

Third Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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The Honourable George Hickes
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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| SWAN, Andrew, Hon. | Minto | N.D.P. |
| TAILLIEU, Mavis | Morris | P.C. |
| WHITEHEAD, Frank | The Pas | N.D.P. |
| WOWCHUK, Rosann, Hon. | Swan River | N.D.P. |

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 23, 2009

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

Bill 22—The Cooperatives Amendment Act

Hon. Greg Selinger (Minister of Finance): I move, seconded by the Minister of Education (Mr. Bjornson), that Bill 22, The Cooperatives Amendment Act; Loi modifiant la Loi sur les coopératives, be now read a first time.

Motion presented.

Mr. Selinger: The amendments in this bill will allow agricultural co-ops to take advantage of federal tax changes that could help members defer tax and assist the co-op with additional operating capital. It will permit agricultural co-operative corporations to distribute patronage returns to members by issuing tax-deferred co-operative shares.

In addition, this bill will strengthen the enforcement measures in the act to allow the registrar to issue cease-trading orders. The general penalties for offences under the act will be increased. Thank you.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? *[Agreed]*

Bill 24—The Colleges Amendment and Le Collège Universitaire de Saint-Boniface Amendment Act (College Degrees)

Hon. Diane McGifford (Minister of Advanced Education and Literacy): I move, seconded by the Minister of Education, Citizenship and Youth (Mr. Bjornson), that Bill 24, The Colleges Amendment and Le Collège Universitaire de Saint-Boniface Amendment Act (College Degrees); Loi modifiant la Loi sur les collèges et la Loi sur le Collège universitaire de Saint-Boniface (grades des collèges), be now read a first time.

Motion presented.

Ms. McGifford: Mr. Speaker, under the amendments to this act, Manitoba colleges would be able to offer four-year baccalaureate degrees in response to the needs of industry and the labour market.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? *[Agreed]*

PETITIONS

Long-Term Care Facility—Morden

Mr. Peter Dyck (Pembina): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Lisa Bueckert, Sarah Dyck, Betty-Anne Hildebrand and many, many others.

Mr. Speaker: In accordance with our rule 132(6), when petitions are read they are deemed to be received by the House.

Winnipeg Regional Health Authority

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

Manitoba's Premier and his NDP government have not recognized the issues of public concern related to the Winnipeg Regional Health Authority.

The WRHA is building an administrative empire at the expense of bedside care.

Winnipeg Regional Health Authority needs to be held accountable for the decisions it is making.

Health-care workers are being pressured into not being able to speak out no matter what the WRHA is doing or has done.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Premier (Mr. Doer) and the NDP government to call a meeting of a standing committee of the Legislature and invite representatives of the WRHA to appear before it.

Mr. Speaker, this is signed by M. Dnistransky, R. Dnistransky, R. Garcea and many, many other fine Manitobans.

Ring Dike Road—Ste. Rose du Lac

Mr. Stuart Briese (Ste. Rose): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Ring Dike Road is a well-used gravel road that is used as a secondary road in and out of the community of Ste. Rose du Lac.

Given this heavy pattern of use, there is strong interest in the community in seeing the Ring Dike Road upgraded to a paved provincial road.

It would be most cost-effective to upgrade the Ring Dike Road to a provincial road at the same time that upgrades are being undertaken at the junction of Highway 68 and Highway 5.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider upgrading the Ring Dike Road at Ste. Rose du Lac into a provincial road; and

To request the Minister of Infrastructure and Transportation to consider upgrading the Ring Dike Road at the same time that work is being done at the junction of Highway 68 and Highway 5.

This petition is signed by Herman Thwaites, Jake Penner, R. Hunter and many, many other fine Manitobans.

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the Speaker's

Gallery where we have with us today Dr. David Docherty, Dean of Arts and Associate Professor at Wilfrid Laurier University. He is the author of the book, *Mr. Smith Goes to Ottawa* and *Legislatures: A Democratic Audit*. He serves on the board of directors of the Canadian Study of Parliament Group along with our Clerk, Patricia Chaychuk. Today he had a seminar with our legislative interns. Also, when Manitoba hosted the CPA Regional Conference in 2007, Dr. Docherty came to Winnipeg and presented a topic at the conference on the subject of crossing the floor.

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

Also in the public gallery we have with us today Ruby and Lyle Laughren from Winnipeg.

Also in the gallery from the MS Society of Canada, Manitoba Division are Brian Lerner, Wendy O'Malley, Darell Hominuk, Shelly Smith-Hines and Stephen Kennedy.

From the Manitoba Lotteries Corporation and members of the CC Walkers, Marilyn Robinson, Chrystal Robert and Sandy Raposo-Lloyd who are the guests of the honourable Member for Kirkfield Park (Ms. Blady).

Also in the public gallery from Réal-Bérard Community School we have 19 grade 9 students under the direction of Mr. Brian Martell. This school is located in the constituency of the honourable Member for Morris (Mrs. Taillieu).

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

ORAL QUESTIONS

Nursing Profession Overtime Costs

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, nurses are now being forced to work overtime. In 1999, \$3 million was spent on nursing overtime at the WRHA. Today, \$7 million is being spent on overtime, more than double those costs from 1999. The total amount spent on overtime in the last eight years is \$43 million.

Can this Minister of Health please tell us why overtime costs for nurses are on the rise?

Hon. Theresa Oswald (Minister of Health): Mr. Speaker, I'm very pleased to inform the House, of course, that due to the efforts of our faculties and colleges, due to the efforts of the Nurses Recruitment

and Retention Fund and all of those that are working to bring nurses to Manitoba and to educate them here at home, we were able to learn last week from the numbers from the nursing colleges that just last year alone that Manitoba had a net gain of 245 more nurses to our nursing work force. That is a total net increase of 2,034 nurses hired since 1999.

These are important steps that we take to ensure that we can provide good work-life balance for the nurses that we have in our work force today, Mr. Speaker.

Mrs. Driedger: Mr. Speaker, we wouldn't be spending \$43 million over eight years on overtime if the minister had fixed the problem.

Mr. Speaker, the WRHA will no longer tell Manitobans what overtime costs are. Just like they have buried their administrative costs, after this year they are no longer going to be providing the dollar cost to overtime for nurses.

Mr. Speaker, both the WRHA and the Manitoba Nurses' Union say that overtime is caused by a nursing shortage. Well, \$43 million spent on overtime means that we have a significantly large nursing shortage.

Can the Minister of Health tell us: How is patient safety being impacted by this huge and growing nursing shortage?

* (13:40)

Ms. Oswald: Well, Mr. Speaker, we know that putting more nurses into the work force increases the quality of life for nurses that are working on the floor, not to mention improves care for the patient at the bedside.

That's why in the election we promised to bring 700 more nurses to our work force. That was a commitment that we made. It's no small point, Mr. Speaker, that the members opposite offered to train exactly zero nurses to bring to Manitoba.

I can also say to the members opposite that we all know that we're going nationally, internationally and globally through difficult economic times. The last time there was a recession, Mr. Speaker, we know that members opposite fired a thousand nurses.

According to these numbers, Mr. Speaker, we can say today that for every single nurse that they fired, we've hired two back.

Mrs. Driedger: Mr. Speaker, the Minister of Health is all spin with no results.

Mr. Speaker, in the 1999 election, the Premier (Mr. Doer) promised to end hallway medicine and he promised to fix the nursing shortage. He also promised to, and I quote: end the dangerous reliance on overtime. In fact, I'd like to table those promises made in 1999.

Well, he failed to end hallway medicine. He failed to fix the nursing shortage.

I would like to ask the Minister of Health: Why did he fail to fix what he called a dangerous reliance on overtime?

Ms. Oswald: Well, Mr. Speaker, first of all, we know that the No. 1 way that you can work to smooth out overtime shifts is to bring more nurses to the work force. That's why we have committed to bring 700 more nurses. The members opposite, I guess, weren't listening when we said that just last year, we increased the work force by 245 nurses, bringing now the total number of increased nurses.

Now, Mr. Speaker, let's be clear. That's turning the ship around. The bad ship Conservative Party that fired a thousand, drove another 500 out of the system, we've turned it around now to be able to say that the nursing colleges report that we've hired over 2,000 nurses since 1999.

For every single nurse that they fired, we've hired two back, and we're committed to do more.

Nursing Profession Heavy Workload Reports

Mrs. Mavis Taillieu (Morris): Mr. Speaker, this is the minister that continually misled this House and misled the public with the Brian Sinclair case. She has no credibility here, and she has no credibility with the public.

When incidents of unsafe patient care occur, nurses are asked to fill in a workload staffing report, also known as a heavy workload report.

Can the minister explain why the number of heavy workload reports filed by Manitoba nurses has doubled in the last five years?

Hon. Theresa Oswald (Minister of Health): Mr. Speaker, the fact that there is a health human resource shortage in Canada, indeed, internationally, is not a surprise to anybody in this House. We know that one of the reasons that we see a health human resource shortage for nurses and for physicians is because of decisions that were made during the last difficult economic time.

Two of those critically difficult decisions and ill-advised decisions were to cut the spaces in medical school as a cost-saving measure, Mr. Speaker, if you can imagine, and to fire a thousand nurses just to have an improved bottom line, which they did not. These were decisions that are still haunting us today, but we're working to change that.

Mrs. Taillieu: Mr. Speaker, well, first she says they're hiring more nurses, and then she says there's a shortage. Which is it?

Mr. Speaker, the Canadian Federation of Nurses Unions said last year that the odds of patient mortality go up by 7 percent for every additional patient added to the nurse's workload. Heavy workload forms are an indicator of unsafe patient care.

The number of heavy workload forms has doubled in the last five years. Can the Minister of Health tell patients and nurses why the longer she's in the job, the worse the problem gets?

Ms. Oswald: Well, Mr. Speaker, I would say again that a shortage of health professionals nationally and internationally is news to nobody in the province of Manitoba or in the country of Canada. It may be news to the Member for Morris, but it certainly isn't news.

That's why we've had to take exceptional efforts in increasing the number of spaces in our nursing colleges. We know that we have some 3,000 nurses in flight right now that we're educating. That's why we've had to ensure that we use aggressive means to repatriate those nurses that the Tories drove out of the province and bring them home through incentives and bring them back to Manitoba. That's why we have to continue to ensure that their work environments are suitable places to work and enjoyable places to work.

On the subject of reports, we actually listen to nurses and keep—

Mr. Speaker: Order.

Mrs. Taillieu: Announcing new positions is not the same as filling new positions. They are not keeping up with the nursing shortage.

Mr. Speaker, the Nurses' Union says that these forms are used to document incidents of unsafe patient care. Since 2004, at least 7,000–7,000–heavy workload forms have been filed; 7,000 times when patient safety was at risk.

When is this minister finally going to take patient safety seriously and what is she going to do about these 7,000 heavy workload reports?

Ms. Oswald: We know that the 2008 Manitoba Nursing Labour Market Supply showed that 1,066 nurses have moved to Manitoba since 1999 with the support of the Nurses Recruitment and Retention Fund. So, No. 1, bringing down heavy workloads is solved by bringing more nurses to the front line, more hands on deck, if you will.

Second of all, we meet regularly with nurses to discuss issues on safety, on security, on patient safety, and we listen to their reports and we continue to work with them to improve work environments, Mr. Speaker.

Today, the report on Labour Market Supply shows that we've created an additional 3,400 nursing positions—well, including health-care aides—since 2000, and we have filled more than 80 percent of them.

The Conservative approach when times get tough economically: fire them. We're hiring nurses, Mr. Speaker.

Nursing Profession Position Vacancies

Mr. Leonard Derkach (Russell): Well, Mr. Speaker, the statistics speak for themselves. Today, in the province of Manitoba, we have a 12.6 percent province-wide nursing shortage in Manitoba.

Mr. Speaker, this vacancy rate is causing serious overtime demands on nurses and serious safety concerns for patients. This is a serious matter. In parts of the province, especially in Dauphin, the hospital has been Greylisted. That means there are too many patients and not enough nurses.

I want to ask the minister: Instead of the rhetoric that we've heard, can she put a plan or a strategy forward that is going to address the serious issues that are facing nursing shortages in Manitoba today?

Hon. Theresa Oswald (Minister of Health): As I said in the last answer, and I can repeat it, the report on the Labour Market Supply of nursing shows that we've created an additional 3,400 positions, nurses and health-care aides. That's front-line care dealing with the issues of safety, as the member opposite mentions, and we've filled more than 80 percent of them, Mr. Speaker. We listen to nurses concerning their work-life issues and try to resolve those.

I can report to the member that the nurses in Dauphin have taken a vote and they've lifted the Greylisting.

Mr. Derkach: Mr. Speaker, the reality is that Dauphin hospital was Greylisted for almost two years, and that's a serious concern.

Now, in the House, the minister may say that, in fact, we've created all of these positions and we've filled some of these positions, but the reality is, if you talk to front-line nurses, they themselves will tell you that there is a serious concern in this province with nursing vacancies and nursing shortages.

Mr. Speaker, I want to ask the minister whether or not she's got a plan going forward from today to fill the 12.6 percent vacancy rate that exists today in full-time nurses in this province.

* (13:50)

Ms. Oswald: We not only have a plan today, we had a plan when we went to the people of Manitoba in the last election and committed to hire 700 more nurses and bring them to the work force. I don't think that we should ignore the fact that the members opposite, rather holier-than-thou today, did not promise to train a single nurse, not one, Mr. Speaker.

So let's ensure that we have our facts straight on the platform that they want to put forward. It was the same time that they said that health care would not be a priority. Those were the words of his leader. We know very well that nursing and doctor shortages exist across Canada, indeed, internationally, and that's why our plan is to educate, repatriate and make work-life and work environments even better for nurses so they can do what they do every day, Mr. Speaker, and that's provide great care.

Mr. Derkach: Well, Mr. Speaker, it's difficult to believe a minister who has a credibility problem when it comes to reporting issues in this House.

In 1999, the nursing shortage in this province stood at 500 registered nurses and 100 LPNs. Today—today—that number stands at 1,272 nurses.

This government and this minister are failing to adequately supply the required number of nurses that this province needs, and, to date, this minister has not come forward with a plan to do that.

I am asking her to put her plan on the table to show Manitobans that, indeed, she has a plan to fill the 1,272-person vacancy in nursing today, Mr. Speaker.

Ms. Oswald: Well, I also want to remind the member of a couple of important points. Of course, in the Manitoba Nursing Labour Market Supply report of 2008, 286 of the nurses brought back from other provinces and countries have been specifically recruited for rural and northern Manitoba.

Since 2004, Mr. Speaker, I can also report that that was the time when we introduced conditional grants for Manitoba graduates who would agree to work in rural and northern Manitoba. Another 386 Manitoba nurses accepted those grants to work in rural and northern Manitoba.

On the subject of credibility, Mr. Speaker, at the time of crisis, what was the reaction of members opposite? It was to blame the people on the front line. Shame on them.

Nursing Profession Critical Incident Reports

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, all talk and no action from the Minister of Health who misled this House and misled this province when a patient died in the Health Sciences Centre ER after 34 hours.

Mr. Speaker, the NDP nursing shortage has gone into overdrive. Manitoba is short almost 1,300 nurses under their watch. Overtime costs have skyrocketed. Heavy workload forms have increased, and, according to the Manitoba Nurses' Union, and I quote: The workload is horrendous. They also said, and I quote: If nurses are doing exorbitant amounts of overtime, you're going to make mistakes, end quote.

So I'd like to ask the Minister of Health: How many mistakes have been made under this government's watch by nurses because they have failed to deal with the nursing shortage?

Hon. Theresa Oswald (Minister of Health): A few points, Mr. Speaker. First of all, the more nurses that you have in your work force, the easier the workload is going to be for nurses. That's why, in a time of great economic challenge, the decision of this government was not to fire nurses as a cost-saving measure, not—

An Honourable Member: As the Tories did.

Ms. Oswald: —as the Tories did. The decision was not to cut the spaces in medical school as a money-saving measure, like the Tories did. Our decision is to invest.

Further, Mr. Speaker, we listen to nurses and we listen to what they have to say about working on the front line. We are the ones that asked the RHA to actually implement those workload reports, and we're listening to them, Mr. Speaker.

Mr. Speaker, we're bringing more nurses to the work force, and that's why we're able to improve the situation. Sure, there's a shortage nationally and internationally, but we're not going to give up and we're—

Mr. Speaker: Order.

Mrs. Driedger: Mr. Speaker, this minister has no credibility with her responses.

Mr. Speaker, Manitobans have been told about critical incidents over the past number of years. What they have never, ever heard about are the number of incident reports, errors made by nurses and other health-care professionals. Nurses have been up front about these numbers for decades, but they are not publicly reported. They are medication errors, patient falls, mistakes made in caring for patients, malfunctioning equipment which may have caused a patient harm.

I'd like to ask the Minister of Health: How has the nursing shortage affected these numbers, or, as she did with Brian Sinclair, is she going to try to cover up more information?

Ms. Oswald: Well, first of all, Mr. Speaker, I would remind the member opposite that it was this government that amended The Regional Health Authorities Act to include the very situation of critical-incident reporting, so that these incidents would be reported, they would be shared with families, and, most importantly, they would be shared in the system so we could learn from errors and endeavour not to make them again.

I'd remind the member opposite that, in fact, she voted for that legislation, no small point. I would also say that an attitude today about nurses, coming from a time when their solution was to fire them, well, it's a little suspicious.

Mrs. Driedger: Mr. Speaker, this minister has no credibility at all in this House.

Mr. Speaker, across all RHAs, in 2006, there were 69,000 incident reports. In 2007, there were 67,000 incident reports. In 2008, for a half-year period, there were already 42,000. The total in two and a half years is 179,388 incident reports, many of them mistakes which affect patients.

This minister is failing nurses and she is failing patients. So instead of her NDP propaganda and her NDP spin in this House, instead of covering up health-care problems, will she stand up for patients and make patient safety a priority in this province?

Ms. Oswald: Well, Mr. Speaker, what we learned from the Sinclair inquest into cardiac baby deaths in the 1990s was that we absolutely had to get away from a culture that existed then, and thrived, of sweeping errors under the rug and not talking about them and not reporting them.

Now we have existing legislation in the RHA amendment act. By law, critical incidents need to be reported. Certainly, critical incidents exist in report more now than they did under the previous government, because the previous government didn't have it in law. They didn't care to know. They didn't want to know.

We know that that's the only way you can learn, Mr. Speaker. So am I ashamed that there are critical incident reports? Absolutely not; we put it into law so that we could learn.

E-Waste Recycling Depots Government Strategy

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, I want to take this opportunity to thank the many companies who led an initiative to dispose of e-waste products during Earth Day yesterday. They picked up the ball, too, and ran with it when the government clearly fell flat on its face.

Manitobans were looking for a place to go yesterday, and when they turned to the government Web site, all they found was a message saying the depots were closed. Mr. Speaker, Manitobans were lined up yesterday at depots to drop off their e-waste. Clearly, there is a strong demand for this service. In fact, there was so much demand that some people were turned away and forced to carry on to the dump to dispose of their electronics.

The government depots were closed, Mr. Speaker. My question for the minister is: Why?

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): Mr. Speaker, I'm pleased to let all members know that we've run e-waste clean-up last year where we gathered—in co-operation with 28 depots all across the province, we collected one million kilograms of electronic waste. That's done in co-operation with depots around the province.

Not only that, Mr. Speaker, but we take the e-waste and we monitor it so that we make sure the waste not only leaves the province but is disposed of in an environmentally responsible way, that it is recycled in an environmentally recycled way.

You know what? We're going to roll out a new enhanced program very shortly, Mr. Speaker, which will encompass the entire province, which will provide free e-waste recycling as we have in the past.

* (14:00)

Mrs. Stefanson: People were turned away from depots yesterday, and these electronic waste products ended up in the dump. Is that their environmental plan?

That goes hand in hand with these numbers, Mr. Speaker. According to the most recent Stats Canada numbers, Manitoba was ranked the worst in recycling out of all provinces across our country. This government is sending the wrong message to Manitobans, that e-waste disposal is not a priority and that they may as well dump their unwanted electronics in the landfill.

My question: Have they set aside room at the landfill next to the toilets for the e-waste products? That's obviously their plan.

Mr. Rondeau: I might add, we met with all the 28 depots that were participating last year, that collected the million kilograms of electronic waste which was environmentally disposed of. We met with them. What we did was we worked with them to enhance the program. Now, to me, collecting 67 trailer loads or semi-loads of e-waste was a very good initiative. It was actually double what it was the year before.

You know what, Mr. Speaker? We hope to work with those depots, new depots, around the province to enhance this free e-waste collection service, and we'll make sure that we have more accessibility for all Manitobans—listening to the depots, listening to the people who use the service and looking at other provinces that are using that same format.

Mrs. Stefanson: Mr. Speaker, electronics are clearly the way of the world. We're already last. We're dead last in Canada, worse than any other province across this country. It's going to get worse if they don't do anything about it.

My question for the minister: Will he agree to set up a year-round access to depots so Manitobans who are ready and willing to recycle their e-waste

are able to do so in the most efficient and effective manner possible?

Mr. Rondeau: I don't know whether the member knows this, but there are some commercial e-waste disposal sites that, for a minimal fee, year-round you can take your electronics and have them disposed of. What we offer is an enhanced program that's free of charge that's working around the province to provide this service, free of charge, for many, many Manitobans who choose to take their e-waste there to be disposed of.

We have heard from people, the depots and individuals, that they like this service. They think it's very good and progressive. They actually make use of it. At the announcement, Mr. Speaker, I encourage all Manitobans to come, dispose of their e-waste properly, and we will ensure that there will be proper environmental controls to make sure that it doesn't get back into the environment inappropriately.

Manitoba Housing Evacuation Policies for Residents

Mrs. Bonnie Mitchelson (River East): Recently we have learned about a 95-year-old lady who lives in a Manitoba Housing complex in Gimli. She was evacuated on April 3, because of flooding, and was told she'd be back in her home in four days. It's now three weeks later and this elderly lady is still not back home.

What's worse is the mistreatment that she and her daughter have received from this government and by the Member for Gimli (Mr. Bjornson) who has never returned her call.

Mr. Speaker, can the Minister of Housing tell me whether it's standard practice for his department to disregard and disrespect elderly people living in Manitoba Housing units, especially during a time of crisis?

Hon. Gord Mackintosh (Minister of Family Services and Housing): Yesterday I was advised that there had been—I understand that there had been some flooding as a result of a nearby condominium project and run-off that went on to Manitoba Housing property and caused damage to five units. As a result of that, inspections and changes were necessary to bring the units back into proper condition.

I also was advised of the series of events, Mr. Speaker. It's important that Manitoba Housing

provide a role model in terms of landlord issues in this province.

I can assure the House, the member and the individual that although the other tenants were accommodated in hotels, this individual was accommodated with her daughter, and we will be paying for the expenses that were requested by the daughter.

Mrs. Mitchelson: Today we have this 95-year-old lady's daughter in the gallery. In her effort to get information about the flood damage to her mother's home and to find out whether her mother might be able to return home, she was redirected within government nine different times.

Mr. Speaker, after speaking with nine bureaucrats in various departments, she finally got a straight answer that perhaps this upcoming weekend, her mom might be able to return home. What's worse is she didn't even get a return phone call from the Member for Gimli (Mr. Bjornson).

Mr. Speaker, again, I ask the Minister of Housing if it's standard practice for seniors, the elderly and those that are in crisis to be disregarded and disrespected and have to go to nine different places to try to get an answer.

