there was need for slaughter capacity. We recognized there was need to make some changes, and we formed an industry-government task force. So we worked with the industry to look at different options. It is through this process the industry made contact and wanted to have more slaughter capacity here. So, on September 21, 2004, the industry initiative, which is called the Manitoba Packer Initiative steering committee held their first meeting. The members of this committee consisted of government and industry representatives, private processing companies. The private sector worked with the high-tech people, with the Big Sky Farms. Government worked with them.

Our department was involved right from the beginning with Economic Development, looking at the economics of bringing a facility like this to the province. So we were involved in it and worked with the industry, because the industry recognized that there was a benefit to have processing here. We also recognized that there is a benefit to creating 1,100 jobs, and there is a benefit to seeing an investment of \$20 million in a processing plant that has the capacity of over two million hogs per year. So we were part of that. The member heard the announcement and the offer that was put on subject

to meeting environmental conditions. OlyWest is in the process now of preparing their application for licence. They have had public meetings, and then, when they have their application in, it will go before the Clean Environment Commission.

Mr. Eichler: I appreciate the minister's comments. With respect to the environmental licensing process, has the minister made her staff available in order to make sure the checks and balances are in place in order to ensure that there is something that might not be overlooked as a result of lack of information, or is there staff that would be made available to look at this proposal before it is submitted to the Clean Environment Commission?

Ms. Wowchuk: Mr. Chairman, this is a very experienced company; they have built many plants; they have environmental expertise within their company. They have hired Earth Tech, which is a very experienced company to put their environmental plan together, but I can assure the member, if they have any questions, if they look to us for any information, we are certainly prepared to provide it for them.

Mr. Eichler: I know we value the democratic process which we go through, and I know there are a few members on the government side of the House that are opposed to the project, and they have been very vocal on it. I hope that the minister will be able to contain them so that we can move forward with the project. I think that the project is worthy of making sure that we do put the checks and balances in place, and that is what they are there for. So, if the member would relay that to the rest of her caucus, it would sure be appreciated.

I know the government has made some financial commitment to the project. Could the minister outline as far as loans or grants for this particular project?

Ms. Wowchuk: Mr. Chairman, I want to put on the record that the member has made some comments about my colleagues. I could say to the member that there are people that are part of his party, and have run as candidates of his party, who have spoken out very vocally against the project. Members have the right to raise issues on behalf of their constituency, but the government position is that we have reviewed this project and, subject to environmental licensing, we are committed to the project. The member might want to take cheap political digs about members of this House, but the government position is that the

decision will be based on science and environmental review.

* (12:10)

With respect to the funding, there are MIOP loans and there are training dollars that have been put on the table. Again, nothing has been paid out until they get approval to go ahead, but I do not have the details of the amount of money because the amounts of money are in other departments. The money is not in this department.

Mr. Eichler: So the training dollars, that will be going through which department that the minister referred to?

Ms. Wowchuk: Advanced Education and Training. The MIOP loan is through Industry, Economic Development and Mines.

Mr. Eichler: Just a couple more questions. With respect to the Chief Veterinarian and Food Safety, I know that we have brought forward a motion for the House to look at with regard to provincially inspected plants. Is there any will on the government side to look at an interprovincial meat program whereby a provincially inspected processing plant can ship meat to another plant, not necessarily to a plant but to another store in another province without having to jump through a federally inspected plant?

Ms. Wowchuk: Well, I can tell the member opposite that I have always had the political will to move forward on this. Unfortunately, it is a federal regulation that prevents this from happening. We have raised it, I am sure, at every federal-provincial-territorial meeting that I have been at, always looking at how we could make these changes. There was a meeting last week where staff from my department were involved in looking at how we might move toward some interprovincial movement, some different kind of system. You do not want to have a lower standard but we believe very much that there could be a way using HACCP to certify plants. There could be this interprovincial movement and last week, I am told, was the first time that we got some indication that there might be some willingness to move in this direction and we will continue to pursue it. It is very important for us.

Mr. Eichler: I agree with the minister wholeheartedly. As I said, we have been trying to bring this forward and I am glad the minister is lobbying on behalf because that is one way we could increase slaughter capacity within the province of

Manitoba to a substantial level. I know the amount of product that has been asked for by some of the other provinces but because of the regulations, the way they are set up, we were not able to do that. We certainly commend the minister for lobbying on the behalf of the meat plants within the province of Manitoba.

The Member for Emerson (Mr. Penner) has another question so I will let him take that now if it is okay.

Mr. Penner: Mr. Chairperson, just one more item that I want to raise regarding the OlyWest proposal for the development of a processing plant in this province.

It is unfortunate that there has been the kind of initiative or opposition developed to that plant, specifically the site location, I do not think to the operation as such but the site location. Maybe it is time that there be rethinking of some of the powers given to some of the processes and what all is needed in order to establish an operation like that. That is all I am going to say about that.

I want to commend the former member of this Legislature, for after he retired, he decided that he had three young boys that needed something to do and he started building a livestock operation so his sons would have some involvement in his farm operation. That member of the Legislature not only succeeded in interesting his family in the operation but was successful in encouraging his young boys to become very involved in the industry. They built a primary hog-producing operation second to none in this province, mainly started and operated in the southeast part of this province and have since then expanded. But they truly aggressively pursued an opportunity and have demonstrated how viable it can be.

This next step that they are taking now, the involvement with Olymel out of Québec, is again a demonstration of the innovativeness of some of our farm operators in this province of Manitoba. I want to commend that family and the partnerships that they have formed in developing the company called Hytek and how aggressively they have pursued adding value to an area of the province that could not even properly grow grain in many of those areas but have demonstrated how successful they could be if they integrated cattle and hogs and grain production and then, now, moving toward processing. I think that is truly where we want to see our farmers go, to add final value and deliver the final dollar to the

farm gate instead of having to give it away or export it to some other processes.