Mr. Mackintosh: Well, Mr. Speaker, I had a conversation with the Member for Gimli today. There was very serious concern expressed about making sure that this matter is dealt with sensitively and on a timely basis. But it is the usual role of Manitoba Housing situations like this to relocate individuals. This individual chose not to go to the hotel, I understand, but it's important that we facilitate family help in cases like this. I think the proper course of action is one that is now under way.

As well, I might advise that the information from the department was that there was a visit to the tenants directly following the flooding in question, Mr. Speaker, and so there may be some breakdown in communication that we can look further at.

But situations like this have to be dealt with more sensitively, Mr. Speaker, and we'll make every effort to correct this.

Mrs. Mitchelson: It's really too bad that it took three weeks for this minister to look at the issue in his own Manitoba Housing complex and try to find a solution. It must be an embarrassment, Mr. Speaker, to this minister.

Mr. Speaker, this lady has been out of her suite for three weeks now. Her daughter has been looking after her, and it was because her daughter chose to take her home rather than put her in a hotel at 95 that she was with her daughter and a daughter that was and has been providing the home care that she required for the last three weeks.

Mr. Speaker, this lady has been out of her suite for three weeks now. Will she have to pay the rent for that three weeks or will she be compensated?

Mr. Mackintosh: Mr. Speaker, I already answered that. We will ensure that this will be dealt with in a just way to ensure that the costs reflect the rental accommodations.

But, Mr. Speaker, this was a matter of water that, unfortunately, came into Manitoba Housing property. The usual response has been, I think, from landlords, well, that's up to tenants to manage it according to tenant insurance.

Mr. Speaker, Manitoba Housing is taking a different view. I might also tell this House that in an effort to make sure that Manitoba Housing does become a model landlord that all of us, as Manitobans, want to see, I've asked the department to draft a bill of rights, a tenant bill of rights, for Manitoba Housing residents. That will help us move ahead and make sure that residents know that, all the time, there's going to be a high level of services expected from Manitoba Housing.

Winnipeg Regional Health Authority Brian Postl's Salary

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, this NDP government has more than doubled the expenditure of health care from 1999 of \$2 billion; today, where we're spending over \$4 billion. If we take a look in terms of the actual dollars that are being spent, it's totally amazing to see that they're cutting back emergency services at our community hospitals, including the Seven Oaks Hospital.

At the same time, we have seen an explosion of health-care expenditures in bureaucracy. My question to the Minister of Health is: Just how much money does Brian Postl cost the taxpayer every year?

* (14:10)

Hon. Theresa Oswald (Minister of Health): Well, Mr. Speaker, I wonder if he's talking about the same Brian Postl that is in Rankin Inlet, as we speak, as part of his practice, looking after children and

looking after families there that wouldn't regularly receive care.

I wonder if he's talking about the individual that travels to northern communities and helps Aboriginal children and families as part of his contract. He doesn't have to do that, but I digress, Mr. Speaker.

The member opposite, of course—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable minister has the floor.

Ms. Oswald: Thank you, Mr. Speaker. I can hear the members opposite suggesting that they don't care about children in the north. This is no great surprise to me.

I can say to you, Mr. Speaker, that the propaganda that the member opposite is perpetrating concerning Seven Oaks Hospital has gone from being politically part of the game-playing to downright dangerous, and in my next answer I'll explain why.

Mr. Lamoureux: A simple question: How much does Brian Postl make as the CEO of Winnipeg Regional Health care?

You know, in 2006, one report said he made \$387,000. In 2007, it was \$373,000. It gives the impression it's a decrease, but we find out, Mr. Speaker, it wasn't a decrease. It's because he wanted more money shifted from his pay into his pension.

Manitobans have a right to know just how much the taxpayers are paying for Brian Postl's service. I'm not interested in the double-dipping she just made reference to. I'm interested in knowing how much money the taxpayers of this province are paying Dr. Postl in order to run the Winnipeg Regional Health Authority.

If she doesn't know, it's her boss, the one that she continuously covers for.

Ms. Oswald: Well, I might remind the member opposite that this is the same doctor, Mr. Speaker, that former Liberal Prime Minister Paul Martin asked to write the national report on wait times. So I think he might be a little offside once again with his Liberal colleagues.

Mr. Speaker, it's the point I was raising earlier, that the member opposite, in discussing the issue of Seven Oaks, is writing material and spreading it around wherein he's advocating for cardiac surgery

to take place once again at Seven Oaks Hospital. That, of course—*[interjection]* Well, the code is right here. He says: I operate on the assumption that if a person has a heart attack that he or she should be able to go to any hospital emergency facility and get help and operated on if necessary.

This flies in the face to what Dr. Koshal recommended, and his own leader.

Mr. Lamoureux: Mr. Speaker, I'm not going to address the lies from the minister.

Mr. Speaker, my question is very, very simple. The question that I pose to the minister is: Brian Postl is a public servant, receives taxpayers' dollars. The public has a right to know just how much tax dollars Brian Postl is making.

We have a minister who is refusing to tell Manitobans just how much money Brian Postl is receiving at taxpayers' expense.

My question is very simple to the minister: Will she tell us today in a transparent way just how much money are we paying the CEO of Winnipeg Regional Health?

Mr. Speaker: Order. Before recognizing the honourable minister, the honourable Member for Inkster used the word, accepted "lies," from the minister. All information brought into the House here is factual information, as far as I'm concerned as the Speaker, and to call accepting lies would be equivalent to calling someone a liar.

I ask the honourable member to withdraw that, please.

Mr. Lamoureux: I withdraw, Mr. Speaker.

Mr. Speaker: I appreciate that.

Ms. Oswald: To go on with my point, performing cardiac surgeries, as he has been sending out and advertising in his materials, performing it at multiple sites would directly contradict what Dr. Koshal said.

Dr. Koshal said Winnipeg doesn't do enough surgeries in a year to allow for a good standard of practice. Studies have shown heart surgery staff need a consistent number of operations to maintain a high skilled level.

He's playing politics instead of standing up for safe, quality care. The members opposite might think cardiac surgery is a laughing matter. I certainly do not. Neither do the medical doctors who made these decisions. Furthermore, his own leader, when he had

his doctor hat on, in a journal, said he agreed with Dr. Koshal and said the recommendations were in the right direction.

Is this another case of Liberals having two positions on an issue? Sounds like it to me.

Advanced Access Initiative Program Expansion

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, the College of Physicians and Surgeons 2008 annual report shows Manitoba has had a net gain of 288 more doctors since 1999, including 161 more family doctors and general practitioners.

Can the Minister of Health please tell the House how the Province is expanding this successful Advanced Access initiative to help medical clinics reduce wait times for doctor appointments?

Hon. Theresa Oswald (Minister of Health): Thank you for the question loaded with facts.

I'm very pleased to announce, Mr. Speaker, that today we were able to announce our \$345,000 investment in expanding the Advanced Access model which will assist doctors and doctors' clinics in amending the way they take doctors' appointments in their office, which will improve care for patients. We're going to be able to transfer from a traditional method where people may need to call their doctor and have to wait considerable time to, under this Advanced Access model, get appointments on the same day or within a couple of days.

We know doctors want to have that kind of access to their patients, and, more importantly, Mr. Speaker, we know patients want to have that kind of access to their family doctors. This investment is good to bring down wait times for primary care in Manitoba.

Water Services Property Regulation Enforcement

Mr. Leonard Derkach (Russell): Mr. Speaker, as I listen to answers from the government, one cannot help but understand that this government ignores the questions that are being asked, pushes Manitobans around and abuses its privileges as a government.

A constituent of mine, whose name is Ken Matheson, *[phonetic]* of Hamiota, recently sold his property, five acres of land and a residence, to another individual. All of the transactions have been completed, but the new owner cannot get title to the property because Water Services of Manitoba have

been directed by the Minister of Conservation to impose a regulation that is not even law yet. Mr. Matheson *[phonetic]* will have to spend \$20,000 to put in a field, instead of an ejector system.

The Minister of Conservation told us recently that he has extended the deadline for consultations until May 8. Mr. Speaker, why is he imposing a law that is not even in force in Manitoba?

Hon. Stan Struthers (Minister of Conservation): Well, Mr. Speaker, I would invite the member opposite to join us in these consultation meetings to talk about protecting water, to talk about putting in place a framework to protect water in this province and these kinds of things that we can work through.

What I want my department to be doing is to be working with Manitobans in a co-operative way. I want them to sit down on a case-by-case basis and look to make sure we treat every property owner in a fair way. If that's not being done, then we will follow up on that.

Mr. Derkach: Mr. Speaker, the minister just admitted they're still in a consultation process, but he is bullying this individual to conform with a law that is not even law in Manitoba today.

I want to ask what answers he has for Mr. Ken Matheson *[phonetic]* and why they will not allow his title to be transferred to the new owner unless Mr. Matheson *[phonetic]* complies with a regulation that is not in force today.

Mr. Struthers: I would ask the Member for Russell not to selectively listen to my answers but to listen to the whole thing. I said we want to treat people fairly, and if that's not happening, then I will follow up to make sure that it does.

We're not going to bully anybody. We're not going to intimidate anybody. We are going to work with people to make sure they make the best possible decisions on their properties so that we can protect Manitoba's water.

Mr. Speaker: Time for oral questions has expired.

* (14:20)

MEMBERS' STATEMENTS

Manitoba Lotteries MS Walk

Ms. Sharon Blady (Kirkfield Park): Mr. Speaker, I rise today to inform the House of the work done by some amazing Manitobans in the fight to find the cure for multiple sclerosis.

Mr. Speaker, MS is a complex disease, and Canada has one of the highest rates of MS in the world, with it being the most common neurological disease affecting young adults. Currently, 3,000 Manitobans live with MS, and every day three more Canadians are diagnosed.

However, that does not mean that those with MS, and those who work to find a cure, live without hope. Mr. Speaker, 2009 is an exciting year for MS research, as this year marks the discovery of evidence linking vitamin D and a common genetic variant, which may alter the risk of developing MS. This research was funded by the MS Society of Canada through events like the MS Walk.

Mr. Speaker, this year, Manitoba Lotteries is the title sponsor for the MS Walk, and I am proud to say that I will be taking part as a new member of MLC's CC Walkers. This team was formed by Catherine Culligan, who has MS. Some members of this team are in the gallery today, along with members of the MS Society, Manitoba Division.

Mr. Speaker, I would also like to introduce a remarkable couple from Kirkfield Park, Ruby and Lyle Laughren. Lyle was diagnosed with MS in 1991, and Ruby has been an active volunteer with the MS Society since 1990.

Mr. Speaker, you may have noticed that many of these guests have red streaks in their hair and are wearing red Bands of Hope around their wrists. We wear these because this year's theme for the Manitoba Lotteries MS Walk is "Streak for MS," with Pink Hair Design providing hair streaking for participants to raise spirits and raise awareness about MS.

In closing, Mr. Speaker, I challenge my colleagues and all Manitobans to put a red streak in their hair and join us April 26 at Grant Park High School to be a part of Canada's largest MS Walk, as we "Streak for MS" to reach this year's \$1 million goal.

Thank you, Mr. Speaker.

Justina Hop

Mr. Cliff Graydon (Emerson): Mr. Speaker, I rise today to congratulate a very special constituent of mine. On April 22, the Governor General presented Justina Hop with the 2009 Lieutenant-Governor's award for her active community involvement and dedication to the Woodmore Women's Institute.

The Lieutenant-Governor's award recognizes individuals for their remarkable contributions to the community through voluntary service.

Justina Hop was chosen for this prestigious award because of her superior example of the meaning of volunteer. No written form can complete her active part in the accomplishments done for her family, friends and community.

Justina Hop has been actively involved with the Woodmore Women's Institute for 22 years. During this time, she has been occupied with organizing Farm Safety 4 Just Kids program, being a 4-H project leader, teaching Sunday school, and she is said to be instrumental in organizing the first Vita and area farmers' market in 2008.

Justina has given freely of her time and talents, whether it be driving family, friends or neighbours to appointments or providing 24/7 assistance for elderly friends and neighbours in need or giving exchange students tours of Manitoba.

Organizations and individual families in need of help with projects, dinners, lunches or food can depend on Justina's assistance and, when asked, she never refuses to help.

Justine Hop truly exemplifies the Manitoba's Women's Institute mission statement, "by focussing on personal development, family, agriculture, rural development, community action... locally and globally."

I would like the members of the House to join me in congratulating Justina Hop on receiving the Lieutenant-Governor's award. She is truly a leader and has the ability to motivate, organize and carry through any project she feels strongly about. She is truly one amazing woman.

Thank you, Mr. Speaker.

St. Vital Curling Club

Hon. Nancy Allan (Minister of Labour and Immigration): I rise today to congratulate the St. Vital Curling Club on their 75th anniversary.

The doors of the St. Vital Curling Club were opened in 1933 by a dedicated group of local men and women interested in providing a facility for healthy recreation in St. Vital. The first rocks were thrown in December of that year.

The curling club didn't have a home of its own, so the club members made an agreement with the St. Vital Agricultural Society to rent their building,

located at St. Anne's Road and Fermor Avenue, during the winter months. During the fair months, this building housed farm animals and, by coincidence, was the exact size for three sheets of ice.

In the early 1950s, after two separate additions, this rink became a six-sheet facility.

In 1954, the land which the curling club occupied was purchased by a large supermarket chain. The City negotiated to have the curling club building moved to its present location on Regal Avenue. The move was completed in 1955. This new clubhouse was given the amenities of a full basement, a one-storey viewing area, a snack bar and locker rooms.

Finally, in 1958, the dream of artificial ice became a reality. For more than 25 years, curling on natural ice made scheduling of games rather uncertain, especially in the fall and spring, but, thanks to the efforts of club members and the many people who purchased raffle tickets to support the club, and maybe also in the hopes of winning the first prize of an airplane and flying lessons, they were able to accomplish their goal.

The old building with its two additions was becoming a major maintenance problem by 1965. More fundraising was done by the members, including a raffle for an automobile. They were successful in financing the construction of the present pillar-free ice surface.

The St. Vital Curling Club became a hub of social and sport activity in the winter for many people in the area. Expansion became necessary and, in 1972, a second storey complete with a dance floor was added.

In 1974, the club participated at the national level in the Canadian Curling Worlds by hosting the Canadian Mixed Curling Championships.

Many of its teams have made it onto Canadian and world stage, with teams winning a variety of prizes, including the World's. Some familiar names include: Patti Vande, Connie Laliberte, Jennifer Jones, Dave Smith, Elaine Jones, Sylvia Erickson and Doug Riach, to name just a few of them that come from the St. Vital rink.

Mr. Speaker, I'm happy to congratulate the St. Vital Curling Club and the great achievements of the past 75 years.

Doc Walker

Mr. David Faursehou (Portage la Prairie): I am proud to rise today to congratulate Portage la Prairie's own Doc Walker for winning the 2009 Juno Awards in Vancouver. Chris Thorsteinson, Dave Wasyliw and Murray Pulver won Junos for their most recent album entitled *Beautiful Life*. Doc Walker has had three previous Juno Award nominations, but this is their first win.

Indeed, this has been a most successful year for Doc Walker. To go along with their Juno Award, the group has collected five Canadian Country Music Awards, including Country Recording of the Year, Album of the Year and the coveted Fan Choice Awards.

The renowned band also picked up this year's award for Favourite Country Artist/Group at the ninth annual Independent Music Awards that were held during Canada's Music Week in Toronto this past March.

Doc Walker has come a long way as a band, from the humble beginnings of playing socials and local campground shows to their newest album produced by Nashville heavyweight, Justin Niebank. *Beautiful Life* is a work that combines the creative efforts of the band members, the first time the three band members have written together. This album has also spawned the best single of the year and video of the year, as recognized by the CCMA.

Doc Walker is enjoying working with Open Road Recordings, which is the home to successful Canadian bands, Prairie Oyster, Johnny Reid, The Higgins, Tara Oram and others. Open Road Recordings currently holds six of the top-10 selling country albums on the Canadian Country Chart today.

Mr. Speaker, I would like to, on behalf of all members of the Manitoba Legislative Assembly, extend our congratulations and a hearty well done to Chris, Dave and Murray on their Juno Award.

Mr. Speaker, Portage la Prairie community is very proud of their accomplishment, and we will continue to support them throughout their musical careers. Thank you.

* (14:30)

Ukrainian Labour Temple 90th Anniversary

Mr. Doug Martindale (Burrows): Mr. Speaker, this year marks the 90th anniversary of the opening of the

Ukrainian Labour Temple and the founding of the Ukrainian Labour Temple Association, now the Association of United Ukrainian Canadians. The Ukrainian Labour Temple, standing at the corner of Pritchard and McGregor streets in North End Winnipeg, officially opened on February 24, 1919, to an overflow audience of 2,000 people.

From its inception, the temple served as a centre for Ukrainian-Canadian culture, offering instruction and activities in choral singing, mandolin orchestra and brass band, folk dance, Ukrainian and English language, embroidery, sport and gymnastics, drama and the study of Ukrainian literature.

Throughout its history, thousands of adults and children alike were exposed to their rich heritage, which they, in turn, contributed to the Canadian mosaic through widely acclaimed national and local festivals of music, dance and drama.

The temple was also home to a Ukrainian language publishing house which produced biweekly newspapers, hundreds of journals, magazines and books.

The builders of this impressive temple and founders of the association were committed to creating a better future for all Canadians. They promoted universal education, health care, child care, unemployment insurance, workers compensation and women's rights. Just months after its opening, the temple served as a mobilization centre for the Winnipeg General Strike. Over the years, plans were laid within its walls for the successful founding of other benevolent and co-operative organizations: an orphanage and farm and children's summer camp. The temple became a relief centre during the 1950 flood.

In 1995, the Ukrainian Labour Temple was designated a provincial heritage site, and in 1997, a municipal heritage site. The construction of such a magnificent building by a group of largely impoverished Ukrainian immigrants serves as a testament to their hopes for their descendents and to their commitment to Canada.

ORDERS OF THE DAY (Continued)

GOVERNMENT BUSINESS

House Business

Hon. Dave Chomiak (Government House Leader): I'd like to advise the House that the

Committee of Supply will continue on Friday, April 24, from 10 a.m. to 12:30 p.m.

I'd also like to ask, Mr. Speaker, that you resolve the House into Committee of Supply.

Mr. Speaker: Order. It has been advised that the House, in accordance with rule 4(5), the Committee of Supply will continue on Friday, April 24, from 10 a.m. to 12:30 p.m.

Under Orders of the Day, we will now resolve into Committee of Supply.

Would the Chairs please go to their respective rooms where they will be chairing. In the Chamber is Aboriginal and Northern Affairs, and Room 255 is Finance, and Room 254 is Infrastructure and Transportation.

COMMITTEE OF SUPPLY (Concurrent Sections)

INFRASTRUCTURE AND TRANSPORTATION

* (14:40)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Infrastructure and Transportation.

Does the honourable minister have an opening statement?

Hon. Ron Lemieux (Minister of Infrastructure and Transportation): I do, just a brief one.

I do have a couple of brief comments to make and they will be brief. I would like the opposition to have an opportunity to have a discussion with regard whether or not they want to be specific on certain departments or to go global and how they want to approach this because it is a very, very large department. It's a huge department, and there are many people I would not want to take away from their job they are earnestly trying to do and working with the public. If they have to be here for one, two, or three days, when they're not even being called to assist, I wouldn't want that to happen, so we'll have to have that discussion a little later.

We're experiencing considerable flooding in many different regions in Manitoba, and this affects, of course, many people's lives, not only homeowners but also numerous Manitobans that are working diligently to provide flood mitigation.

MIT has approximately 180 staff working countless hours, evenings, weekends, et cetera, and they've been valiantly working hard over the month now to try to do whatever they can to help people. The flood is also affecting our infrastructure. Many roads are currently affected by flood water including Highway 75 which should not surprise us since I-29 in the U.S. has also been under water for a great deal of the time as well.

I raise this since MIT will have to attend to mend the roads and culverts and drains affected by the flood as waters recede. I guess this highlights the importance of the historic commitment made to a historic event by the provincial government to fill the infrastructure gap in Manitoba left after a number of years of neglect.

In 2007, Madam Chairperson, the government announced a historic commitment to long-term funding for highway infrastructure, \$4 billion over 10 years. This commitment has concluded a second successful year. Manitoba has since increased the highway renewal plan for a third consecutive year. This year we'll have raised our commitment to \$545 million to maintain this momentum established since launching of this record-breaking program.

I know many of you have questions about highways and bridges and projects happening in your constituencies. Thus, I remind honourable members that in November we released a tender schedule that the construction industry can plan ahead. This is one of their recommendations they made when the MLA for Transcona and the MLA for Flin Flon and the MLA for Selkirk were part of the Vision 2020 working group that really laid the foundation, a strong foundation, for the years ahead and the commitment that needs to be made with regard to our infrastructure deficit. Madam Chairperson, members can see these projects by visiting the following Web site: www.gov.mb.ca/mit/contract/index.html.

We're on track to meeting our commitment of investing \$4 billion over 10 years with the stimulus packages coming from the federal government and their compliance in easing the licensing process, whether that's working with Fisheries and Oceans or working with Navigable Waters, will truly help, I believe. We'll be able to accomplish a lot during this construction season and ones going forward and everyone following that this government will be part of.

Madam Chairperson, construction season is approaching quickly. I know many projects will be

announced as construction equipment will soon be seen across Manitoba and having many workers on the sides of highways and many workers on construction projects on bridges and so on.

Just to conclude, I guess, well, I should say, I really want to thank the people within the department. These are people who deliver the programs. They deserve a great deal of credit. We have increased our budget substantially over the last number of years, and this has put additional pressures on the department to do the engineering, to also work with the industry to ensure that these projects are done on time and on budget. So, Madam Chairperson, I'd just like to conclude by thanking the many, many people in the Department of Infrastructure and Transportation that are indeed proud to be civil servants, and they should be. We should be proud that we have them in such a strong work force, putting a strong program together.

So, with that, I just want to conclude, Madam Chairperson, by thanking all the staff within Manitoba Infrastructure and Transportation.

Madam Chairperson: We thank the minister for those comments.

Does the acting critic, the honourable Member for Pembina, have any opening comments?

Mr. Peter Dyck (Pembina): Thank you, Madam Chair. Yes, I'll just put a few comments on the record.

I, too, want to thank the minister for the comments that he made, and certainly we, as well, want to thank the staff who have been taking care of our road systems and other areas within our province and the work that they have done. We know that this is no small feat, especially at this time of year when there is flooding taking place and certainly safety is the big factor. Added to that, the safety as we travel in winter when the roads are icy is another factor. I know that they are out there, as well, making sure that the roads are safe and, if not, then advising the public of that. So we do appreciate the work that they continue to do.

I want to indicate to the minister—and in his opening comments he was wondering whether we'd be going global at the start, and, yes, that would be our request right now for this afternoon, because there are a number of MLAs who are coming in and are going to be asking specific questions regarding roads, probably some bridges within their areas as

well. So, if that is acceptable, we will go in that direction.

So, right now, though, I'm going to turn it over to the honourable Member for Lakeside, and he's going to be asking a few questions.

Madam Chairperson: We thank the critic from the official opposition for those remarks.

Under the Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 15.1.(a) and proceed with consideration of the remaining items referenced in resolution 15.1.

At this time, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff.

Mr. Lemieux: Just with regard to going global, as I mentioned before, it's a large department and there are many, many different representatives from different parts of this department, Infrastructure and Transportation, and not just the finance people or assistant deputy ministers. The dilemma is, I'm hesitant, because to have 12 people sitting here for three days to go global is a challenge, because we also have someone from Brandon, for example, that would have to come in and be here. So I'm just wondering, just to get an indication from the opposition, are there different areas that people would like to look at? For example, that I would need people here to have to help us with answers and provide answers. For example, if it's dealing with bridges and roads, that's one area. If it's dealing with the government services side, that's a different part of the department. I'm just wondering, is there any indication on what area that people wish to focus in on because if we're going to be here for one day, two days, three days, we have to bring people from out of town, so that's a bit of a challenge.

Madam Chairperson: So at this point we're discussing whether the committee wishes to proceed through the Estimates of the department chronologically or have a global discussion.

Mr. Dyck: Yes, I would like to suggest that we go global. But, to be a little more specific in that comment, we're going to be dealing with CentrePort this afternoon. The honourable Member for Lakeside (Mr. Eichler) is going to be dealing with that. So that's an area we're going into. Then we're going to be asking regarding some specific roads within the

province in rural Manitoba. That's the direction that we're heading this afternoon.

Mr. Lemieux: I thank you very much for that; that's much appreciated. Today is not as much of a challenge as tomorrow morning because everyone came here expecting to—not knowing what area would be tackled. So I'm sorry for not being more specific about tomorrow as being the real challenge because we have people from Brandon, that's with Water Services, that's a real challenge area. Today most of the staff are here, so that's not really a concern today. It's tomorrow morning, whether or not people, for example, from Brandon will go back to Brandon, or do they stay here for tomorrow and so on?

Mr. Dyck: I do appreciate the concern that the minister is expressing. If it is acceptable to him, we'll get back to him within about the hour regarding tomorrow as to the people that we would like to see tomorrow.

Mr. Lemieux: Well, I do thank the Member for Pembina for those comments because it is appreciative, and he has good appreciation for not necessarily holding people here if they're going to be sitting here for a couple of days or three days and not have any questions in their area at all. So I do appreciate that very much. We look forward of having some direction from the opposition, what they would like to go after tomorrow and what they'd like to deal with.

Madam Chairperson: So, having heard that, is it agreed that questioning for this department will follow in a global manner with all resolutions to be passed once the questioning has been completed? *[Agreed]*

Prior to opening the floor for questions, I ask the honourable minister to introduce the staff that have joined us at the table.

Mr. Lemieux: First of all, Lance Vigfusson is Assistant Deputy Minister of Engineering and Operations. Mr. Paul Rochon is Associate Deputy Minister, and Gerry Bosma is the Executive Director of Administration and Finances here right now. Thank you.

Madam Chairperson: The floor is now open for questions.

Mr. Ralph Eichler (Lakeside): Thank you and thank the Member for Pembina to allow me to ask a few questions of the minister and his staff today.

I, too, want to go on record and thank the minister and staff for their dedicated service that they have shown in the times of high water here and especially know the Red River Valley but also in the Interlake area and communities north of the city. We understand the workload that goes into providing safety for those people and road closures and so on and the workload that goes into assuring the safety of those people. I certainly want to commend the staff for that as well.

My main questions are going to start off on CentrePort, to the minister, in regard to commitments and time lines and that type of thing.

My first question for the minister is the announcement last week made by the Prime Minister and the Premier of the Province, the Member for Concordia (Mr. Doer), in regard to the finances for CentrePort.

*(14:50)

My question is: Is the money that was allocated strictly for highway infrastructure, or were those dollars also part of a package that will be for the development of CentrePort?

Mr. Lemieux: Well, let me go back two steps and I'll quote the Prime Minister of Canada as saying, if you want to ship something across Canada, it pretty well has to pass through Winnipeg. He made those comments just a week or so ago when he put his stamp of approval on CentrePort Canada, and, as he also mentioned, the port is an ambitious, far-sighted initiative.

You know, I have to say that this is something very—once in a while I should state that there's an initiative that comes along that has the potential to create many, many, many different jobs for many decades going forward and this is one that has that potential.

Madam Chairperson, not often do you have such co-operation between the Chambers of Commerce, the business community, organized labour, Manitoba Federation of Labour, the Government of Canada, the government of Manitoba, the municipal governments of Winnipeg and the R.M. of Rosser working together and pulling this initiative in the same direction, and all of those people should be congratulated, and of course when you take a look at recent announcements like Standard Aero, or Greyhound, or Canada Post relocating there, and these are just the beginning of many, many initiatives to take place.

The Member for Lakeside was asking about the dollars and the funding. The funding that has been provided so far, we're looking at infrastructure dollars, those infrastructure dollars are to be looked at as far as road infrastructure and how do you tie in Inkster with CentrePort Canada and join that also with the west Perimeter. That announcement deals with a lot of that type of infrastructure in the truest sense of the word.

Mr. Eichler: Thank you, Madam Chair, and Mr. Minister. In regard to the comments made by the minister in regard to the economic boom that this will give the province of Manitoba, certainly it's not a new idea that just came about. We've been working on this for a number of years and we've seen some success, but not the success that we want in regard to seeing this project move forward in the past. We certainly don't want to make those same mistakes again.

I know the minister did talk about the board, the current board, and I too agree with the minister that we have just an outstanding group of council members. He talked about the R.M. of Rosser which is a huge area that is in Lakeside that's going to be involved in this. Madam Chair, last year at this time we made a commitment, or the government made a commitment, along with the federal government, with Vic Toews, and James Bezan, the MP for the area, with regard to the expansion and widening and twinning of the Inkster Boulevard out to the Perimeter. There was, I believe, \$60-some million allocated for that.

Now, those dollars that were announced last year, I'm assuming, and I will ask clarification from the minister in that regard, whether those dollars were just being added to for airport way, or will those dollars announced last week result in new dollars that are going to be actually placed for that particular project on the highway alone on that issue?

Mr. Lemieux: Madam Chairperson, when the member says this is not a new idea, it absolutely is a new idea.

If you take a look at Winnport, that took place in '95 to '98, there were seven press releases put out trumpeting Winnport as a solution developed in Winnipeg as some type of a port, inland port. Winnport began service on November 1, 1998, and, within 53 days of being in operation, Winnport experienced an operating loss of \$6.5 million. Madam Chair, The *Free Press* called the Tory investment in Winnport a high-profile loser, and

naming the Tory co-investment with other investments, that this was not a winner.

Barry Rempel from the Winnipeg Airports Authority pointed out that Winnport's idea was transporting goods from China to Winnipeg and from Winnipeg to China but didn't take into consideration transportation as some of the largest trucking companies in Canada being located here, the railways at CN, CP and Burlington Northern Santa Fe intersecting here and also using Winnipeg's airport as a main cargo hub.

So this is a new idea, and it's a new idea that the Premier (Mr. Doer) of Manitoba has put forward, and I must say, the federal government needs to be congratulated. It took a lot of political fortitude to support CentrePort Canada, because you have other initiatives across western Canada, whether it's in Edmonton or Saskatoon or Regina. You know, for us, it's not a flavour of the week. This is a huge initiative for us, a huge economic development initiative that the federal government has given a stamp of approval to moving ahead.

So what is CentrePort all about? Well, Madam Chairperson, we mentioned about the cross-section of people that are on the board, people like Bob Silver from Destination Winnipeg's nomination and Don Streuber from the Trucking Association nominee, Barry Rempel, Robert Ziegler, Kerry Hawkins, Chris Lorenc, Gord Peters, Tom Payne, who is recommended by the R.M. of Rosser, and Art Mauro and a couple of government representatives. So it's a private sector driven board, and it really is a public sector initiative with the assistance of government.

Now, we've looked at Manitoba and Canada committed about \$212 million in the announcement, building CentrePort Canada Way. CentrePort Canada Way is a four-lane divided expressway linking the inland port to the Perimeter Highway and connecting Inkster Boulevard and PR 221 and the James Richardson International Airport and CP Weston rail line intermodal facility to the Perimeter Highway near Saskatchewan Avenue.

Those dollars have been accumulated and put forward to that particular initiative. The government and the private sector business leaders partnered to come up with a solid inland port development strategy, and there are other pieces that need to take place yet, but there's about 20,000 acres that have been put aside for this initiative. It's been a huge

set-aside, and this is something that we think will be very, very successful in years to come.

So large amounts of money being invested, but, as we know, if you want to build a new highway and build interchanges, it costs a lot of money to do so. So it's a great initiative, but we're really pleased to see the Prime Minister of Canada come here and make this announcement because it means that now Canada is a partner in this initiative.

Mr. Eichler: In regard to the \$212 million that the minister referred to, the money that was announced last year, specifically for the twinning of Inkster to the Perimeter and the cloverleaf and the underpass that was proposed, is that money on top of the \$212 million or part of the \$212 million?

Mr. Lemieux: Yes, that announcement that was made with—I don't recall Mr. Bezan being there, but I know Mr. Toews and the Premier (Mr. Doer) and myself and I believe it's Minister Cannon touched on this announcement with regard to doing CentrePort Canada Way and looking at how we could improve Inkster.

These dollars that have been announced—all the dollars that have been announced—are a partnership between the federal government and the Province, some of those dollars coming from Building Canada Fund, and I can't think of a better investment. Those dollars are put into this pot to be able to provide economic development for us all.

Madam Chair, I don't think the Member for Lakeside is questioning the importance of the inland port or the investment in the inland port; at least I hope not. But all of these dollars have been accumulated to make sure that this inland port is successful, even though there are other initiatives in Alberta, as I mentioned, and in Saskatchewan, trying to be similar, but they can't do what we can do because we're the centre of the country, plus we have all the railways intersecting here as well as some of the largest trucking companies and one of the largest cargo airports in the country.

*(15:00)

Mr. Eichler: Thank you, Mr. Minister. I'm very supportive of this project, as you know, Mr. Minister, and my questioning is not to intimidate you in any way or try to get you upset and get political, but I can tell you that I'm trying to get clarification on the money that was allocated last year, the money that's been presented this year. I think that's very

important, not only to me, but the taxpayers of the province of Manitoba and the taxpayers of Canada.

My question was whether or not the money that was allocated last year, the \$60-some million, if I'm right on that, was part of the 212, or it was over and above the amount of money that was announced last year. That's the simple question.

Mr. Lemieux: Last year there was a certain amount of money put aside for a small piece of work on Inkster. This year we're putting \$212 million on CentrePort Way to connect Inkster to the inland port to the Perimeter, and there's going to be some interchange work done. I mean, last year, small amount; this year, 212, and that's what we're doing.

Mr. Eichler: All right, on the transportation route that's being planned, could the minister and his staff outline the time lines, whether or not property has been purchased, the right of way has been put in place in order to ensure that that road does go through and the anticipated deadline for that project to be built?

Mr. Lemieux: I thank the member for his interest in this project, and actually I do appreciate, when we passed the legislation to put CentrePort Canada in place in the Legislature, we did receive support from the opposition. I really want to express a thank you for that. I think this may be the first opportunity I've had to do so, but I really appreciated it because that had to be done fairly quickly. We had to move fairly quickly.

Having said that, Madam Chair, when you're doing engineering and you're purchasing a land and you're trying to lay out projects, you can't always move quickly. That is regrettable, yet the engineering is taking place. An engineering company's been under contract to take a look at a design and the building of this particular infrastructure, yet you have to work with landowners, you have to work with the railway companies, you have to work with the airport authority, you have to work with many individuals.

So I'm sorry I can't tell the Member for Lakeside a specific date, you know, when the bulldozers are going to be working and moving soil, because I have not been advised of that myself. I haven't been given a specific time when that's going to start, but I know many, many people are definitely working diligently trying to move this ahead as quickly as possible.

Mr. Eichler: Thank you for the clarification.

Again, trying to think down the road, and I know we want to go one step at a time and walk before we run, but the minister talked about engineering and planning and where we're going to go for the next steps. The next step would be the linking of No. 1 highway, would be my understanding the way this would go.

I was wondering if the minister or his staff could outline for us the anticipated routes that would be proposed, whether it would be a bypass around Headingley or through the Department of National Defence property, the plans that would be brought forward in those next planning areas that would be part of this project.

Mr. Lemieux: I know that a number of different bypasses have been discussed over the larger discussion about an inland port, and there may be a bypass going around Headingley some day. But what we're talking about in this announcement, the \$212-million announcement, is just CentrePort Way, talking about linking Inkster and going across to the airport west and then going north to the west Perimeter Highway and having an interchange there. That, essentially, is what the \$212 million is about. At least, that's what I've been advised.

But we're going to have to seriously look at do you bypass the community of Headingley? There are large trucks coming in. If there was a bypass, they would essentially be able to go 100 kilometres an hour right from the west side of White Horse Plains, I guess, to St. François Xavier to the inland port, as opposed to slowing down and going at a slower pace through the community of Headingley.

So there's some logic there, but I guess I can only comment on what's before me, and that's the \$212 million right now dealing with CentrePort Canada and the infrastructure of CentrePort Canada.

Mr. Eichler: Thank you, Mr. Minister, for those responses.

As we know, this project is trifold and the minister talked about that in his opening comments in regard to CentrePort. The development of the infrastructure, as far as other tributaries to get in to some of the subdivisions that—one's already developed and the roads are in place for projects to move forward and new businesses to be established there.

Could the minister or his staff outline for us the infrastructure needs such as sewer and water? How will that be developed and the plans that will be

worked through, either through his department or through the committee? What type of consultation will be done in order to help those businesses that want to move into those areas to be done in a timely way, rather than through the normal process or whatever was going to take place with that particular project?

Mr. Lemieux: Well, there has been a great partnership thus far. I don't see that changing. It's taken a great deal of work, I must say, and if I could just go back a few steps. The department, we've been working on the Manitoba International Gateway Strategy—MIGS, in short—and the inland port was one piece of this. It goes back a couple of years, about probably three years now I think the first time that I presented it at the Manitoba Chamber of Commerce meeting. At that time, people were asking, how is this all going to work? I mean, there is the airport authority, there's the City of Winnipeg, there's Rosser, there's private individuals that own land there, railway included, if I forgot to mention them. So this has truly been a real partnership where you've had the federal government, the Province, as I mentioned, and the couple of levels of government and the private sector working very, very closely to make this work. There is a board in place now, a private sector board essentially, and they're the ones who are making a number of different decisions with regard to what directions we go.

The sewer and water issue, the member is correct; without sewer and water, any kind of development in the area, any kind of businesses that want to come in there, any kind of warehousing or businesses in general need that to then. My understanding is that there is an area that CentrePort Canada can connect to. This has not been something that—certainly, I'm not prepared to comment on it because it's not part of this 212-million infrastructure right now, as I've been advised anyway, that needs to be addressed. But the member is correct: there are sewer and water issues; there are land purchasing issues; there's working with the railways. It's a very ambitious project that's going to take some time to get these things all taken care of and these initiatives taken care of, but that's taking place, as we speak. There's a lot of work being done as we're speaking here today.

Mr. Eichler: Thank you, Madam Chair and Mr. Minister. In regard to the roads, the tributary roads that will be feeding these developments, is there a long-term plan in regard to those tributary roads to be brought up to the specifications in order to get the

heavy weight of those trucks in and out of those tributaries to ensure that, in fact, we do have those roads in place rather than waiting until we have the development in place? I know we've talked an awful lot about the airport way but the tributaries for those other subdivisions, is there a plan or strategy, an engineering plan that's been brought forward to him for approval on those particular tributaries?

Mr. Lemieux: I'm sorry, I would have to ask for some clarification. I'm not sure what routes or roads the MLA for Lakeside is referring to.

Mr. Eichler: Within the parameters of the 20,000 acres that's been proposed for CentrePort, there are some subdivisions already approved, and some of those roads will not be up to the standards of the heavy weights that need to be transported in and out of those subdivisions, so will the Province be responsible? Will they be upgrading those tributaries in order to meet the specifications? Will that be on the developer, will that be on the City, or how will that be laid out for those companies wanting to come and establish or will that be part of their cost? I know sometimes that is in the agreement—

An Honourable Member: Their contribution.

Mr. Eichler: —their share of the contribution, and also there'll be traffic lights that will be coming into this as well. So, I mean, it's an awful lot to try and get through, and I know this is the infant stages of this. We're trying to plan a bit ahead here, and we're also trying to help those people that do want to come and look. In fact, I've been contacted by two companies, one from Calgary, another one from Ontario, that are looking. I'm encouraging them to come here, so the more information I have, Mr. Minister, the better it's going to be for me.

* (15:10)

We can't just refer everybody to you and your department. I know that's the way it should be done, but sometimes they do come to the local MLAs. So the more we know, the better job we're going to be able to do in order to talk about that in an intelligent way.

Mr. Lemieux: Well, let me just say to the MLA for Lakeside or the MLA for Headingley or other MLAs or members of parliament, you know, no. They just don't have to go to me. That's for sure because this is a real team effort, and members of the opposition and government are working together to try to make this a success. As been shown, you have different levels of government and many may differ

politically, but we know that, in order to get this done, you have to pull together.

So, no, we'll try to give you all the information we can. There's a planning study going on right now that—We are in the early stages, and that's why I don't mean to hedge my answers when I'm answering these questions, but I don't have all the answers right now. Quite frankly, because there is a planning study going on, and the determination of the road, the specific route this road, CentrePort Way, is going to take is being planned right now. People are looking at that, and there are many people that they have to work with.

No, the member is correct. We're going to try to give him or any member in this Legislature as much information as we can because there are different companies from across Canada. One good example is where the Minister of Competitiveness, Training and Trade (Mr. Swan) put an investment into, I believe it's Destination Winnipeg where they hired someone to actually go out to try to, I won't say headhunt, but to try to generate some interest in CentrePort Canada. Those monies have been spent to hire a person and to provide some monies to try to locate different businesses.

CentrePort will not be a success if we just get Canada Post or Greyhound, whom we already have, and all they're doing is just relocating. This will not be successful if that's it. It's a great start, and it's great to see you've got companies like Standard Aero and others who want to increase their investment in Manitoba, but it will not be successful unless we get new companies coming to build and invest in this province as new entities.

I just want to say to the MLA for Lakeside that a planning study is under way, and there has to be some consultation, of course, with different stakeholders. That's ongoing, but we're going to be trying to provide information to as many people as possible once all of this is in place. People are going to have to know to make their decisions too. Thank you.

Mr. Eichler: In regard to the budget, Madam Chairperson, and pardon me because I don't have the budget book in front of me, but is the Department of Infrastructure and Transportation budgeting money outside the infrastructure dollars that have been committed for CentrePort development? You had made indication that there were other departments that would be helping develop and bring businesses into Manitoba. I was wondering if you could just

highlight a little bit more on that. If there's not money in his budget, then will there be money coming from other budgets in order to assist us in developing CentrePort that it is successful? As the minister commented earlier, in his opening comments, again, about the failed opportunities, let's learn from those mistakes and those people that made those mistakes, so we don't make them again. I'm certainly all in favour of this development, but the dollars and cents that are going to be attached to it in order to also make it a very successful project.

Mr. Lemieux: Well, I wish I had a crystal ball to look ahead a number of years to see where this will be, and we know CentrePort Canada is going to have to be more than a \$212-million investment. Maybe I'll repeat. We know it's going to cost more than a \$212-million investment. I mean, this is a great initiative, a great first step. The only comment I can make right now is that with regard to that \$212 million, we know that it's going to take more money for different initiatives. The member mentioned sewer and water, which is correct. There are other issues related to this development of this area, but the plan is going to help us. Hopefully, in the next months I'll be able to have more of that to be able to put forward to the MLA for Lakeside. We all know it's going to take more of an investment to do that. Right now we are tapping in with the federal government with their contribution, which is great.

Sorry for digressing, but maybe this answer is part of the question that was asked before, but certainly is pertinent to the one now, and I was saying how it's going to take more money in this investment. I know that the MLA for Inkster and others would be very interested to know that we've committed, in this year's budget, an additional \$1.6 million to start the twinning work at the junction of Inkster and Brookside Boulevard, working with the City of Winnipeg to piggyback on their project which they want to get started. There is a portion within the city of Winnipeg that they're going to get started, so we also want to do part of that, too.

While the planning stage is taking place, there is going to be work happening. So it's not like somebody is putting together some humungous report someplace that's going to gather dust. It's not, and that it's going to take months and months and months and years to complete, no, it's not. So there is some work going to start happening, working in co-operation with the City, as my staff have advised me. Thank you.

Mr. Eichler: Thanks for the update on that information. Under the leadership of Kerry Hawkins, who I understand is the chair of CentrePort, Barry Rempel, Chris Lorenc and others that the minister had mentioned earlier on, my understanding is and, correct me if I'm wrong, that they're on the hunt for an administrator to run their organization. I understand, hopefully, that that will be in place by June 1.

If that is the case, then, what are the time lines? Is there going to be a report, a recommendation to your department in regard to the development of CentrePort and a strategy plan about how they want to get there, and what role will government play in that development?

Mr. Lemieux: Well, we've continued to work with CentrePort, and the member is correct. Art Mauro and Barry Rempel and Chris Lorenc and many others that are on this board play an important role, and we'll continue to work with them. I'm sure they will call upon government on different occasions for different assistance and help, and we will ensure that happens.

I know the federal government will as well, and so will the City of Winnipeg. It's in our best interests to work with this board to make sure it's successful. But, once they do get a CEO, and I'm not sure if that's the correct title of that position, but I know the ad was just in—I saw the ad actually in *The Globe and Mail* the other day. I'm not sure when the cutoff date is, but it is soon. Once they get that particular person in place, that leadership will start to translate into more action happening.

I know the board, with Kerry Hawkins and others, they are very busy individuals, and this individual that they want to hire will be a really important step. I don't have the date, sorry, at my fingertips, but I know it's fairly soon, the cutoff date and then also interviews, if necessary.

Mr. Eichler: I certainly don't want to wrap it up, but I know my colleague from Morris wants to ask some questions on this particular initiative as well, but coming back to the strategic plan that I talked about, is there a plan that would be developed and presented to your department, or does CentrePort have the authority to develop that without consultation with your department? Do they have the sole authority to do that?

* (15:20)

Mr. Lemieux: On the business plan, they will develop it and certainly consult with us. On the infrastructure, highways and transportation side, we develop it, and then, also, in consultation with them. So we have different roles to play, but it's a matter of trying to work together, so we're not doing something that, obviously, they're not in favour of. They certainly don't want to do anything that the governments or their funding partners are not in favour of either. So it's a very, very good partnership, and you have people in place with that kind of leadership that have had these roles before in many other organizations. So it looks like a very good fit.

Mrs. Mavis Taillieu (Morris): I want to just follow along with some questions regarding CentrePort and some of the connecting highways that will be part of the larger picture of CentrePort. I have this map in front of me here, so I'm seeing that there is a broken blue line going from Highway 75 and connecting up to the Perimeter and—[interjection] It is the Winnipeg—'Canada's Centre for Global Trade,' a Mayor's Trade Council report, and it's on page 15. So that looks to me like that might be a proposed bypass around the St. Norbert area. Is that correct?

Mr. Lemieux: Well, this, the document the MLA is referring to is—I believe Chris Lorenc chaired that body, and it's something, the report, I think, was done for the City of Winnipeg and for the mayor. I guess I'm not sure what document that is, sorry.

Mrs. Taillieu: The document is the Mayor's Trade Council report, and I just was noticing that particular dotted line, which may indicate a bypass. I know that speaking with the Premier (Mr. Doer) in Executive Council the other day, and speaking about Highway 75, which I'll get to, but he was also indicating the broader picture would likely include something around St. Norbert. I identified St. Norbert as a problem area. So I'm wondering if maybe the minister could just tell me if there's any consideration being given to bypassing St. Norbert.

Mr. Lemieux: Well, I can tell the MLA right now, no, the answer is, no, there isn't anything in place. There is no plan to bypass St. Norbert. But that's not to say that in years to come or in the future that that is seriously going to have to be looked at. You have a farmers' market that takes place every Saturday in St. Norbert. You have huge semis that are rolling through St. Norbert, and we anticipate the truck traffic to be even greater as a result of the inland port.