The question I want to ask the minister: What happens if the Clean Environment Commission says this site is not a viable site for the establishment of that industry?

Ms. Wowchuk: That will be a decision of the company, what the next step will be, but I am confident that the company is doing the necessary preliminary work that is required to ensure that all of the information that the Clean Environment Commission is looking for is provided.

That is a hypothetical question and that would be a decision that the company will make.

Mr. Eichler: With respect to time, I will ask the insurance corporation to come in.

I want to thank the staff for their indulgence in staying with us and trying to get through as much as we can. I know they have a very busy schedule and we do want to make sure that they are appreciated very much. Thank you.

Ms. Wowchuk: Mr. Chairman, I would like to indicate to the member, while staff is leaving, we are going to be joined by Mr. Neil Hamilton, who is president and CEO for the corporation; Charlene Kibbins, who is senior vice-president, Planning and Lending Programs. We are also joined by Mr. Jim Lewis, who is vice-president responsible for Finance and Administration.

* (12:20)

Mr. Eichler: We welcome the staff here. We certainly do appreciate the work that you do and we know you are committed to your jobs. We certainly appreciate the role that you play in doing that.

My first question is, I know the minister was talking in her opening comments about young farmers, and my concern is that we have \$1.4 million in, I believe it is loans for young farmers. I would ask the minister: Is there any indication that there may be more money made available for our young farmers? I know our age limit that is involved with the current sector is increasing yearly with respect to the downturn in the economies, and young farmers want to take over the family farm. I was wondering if the department may have some comments on that particular issue.

Ms. Wowchuk: Mr. Chairman, young farmers are very important to this industry, and bringing them in is very important. Our programs are tailored to young farmers. In fact, 75 percent of the direct loans that we have are to young farmers.

Mr. Eichler: Is there a limit on the amount of money that a young farmer can borrow through low-interest loans?

Ms. Wowchuk: Mr. Chairman, they can borrow up to \$475,000 in direct loans. They can borrow up to \$175,000 in stocker loans. They can participate in the guarantee program, which is over and above, and they can also participate in the BSE recovery loan, which is \$50,000 over and above the others. So there are a variety of programs that they can borrow money from.

Mr. Eichler: So, roughly, the total, if they were to take in, without a livestock operation, the 475 is the maximum then, if it is a grain and oilseeds operation only?

Ms. Wowchuk: That is correct. Unless it is a partnership, and, if it is a partnership, then it can be 950.

Mr. Eichler: The question that I had asked earlier in regards to the \$50,000 made available in BSE loans. Could the minister please indicate how many of those are still outstanding for the committee?

Ms. Wowchuk: Mr. Chairman, there were roughly 1,700 BSE loans that were made, for a total of \$68 million. Very few are paid off because some people have chosen to pay them off, but most people are rolling them over into Part 2 loans and making the arrangements to pay them off that way. So the people are making their decision on how they want to handle it.

Mr. Eichler: If my memory serves me correctly, just for the record, those were low-interest loans? Will this still be at that same low-interest rate, or will that rate change as a result of changing it to a different pay-back serial?

Ms. Wowchuk: Mr. Chairman, the first year of the Part 2 loan is at the lower interest rate. After that, it reverts to the prevailing interest rate.

Mr. Eichler: The interest rate that is charged, is that at the variable rate then, or is that a fixed rate, and how is it determined?

Ms. Wowchuk: It is a variable rate until it becomes a Part 2 loan, and then it becomes a fixed rate. That is set according to all of the rates at the corporation.

Mr. Eichler: I know one of the concerns that has been brought forward with respect to the CAIS program is the harmonization of—and I know that it is very difficult to do such a thing, but I was wondering what the Province is doing in order to try and level the insurance program from one province to the other with respect to CAIS payouts. Is the department working on any initiatives with respect to harmonization of the insurance programs? There is such a variety of programs available out in the other provinces.

Ms. Wowchuk: Mr. Chairman, there are some variations in programs across the province. We offer some different programs. Other provinces offer different programs, but we have by far the highest participation in crop insurance of any other province in the country. So I would take that to mean that we have some of the best levels of coverage, as well, in comparison to other provinces.

Mr. Eichler: On the \$75 per acre, unseeded acre insurance program, could the minister outline the actual payback for a producer, what he would receive out of that, less his premium?

Ms. Wowchuk: Mr. Chairman, the \$50 per acre is free. The farmer has the option to buy up to \$75 for 42 cents per acre. The member asked about what the payouts are on that, I believe, and this is the first year, so we have no idea what the payouts will be on this. About 15 to 20 percent of the people have chosen to buy up to the \$75.

Mr. Eichler: Just until we have time for another question before the House will have to rise, Mr. Chair, I want to take this opportunity, again, to thank the staff for their input in trying to get through as much as we can.

I guess the final question I would like to ask the minister is based upon the \$50 per acre, and then the extra \$25. I know the farmers in the Assiniboine Valley have been hard hit. There are some 20,000 acres that are not going to be seeded. Are there any plans in trying to assist those producers, other than the crop insurance through compensation?

Ms. Wowchuk: Mr. Chairman, the people that the member refers to would qualify for \$50 an acre.

They could have bought up to \$75 an acre. Then the federal government announced an additional \$15 per acre for '05 and '06. So, if they participate in insurance, they could qualify for up to \$75, and then the additional \$15, which takes them to about \$90 per acre that they could have for insurance or coverage.

Mr. Chairperson: The hour being 12:30 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Conrad Santos): The hour being 12:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 9, 2006

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