The dotted line, again, it's the city of Winnipeg's critical road infrastructure and trade route connection. This is something that, I gather, the City of Winnipeg is proposing, or the City of Winnipeg would like to see. This report is—again, it was chaired by Chris Lorenc, but I would just say that the mayor and City Council may want this. I haven't had any discussions with them about it, but I can say right now that there certainly have not been any decisions made about a bypass around St. Norbert, nor a bypass around Headingley, at all. But that's not to say into the future that we're going to have to consider how to make a best transport route or trucking route that we can.

Mrs. Taillieu: Thank you, Mr. Minister. I think that regarding the extension of the CentrePort way out past the Perimeter Highway and across to somewhere near the White Horse at St. François Xavier has already been put out in the media. So it must be some kind of plan, something for the future, because it's been reported in the media.

But I'm not going to question on that right now. *[interjection]* Okay, I'm not going to question you on that, but I do want to question you on Highway 75, because, I mean, the whole concept of this trade corridor and CentrePort and Highway 75 has been mentioned numerous times in conjunction with the inland port and CentrePort.

As we all know, Highway 75 is under water at the present time and probably will be for the next two to three weeks, and this happens all too often. After the last flood event in 2006, the municipal leaders from the area did get together with you and your department to discuss solutions to keeping Highway 75 open. It's not only critical for times when there's high water, as we're at at the present, but of course it's going to be an integral part of the CentrePort and the transportation hub. With the number of trucks, trailers, and cars that are on that highway, it needs some attention.

Now, I recognize, of course, that the minister will say that he's put a lot of work into Highway 75, so I recognize that. I recognize that there have been a lot of upgrades done to Highway 75 already. Nevertheless, there is going to have to be a plan here, and I note that, in Morris, just a couple of weeks ago, when the Premier was there speaking in regard to flood preparedness—it was at that time, because we didn't see the waters then—he had indicated to the mayor that there would be a plan and that there would be a plan shortly. So I'm really wanting to

know what the options are and what the plan will be. It may not be for next year, but I think that the people of the area deserve to know what the plan will be so that they can plan accordingly. So can the minister indicate where we are with that right now?

Mr. Lemieux: Well, I thank the MLA for Morris for the question. It's an important question. The connecting of this international gateway is really important, and she highlighted the fact that, in order to make this work, you have to make improvements in infrastructure, and we have put a lot of money into Highway 75, approximately \$75 million already. It's going to be probably equal amount in the next short while going to Highway 75.

I, jokingly, in question period, asked the MLA for Morris what would she prefer, a bypass around Morris or improving the main street. It was in a joking way, but it's very serious, because the community—there are some people in the community that want it; some people don't. We know that something, aside from a bypass or aside from whatever we're going to do with the bridge going over the Morris River and improving the north side of Morris which is often under water and the south side of Morris which is often under water, what are we going to do?

There have been discussions between Mayor Hoffman and our department and people within—maybe it's not him directly, but I know people from the city representing the community of Morris and our department have been talking about how are we going to fix the main street. The main street's in horrendous condition and needs to be addressed, and we're going to do it. We have a plan in place to do it. What has always been tradition is that anything underneath the road, whether that's sewer lines, water lines, drainage, has always been the responsibility of a municipality. So the discussion has been taking place between the department and the Town of Morris as to who's responsible for what, how much would it cost, and also would they put cameras down there to take a look at the water lines or the sewer lines, because the last thing we want is to redo the main street, put great turning boulevards—and I was looking at a great photograph of the town of Morris that had a beautiful boulevard going down the middle of their street; I'm not sure what year it was, but it was gorgeous. So what we'd like to do is work with the community to be able to do that, put turning lanes in and do something with the main street that everyone can be proud of.

* (15:30)

So I believe we're really quite close in making a decision on what we do there, and I know that the mayor of Morris wants to move ahead. Yet I'm sure he does not want to have Morris look like a Key West, Florida, where you have a Highway 75 on stilts all the way down from Winnipeg to Emerson, which is unrealistic. Number 1, it's too costly; No. 2, it's unrealistic to do that, to have a highway like that, like the Key West highway.

But, on the other hand, we do have to have a plan in place to address Highway 75 at a certain flood level.

There are a number of options set in place that we need to look at, and I would say there are probably three at Morris. Well, you can raise Highway 75 through Morris, let's say at 1979 levels. You can bypass the town of Morris, which we've talked before, which is hugely expensive. I believe they looked at it initially in the 1990s, our previous government, the Conservative government, in the 1990s. The town objected, and the Department of Highways took it off their plan. They stopped it right in its tracks, because there was too much negative feedback with regard to the bypass.

There's also a potential of looking at Highway 59, improving Highway 59, twinning it going further south to I guess it would be Highway 23. I am working my way from Winnipeg, heading south, working on improving Highway 59, south to Highway 23, going west to Morris to about Highway 200, and then going straight down Highway 200 to Highway 201, and then going across the Letellier Bridge.

So there are a number of different options that the department is looking at, and MLA asked, what are some options? So I'm telling her what the kind of options that are out there. We currently have a bypass around Morris. It's called Highway 3—

An Honourable Member: 3 to Winkler.

Mr. Lemieux: Yes, to Winkler, 13, and so on.

So there is a bypass currently, but it's a longer bypass than I think a lot of people would like.

So we are certainly looking at how do you address flood waters? I think everyone's realistic enough that you have to pick some time—just to conclude my comment, I believe today I-29 in North Dakota is under water. There are sections of I-29 right now that are under water in North Dakota. So

it's one of these situations, where we deal with floods, and we're dealing with floods far too often. We're used to it. Yes, but we have to be able, as was mentioned, if you want to make this artery a key trading artery to the United States or from the United States to Canada, you have to make some improvements, and you have to be strategic about where you put your money.

So many options are being looked at right now. No specific option has been selected. But, I can tell you one option that we have rejected and that is to do nothing.

The do-nothing option, it costs you nothing, but this option is something, quite frankly, that we're not prepared. We're prepared to do something about it. We would like to be able to do that as soon as possible, but, of course, it does take some planning, working with the community, working with the department, and so on. Thank you.

Mrs. Taillieu: I think that the sentiment in the town of Morris is this happens all too frequently. They need a solution because the economics within the town are suffering terribly. So, any solution is going to work.

They also recognize that they are a town of 1,800 people. They are not going to stop the progress of CentrePort. So I think that it would be better served for the people in the town to just lay out the plan, so that they can adjust, and so they know what the future holds. They know they're 1,800 people. They know that this government is going to make a decision, and it's not going to be held up by them.

So, having said that, they recognize that there needs to be some improvement on the main street through their town, and that should have no bearing on the other decisions. But the Premier (Mr. Doer) had indicated, when I spoke with him at the Executive Council Estimates, that, should a bypass go around Morris, it would need to start as far south as St. Jean. It would impact on Rosenort and St. Norbert. So that indicates to me that, if a bypass is being suggested, it's far to the west. If that is one of the options being considered, it's far to the west of Morris, which has very serious implications for the town.

So I would just encourage the minister to be forthcoming with the plan and with people.

Mr. Lemieux: Well, I thank the MLA for Morris. She works very hard on behalf of her constituents and she's—you know, not to take anything away from

her, because she does work very, very hard for her constituents and raises questions that she hears and passes those on to me, which I do appreciate.

I know that when we're talking about a solution, it's not just Morris, of course. I mean, there are many options. I mentioned a few. I think there's about six, actually, on the table, six different options we're looking at. We're trying to get an agreement with the town. We really are, to be sincere about that, and I believe we're almost there. I mean, we're close to having a plan on how to address the community of Morris.

But Morris was closed for about 44 days in 1997 and about 14 days, I think, in 1996 and about 18 days in 2006. So it's closed at different times in our history for a variety of days.

As was pointed out by some of my staff, currently the Morris bridge is about six or seven feet under water. Plus, we would have to raise it even higher to get the girders out of the water to make sure they're above that six or seven to eight feet. So what you do is you have to raise it by about 12 to 15 feet higher, and so it impacts on the existing landowners inside the dike. As the MLA, actually, she should be credited for this because she knows how complicated this is. She understands that this is not an easy fix in many ways.

But, as the Premier pointed out, we're very close to doing something with Morris. So I hate to use the term "stay tuned," but I will have to say this at this time. But we are very, very close to doing—the situation with regard to the community—for sure the main street. The six options we're looking at, those are really being developed, and the department actually looked at a functional design in the '90s about bypassing the community. The best bypass option was really very close to the town, to the west and near the dike. That was the option they looked at in the '90s, looking at bypassing it, and that was shut down at the time. There were too many objections to a bypass going around the community, so it was just stopped at the time.

There's a huge price tag associated with whatever option we look at. I'll try to keep my answers brief because there's a number of different questions. So maybe I'll just leave it at that for now.

Mrs. Taillieu: I just wanted to say, further, that, yes, one of the options, I think, being considered by the town is a bypass to the west with good proximity with the dike, the diking system.

But let's not forget that 20 years ago there was no CentrePort being suggested. So the relevance of Highway 75 in terms of the CentrePort development is much more critical today than it was 20 years ago.

And I've just been handed something today that says—Alf Warkentin has said that Highway 75 is not anticipated to be open until May 10. So that's going to be a significant impact on the town of Morris.

Mr. Lemieux: Alf Warkentin is certainly a very respected individual that has done this work for a long time, has done a lot of forecasting and, anything that he would say, you would have to accept. He's the only one that would change that. So I agree.

*(15:40)

But, you know, any work that we do, and try to do, it may dramatically affect the flood zone itself at Morris and may also significantly have negative impacts on the flow of flood water and flood protection currently in place.

So whatever solution we come up with, for example, if you raise Highway 75 to a certain level, we don't want to have a further impact onto, for example, Rousseau. You have to think of the other impacts, the hydrological impacts that raising a road, or whatever impacts—anything you do is going to have an impact on another community.

Mr. Daryl Reid, Acting Chairperson, in the Chair

So, Mr. Acting Chairperson, we have to be really cognizant of that and cognizant of trying not to—on the one hand, you fix something at the community of Morris, and yet you have a hugely negative impact on another community. So we don't want to do that, so we're really doing our due diligence.

We have to have some extensive consultations with the people of Morris. I mean, I think that's what it really boils down to because there's such a difference of opinion within the community of Morris. There are people—you stop in at the Subway, and some people in the Subway will tell you, you know, you can put a bypass around the community because trucks are not going to stop here much anyway. They're so close to Winnipeg they'll just keep booting it through and keep going straight to Winnipeg and have their dinner there, or they will go west and go through Portage la Prairie and stop there. That's one opinion. Other people feel that it may have a huge impact on the community and the business in the community if you bypass it. So it's something that we really need to consult with the

people of Morris about different options because a raised road can act like a dam and have a negative impact on landowners and others.

So the department is very cognizant of this. Others are as well. The plan needs to be put in place, but you can't just do it without having a lot of other considerations. It's something that Highway 75—I'm trying to think of the amount of time the closure will happen, based on Mr. Warkentin's opinion, probably about a month I would think, but just going by the time we first started to close Morris off and the length of time. But I stand to be corrected; I'm not sure of the exact time.

You're correct in a sense that CentrePort Canada is such a huge investment. Anything that we do on Highway 75 or, indeed, around St. Norbert, or a possible bypass around Headingley, needs to consider the economics of doing this and the economic development piece of this puzzle. I believe that most infrastructure improvements should really be looking at that through that lens as well and the impacts it has either on people or impacts on jobs and safety and so on.

Maybe I'll just leave my answer at that. I thank the MLA for Morris for the questions. I know that she has often asked for answers for her constituents so we'll try to give her as much information as we can, as soon as we can.

Mr. Kevin Lamoureux (Inkster): Development of the Winnipeg international airport to include things such as the new terminal, to Greyhound moving over, to Canada Post going over, to some of the developments in terms of the hotels, additional parking lots and now you've put into the complex of CentrePort, there is a considerable amount of excitement in terms of the development over the next number of years.

One of the issues or questions that I've put to the minister is: Does the minister or the department have a multiyear plan that anticipates the types of development that are going to be going into that CentrePort? And, if so, would he be prepared to provide that information to the committee?

Mr. Lemieux: Well, I thank the MLA for Inkster for the question. Indeed, he's absolutely correct. There's a great deal of excitement and enthusiasm about what this holds for the province of Manitoba and, indeed, the city of Winnipeg.

We anticipate, if everything goes well, there should be a lot of companies developing around

CentrePort or just to the west of the airport, James Armstrong Richardson International Airport. We anticipate those 20,000 acres. That's one of the first things that we were told when we went to Forth Worth or San Antonio to take a look at the ports there, or Guanajuato, Mexico. There's an inland port called GTO, and, indeed, the port just outside of Chicago. The first thing they said to us was make sure that you secure the land and make sure you secure enough of it. So the 20,000 acres is a huge parcel of land. Now, it doesn't mean that it'll be used within the first five years or, indeed, the first 10 or even 15, but the intent was to secure that land.

So that's the first step that we took, and also to have a good strong private sector board that could drive this economic development train. So we have a lot of work to do, still. A lot has started. We know that this plan that is being looked at on the infrastructure side, on the infrastructure plan itself that's being developed, is trying to take into consideration the kind of businesses that would go in there and the kind of sewer and water that you might need, and taking a look at all those types of options, and also having, of course, to work with the City of Winnipeg on a lot of this infrastructure that's going to be needed.

So I'm not sure if I've answered the question of the MLA directly, but possibly indirectly. What I'm saying is that we anticipate a lot of development taking place there, and we're going to also have to seriously look at the kind of investment that's going to be needed; \$212 million is a huge amount of money as an initial first step but there's going to be—I think the construction's taking place already. I can hear the noise coming from the airport area already but it's—

An Honourable Member: That's water music.

Mr. Lemieux: Oh, but let me just say, in conclusion, that the MLA for Inkster, if he has any suggestions as to or any ideas we'd be pleased to hear them with regard to development taking place there, or anyone who may be interested to develop, because this is a partnership amongst all of us and we're going to try to share as much information as we can that we have to share.

Mr. Lamoureux: I would ask, then, if the minister does have some form of a two-year plan or a multiyear plan, whatever the department might have, that it's prepared to share with the members of the Legislature. I think it would be beneficial for all and I would welcome that.

The minister made reference to Inkster, earlier, Inkster Boulevard. I was pleased because I can recall a couple of years ago when I raised the issue of Inkster Boulevard between Keewatin and Route 90 and no one seemed to know anything about it. I'm glad to see the department does seem to be moving forward on that.

On that particular point, the only thing I would want to emphasize, there's that Stanley Knowles School that's right on King Edward and Inkster and it's a great deal of concern. Over 1,000 students go there. It's linked between Meadows West and Tyndall that some sort of a pedestrian, whatever, whether it's a special walk or something, I would request that the department at least make sure that that be considered.

Thank you for the opportunity to ask a couple of questions.

Mr. Lemieux: Well, the questions that the MLA is asking—well, I'll address the school in a second, but the question that is being asked is, you know, where is the plan. Well, this board, legislative board, has just been put in place recently, some very high-profile people but very talented people on there, Art Mauro, Kerry Hawkins, Barry Rempel, Chris Lorenc—very good people; I don't think anybody questions that. They have the best of intentions to make sure that whatever they do is going to be in the best interest of Winnipeg and Manitoba as a whole and there's good representation from throughout the province on that board.

What I would say, though, is that the board is to come up also with a business plan and a plan in place as to what they want to see. This board, in many ways, is really driving this initiative so they are also going to be coming to governments to say, look it, this is what we feel we need and when we need it, and this is what we need to look at.

* (15:50)

The one item that the member raises, though, with regard to the school is actually an important one that we can't overlook. I'm just wanting to comment with regard to a portion of Inkster. When the member asked the question, there is a portion of Inkster within the city of Winnipeg limits, and then there's a portion within Rosser or Provincial Highway 221 which we take over. I do recall the questions at the time by the MLA, because there were a number of accidents. I think, indeed, a fatality that took place on 221 at the time.

We talked about how it was a very busy highway with a combination of trucks and cars on it. It is a city responsibility, but having said that, that particular portion where the school is, that's something though we can't overlook. I know we are going to do everything we can to work with the city, or to work with the school division. It's probably Winnipeg No. 1, I think. We'd have to work with the division just to make sure that we're all on the same page here before we start doing things ahead of time without considering the needs of the students and the safety of the students too.

Mr. Dyck: I indicated to the minister right at the outset that I would give him an idea as to the staff that would be asked questions tomorrow and that would be the Manitoba Water Services Board. It's going to be questions regarding political staffing and the Taxicab Board and airport and marine services. So those are the areas that we'll be looking at tomorrow morning.

Mr. Lemieux: So the Taxicab Board, Water Services Board, and the—what's the other one? I'm sorry.

Mr. Dyck: The airport, marine services—sorry, I'll go through it again. It's the Water Services Board, okay. We want to ask questions regarding political staffing, and that would be questions of you, and then the Taxicab Board and airport and marine services.

An Honourable Member: So it's four.

The Acting Chairperson (Mr. Reid): Honourable Member for Pembina, to continue.

Mr. Dyck: I want to reference a letter that was sent to the minister and to myself on March 31. It comes from the mayor of Winkler, Martin Harder. He says: Again I am facing significant questions as to the future of Highway 32 through Winkler. This stretch of road is simply becoming unbearable as far as traffic and risks taken by commuters on this road. Mr. Minister, I have been at this for almost three years, and studies on this stretch of the road go back 10 years prior to this date. The study indicates the need to complete this four lane, and that need still exists today.

So I would just ask the minister if he could give me an update as to where they are with the four-laning of Highway 32.

Mr. Lemieux: The brief answer is that Winkler is a growing community. We know that, and it won't be long before Winkler and Morden will be the twin

cities. There's a huge amount of growth there. Indeed, we take a look at the schools and the new school being built there and was built and, of course, the Public Schools Finance Board looking at other needs that Winkler has to address with regard to increased population through our very good immigration program that have brought a lot of people here. Also, of course, Steinbach's booming too. So there are a lot of needs with regard to these communities that there's a huge amount of growth.

We talked to the mayor about whether or not there was potential to do this particular stretch of highway in different phases. Would it be possible to do that? We've looked at some intersection improvements as well in the community on this particular stretch of road. We have not come up with a final solution as to how to address it, but I know we've had a few meetings, and it may be causing some frustration with the local community and the mayor and council. We are asking that they continue to work with us because we are looking for solutions to address this, and there's no question that the community is growing.

We looked at the R.M. of Stanley. We've also met with the R.M. of Stanley with regard to their needs, and we've also tried to—our office out of Portage la Prairie has actually worked with them trying to make some improvements on some of the roads just south of Winkler.

Now, to be fair, also, when I asked the mayor, can you give me some idea of your priorities as a community—I mean, please just don't throw a list of 332 items at me and say, you know, we want them all. What kind of priorities?

Some of my colleagues are looking shocked, but there are communities that come in with a huge wish list that—so when I asked this of the mayor, he said, well, we're looking at possible desalinization of water, he said that's a priority. We're looking at some roadwork. We'd like to work with the Province on a number of different projects. So we're trying to also incorporate in our planning some of these priorities that the mayor is asking of us. So we're trying to take a look at his wish list, and seeing if there are areas that we can work with him on, and some may be able to be done sooner than later.

I know that we need property. There are some segments of property that are going to be needed, and we have funding approved for that, to look at purchasing some land and some property. We're also looking at the cost of the different segments of this

stretch of road, and it's in the millions upon millions of dollars. That is a bit of a challenge for us.

But, again, the comments that came from the mayor on items that he would like to have on his priority list, the water issue was really high on his priority list, and he was certainly hoping to be able to tap into the Building Canada Fund for dollars that would be split between the federal government, the Province and the community to take a look at some of those items. I know that's certainly being considered by the secretariat that's looking at some of that work that needs to be done in the city of Winkler.

Mr. Dyck: I thank the minister for that answer. On the other side, though, I would indicate that, as a growing community and something that he has referenced, certainly we do have needs. When you have growth that takes place out there—I know that, as a province, the government of the day is very often referring to the southern part of the province as a growth area and how pleased they are with that—I would submit and suggest that there are responsibilities that this minister has as well in those areas regarding growth. If we're going to continue to have the growth, which we do have, we need to also address some of these issues.

Now, I would also suggest, in talking to the mayor, I don't think he has an arm length of requests. I know that he has said that there are, yes, he could—the minister is using his arm and trying to suggest that there are a host of them. Yes, there are needs, there certainly are, but I think, though, that the mayor has indicated that he does have his priorities. I think he has also expressed those priorities to the minister. Consequently, this letter didn't just fall out of the sky. He's saying that this is an urgent issue, and with that, that's why I'm asking the minister as to where they are at.

I would also suggest and tell the minister that, with the new high school that's coming, which is to be completed in 2012, that this is going to be one of the arteries or one of the highways that leads towards that school. So we need to address this issue sooner, I would say, rather than later. So I would just urge the minister to put this on a top priority and try and deal with it as soon as possible. Is it going to be costly? Yes, it will. But I realize that it's a provincial road, that Highway 32 is a provincial responsibility, and I would ask that it be looked at favourably.

Mr. Lemieux: Well, I think I know that the MLA's priority—he doesn't think that water is a priority, but

the road is a higher priority than the water issue. But then I don't want to put any words in his mouth because he could correct it. I also want to inform, not necessarily educate, but inform the MLA, and he's probably pretty much aware of this, the sewer and water challenges that are there, before any roadwork is done, it's about anywhere from \$10 million to \$12 million. This is for the City of Winkler to take care of.

I know they're looking at some of their challenges that they have, too. So it's not a slam dunk. Even if the Province were to say, yes, let's go ahead, there are a lot of sewer and water issues that need to be addressed as well and, as we mentioned, some land purchasing and other things that need to take place.

So we continue to work with the city and the city will continue to grow. So I know that the MLA for Pembina has a lot of priorities for his communities. Water is a huge priority for him. Without putting words in his mouth, the road is a huge priority for him. Education is a huge priority for him. Economic development and industry is a huge priority for him, and the list grows on and on and on. So we are working with the mayor and council, and also with the MLA, who has raised these issues on a few occasions.

* (16:00)

Mr. Dyck: Well, I thought I would not ask another question, and I won't either. I just want to correct a comment that was made. I did not say that the highways were more important than potable water and a good water source. I was referencing a letter that was sent to me here.

So I don't want the minister to be confused by the comments that were made. I just want to correct the record on that. Thank you.

Mr. Stuart Briese (Ste. Rose): I'll assure the minister that I don't have an arm's length of problems in Ste. Rose constituency. My file is a little bit smaller than that.

Firstly, I'd like to ask about the—and the minister and I have had this conversation before. I don't know whether any action was taken, but the road that goes east of Rorketon where it's been suggested—and I know we had this conversation—that about four or five sets of pipes would fix most of the problem that was necessary in there. I think I was assured last year

you were going to look into that, so I would just like a status update on that.

Mr. Lemieux: Just a clarification on the highway number. I'm just wanting to clarify the highway number, and I'm not sure if the MLA knows the exact highway number, because there are a few. There's around Crane River, and there are a few areas there that need to be addressed.

Mr. Briese: I'm going to get to the other ones, but I believe this is a market road. I don't think it has a number. It's a market road that goes straight east from Rorketon on the—what's the number of the highway going north? *[interjection]* 270. It goes east of 270 and it actually goes over toward Crane River.

Mr. Lemieux: Yes, that's the one that runs just east of Rorketon. It's a main market road. I know there are a number of different discussions going on right now with the staff that are in Dauphin to try to determine what needs to be done first of all with regard to that road.

In the 1990s, when rural municipalities or LGDs became municipalities, there was an agreement at that particular time, and I believe at that time it was Minister Derkach who was rural economic development, I think, and Mr. Driedger, who was Highways. I'm going by memory, but they were trying to work with the rural municipalities at the time to determine—there were certain roads that were taken over by the Province and there was an exchange made. At the time, letters went out from the Highways Minister, Mr. Driedger, to the different municipalities basically telling them that we'll provide you certain funding to do some work on the roads to help you out, but major infrastructure—at least that's what I've been advised—like bridges, culverts, would have to be the burden of the new rural municipality, when they came to be.

We have had correspondence, since, go back and forth from our government in the early part of this decade that basically told the rural municipalities that we were not going to change the game or change the goalposts in the middle of the game unless we consult with them and have a good discussion with them as to what kind of monies might be available. We would never just cut them off of funding because there are a lot of these main market roads that need some work. In fact, this year, because of a lot of the flooding, there are a number of main market roads that need a substantial amount of work. So, to make a long answer, I guess, a little bit longer, we were

working with the rural municipality to try to address this situation.

Madam Chairperson in the Chair

So sometimes it looks like a quick fix of six culverts will take care of it, and the MLA knows that the land around there is very low. It's low-lying. The way the roads were built, there are really no ditches, sadly. When you drive on those roads—I drove on the road not long ago and, regrettably, almost got stuck because there was a lot of water, not on that particular stretch but on a provincial road, and yet it seems like the ditches are higher than the roads. The moment the ditches fill up, the water just spills onto the road, and it's almost impassable.

So I just want to say that I've been advised, anyway, that the department in Dauphin has staff looking at this to see what can be done. But it is a main market road, and I think that has been a bit of the dilemma on how much money the Province puts into a main market road and how much the fix is going to be, because going back to the 1990s, and I know at that time the MLA for Ste. Rose was—I believe it was called the union of municipalities at the time—I think it was the union of municipalities, but he was certainly part of that organization. He's very much aware of the letters that went back and forth essentially telling rural municipalities, the new R.M.s that became R.M.s from LGDs, that sooner or later they would have to take this ball and run with it. That has not happened, but we would never intentionally just cut people off of funding unless we consulted with them and found a way to address the whole situation.

Mr. Briese: I can probably shed a little more light on that even yet, but part of what happened was the LGDs became municipalities, became R.M.s, and those LGDs were LGDs for a reason. They had very little tax base and were not able to raise very much money out of taxation, and that problem continues until today. It still is there, and that's why some of these roads were turned into main market roads. The reason that water is running over them is because they've never been maintained to an adequate grade, that they're falling below grade. I heard the minister say he almost got stuck; I maybe should have lent him my GM truck. I know he drives a Ford.

An Honourable Member: They're both looking for bailouts these days.

Mr. Briese: Another one with the same exact issue, and they're both in the R.M. of Alonsa, and it's the

Burdina Road [*phonetic*]. Two years ago—and I'm not sure about last summer—but two years ago the water ran over this road at the north end until pretty well the first of July, and there's people that live out in this area and they are market roads that there is some, in my view, some responsibility of the Department of Infrastructure and Transportation, and they're the only roads these people have to move their livestock, to move their feed supplies and the school buses, all that stuff. When there's water running over at that time of the year, you can understand some water being over the roads in the spring and some problems, but it's just a little bit too much, I think.

The third line, and I've asked about it before, is there any consideration of paving at least one end or the other of the Crane River road which is 481. That's a terribly rough road on vehicles. Most of the people up there put at least two sets of tires a year on their cars. It doesn't matter how many miles they drive. That's how hard the road is on them. One way it's about 15 miles, I think, and the other way it's about 30 miles. It would be one end or the other. I don't think it has to be paved all the way through, but it would give them access one way or the other.

Mr. Lemieux: I've had the pleasure to meet with the Chief and also the pleasure to meet with the mayor and council of Crane River, the Métis community and the First Nations community beside each other, and, indeed, the MLA is correct. There's a lot of low-lying land there, and that particular stretch of highway, 41, I think—yes—that these communities, we're trying to work with them. Well, let me go back one step. We need to have a survey done of what's going on there, and this is what I've asked my department to do, to undertake a survey to really identify what would be needed to improve this road, because that's the stretch of road where I almost got stuck and when the ditches appear to be higher when it's dry than the road itself, it's like the road has sunk away into the bog. So we need to have a survey done to determine what needs to be done.

* (16:10)

Now, everyone knows that if it's 17 kilometres on one side and 28 on the other or it doesn't matter what side you do, there's a big price tag associated with this. I never use the word "cost"; I always use the word "investment." But these communities are asking for that, the Province to invest in these communities.

Now, I know that at one time, there were a lot of Americans, good friends to the south, they used to go there, and there used to be great pickerel fishing, walleye fishing, and they used to have a lot of tourism. That's where I'm going with this response is that I believe we have to help them out, but the first step, I would certainly ask the MLA for Ste. Rose—well, I know he understands this, that we're going to have to plan something out first before we just go in there because there's a huge fix that needs to take place there. I believe the first steps are going to start taking place this summer.

I've asked my department to do some survey work there, determine what kind of a cost it's going to really be, because right now it's just anecdotal and from one staff to another. People don't know for sure. I would just want to pass on that message to the MLA, and I'm going to be corresponding with the Chief and also the mayor of Crane River to let them know what we're going to be doing as a first step around their communities.

Mr. Briese: Madam Chair, with the boundaries review, that's a portion of my constituency that will no longer be in my constituency after the next election call, and so I will only be asking for it for two more years in any event. *[interjection]* It won't be in my constituency.

The other thing on roads—but I do want to go to infrastructure just a little bit here in a moment, but you're aware, and I know you've been getting the letters, and you've been hearing the petition I'm reading out in the House about the ring dike road at Ste. Rose. I'm aware that there's been a fair amount of upgrade on Highway 68 to the east of Ste. Rose and moving toward Ste. Rose. I don't know whether there's more slated for this year. I've also seen four different proposals from the department on what might happen at the corner of 5 and 68 where the curve is at Ste. Rose, where the gas station is.

I'm just wondering what's the time frames. At what point in time—I know there's proposals to change that corner. When might that be in the works?

Mr. Lemieux: Well, let me just say and certainly put on the record, we don't determine the projects that take place based on who the MLA is. It's based on need and safety and economic development and so on. So, whether he is the MLA or not for the area, we're working with the council and Chief to make sure that what their needs are is going to be addressed, no matter who the MLA is.

Let me just say that the corner of 68—well, No. 68 highway, I think the investment has been around—it's certainly more than \$30 million, about \$33 million since, let's say in the last, certainly, eight years, anyway. A huge amount of money, but we believe it's a very good investment to spend that kind of money.

I know I've talked to the mayor—I think it's Rene Maillard—but I've had a chance to talk to the mayor of Ste. Rose, and there is a debate going on in the community, not too unlike the debate that's going on, maybe around Morris. I don't want to stretch that comparison too much. But the idea about a bypass, they are going through this discussion right now because they feel that if you do the dike road and you build a bypass, there are many people in the town of Ste. Rose that would prefer to see the main street fixed. Then there needs to be sewer and water issues dealt with, and pipes need to be dealt with under the main street.

So there is a bit of a comparison. It's a bit of a stretch because the needs around Morris are far greater in the sense that—compared to Ste. Rose, but, you know, everything is local. If you talk to the people in Ste. Rose, their projects are just as important as any other community in the province. So who am I to disagree? But they do want to have the Province look at redoing their main street. Again, there's another segment of the population that want to have the dike road really built as a bypass from 68 around the east side of Ste. Rose to the north end.

So I know the department is looking at that and looking at the options and also looking at the price tag that comes with that. So that's really where it stands, currently.

Mrs. Leanne Rowat (Minnedosa): Madam Chair, I have just a quick follow-up to the Morgan family situation on Highway 10. I had an opportunity to ask the minister to look into the situation, and I also had an opportunity to ask the minister some questions in the House. From that point, there was a claims department individual who did come out and meet with Mr. Morgan or the Morgan family. Included at the meeting was the project manager for the project on Highway 10. Some very interesting comments were made and I just need the minister to share with me, if he can, the status and the background on some of the decisions or the discussion that unfolded.

Mr. Morgan was told by the claim department that no spring was hit on Highway 10, and that actually is a contradiction to what was told to

Mr. Morgan by the project manager and, also, was told to the individual who owns a business on Highway 10 not far from the Morgan home. There seems to be some concern that there seems to be some, I'm going to say, backtracking on what exactly happened at the site. Also, there was an indication that there was no weeping tile or pipe laid in the ditch to take the water from the spring to a private owner's property, that there was just some rock and gravel laid.

It seems to be a contradiction coming from the department, and I really think that this individual deserves some straightforward answers. I do know that his well is being looked at as we speak, and I think that they are trying to save it. I understand that there are some discussions that there might be a possibility of sharing cost, possibly. Again, there was no commitment made, but that discussion was had.

This individual, this family, has been without water since April 7. They need some assurances from this government, from this minister, that there isn't backtracking, that there is an accountability piece, if there is accountability to be had. I'm very, very concerned with what I'm hearing about this situation, when comments are made one way and then there seems to be another track being taken. This family is going through an extremely stressful period and I think that what the minister puts on the record today will either—I think would help give the Morgan family some assurances that their situation is being taken seriously and that what was said and confirmed two weeks ago is in contradiction to what is being said now, and if he can clarify the reasons why those things are happening.

Mr. Lemieux: Well, the MLA for Minnedosa raised this issue with me, first, privately, and then raised it in the Chamber, trying to get some answers as to what was going on.

We've done a lot of work on Highway 10, let me just say that first, and we are going to continue to do work on Highway 10. In this particular case, there were sightline improvements done. We cut down a hill, I believe, for better sightlines for motorists.

The information, as I received it, that there was a well that was damaged. It was about a 60-year-old well or I guess, maybe arguably, I'm not sure. Mr. Morgan, he just bought the residence, I understand, and then you get a well that collapses and caves in on itself, which is not a pleasant experience considering you just buy the place. I'm not sure who the contractor was that received this contract to do this

work for us, but certainly it's a sad situation in the sense that the people depend on their water and they're having some difficulty with the well.

* (16:20)

We had a claims investigator, I think, that went out and spoke to Mr. Morgan on Tuesday, and spoke to him to try to get more information. I think the preliminary assessment is that it's a 60-year-old well that was not in very good shape, and, as I understand it, the granular material that was put down when the contractor—apparently a contractor, whatever work they were doing—may have, they may have hit a spring or created some water there, so they put some granular material to help with this water. So I understand that the department was looking at either a well expert or somebody that knows this, you know, that business with regard to wells, and we're looking to get some information in the next while.

I believe that our department and the people in the department are professional. They conduct themselves that way and they're very responsible in any kind of a process. When you're dealing with someone that is short of water, has damaged infrastructure in their home or yard or their premise, we take these claims very seriously. I do, and I mentioned to the MLA for Minnedosa that I know our department does as well. I understand that the government officials responded in an expedient and responsible way. I don't know any other way to phrase it, but I know that all my experiences have been very positive inside of government and outside of government with regard to civil servants. They've been professional and they conduct themselves that way.

So I would hope that this is happening, and I understand it has. I certainly don't have any quick answer or solution to this. I know that the family or this gentleman, I'm not sure if he has a family or not, but I'm sure this gentleman, Mr. Morgan, must be upset with purchasing a new residence to him and then finding that there are problems with his well or other problems with his home.

So I understand that people are trying to find a solution to this. I don't know what it is, but early estimations point out that whatever happened to the well it's because of the age of the well and not necessarily a result of a contractor that received a contract from the department to shave or cut these hills down as a—for better sightlines and improve Highway No. 10 overall.

Mrs. Rowat: Would the minister be willing to share the report that was done by Louis Hoffer on the well, and the discussions that occurred on the property of the Morgans? There was a report that was done. The family was told that they would likely be able to see the report by the project manager. When the claims person made the trip out to the Morgans, they were told that there is not a chance that they'd get to see the report, that he would just tell them what was in the report. I think it would be fair to the family to be able to see that report.

Mr. Lemieux: Well, an easy answer would be to concur, but I'm not going to give an easy answer in the sense that I don't know where this situation is going. I understand it's a private and confidential document. I think it's a bit of a stretch to call it a report because the moment you call any document a report you have the impression that it's the thickness of this particular binder on the table. I'm pointing to a binder that is about roughly three or four inches thick. I don't believe that's the extent of what the well people or, indeed, our department is looking at.

They did some preliminary investigation into what happened there, tried to get to the bottom of it if they could. I don't know whether or not this will become litigious or will go to court or small claims court or where this is going. So I wouldn't want to compromise, certainly, anybody in my department as to someone who is giving an honest, spur-of-the-moment document or written piece of paper, to say what they think it is. I wouldn't want to compromise them in any way. So I certainly can't agree to be sharing their documents or their written analysis of what they think is the problem.

Mrs. Rowat: When the individual, the Morgan family, I think it was Mr. Morgan, asked your claims department if he, you know, would share further information, they felt that the individual was fairly aggressive and intimidating. They indicated that they were given an ultimatum to accept what compensation they were offering, or would be offering, or there would be experts out, geologists and ground-water people, and then all bets were off, pretty much, is what the tone was.

So, for this family, who, since April 7, has had no water, financially looking at repairing a well, I would just really hope that any further discussions or negotiations with the family would be handled in a way that is respectful to the situation that is occurring.

I've been to the Morgans. I've met with them. They're good people who just really want to make things right. I guess their concern is that they've been told one thing at the beginning April, and less than two weeks later, the story changes on what exactly happened. So, obviously, anybody would have concerns or questions with regard to what exactly has been happening. It definitely affects the trust and good will that occurs, especially when the neighbours, especially the business down the road, 2 & 10 Wrecking, who can confirm the conversation of early April and the outcomes of saying what was done exactly, and then hearing that it changes. It doesn't bode well for the whole community down Highway 10.

I'm just wanting to alert this situation to the minister, share the concerns that I've heard from the Morgan family, indicate to the minister that I truly want some positive resolution for the family. I respect and appreciate the intervention that has been provided. I just hope that it moves towards positive negotiations and respectful negotiations with the family, and that, as soon as possible, if there is going to be any compensation, that things are done in an expedient manner.

So I respect the minister's assistance on this file and appreciate that, but I do want to let the minister know that I will continue to work with the family to ensure that their best interests are taken care of.

Mr. Lemieux: I thank the MLA for Minnedosa for further information on this. I'm going by what I've been advised and what I've been told and I'm not sure where this item is going. I just hope that, as we said, these claims should be taken seriously and government has a responsibility to expedite these issues and to work in a professional manner. All my experience has been that people working within government understand this. They're not going to be going out of their way to agitate people and get people ticked off at them, to have their local MLA fight on their behalf, because they've agitated someone who really feels that something has been done to their property, or some damage has occurred as a result of work that a government department has done.

All I can say, though, in conclusion, to the MLA for Minnedosa, is that, again, we take it seriously. Our people have inspected the site, as I understand it. People have talked to Mr. Morgan and want to try to resolve this issue in an amicable way. No one is looking to make any further hardships on this family

that have lost a well. As I mentioned, it is my understanding that this person just bought the house a year ago, and then they have this happen. I don't think there's anyone that wants to see that happen to anyone.

I have to leave it up to our professionals and our people. As I mentioned before, I'm certainly not prepared to be releasing any documents or anything that our department has put together because I don't want to compromise anyone in our department that is doing their job.

Mr. Gerald Hawranik (Lac du Bonnet): Yes, I just have a few brief questions for the minister in relation to some particular roads within the constituency. I wonder if the minister can update me in terms of whether there are any plans—I know it's not on the five-year capital plan, in any event, from what I can see, but, of course, that doesn't mean it's not going to be dealt with in the next five years.

*(16:30)

Provincial Road 520, and that's between Pinawa and Lee River, the 313, it's a fairly wide road. It was widened years ago, gravelled and so on. I thought it was going to be prepared for pavement, and it's been many years since. It's a rather important road in the constituency because it is the direct access to the Pinawa Hospital from the Bird River, Lee River areas. There are a lot of cottagers there, thousands of people there in the summer, and probably in the neighbourhood of 700 or 800 people permanently, plus another 300 or 400 people who are permanent in Pointe du Bois. So it's a rather important road for access to the Pinawa Hospital itself, and that's the only regional hospital we have in that particular area.

So I'm just wondering what the minister's plans are with respect to 520, or if there's any kind of a long-term plan for that road.

Mr. Lemieux: Well, Madam Chair, within the budget, we're looking at putting some money on 313, on the Winnipeg River Bridge. There's a bridge there, we're looking at—it's about a half million dollars, thereabouts. That's something we certainly intend on doing.

That stretch of road, I'm not sure what the traffic counts are, but it's something that I raised a while back with Darren Praznik about how there's so many roads widened, and that if you don't do something with them in a relatively short period of time, the middle of the road, the curvature of the road soon becomes—the crown on the road is lost, and what

happens is then water sits in the middle of it, the shoulders are high, and then it becomes a bloody mess.

This is no different to this stretch of highway, even though we put granular material and we tried to upgrade it somewhat. Certainly, there's no plans right now in place to pave it. I'm not sure what the traffic counts are there, but we certainly looked at, I believe it was Highway 11, the stretch between I think it was between 44 and the Milner Ridge turnoff, that we put the overlay on that stretch of highway to fix that up. I think it was about a year, maybe two years, ago now.

There has been work done in the area, and I know, for example, council, the R.M. of Lac du Bonnet, certainly wants to look at what could be done with, not only this particular stretch of road, but also with 313, looking to go to Pointe du Bois and what's going to be done there.

So I can say that, even though there isn't anything right now in the infrastructure plan other than, as I mentioned about a half a million dollars work on the Winnipeg River Bridge, we're certainly wanting to look at what other work needs to be done.

But right now, there really isn't anything in there, except that I believe it's PTH 11, I think, from 44 to Whitemouth, we're looking at paving this year, this summer. It's a good stretch. I don't know what the dollar figure is, but it's a substantial amount of money. It's a need that's there. Now that it's the historic Highway 1—there have been a number of different names thrown around, and the MLA for Lac du Bonnet worked very hard on this to get that name put in place for tourism, as well as the MLA for Selkirk.

But, having said that, PTH 11, paving to be done from 44 to Whitemouth and the bridge over the Red River. It's about \$600,000 worth of work that needs to be done on that bridge.

But that particular stretch of highway that the MLA refers, right now it's spot grade improvements, extra gravel put on, regular maintenance is what I'm trying to say is what's in place now.

Mr. Hawranik: I thank the minister for that.

I just wanted to bring to his attention what I feel, that is a road that really is somewhat being neglected, and it really is important to the area. Just so that he knows that it is important to the area, and, perhaps, he could revisit that.

There isn't a lot of traffic on 520, but the traffic that is there, a lot of it goes to Pinawa. It is a direct access to Pinawa to the hospital, and that's the major concern that I have.

However, I can advise the minister that sometimes, almost every spring, the ambulance can't travel that road, and it's the most direct route. So it is quite an important road in terms of the fact that it's the direct access to the hospital itself. So I'd just like to direct the minister's attention to it so that he's aware of it and so that when he's looking at further capital expenditures he keeps it in mind for the future.

The next question I have is with respect to PTH 11 as it goes through Powerview-Pine Falls. I know that that stretch of road, I believe, in the five-year plan is—I haven't checked the five-year plan within the last six months, but I believe it's this summer scheduled to be redone, and I'm just wondering whether or not that's still on track in terms of being done this summer or not.

Mr. Lemieux: Well, thank you for the question. We've hired certainly a consultant to take a look at a detailed design for the community itself. It's a community that doesn't have any curbs through a good portion of it and what are you going to do about sidewalks. So we've had those discussions but there is, as I said, a person hired to do the detailed design on what needs to be done through the community.

At one time, the mayor and council talked about a bypass going around the south side—yeah, the river's on the north—of Pine Falls, mainly for their larger trucks, chip trucks and so on that would be needed to go around the community as opposed to going through their main street. So we talked a little bit about that.

And I've just asked my department how much we've spent in the last couple of years, and we spent \$7 million since 2006 on PTH 11 near Pine Falls, that connection between the community and 59. It's a substantial investment and I know that the MLA, I'm sure the questions are raised to him from council and others about, what about the next piece.

So we've hired someone to give us a more detailed design of what we need to do there. So that's really where it stands. That's being paid for this summer, and then we'll have a plan as to what and how we need to proceed.

Mr. Hawranik: I thank the minister for that, and I look forward to having further discussions about that

particular piece. It's not a long, lengthy road but it does go through Powerview-Pine Falls. It's about a three-mile stretch, I believe, and so it is important to the community and I hope that the minister makes it a priority, if not for this year, at least for next year.

Just a comment with regard to the bypass, there is another reason why they would want a bypass as well, just for the minister's own information. I know the minister's been in Powerview-Pine Falls, but the reality is that the hospital is located in the Pine Falls portion of the community, and the only access to come into that hospital, actually you have to proceed down No. 11 through Powerview and into Pine Falls.

Now, if for some reason there was a truck hazardous waste spill or something on that road or there was some kind of a disaster on that road that closed the road, there would actually be no access to the hospital. There isn't a secondary access to that hospital, and that's a bit of a concern as it is with other communities that say they are located on a railway track and only have one access across the railway track. This is much the same way, kind of the same issue.

So once you're looking at improving, of course, Highway 11 as it goes through the two communities, I would recommend—and I would work with the minister, of course, on that if he wishes—to work to try to do a bypass as well because of that secondary access, just for the information of the minister.

Mr. Lemieux: I thank the MLA for the offer to help in any way he can. I know that there were some dilemmas with regard to the bypass because the First Nations community owns a piece of land just to the west. There's a piece there that would have to be in consultation to work with the First Nations community to see how we would be able to bypass the community.

* (16:40)

I didn't know about the hospital portion of this, which is an important piece, actually, to this. So when the detailed design is done, I'm sure that this issue will probably come up when people are looking at this and saying, you know, there's only one access to the hospital. We'll certainly look at that. I thank the member, the MLA for that piece of information.

Mr. David Faurshou (Portage la Prairie): I've got an hour's worth of questioning, and we have 20 minutes left. So short snappers, please.

I would like to ask the minister, first off, are you the MLA for the area of where the community of Landmark is located?

Mr. Lemieux: Yes.

Mr. Faurichou: We have a business in Portage la Prairie that is engaged in transporting nursery stock to Landmark and was today denied by your department personnel saying that permits for agricultural products were available, however, nursery stock was not considered an agricultural product. If we go to the Department of Agriculture, I do believe that nursery stock is considered agricultural product. I wonder if the minister would—if I can refer that constituency concern to the minister.

Mr. Lemieux: I thank the MLA for this and I know he's not into gotcha politics, so I do appreciate the heads-up. We were sincere when we said to the agricultural community, because of flooding and what's happening this year, that we'd be as flexible as we can with regard to road restrictions on our roads, and I know there's a portion of road there that's restricted, Highway 206. I'm not sure which way they were coming from but—I'm not sure what roads were being used, maybe I should ask that question—but I'll take it upon myself to look into this and ask some questions as to what's going on. I believe the interpretation of the MLA for Portage that nursery stock is, indeed, counted as agricultural. The message we've put out for people in the Red River Valley with regard to—actually, throughout Manitoba—anyone who's encountering flooding should move their product, whether it's oilseeds or grains or cattle or livestock, indeed, milk from some dairy producers that would go to the Bothwell Cheese plant and so on. We've tried to be flexible. So I would say, in the good spirit of this announcement, we'd certainly look at it and see what we can do. We wouldn't want to create any hardship for any businesses.

Mr. Faurichou: I thank the minister for his answer and I will communicate it to my constituents to contact your office because it is trying times for everyone and they have just endured some flooding themselves. That's why they want to move the nursery stock to higher ground, and Landmark is one of the destinations for some of it.

I have already spoken with colleagues of the minister in regard to a gravest concern to area farmers next to the Assiniboine River Diversion. Yesterday the west dike was compromised and it is

spilling out significant volumes of water over farmland right now. As the minister appreciates, it was going over what they call the fail-safe area, but the inordinate amount of water that has actually gone over top of the dike has continued to erode and to the point in time now where there is a gaping hole in the dike completely. I'm hoping that the minister and other colleagues can truly look at this in a very expeditious manner because it happened April 14 of 2005, and I know the minister was very, very quick with getting limestone into the breach and slowing the water's exit.

Mr. Lemieux: I thank you and I know that there are staff from MIT, many of them who have volunteered and put many, many hours outside of the regular working hours to ensure they can do whatever they can on the flooding, and I know that there are also people from Water Stewardship, I understand, and, indeed, even Intergovernmental Affairs like Emergency Measures and people who are keeping a close eye on what's going on on the different waterways in the province. I'm hoping that people know of this already, in advance, other than the MLA for Portage raising it now. I'm hoping that people are on top of this and looking into this, and, well, better that the water go on fields as opposed to going and having the little fish going through people's basements or through their living rooms. I know that there is a concern with any kind of erosion taking place, so I really appreciate the heads-up. I'm not aware of it. I'm sorry I haven't been made aware of it, but I do appreciate it being raised and I know people must be looking into this right now, because people are generally there. They're on the job and they're at specific strategic locations, and I'm sure there must be people there that have spotted this and some remediation of some kind of action must be taking place, I would hope.

Mr. Faurichou: The reason I have brought it to this level, sir, is that on-site Water Stewardship personnel had indicated to the adjacent land owners that there would be nothing they could do because this is a major project and it would have to be tendered. I don't believe that we have the luxury of that time because there is a tremendous amount of siltation that takes place. The water's going into the marsh; it has long-term repercussions not only on the vegetation but the wildlife that inhabit the marsh. I don't think that anyone would quibble about superseding the tendering process to address this very important problem that we're faced with right now. So I leave that with the minister.

Not going to far away from the breach down the dike, we have the crossing of the Assiniboine River diversion on Provincial Road 227. It is a very old, timbered structure, narrow, two-lane, and I will say, out of this discussion that we had at Estimates, the minister's department reacted and addressed the concern of the height of the barriers on either side of the bridge so that the barriers were lowered so that persons could transport wide farm equipment, and so I wanted to take this opportunity to thank the department for lowering the guard rails on either side so that farm equipment now can get across the bridge.

This bridge is one that I mentioned in question period, is probably the most vulnerable to ice flow in the channel because of its timber construction rather than the concrete on all of the—that all of the other bridges are made of. So I'm going to throw something at the minister that I encourage the minister's department to look very favourably at replacing this bridge because the grading has been done by the previous minister on either side of the diversion. The 227 has been upgraded. Bridges just need to be replaced, but I want to ask the minister's department to consider whether or not the bridge could be dismantled rather than demolished, because we are looking currently at another access to the new provincially supported arena on the Island Park, and we are in need of another access, and perhaps if the bridge could potentially be dismantled I think it would find a very appreciative city of Portage la Prairie where its reconstruction right in the—over Crescent Lake. So I want to leave that with the department for consideration and to encourage the department to put this bridge at a very high level of consideration, being the grade has been redone and we don't know what we're going to be faced with in the future, and fortunately the ice boom held this year because if it had not, I am certain we would not be putting traffic across the 227 bridge this year.

Mr. Lemieux: I thank the MLA for the comments, and this particular structure, actually the particular stretch of highway, we're trying to take a look at the same time that we're doing Highway 16, the Yellowhead route, and No. 1 intersection. We're trying to take a look at other solutions around this particular structure but also that stretch of highway, and we're trying to figure out what we can do if we can combine some of our efforts there at the same time. So this is something I know people are looking at right now and maybe we'll have a solution in place when everything is said and done.

* (16:50)

Mr. Faurichou: The minister is very perceptive because that was question No. 3, that 227 is almost complete to Provincial Trunk Highway 16. I believe there are about eight kilometres that are left to be rebuilt, but in the advent of the pending construction of an overpass or interchange at Highways No. 16 and No. 1, I believe Provincial 227 would be the most favoured detour route. If the bridge could be replaced and the last bit of grade considered for reconstruction, I know that area residents would be very supportive, and I think those that would be motoring around the construction site at 1 and 16 would be pleased to use Provincial Road 227.

Mr. Lemieux: Just a quick response is that when we're doing that work we will be having an open house in the near future to take a look at the design and what we're looking at. It is not anticipated that the highway should be closed. As far as detour routes, it might be a little bit too early to look at detour routes, but having said that, this is going to be part of the conversation as to, you know, is the detour route even necessary? Do you continue to use No. 1—then you don't need to have a detour.

Not too unlike our bridges; you try to, if you're replacing a bridge or fixing a bridge, you don't close off all the lanes, and you try to make sure you keep traffic flowing. I would say this is probably a similar example where a detour may not be necessary at all but the open house will show a bit of a better detailed plan as to what the department is looking at.

Mr. Faurichou: The minister is being very perceptive. I'm jumping down to question No. 4 here. Just to follow up on the detour side of things, if the tenders are going to be calling for construction of detour lanes and different access roads and everything, might the department consider a detour route of investing the money in a detour route that would be of a permanent nature rather than of a temporary nature? So I leave that with the minister.

The open house, I know people are very anxious in and around the—especially affected landowners in immediate proximity of the 1 and 16 junction as to when this open house will be taking place. It was anticipated by before the end of April. Is there a more definitive time?

Mr. Lemieux: Without putting too fine a point on it, I mean I think everyone was hoping that certainly it would be in the spring. I mean that's the terminology that I used. I think summer begins June 21 or

something, but I'm not going to get into that. We're hoping to have it at the beginning of May sometime, at least I might stand corrected, but I believe that was the intent to have it certainly before the 15th of May, without putting the department too much on the spot. I think before the 15th of May would be, I think, reasonable.

Mr. Faurichou: The next question I have still involves 1 and 16 junction and the roadway that goes south from that particular intersection is Provincial Road 305. The minister's quite aware of the detour currently taking place off of Provincial Trunk Highway 75 which involves Provincial Trunk Highway 14 and 3 and 13, which is an intersection with the Trans-Canada Highway, which the minister is really familiar with as he sat in line for almost 15 minutes, I believe, behind semitrailers waiting to get a break in the traffic to get off of 13 onto the Trans-Canada.

If we are really looking long-term planning, with 75 vulnerable to large-scale flooding, I believe it would be very prudent to add that to the scenario for consideration of the upgrade of Provincial 305, because we're going to have a major development of intersection. If we're going to detour traffic of Highway 75 on now to 13 with no intersection or interchange considered at this time, I really would like to encourage the minister to throw it into the mix of upgrading to RTAC loading Provincial 305. That way then all of the heavy semi-trailer traffic, instead of trying to find a break in the traffic at 13, instead of continuing on Highway No. 13 up to the Trans-Canada Highway, they would turn off of 13 at Highway 2 and travel west on Highway 2 through St. Claude and on the two miles, three miles to the west of St. Claude, Provincial 305 intersects with Provincial Trunk Highway 2. Then they could go straight north over the interchange that's going to be constructed and then on to either the Trans-Canada Highway west, east, or the Yellowhead route north. I think it makes a lot of sense, and that's why I'd like to share with the minister.

Mr. Lemieux: Well, there are many options. As I pointed out to the MLA for Morris, there are a number of different scenarios and options we're looking at that are on the table. I think the Premier (Mr. Doer) pointed out that there is, I believe, six different options that are being looked at and different configurations of what might happen. We are definitely wanting to move ahead with a sincere and serious approach to this whole matter.

Actually, this is not one of the six options that I've certainly been privy to. But because when people are saying go up 13 to No. 1, the argument has always been made, do something at No. 1 and 13, like you have to either improve that intersection or do something if that's going to be one of the major arteries around Morris, and going to the west, the far west, depending on how much water there is, also, Highway 59 going across Letellier Bridge or using that eastern access, you know, depending what direction people want to go.

But I do appreciate, at least, the suggestion of wanting to look at this, but it certainly—I would say right now it's not in the cards. But, because that development is happening at 16 and No. 1, you know, I don't know what's going to come, quite frankly, of the consultations and meetings and taking a look at the planning that's taking place.

Mr. Faurichou: My intention is not to muddy the waters even further, but there's a lot of people with great ideas. That's why I'm looking at the department's open house. I'm sure that this will come forward in these opportunities that present themselves. Overpasses, underpasses, bridges are a real concern. We've got Yellow Quill Trail is a very dangerous intersection. I know the Department of Conservation is still looking at when the gasoline truck was overturned, and there are still wells there checking to make sure that there's no contamination of our ground water.

Also, too, you mentioned Highway 13, as well. Those are definite considerations for future development options. I'm trying to hit the high points for the department because it's not infinite monies that the department has and do want to make the most expeditious and prudent expenditures.

Mr. Lemieux: Well, I thank the MLA for this. The MLA knows that there are 19,000 kilometres approximately of highways and roads in Manitoba and many, many structures and bridges whether they be timber or other types of bridges that we need to address. That's part of the challenge that we have. We really depend on our engineers in the department to provide us with information as to what we can deliver and what we can't do. That's the big challenge. Even though we've increased our budget by 30 percent, a humongous amount of money that is going forward to infrastructure, the challenge is going to be to work with the contractors, with the engineering, to make sure all of this happens. It's a big challenge for us.

Portage la Prairie, one of the largest cities in the province, we are always wanting to work with Portage la Prairie, whether it's their Main Street or other projects around Portage to work with council and others to make it happen.

Madam Chairperson: The time being 5 o'clock, I am interrupting proceedings. The Committee of Supply will resume sitting tomorrow at 10 a.m.

FINANCE

*(14:40)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Finance.

Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister of Finance): Yes.

Mr. Chairperson: Please proceed.

Mr. Selinger: I'd be willing to dispense the opening statement if my critic is going to do that, but if he wants to make an opening statement then I will start with one.

Mr. Rick Borotsik (Brandon West): I have just probably two or three minutes of an opening statement if the minister would care to—

Mr. Selinger: All right. So I'll just briefly summarize in a few minutes, then, some of the things that are involved in this budget.

As the member knows, it contains a 10-point economic plan for dealing with what is considered to be probably the greatest economic challenge on a global basis since the Great Depression.

One of the elements of it is a modernizing infrastructure element, and that is a program of \$1.6 billion, with a 625-incremental spending to create 10,000 person-years of employment. It'll be deployed to do social housing, hospitals, schools, highways, bridges, universities, colleges, water and waste-water treatment plants, as well as other specific projects that will strengthen our capacity to provide services.

The member will also know that there's an investment here for CentrePort Canada, cost-shared with the federal government, \$212 million. There's also a pretty significant investment in skills and knowledge, and we can go through the details of that. There are record investments in colleges and

universities, as well as public schools, with very specific programs for people that might not otherwise have access to those institutions. There's an innovation element to the budget, or several elements of innovation, including an innovation council and, for the first time ever, a Research And Development Tax Credit, which is refundable and the most generous in the country, at 20 percent.

In addition, there are measures in the budget that increase access to credit and capital, credit being in short supply and more expensive than it's been in many, many years, so the small-business programs have seen loan guarantee programs increase by 50 percent from \$20,000 to \$30,000. They've seen the Manitoba Industrial Opportunities Program list triple to \$135 million, as well as phasing out the carbon capital tax, reducing the corporate tax, and eliminating, by the end of 2010, small-business tax.

The member will also know, under the GAAP accounting requirements, it's a balanced budget. The tenth in a row, the first time there's been a string of 10 in 50 years. There is also fiscal prudence in the budget in that over a third of the departments have an increase of less than 1 percent.

There are other specific tax measures in the budget including help to the mining sector with rescaling their taxes on the mining tax, and there is an increase in the property tax credit. There is still, with this budget, money in the fiscal stabilization account, \$634 million. The member will, I am sure, ask me questions about this, but we have decided to reduce the general purpose debt payment in order to put more money into stimulus spending through infrastructure.

Debt-servicing costs have been reduced by 50 percent from 13.2 cents to 6 cents and the debt-to-equity ratio in Manitoba Hydro is at a record level, 75-25. The debt-to-GDP ratio is down more than 25 percent over a decade ago even though we're increasing it by about 1.5 percent to 2 percent this year to carry our responsibility for stimulus spending.

The pension liability has been addressed as well in this budget and has been reduced.

These are just some of the elements in the budget.

There are very specific measures to help communities, including a two-year free admission to provincial parks element to allow more Manitobans to recreate in this province. More funding for day

care spots as well as workers' salaries, as well as training. New police officers in Winnipeg and Brandon. A farmland school tax rebate that goes to 75 percent, and consumer protection measures including payday lending, mortgage brokers.

Mr. Chairperson, the member saw in the House today a bill to expand the ability of co-ops to raise capital inside of Manitoba, and more protection for consumers on their personal investments and pension plans: they now can get a quarter-of-a-million-dollar compensation through the Securities Commission if they don't get suitable advice.

Of course, Mr. Chairperson, the green energy economy was an ongoing part of this budget, including the new incentive for solar power, continuing support for geothermal, and moving forward on capital spending for Manitoba Hydro to not only complete Wuskwatim but to do some of the work to get Keeyask to come online.

That gives you some idea of some of the things. I'm trying to be brief here. If the member wants more information, I'd be happy to provide it to him but, in summary, there is a plan. There's a balanced budget. There's stimulus spending, and there are a number of measures in here to ensure Manitobans not only get an education in consumer protection but an opportunity to participate in the economy, because one of the fortunate things we have going for us is there are still lots of opportunities in Manitoba for people to get jobs if they have the training to go with it. We provide those kinds of supports in the budget and those are my brief opening comments.

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

The honourable Member for Brandon West, do you have any opening comment?

Mr. Borotsik: Yes, I do.

Mr. Chairperson: Please proceed.

Mr. Borotsik: I thank the minister for his opening comments, for his brevity, and certainly his outlining of what he sees in the budget that was tabled.

I would just like to say to the minister that I do recognize that it's very difficult to put a budget together at the best of times. We can certainly realize these are not the best of times, quite the opposite. Quite frankly, they are times that are probably the most challenging, economically, that we've seen, that I've seen, and I'm sure the minister's seen, and, perhaps, anyone that has ever been associated with

this Chamber has ever seen in the province of Manitoba. It's putting a budget together a number of months ago based on assumptions and predictions. It's the way it goes. A budget is nothing more than a guideline.

You use a crystal ball to figure out exactly where your revenues are going and where your expenses are and what one should be doing with the economy in general. We recognize that some of those assumptions and some of those predictions can change quite dramatically from month to month. In fact, as we've seen now, from week to week. Just recently, as of today, the IMF has indicated that this is the steepest drop in global activity in 60 years. When putting a budget together, any type of a budget together when dealing with those types of global ramifications, it would be most difficult.

We also see that the Bank of Canada just recently issued its warning that there's going to be a GDP drop in Canada of some 7.3 percent. When one's putting a budget together some months ago, trying to identify a 7.3 percent GDP drop in the country is somewhat difficult to do. So I do appreciate the fact that not only the minister, but his staff in trying to use all of these assumptions, and use all of these predictions certainly have to be very flexible, and they have to be able to deal with the conditions of the day.

We also recognize that there are some severe issues in the credit market. The global downturn started with credit issues, certainly with the subprime mortgage rates in the U.S., particularly. We recognize now because of that there are certain credit issues that have transpired, not only in the province of Manitoba, but throughout Canada. Those have to be dealt with. They certainly do put a different spin on things when trying to identify as to where we're going to be within the next 12 months financially here in Manitoba.

In saying that, however, I do believe in putting budgets together that one has to be realistic. One has to recognize that there are these challenges that are facing us, and that it cannot be simply status quo. The minister has indicated some of his suggestions as how to stimulate the economy here in the province of Manitoba. I congratulate him on that, but again, I think there's always room for improvement, whether it be stimulus or whether it be efficiencies within government or whether it be simply a matter of managing the fiscal challenges that we have here in the province of Manitoba.

The Finance Minister, as he's well aware, is responsible for the fiscal health of the province and 1.2 million people; 1.2 million people in this province are depending on him to guide us through some of these stormy waters, and, in doing so, the minister has put forward a budget, which I am, over the next number of days and number of hours, going to ask some questions as to how that budget was not only put together, but how he sees this budget guiding us through this turbulence.

I would also ask the minister now, in closing, if he would be co-operative in dealing with the global budget, the global issues as opposed to just simply line-by-line at this present time. There are a number of areas that I like to go on just for his own information. I do know he has a number of staff members here. I would hate to have them all stay here and listen to debate over the next two and a half hours if it's not necessary. So we can suggest to the minister that I will be dealing with, first of all, the basic preparation of the budget. I would then like to deal with some equalization questions as the minister recognizes there's quite a detailed section in the budget documents that deals with equalization and where it's going to be heading in the not too distant future.

I would also like to, time permitting, look at debt. I know the minister is very knowledgeable and certainly recognizes the debt position in the province of Manitoba. I would like to know a little bit more about where that's heading and the type of debt that we have in the province.

Then I'd like to talk about public pension funds, if the minister would be agreeable that we could head in that direction. Perhaps if there are staff, they can leave the room and, as I say, be better served at their desks than certainly at this table.

So thank you very much, Mr. Chair.

Mr. Chairperson: We thank the official critic for those opening remarks. Very quickly, under Manitoba practice, debate on the Minister's Salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line items 7.1.(a) contained in resolution 7.1.

At this time, we invite the minister's staff to join us at the table, and, once they're settled, we'll ask the minister to offer introductions.

* (14:50)

Mr. Selinger: Yes, I have with me the Senior Assistant Deputy Minister of Finance, Bruce Gray.

Mr. Chairperson: Very good, thank you for that.

Does the committee wish to proceed through the Estimates of this department chronologically or to have a global discussion?

Mr. Borotsik: Mr. Chairperson, my suggestion and, certainly, my request would be that we do it on a global perspective to begin with, and then we'll do line by line certainly at a later date.

Mr. Selinger: Yes, I'll go global, global being, of course, questions related to the budget, and then we can, of course, consider line by line later on.

Mr. Chairperson: Very good. Therefore, for the official record, it is agreed that the questioning for this department will proceed in a global manner with all resolutions to be passed once questioning has concluded.

The floor is now open for questions.

Mr. Borotsik: Thank you, Mr. Minister. First, if we can, just sort of as a background as to how the department prepares its budget. I'd mentioned in my opening comments that the budget obviously is prepared and printed some time ago. It's not something that you can do the day before the budget presentation, and I do know that there have been dramatic changes economically within the globe through that time.

But I would like to know, Mr. Minister, if I could, just what the process is for the budget preparation. In other jurisdictions, when preparing budgets, and I do know, revenue in, revenue out, you've got an awful lot of people who are sitting on your doorstep on a regular basis from different departments looking for the ability to operate the departments through cash allocations. So it's a difficult process, I know, and I know the minister would have some difficulty in allocating some of those allocations in certain areas.

But does the budget process, is it based on sector budgeting? Is there different sectors of common interest, that you will globalize, if you will, certain funds to allocate to those areas of responsibility and service delivery to the Province, or is it just simply every individual department coming to the minister and his staff and asking for what they see as being a fair and honest allocation throughout this budget process?

Mr. Selinger: Primarily, the budget is driven off of departmental Estimates. There are, however, strategic reviews done, both by Treasury Board but other branches of government, which require us and encourage us to consider allocations on a more global basis outside of departmental frameworks. But at the end of the day the money has to be deposited and allocated somewhere within the budget.

There are enabling votes but, for the most part, the overwhelming amount of resources wind up contextualized within a departmental budget. But they can be driven by overall strategic objectives—and often are—and strategic reviews that allow us to determine the best way to use resources to achieve certain objectives.

Mr. Borotsik: Thank you, and I appreciate the fact that the departments put their own budgets together and then compile them into one master document of which it's your department's responsibility to make sure they balance as you've identified or indicated that this budget is balancing.

I know that there are certain departments that have received more of an increase than other departments, and I guess my real question at this point in time is, how is that achieved? You had mentioned Treasury Board; you mentioned enabling; discussion.

Do the departments come to you, Mr. Minister, and your department, specifically, and identify what it is that they require for the following year, even though it may well be in excess of what you consider to be a fair increase in their departmental budget?

Mr. Selinger: Did the member ask me whether a department asks for more than what they get?

Mr. Borotsik: Most budgets that I've ever been involved with, most of my people have always asked for more than what they get. Usually, we have a tendency to look at those budgets and revamp them. I wonder if that's the same kind of process that the minister would follow.

Mr. Selinger: There are global targets that are set, and those global targets are often broken down into a target that we ask the department to meet in putting forward their budget. That allows us to manage the process better, because if it was completely open-ended, the request could become beyond reason and beyond anybody's realistic assumption of what revenues there would be to support it.

So we do operate off of targets. Then, of course, those targets are reviewed as we see the specific requests. But we do operate in the early days of a budget process by asking people to meet a spending target, and that spending target is usually put in place relative to what we think are the realistic possibilities of revenue for that year.

Mr. Borotsik: That's fair ball. You can't spend more, well, you have, but you're not supposed to spend more than what you bring in in revenues. But those targets that are set, they're set initially. So, for example, in Education, as the Minister of Education (Mr. Bjornson) has a very responsible job to provide education for the province of Manitoba, would it be the department's responsibility to tell the Minister of Education that this would be the level of expenditure that he could expend through the budget, based on an increase of—and I believe Education received a 3 or 4 percent increase this year—or you can correct me on that.

An Honourable Member: It was more than that.

Mr. Borotsik: It was more than that, the Minister of Education says. Is that the responsibility of your department, Mr. Minister, and the Department of Finance, to identify those increases going forward to those specific departments?

Mr. Selinger: Global targets for spending are set by Cabinet on recommendation from Treasury Board, and then departments are informed of them, and then try to work within those parameters in developing their budget.

Mr. Borotsik: Again, I talked about sectoral budgeting. There are certain sectors, health care and Child and Family Services, for example, that have a like-service delivery to the Province. Do you have different sectors in the budget that you would identify a certain amount of expenditure in that area, and is your flexibility within those sectors that, throughout the year, you are able to fund one, perhaps, at the expense of another? I wouldn't say the expense of another but, perhaps, if one doesn't expend as much as what they've identified in a budget—and we all recognize a budget is just a guideline; you may or may not spend, you may or may not receive revenues—but if there are certain areas and departments that aren't expending the total amount that they need, is there flexibility to move that within the budget to other departments?

Mr. Selinger: Only upon decision of Treasury Board and Cabinet. The lines within the Estimates books

are legally voted upon, as the member will know, because we will be doing it later on in this exercise, and to move outside of a statutory vote requires a decision by Treasury Board and Cabinet to confirm that, otherwise, that discretion is not available between departments or within departments without some approval process related to getting executive authority to do that.

Mr. Borotsik: It sounds like a reasonable process. Does that happen on occasion where, in fact, you do make those decisions at Treasury Board and are able to use those funds from one department to another?

Mr. Selinger: Yes.

Mr. Borotsik: Just for my purposes, how often does that happen? Is it a regular occurrence throughout the budget process?

Mr. Selinger: We review these things on an ongoing basis. There are, as the member can imagine, there are emerging needs throughout a year. There are emerging priorities. There are changes in economic circumstances. Mr. Chair, we usually get fairly accurate information through the quarterly reporting process and then make adjustments accordingly. We also have specific requests that come in. For example, in this most recent event, the flood, there were requests for additional resources, for example, the tubing that was made available to protect certain communities, and so we will make an allocation there.

Now, in the early part of a year, the allocation you make there would be available through the previous year's vote of what you put aside for disaster assistance. Later on in the year, Mr. Chair, if it looks like you're going to go beyond that, then you'd have to make a supplementary spending decision, and a supplementary spending decision could be offset by encumbering resources in another department if they become available, yes.

Mr. Borotsik: I appreciate that explanation, because any of the budgets that I've certainly been involved in have had that flexibility built into them. Certainly, we've asked at times for other departments to become more efficient in spending in order to allocate more resources to the needs that are necessary. I can't repeat it often enough. All this is, is simply a guideline. We don't know what's going to happen 12 months out. No one has that crystal ball and, certainly, the flood is a prime example of that. There are going to be expenses that are going to be needed to—there's going to be income that's going to

be necessary to allocate to the flood disaster assistance, both provincially and federally. We don't know, at this point in time, what the needs are. I'm sure the minister doesn't know, at this time, what the needs are, but it's a matter of trying to find some other revenue source to cover off those costs. I do know that there's a disaster assistance amount identified in this budget, but it may not be enough.

* (15:00)

Should those costs grow quite dramatically, and there's a possibility that they could, where does the minister feel that he could find some of that flexibility to cover off those extraordinary costs? It's not only the flood, it could be fires. There could be other natural disasters. There could be certain requirements in education, certain requirements in health that were not anticipated, and those things happen.

How does the minister deal with those types of extraordinary costs?

Mr. Selinger: Well, as I said, Mr. Chair, as those costs become obvious, we allocate resources to address them. At the same time, if we think that we see a cost that was not forecastable or foreseeable, we can ask departments to start constraining their expenditure that they've been allocated through the budget and then make a decision later on which resources and how much, what quantum of resources we can reallocate.

We do, from time-to-time, do inure exercises to liberate resources from areas that have been voted on to make available for other areas. These are done in co-operation with the departments and through a collaboration process, usually where leadership probably emanates from Treasury Board. But there's expenditure management co-operation within government, and senior officials in the departments work together to operate and manage the fiscal resources of the province on a global basis to ensure that we can meet all our objectives, including those that were not easily forecastable when we started the budget year.

Mr. Borotsik: I appreciate your description of the internal workings of the Treasury Board.

Those types of internal movements throughout department to department, they can be done internally; there's no required legislative change to the budget at all that's needed at that time. It's just simply a matter of an internal change, is that correct?

Mr. Selinger: As I explained to him earlier, any changes outside the voted authorities have to be approved by Treasury Board and Cabinet, and then they have to be confirmed through supplementary expending through warrants, which are put on the record and processed as Orders-in-Council. So there is a formal procedure and there's an accountability mechanism for that. These matters are usually reported on, as well, through the quarterly report process.

But any warrant for additional resources, say, for a disaster like the flood, would be on the public record. It would be passed by Cabinet as an Order-in-Council, placed on the public record and available to everybody. In our case, we usually announce it. We usually put that on the public record through some form of media communication, usually a press release.

Mr. Borotsik: One other question on the process. You've mentioned the quarterly report process, and I do appreciate the fact that there are quarterly statements that are developed and government as well as myself and opposition have the opportunity of reviewing the financials based on the quarterly.

Mr. Chairperson, under today's circumstance and the way global finance is changing almost on a weekly, sometimes daily basis, does your department actually look at the revenues and the expenses on a more timely effort as opposed to quarterly? I'm sure your department—you've got lots of very talented people in your department—I'm sure they are looking at the conditions of the economy and the conditions of the revenue streams and the conditions of the expenditures more so than just simply on a quarter basis.

Can you give me a better understanding as to how that is looked at?

Mr. Selinger: The Department of Finance includes within it what at the federal level would also be considered to be the revenue department. So we have that integrated within the Department of Finance. We do get statements on a cash-flow basis of what we expected in terms of budget resources and what we're getting actually and what variances there are, particularly on revenues we collect ourselves. Some revenues are collected through the revenue collection agency, which is, you know, an agency that collects revenues on behalf of most Canadian provinces, not all. Québec does their own thing. Then we get information from them as to what revenues we can expect and they make adjustments. They're a little

slower to provide information, so we have our own source information, as well as information we get from the revenue collection agency. These things are subject to verification, and then we take into account that as we go forward.

Mr. Borotsik: Account for this as you go forward—so, in your office, Mr. Minister, your department, you would do this on a monthly basis? You would be able to look at the way that the revenues are flowing on a monthly basis, as opposed to the quarterly basis. You would know where you are, whether there's an increase or whether there's a decrease.

We know there's a lag time. We know there's a lag time on PST. We know there's a lag time on personal income tax. Just for my own curiosity, are you looking at these on a monthly basis to see where they're tracking?

Mr. Selinger: As I said earlier, certain types of information are available on a monthly basis with variances attached to it. Sometimes there are variances because of timing issues, remission issues. Sometimes there are variances because of other forms of timing issues or seasonal adjustments.

So you have to always be careful on these monthly estimates to build in the known cyclical, seasonal and timing changes that can affect all of those things. But it gives you an idea, and sometimes you might see a number that's below what the one-twelfth revenue base would be, and you know that that is a non-issue because of timing. You might see a softening in some area or a slight growth in an area, but that might be a false-positive, for example, that you have revenue over what's expected because of a timing issue, or a seasonal issue, or it might be false-negative.

So you have to do some analysis. You can't just do it in a mechanical way, but we do try to get information on a timely basis. Then, of course, we have to get information through the revenue collection agency, and we rely more on them to provide us with numbers. We have to probe and understand what those numbers are sometimes, because the assumptions that go into those numbers aren't always fully available to us.

So, at the end of the day, even on a monthly basis, it's still an estimate; it's not an absolutely guaranteed thing. But it does give you a better idea if there's some really big trend happening, that can give you an idea.

Mr. Borotsik: Yes, thank you for that answer, and that's what I was looking for.

Certainly, you can do comparisons, month-to-month, the year-to-year comparisons. They do it in industry all the time; they do it in the retail sector. We can compare sales to sales, month to month, year to year.

I expected that that's what you would be doing in your own department.

You mention the RCA, and certainly RCA—the Canada—

An Honourable Member: CRA.

Mr. Borotsik: CRA. Canada Revenue Agency. Thank you. He did say RCA. I know he did. It's Canada Revenue Agency.

I wonder if you could just explain to me their reporting system. I know that they do collect personal income taxes on behalf of the province through Canada. I would suspect, and correct me if I'm wrong, but they do submit, on a monthly basis, the withholdings that are responsible for the Province of Manitoba, and I would suspect that they would give you a fairly reasonable idea as to what the revenues were on a comparison time, year to date.

The reason I ask that is we recognize that there are unemployment effects that we have here in the province of Manitoba, perhaps not as bad as in other areas, no question. But unemployment does have a tendency to reduce personal income tax revenue.

So I wondered if the minister could explain to me just how the CRA, Canadian Revenue Agency, does report and does pay the Province of Manitoba.

Mr. Selinger: We do get some information from the CRA on a monthly basis, but it's pretty much understood they're not reliable until the fall because of the way tax returns are filed and what the actuals are as you go through that.

Historically, we've seen adjustments every quarter, including up until the last quarter, up or down of what those revenues are. So it does create an element of uncertainty. We work off the best information we can get from them, but it's a big federal agency. We have some participation in the management processes there, but, at the end of the day, they sometimes operate on a model of actuals and estimates in a blended model of reporting back to jurisdictions, such as the Province of Manitoba, what the revenues are.

Then, there are always qualifiers as to what the final actual will be because of the stream of information they get in the door and their ability to verify that. As you can imagine, they deal with literally millions of transactions, millions of submissions, from both individuals as well as corporations. So that adds some element of uncertainty. So you can't be definitive in the early part of any fiscal year about what the revenue estimates that you will get from them. It's usually second quarter and into third quarter where they start firming up those numbers.

*(15:10)

Mr. Borotsik: The reason I ask is, the budget document that was tabled on individual income tax which comes from the CRA, there's been a decrease. The previous year, which is based on assumption as well, because we don't have the financials, the actuals as of year-end but going through the third quarter statement and looking at what your predictions were, prediction for year-end just past, March 31, 2009, was \$2.431 billion. The estimates this year are \$2.342 billion—[interjection]—pardon me, 2.342 billion.

The reason I ask the question is there's a reduction there of about \$100 million, and that's realistic. Don't get me wrong, I don't think that that's out of line, understanding what we're going through right now with the conditions that we're finding ourselves in currently, but I go back to the budget process and the allocation of dollars coming from CRA. Was it your budget calculations that came up with that reduction of \$100 million through your own department, looking at the different variables and different assumptions, or did that come from CRA? Did they have any input into that?

Mr. Selinger: They do have very significant input into that. They provide us with an estimate of what they think the revenue will be. We do our own due diligence inside and we have an iterative process back and forth. There's a discussion that goes on between federal officials and our officials and estimates change over time, but we start with preliminary estimates, we refine them. Sometimes they go up. Sometimes they go down.

A lot of it hinges on the latest trends and economic forecasts, which, as the member has acknowledged, are changing quite dramatically these days. At a certain point you have to sort of say, this is the best information we have. This is the number we have to work off of, and we do a calculation off

of that. So you can see there that it's about \$90 million down from the previous year based on the best estimate of what we thought the economic performance would be inside of Manitoba this year as verified against other agencies that do economic forecasts such as the Conference Board of Canada plus what the federal agency itself thinks will be produced.

So there's sort of a real time dialogue that goes on in the context of an economic forecast model that comes from outside of us and that we try to use our own judgment, which is why we have our chief economist at the table. He gives us his opinion on the accuracy and the quality of the estimates that we're getting, and our ADM of federal-provincial finance also will give us her views based on departmental review on what we think the accuracy and quality of it is.

So there's quite a bit of discussion that goes into this and, as the member said, it is an estimate, but we try to get that estimate as real as possible, as close as possible to finalizing the numbers for the budget.

Mr. Chairperson: Just before recognizing the honourable member, Minister, would you be so kind as to formally introduce the new staff who have joined us at the table.

Mr. Selinger: Yes, thank you. I have with me the assistant deputy minister of Federal-Provincial Relations, Heather Wood, and also our chief economist, Jim Hrichishen.

Mr. Chairperson: Very good, thank you.

Mr. Borotsik: I'm certainly not going to put the chief economist on the spot. The economists I've been reading over the last numbers of months, particularly, have been all over the map. Economists are wonderful individuals and I do appreciate the job they do, but it's again like gazing into a crystal ball and not having all of those assumptions and variables laid out for you, a yeoman's work under very trying circumstances.

I don't think anybody 12 months ago—although I did warn the minister on a number of occasions that perhaps there was going to be a significant downturn in the economy globally. He, I think at that time, referred to me as a fearmonger, but that's fine. That's the way it works, and perhaps I was to a degree, but nobody, nobody, I believe, would have anticipated a global decline that we haven't seen in 60 years. So I don't think anybody could possibly ask any economist to identify that as well as a reduction right

now in GDP of Canada, which just came hot off the press, which is a reduction, I believe, of some 7 percent on GDP, identified today by the Bank of Canada.

Seeing that there is a revised GDP estimate for Canada, being down as much as we are, and perhaps now that we have your economist, has there been a revised GDP for the province of Manitoba over the next 12 months?

Mr. Selinger: Well, first of all, I have to say that the profession of economics has been called the dismal science for a reason, and the reason is that many of the forecasts are wrong. The member points out that he continuously said that the economy would eventually slow down.

If you throw enough darts at the dart board eventually one's going to hit a number. It's the same thing with gambling. If you bet on the same number enough times, eventually that number might come up, but it might take a long time to get there; it might not. So I'm going to predict now the economy's going to get better, okay. You know what? I'll be right some day. When that day will come, I'm not exactly certain, but it's just like your forecasts jumping up for the last two and a half, three years, whatever it is in the Legislature, saying the economy's going to get worse. On what basis, on what analysis, on what set of numbers, on what set of trends?

The credibility of any forecast depends on the quality of the analysis that goes into it and the transparency with which we make that analysis available. The head of the Bank of Canada who has probably more resources than any economist in the country in the last quarter said that there would be a fairly quick rebound in Canada based on his models, probably the most sophisticated models in the country. He has now backed off that on his most recent announcements because models, like anything else, are only as good as the information you put into them. So there's always an element of judgment here.

The 7 percent reduction in GDP is for the first quarter. The GDP forecast for the year is still about minus three. That's roughly what they had been predicting before; I think it's a little more negative now, if I'm looking at Jim. I think, as I recall the original forecast for the Canadian economy as we went to the printer, so to speak, on the budget was about—was minus 1.8, that's what I thought, and Manitoba's forecast was minus 0.2. It's now minus 3 for the country and we will have to see how it goes.

There will be further revisions on that as we go forward in each quarter.

Have our forecasts changed at this stage? No, we haven't been able to—there's been no dramatic stream of information that would cause us to change our forecast this early on into the budget cycle, but, obviously, we will monitor it closely as I've reported in the Legislature and we will report on that as information becomes available.

But a lot of this, as the member said, is crystal ball gazing right now. We know there's been a trend; it's been going on since really the middle of '07, the trend towards a reduction in growth. You have to remember, the way this crisis started, it was only a financial crisis originally in the mortgage market in the United States. It quickly went from being a mortgage crisis in the United States to being a financial crisis on a global basis because of the way they packaged up those mortgages and CDOs and then spread them around the world. Then it became an even greater financial crisis as they realized they put credit default swaps on top of that and leveraged those up multiple times, sometimes as high as 30.

So all of these things started magnifying, and then people said, well, you know, we might be able to contain this within the financial sector. The reality was that as some decisions were made to allow certain companies such as Lehman's to go down and massive recapitalization was required for other companies like AIG, that confidence started to wane around the world in financial markets. That started having an impact on the real economy, and that had an impact—a recession usually is the result of a global decline in effective demand, both on the part of consumers and on the part of businesses who produce goods and services, mostly goods in this case, but goods and services that consumers want.

So we've seen this financial crisis which was located in the United States globalize quite quickly and then we've seen it translate from a financial crisis into an economic crisis and then we've seen in some jurisdictions that that economic crisis has become a political crisis where governments did not look like they were responding in a timely fashion.

As the member knows, we responded quite quickly in our fall update. When we did our Throne Speech, we put measures in place to increase access to credit and stimulate the economy and manage expenditure around priority investments early on. Then we further developed strategies that we brought forward in the budget, which we're discussing now.

We could see a certain amount of this trend. I wouldn't say that we could see the depth and the magnitude of it; I don't think anybody could. But we could see the need to take some preventive measures in terms of our economy. They have been helpful. I won't say that they have been the only reason the Manitoba economy has done well. We had a lot of momentum going into this recession in terms of the number of projects going on in Manitoba, both in the private sector in terms of investment and in the public sector in terms of investment, and Manitoba consumers have been relatively confident because of their sense of security in this province with high levels of employment.

* (15:20)

The reality is that this crisis has, every month, taken on new dimensions not easily foreseen before it started, and the analysis and the understanding of it has grown very dramatically and very quickly and it's been not only a fascinating process to watch, but it's been a process that you have to sort of stay in touch with so that you can make appropriate policy responses.

For example, Mr. Chair, some of the things we did in my opening comments about making more credit resources available in the Manitoba community and through guarantee programs with credit unions and banks, through tripling our MIOP program, through strengthening our investment tax credits so there is more ability for people to get equity to have access to private credit through the banks, because the other thing that's gone on is the banks started writing off losses on their books, driven in part by interesting forms of accounting rules, mark-to-market accounting rules.

They've also started to try to recover some of those paper losses and real losses through the spreads that they're putting on the products and the services they provide. So we're seeing that all over the place, and a lot of these things are things that require government to be involved in turning around and rectifying. They can't do the whole job themselves, but they can make a very big difference.

Mr. Chair, the one thing that I think is probably significant about this global recession is that the governments, regardless of political stripe, have recognized quite quickly that they had to play a positive interventionist and proactive role. They didn't go back into some of the things I've been challenging or teasing the member on. They didn't go back into the paradox of thrift where everybody just

hunkered down and said, we'll just stop spending. We'll stop investing. We'll put all the priority on having no debt and a balanced budget, because the experience of—and we also will stop trading. We'll put up trade barriers, as well. Because when everybody pulled their horns in, in the 1930s, by balancing budgets, cutting debt and protecting themselves in terms of trade, the entire economy moved from recession into the Great Depression. It was exacerbated by drought in the prairies and other natural phenomena that occurred at the same time, but the reality was that the global depression of the '30s was, in part, sustained by bad public policy and a lack of co-ordination on a global scale.

So the recent meeting of the G-20, and the run-up to that, was a concerted effort by the major players in the G-20 to get everybody on the same page as much as possible. What was the same page? All governments had to play a role, to about 2 percent of global GDP, in terms of stimulative spending. All governments had to recognize the need to find some tools to manage global finance, to regulate it more accurately, including the credit-rating agencies. All governments had to take measures to minimize the natural tendency to put up trade barriers and tariffs, so that people couldn't move goods and services around the world, to the detriment of everybody's economy. All governments in the world had to recognize that they had an obligation to ensure that the Third World and continents like Africa had access to credit, because it's on the fringes that things dry up the most quickly, and money moves to the safest products, and we saw massive turmoil in stock markets. We saw massive declines in investment in certain parts of the world, all of which exacerbate the problem, exaggerate the problem.

There were differences about the degree of stimulative spending. There were differences about the degree of regulation versus stimulative spending, but underneath all of that, there was a sort of common recognition that government had to play the key role in stimulating the economy, and on a global basis, and—[interjection] Geez, a whole minute? I can make hay out of that.

An Honourable Member: I'll ask another question. Don't get excited.

Mr. Selinger: But I think that has been the most significant thing. It's not that the economy is self-correcting, as some people would think, through the sort-of Adam Smith, invisible hand of the

marketplace. The economy has been corrected through, I would call it, the lessons of history being made available to the political leadership on a global basis and them taking a co-ordinated set of policy actions through their various political decision-making and governments to stimulate the global economy. I think that that is going to be helpful in the short run.

Central banks have also played a fundamental role because they've moved beyond their traditional role of just dealing with monetary policy to, in some cases, moving well beyond monetary policy into what some people call quantitative easing. They're actually playing a direct role in buying assets, whether they're bonds, government bonds or corporate bonds, or even directly providing capital to various banks and businesses around the world. So we've seen a real—

Mr. Chairperson: Thank you. Your 10 minutes has expired.

I now recognize the Member for Brandon West.

Mr. Borotsik: I appreciated the comments that the minister had, and I know I'll give him another opportunity to expand on them. I do appreciate it. I do understand most of what he said, particularly the human variant within this. There's a consumer confidence that obviously was impacted quite dramatically, and it's consumerism that drives the economy in the U.S. and also the economy in Canada, because they are our major trading partner. About 80 percent of our total goods and services that are provided to Canada find their way into the U.S.

So you're right. Trading is most important and keeping those trade corridors open is extremely important, and I certainly hope that the Americans do not put up any more trade barriers. We've already seen some of the artificial trade barriers with respect to agricultural products particularly. There's a danger there and certainly you have to be very vigilant.

Consumerism is very important, and certainly there has to be a confidence in the consumer in order for us to get out of the situation we're in right now. Just as a comment, there was an article today with respect to quantitative easing. Canada has not, as yet, decided whether to trigger that particular arrow in their quiver. May happen, may not happen. It depends. As the minister's indicated, they're looking at their own finances on a daily, weekly, monthly basis, as I'm sure the Finance Minister is and the Bank of Canada are nationally.

We can only hope that they do the right things, and certainly we can work our way out of this. As the minister said, the economy will turn and it will be positive, and he's absolutely correct, but he never did give me the date. I don't know whether I can ask him that point in question, just at what week of this year does he see that economy turning. If he has that answer, I'd be very happy for it, because I'm sure that there are some opportunities in the stock market. But I won't take his advice because I know that there are certain variations and certain things that can happen.

Just based on the revenue side, and we've talked about it very briefly, and I won't talk any more economics unless the minister wants to expand on his last dissertation. The one area that I did see on the revenue side of it particularly—and, in fairness, the budget put forward did identify certain areas of weakness and reflected that in their decrease in the revenue streams. For example, corporate capital tax has been reduced from \$163 million to \$135 million. I know that the minister is going to say that's because of reduction in the tax rate. Is it also a reduction in the amount of corporate capital tax that's being projected over the next 12 months in the province of Manitoba?

Mr. Selinger: I would say it's mostly because of the tax reduction that we're bringing forward, because as the member would I'm sure understand, capital's a little more stable variable upon which to levy a tax.

Mr. Borotsik: The other one that I identified, and I know that there was a reduction in the mining tax as well, but there seems to be a fairly large variance—year projections for year-end, March 31, 2009, are \$65 million, and the anticipated revenues from the mining tax this year is \$10 million. It's a \$55-million reduction.

Can the minister please explain why that dramatic reduction?

Mr. Selinger: The mining tax is driven by the profitability of the mining sector and, as we know, there's been a fairly dramatic decline in commodity prices. When you have a decline in commodity prices, that means there's going to be less profitability and, therefore, less tax.

That was the best estimate we had going into the exercise, and it's dramatic but it represents the dramatic decline in the price of commodities that are mined inside of Manitoba.

Mr. Borotsik: It is very dramatic with the percentage decline that you have with the mining tax,

and I know that Manitoba, particularly, has got some substantial resources here, and we've got some great mining corporations.

I would hope that that's one of the areas that the minister's wrong in. I hope that the mining sector will find its feet throughout the next 12 months, and that that, in fact, could be more than the \$10 million. Maybe there's a little softness in the number there. We'll wait and see.

* (15:30)

The other area on the revenue side from the budget perspective itself, the retail sales tax. If you go and look at the projections for year-end, it's \$1,490,000,000 and the projections are for \$1,594,000,000, which is about \$100,000,000 more anticipated for retail sales this coming fiscal year. I may be wrong, but it seems retail sales have softened a bit throughout the economy in the way the economy is now. I'd just like to know what assumptions were used for the increase.

Mr. Selinger: It's based on an assumption that retail sales will grow by about 1.6 percent, which is dramatically down from previous years when they were running in the order of 7 percent and higher.

I should also introduce the ADM for Taxation, Barry Draward, is at the table, who works with some of these numbers in terms of the Estimates.

Mr. Borotsik: From all of the indication that I've seen, even at the increase of 1.6 percent that may or may not happen, although there was an increase of 0.2 percent, I understand, this past February is what they were reflecting in the national figures. Again, going forward, they're only estimates, they're only budgets, and the 1.6 is the number that had to be used.

The Manitoba Liquor Control Commission and the Manitoba Lotteries Corporation provide a fair—well, I'll say a substantial amount of revenue to the revenue side of this. Again, there are reasonable increases identified in both of those corporations. Are those typical of an increase that you would have on an annual basis, or are they less than what would normally be seen on an annual basis?

Mr. Selinger: Well, we show liquor going up \$9 million and we show \$8 million to Lotteries which is on a base of \$300 million, so it's, you know, 2 percentish. So it's pretty modest. Similarly, with liquor, it's maybe a little bit more than that, but it's relatively modest growth in both of those revenues.

Mr. Borotsik: The reason I bring those up, are these areas seen to be recession proof? I did notice that there were some increases just identified, I think, recently that Manitoba Liquor Control Commission is showing some fairly reasonable increases in their sales. Has it been the history—you've been there for 10 years—that these are relatively recession-proof industries?

Mr. Selinger: I don't know if I'd say they're recession proof, but they're based on those Crown corporations' sense of volume increases and what that will mean in terms of revenue. I wouldn't say anything is ultimately recession proof, but it depends. It all comes down to how much time and how much income people have and what kind of employment they have.

Mr. Borotsik: Just one other question on the revenue side, on the fees and other revenues. For the most part, the fees have increased on just about every category. The one that I look at mostly is the fines and the costs and other legal has increased by about \$6,000,000 and \$45,000,000, about a 10 percent increase. Is that because of the traffic fines increase that was just identified?

Mr. Selinger: About \$3.6 million, I think, would be traffic fines; in that order, might be give or take a couple hundred thousand, but I think that's the order of magnitude there. The remaining would be other things. This is, once again, an estimate. If Manitobans don't break the law, they won't pay any fines.

Mr. Borotsik: Before I leave this page—it's page 7 and it's the schedule of the expenses—just one explanation if you could, and I don't know which member of your staff will do that, but I know you have an explanation. Under expenses, it's called less year-end lapse, \$65 million. Perhaps the minister could explain the year-end lapse to me.

Mr. Selinger: The year-end lapse is an estimate of money allocated in the budget process that will not be spent. As I explained earlier, each department is voted a revenue according to a legal line that we vote on the lines and we don't let people easily shift money between those lines without authority. There are—for a variety of reasons: weather reasons, certain projects can't be launched, for example, in infrastructure; timing reasons; certain programs don't get off the ground; changes in demand. There are a great variety of reasons why not every revenue line is expended every year, and we manage that within the year with the departments.

This has been a long-standing practice in all budgets inside of Manitoba. The way the budgets are structured, with the lack of flexibility to roll money between lines and the requirement to be accountable for that, generates what we call a lapse, money unspent by year-end of about \$65 million. We adjust that on a quarterly basis based on the reports they give us, but that's the assumption that's made in virtually every budget that I think has been printed in the province for probably a couple of decades at least, maybe longer.

Mr. Borotsik: Would that include staff vacancies, any vacancies that have been budgeted for and staffing not fulfilled, that would be staff vacancies as well?

Mr. Selinger: Yes, it includes all unexpended funds including funds for positions that may not be filled as quickly as people thought they would be.

Mr. Borotsik: Now, it probably gets into a little dicier situation that's been fairly easygoing to this point. In looking at the budget, there is a net result for the year which is identified with brackets, and that net result, if you look at the revenue side, which we've discussed, you look at the expense side which I—

An Honourable Member: Which page?

Mr. Borotsik: Just on your summary budget, page 7. The net result for the year shows a loss of \$88 million.

When you take revenue in and expenses out, it comes up to an \$88-million loss. I guess I would just ask the minister to explain how an \$88-million loss in brackets is, in fact, identified as being a surplus.

Now, I do know, I know the minister's going to lecture me, and I do know that there are transfers to debt retirement. I do know there's a transfer from the Fiscal Stabilization Fund but, in general terms, when I've looked at financials, and I've looked at budgets in the past that I've been responsible for, when you look revenue in and expenses out, if there's a bracket there, it usually identifies a loss and a loss is a deficit. Can the minister explain to me how that can be explained away as being a non-deficit?

Mr. Selinger: I must say I'm a little surprised because the member was demanding that we retain the legislation that set this up. Under the balanced budget legislation brought in by the Conservatives in around '95-'96, they were able to have a net operating loss on the government side and make that up

through a transfer payment from the Fiscal Stabilization Fund, and they filled the Fiscal Stabilization Fund with revenues by selling off assets and extra revenues that they pulled out of Lotteries.

This has been in place in Manitoba for—oh, my goodness—12, 13 years now, and that's the practice. Now, as the member knows, that's not really the bottom line. That's only the operating budget. The bottom line is the full summary budget including all the Crown corporations, where there's a \$48-million surplus. The member will also know that even though they didn't want to get rid of the old balanced budget legislation, they also wanted us to follow all the GAAP rules. All the GAAP rules required us to include the Crown corporations and the universities and the public schools on the bottom line, which we have done.

So, Mr. Chair, following GAAP procedures, we show a surplus of \$48 million. Following the legislation that the member opposite wanted us to retain, it would be a surplus as well. Under anybody's rules, it's a surplus, but the best rules are the ones that are the generally accepted accounting principles that we've brought into law as required and requested by the Auditors General and as demanded by the opposition.

Mr. Borotsik: Even based on that summary budget, which is identified on page 2 with a summary net income of \$48 million, bringing in the other government enterprises as Hydro, Hydro is shown as \$265 million in net earnings for the budget year, anticipated net earnings, \$265 million. So, at \$265 million being transferred into the summary budget as such on a statement, there's only \$48 million in summary net income which would mean a bit of a shortfall even on the summary statement, if you will, excluding Manitoba Hydro, of about \$210 million to \$220 million. Can the minister explain that?

* (15:40)

Mr. Selinger: Well, if the member wants to freelance how we do accounting, you can come up with a summary or a surplus depending which two numbers you want to add together. I mean the point is we're supposed to follow a common set of rules. The auditors general of the country have asked us to follow GAAP rules, and GAAP rules include the net income from the Crown corporations, one of which is Hydro.

It's a bit like that environmental report we saw in the Legislature yesterday, which, I thought, was amusing because they ranked all the provinces on how green they were, but they arbitrarily decided to leave out Hydro. The duh. I mean they left out the major source of energy in the province. Well, gee, I wonder if that was tilted towards British Columbia where they had more people that eat organic food, and they gave it a higher rating than Hydro, and so they could get a green report where the consumption of organic food was more important than the amount of green energy you produce in a province. That was a remarkable survey. The only good news about it is that I think that organization is fairly new in the green ranking business and hasn't established its bona fides yet.

I mean, if you want to just make it up we can pick any two numbers. I can pick individual income tax and compare it to the smallest department, and I'll guarantee you a horking, big surplus. But if you want to follow the comprehensive approach to reporting surpluses and deficits, the recommendation is to include public schools, universities, Crown corporations and to do it on a full-summary basis, and that's what you get your \$48-million surplus on.

Mr. Borotsik: The minister is absolutely correct. I have asked, and always will continue to ask, that the core government budget be continued to be identified in the budget documents.

I guess I'll ask the question to the minister right now. I can't assume anything because things change, but does the minister anticipate in identifying the core government budget on a continuous basis from here on in?

Mr. Selinger: One of the things we committed to in our financial reporting strategy was to show the results on the operating budget in the context of the full summary budget. There was a period of time when we reported operating budget and we did summary budget, and the Auditor General was concerned about keeping two sets of books. That was the accusation. We've got it down to one set of books. A full summary budget, but within that summary budget we show the operating results as well.

Mr. Borotsik: That is going to be continued with budgets future?

Mr. Selinger: Yes.

Mr. Borotsik: Last question on the financials, then we'll get into equalization. On the core operating,

and, certainly, I understand the difference between summary and core operating, but on the core operating, you've identified, after a transfer from the fiscal stabilization account of \$110 million, you show a net income of \$2 million; \$2 million on a \$10-billion budget is relatively narrow. We've just talked about the extraordinary costs that have been identified through the flooding that we've had just recently. We recognize that there are other extraordinary costs that may be identified throughout the next 12 months because of the economy itself, whether it be unemployment or whether it be a reduction in capital development.

Does the minister feel that \$2 million is sufficient to be able to look after some of those extraordinary costs, and, if they aren't, where does the minister see additional revenues coming to offset any of those extraordinary costs?

Mr. Selinger: The \$2 million would not be sufficient if I funded all the projects the member asked us to fund in the House yesterday, all the extra spending that he wanted in Brandon, in which he was raised, and then I'm not even counting all the other members of the opposition that had their favourite road, sewer or project come forward. So it'll depend on our ability to manage within the year and to deal with the fact that people think there should be no debt in Manitoba but want major capital spending at the same time, particularly in their own constituencies.

But assuming that we can manage the unknown demands on us within the budget envelope and the \$48-million summary surplus we think fairly represents our ability to manage the budget this year, there will be changes. There've been changes already, as we look out the door and see what's happening with the flood. Nobody anticipated this level of flood activity this year, and the forecast on that changed on a weekly basis too, depending on how fast things were melting, and, you know, how much ice was piling up and in which parts of Manitoba there's been sort of a unique experience this year on the flood in terms of some of the damage that's been caused.

So there will be additional expenses related to that and there'll be additional demands. There will be additional demands placed on us to do public works that will prevent some of these events that have occurred this year from occurring again in the future.

There is cost sharing on disaster relief once it reaches the \$5-million threshold. The Prime Minister was here and indicated he would be working with the

Province of Manitoba to address the concerns that have been raised. So there'll be a lot of sorting out once this is all over in terms of cost sharing and how it will be paid for.

Then, there's always a dialogue about how you use disaster assistance money to prevent problems in the future.

The member will know that over the last 10 years we've spent about \$885 million on flood prevention works, including the expansion of the floodway. I recall the member asking for a further flood prevention works in Brandon yesterday when he was talking in Estimates and the Executive Council Estimates. So, all of these things will have to be taken into account and budgeted for. Revenues will have to be sourced to do that.

But we will see how the year goes, and we will manage expenditure and revenue, and there will be further surprises not yet seen as the year goes along. Like every year, we'll try to be aware of them as quickly as we can, and then take mitigative measures both on the spending side and on the revenue side to address them. That's how you manage every budget. As the member said, a budget is a set of estimates, both of revenues and expenditures. It's the best forecast that human beings can make of what's going to happen in a province in terms of its growth in the economy and all the events that are surrounding that, but nobody has ever said that it is determinative. It influences growth in the economy through the measures that we take, but the economy is also influenced by external events as we've seen in this recession.

What's going on in Canada didn't start in Canada. It started outside of the country and most countries that are affected by the recession, the events that are impacting on them were driven from outside of their boundaries. We know that the major trigger point for the recession was in the United States, and it spread off of that, depending on how widely the risk and the losses were spread.

But we will manage as we go along through the year, and I'll be happy to let the member know how it's going as we go along.

Mr. Borotsik: I know the minister does supply me with the quarterly reports, perhaps not as timely as I would like, but those quarterly reports, I look forward to them and interesting reading.

Just a couple of points. The minister did make mention of a request that I'd made of the minister or

the Premier (Mr. Doer), actually, with respect to priority infrastructure in my community. It's true. I did make that request, but if the minister honestly believes that those infrastructure projects can be completed—can be designed and completed within this next 12-month period, I think he's probably being overly optimistic.

So I would not think that this budget would reflect any of those infrastructure costs that the minister has identified as well as the flood proofing. It was simply a matter of suggesting that since the flood proofing south of Winnipeg has been so successful, as been identified by the Minister of Intergovernmental Affairs (Mr. Ashton) numerous times, that, perhaps, we should look at extending that flood proofing to other areas. Again, I don't believe that the department, or even for that matter, the contractors, could get that job done this year.

So I don't think we'll be expending those infrastructure dollars out of this budget. There is about \$400 million as I understand it, \$450 million that is budgeted through MIT. There are dollars there. They've already been identified. They will be expended, hopefully. As the minister's indicated, that's a part of the stimulus program that has been identified in his own budget.

So, Mr. Chair, rather than blaming me for spending money that the minister doesn't have, I'm just, perhaps, putting on the record that in the next year or two, that those monies could be allocated for those infrastructure projects.

The minister had indicated the \$48 million in the summary budget, and it's true, it is there. It's by GAAP. If you bring in all of the other entities, \$265 million from Manitoba Hydro results in a \$48-million surplus in the summary budget. Should that \$48 million not be enough to offset any of the extraordinary costs or the reduction in revenues, would it be that the minister would fall back then on the four-year rolling average of the summary budget, should they not be able to balance at this point in time?

Mr. Selinger: As the member knows, Mr. Chairperson, the problem with hypothetical questions is that they have hypothetical answers, and those things are, at best, a guess. I can only give him the same answer. We will manage the experience of the budget and how it rolls out in reality as we go along, both on the expenditure side and on the

revenue side. We will see demands, extraordinary demands made for additional expenditure. We will see changes in revenue estimates. Then we will bring that information together and figure out how we can best respond both on the revenue and the expenditure side. There is the possibility in some cases of reallocation to new priorities.

* (15:50)

Sometimes departments will come forward to us and say what we originally wanted to spend these monies on is not our highest priority and where we'd like reallocate to meet this priority. If the rationale for that is one that we think makes sense from a public policy point of view, we usually support that change in expenditure pattern and then report on that and justify it.

In some cases, departments, and I'm sure the member's not surprised about this, claim that they need money outside of their existing [*inaudible*]. They have an expenditure for which they would like a new source of revenue, and we discuss that with them. Sometimes that is the case that they need an expenditure for which they do not have additional revenues. However, it's usually not the first choice of Treasury Board to allocate additional revenues. It's usually the first choice of Treasury Board to ask them to find it from within. If they can't find it from within, sometimes we help them find it from within, so that they can handle that. But sometimes you have a large expenditure on an important priority that everybody recognizes needs to be addressed and you have to find supplementary resources for that, and you can find them in a variety of ways. Sometimes there's a cost-sharing element to that, sometimes there's a revenue stream attached to that. Sometimes there's a re-allocation element added to that, and sometimes it's a combination of those things.

So we'll look at those things as they go along. I expect it to be a fascinating year.

Mr. Borotsik: Fascinating may not be the term I would use but, certainly, a challenging year, I would suspect it is going to be, I have no doubt about that. If one was looking on the outside looking in, one could, perhaps, consider it fascinating just looking at what's going on around us, right now, in the globe, it's fascinating, absolutely fascinating. We've never, ever experienced anything like this before, Mr. Chair. It's wonderful to read up and see what's going on in different jurisdictions, but challenging and fascinating.

The budget itself: last year, the minister prepared a budget survey prior to the budget. Did the minister do a similar survey this year prior to the budget?

Mr. Selinger: Yes.

Mr. Borotsik: I have not seen a copy of that, although I did get the one, previously, from last year. Is there a document that has been tabled with the results of that survey?

Mr. Selinger: No, I haven't tabled it yet, but I think we make the commitment to tabling it within 90 days of the budget being dropped. The general polling that we do with respect to the budget, I think we've usually released it within about 90 days.

Mr. Borotsik: I was, certainly, interested in the survey the previous budget year, and it would be nice to have the similar survey, and the questions asked, and the respondents that came back. That budget survey, does the minister know, and he may not, it may have to come back at a later date, does the minister know what the cost of that survey was?

Mr. Selinger: I would have to get him the specific information on that, and I'll do that and get it back to him before we finish the Estimates.

Mr. Borotsik: There was also, as the minister does and has done in the past, as other ministers have done before him, there's a pre-budget consultation throughout the province of Manitoba. It's a consultative process with the citizens, and since the citizens are funding this budget, it's a good process. Can the minister tell me what the cost of that budgetary consultation process was, as well?

Mr. Selinger: Yes, once again, I'd have to get the specific information for him, but I'll get him the details on that.

Mr. Borotsik: The last detail, if you could, and I know that the minister won't have these at the present time, but I have to admit, I've been watching, in between reading financials—which, I should get a life—I have been watching, on occasion, a hockey game, and there seems to be some advertising that has gone out that has indicated that Manitoba's budget is steady and balanced. It's a program that the minister has done previously. I know that there was advertising—and the reason I keep mentioning last year, it's really the only one that I have experience with, so I have to look at the experience as I go forward. I know that there's some advertising, a program that's been implemented on behalf of the

government. Could the minister tell me what the costs of that advertising program have been?

Mr. Selinger: I, again, will get the member the specific information. I might be able to get it as early as tomorrow, but I'll definitely make an effort to get it in front of this committee before we rise.

Mr. Borotsik: A little bit of a change. I did promise we would talk about equalization. I wonder, as the minister knows, equalization identified in this budget is some \$2.063 billion. There's a very detailed section in this budget document, which I found, again, fascinating. I would much rather watch hockey games than read about the equalization in this particular budget. However, it is fascinating and it goes through the history of equalization, as the minister is very familiar with since his government is very dependent on the amount of dollars that flow from the federal government. There are three: There's the five-province standard that used to be. There used to be the O'Brien formula, and now there's the new framework.

I wonder if the minister just could, for my own purposes, give me a bit of an understanding as to where we're heading. As I understand it, this is the last year where there's been an identifiable amount for equalization of \$2.063 billion. Going forward, well, I don't know, I wonder if the minister can help me and give me some understanding as to where he sees equalization payments going forward from this budget year.

Mr. Selinger: To give a completely precise answer I'd have to get inside of the head of the federal Finance Minister, not easily done. But the reality is that there have been some changes unilaterally visited upon the provinces by the federal Finance Minister and the federal government. The estimates of what that will be have only been provided for the coming year. There are no estimates for future years been provided yet.

Mr. Chair, the future shape of the program is designed to limit growth in the program. That decision was made around the time when oil was about 145 bucks a barrel, because that was the rationale that the minister used for deciding to put caps on it. It's still intended, I believe, to be a three-year average but there's been a change in the average to the retrospect of three years to two years retrospectively and one year prospectively, which is an estimate. *[interjection]* For the ceiling, yes. The cap differs from the O'Brien recommendations. You'll recall that the O'Brien formula was one that

the minister brought in with great fanfare, is putting it back on a principal basis.

So there will be a cap. It will limit the growth in the fund to roughly growth in the GDP, through your average growth in the GDP. That's sort of the broad outline for the program.

The reason we put these papers together every year is so that—and I appreciate the member having taken the opportunity to read it because it gives a really excellent history, and it gives sort of the latest evolution of the program. That's helpful because we all have to be pretty clear on our understanding of what's going on here, so that we can know what performs will be required in the future. I'm pretty certain that this is not the end of the story on equalization. I think this is just another chapter in the long evolution of the program.

The member will remember that the program was brought in—well, it's in here—I think it was 1961 was the first year that it was brought in, '62, whatever the number is. I'll just firm that up. But it was brought in during that era as a result of a fiscal arrangement that had come out—and it's in the paper—of the Second World War where the provinces had given up a lot of their taxing room to the federal government so they could mount the war effort. Then, after the war had concluded, the federal government wasn't that keen on returning that taxing authority to the provinces. But they launched a royal commission call the Rowell-Sirois Commission, which recommended a new set of fiscal arrangements that included an equalization element to help Canadians have revenue at the provincial level that would allow roughly comparable levels of service at roughly comparable levels of taxation. That was the genesis of the program. It's why they supported it at the time.

Mr. Chair, it is still the only transfer payment enunciated in the Constitution of Canada. There will be lots of further evolution of this program because I think the way that the recent changes were made, they were done without real consultation with anybody outside of the federal government orbit. That has left some people not entirely satisfied with the process, particularly when the O'Brien report had recommended that there be a review process that allowed for more participation of citizens and governments in that.

Just as a starting point, there's a cap with a one-year estimate and no clarity about what that revenue will be as we go forward.

* (16:00)

Mr. Borotsik: I appreciate the comments. There's no understanding as what that revenue stream is going to be going forward. There will be a revenue stream; we just don't know how much it's going to be. If they're using a three-year average of GDP, we do recognize that the GDP has been identified as going down some 7.3 percent, although albeit there is going to be an increase in GDP in the last quarter. But there is going to be a reduction in GDP. So, if there's a reduction in GDP based on that, the revenues that will be generated out of it will be less.

Well, I ask the question: Does the minister anticipate that the revenues that are generated, that can be used for equalization, will be less going forward than what it is today?

Mr. Selinger: I think it's a safe assumption that there will be an adjustment in revenues. The only question is how much. But, there will be an adjustment.

There was going to be an adjustment anyway because the Canadian growth rate was lower than the Manitoba growth rate. Manitoba was growing faster than the Canadian average. So, even if there was overall growth in the economy, not a negative growth, we would have seen a decline in our equalization payment.

So, if you compound the fact that our economy is still considered to be in the top two, three with the slowdown, you're probably going to see more reductions over time.

Mr. Borotsik: Yes, I guess that's effectively where I was heading. You're going to see more reductions over time. We now know that there are other provinces, who have been identified as have provinces in the past, are going to be receiving a portion of that equalization, Ontario being one. We know Saskatchewan doesn't receive any equalization now, nor does Alberta or British Columbia for the time being. But Ontario will. In fact, has, I understand, this year received some \$500 million into equalization. With the economy in the way it is now, and everyone understanding the dire situation that they're finding in Ontario, is it possible that Ontario could well be taking the lion's share of that equalization pool over the next year to two years?

Mr. Selinger: I don't think so. I don't think they'll take the lion's share of the pool. Some of the percentage growth numbers might go their way, but it's still 40 percent of the GDP; it's still a pretty

powerful economy. Obviously, they're going through some major adjustments.

With Ontario's entry into the program this year, every province in Canada has been a recipient of equalization at one point in their history—Alberta, British Columbia, Saskatchewan. Every province now has received equalization at one point in their career. Some provinces forget that, but the reality is it's always been there on a timely basis, since the inception of the program, to aid provinces when their growth dipped below the Canadian average, based on the formula in place at the time.

So I think you will see more money going to Ontario, depending on how deep their economic decline is relative to growth in other provinces and how quickly they recover. We've seen Ontario go through some tough times before in the '90s when free trade was brought in. The member will remember we had a very deep recession in the '89 to '92 period. Ontario was seriously affected by that, both as a result of free trade and the extraordinarily difficult inflation-fighting interest rates by John Crow and the Bank of Canada at the time. The combination of sort of made-in-Canada anti-inflation policy and the impact of free trade and its impact on the auto sector and the manufacturing sector in Ontario drove Ontario into some very serious economic challenges back then.

But they also bounced back pretty good coming out of that. So it's not entirely clear where Ontario will go, going forward, but we do know that it's been a pretty powerful economic engine historically, and they're very proactive, as all provinces are, on looking for solutions to that. As we know, there's major restructuring going on in the auto sector and the government's putting forward significant money to help that restructuring occur.

Canada retains some very significant cost advantages in the auto sector. First of all, medicare is a huge advantage for any manufacturer in Canada because their competitors have to levy a payroll tax for health premiums. That's not required on the payroll in Canada, although Ontario has two payroll taxes, but on everybody, not just on payroll, but they have two taxes on everybody, per capita taxes.

So I think you will see the restructuring occur. There's the currency advantage, too, in terms of the variable weight of our currency versus the American currency right now. That went out of whack for a year, about a year ago, but it has returned to about a 15 percent, 20 percent difference. So I expect

Ontario's economy will restructure. I think there will be an auto sector there. It'll look different. The ownership patterns might change, at least in part, but there will be a North American auto sector and part of it would be in Ontario.

Now, obviously, Mr. Chairperson, there are some very difficult days ahead in that because of some of the negotiations currently going on between the governments, the companies and the labour movements that are involved in that, but out of that there will be something emerge that will provide the manufacture of vehicles in Canada.

Mr. Borotsik: Agreed, but, in the interim, it does seem that the pool of equalization perhaps could be lessened for Manitoba. We do know that in the '90s—the minister had mentioned the '90s—and, unfortunately, I was involved in a business at that time. I do know how it affected the shopping centre business, actually, in the '90s with the interest rates the way they were. Leveraged debt, but we won't get into that. However, there was a reduction in transfer payments to the Province of Manitoba during those times. In fact, there was somewhere around \$394-million decrease in federal transfers, total transfers to the Province of Manitoba. It can happen. The minister has indicated, quite frankly, that it probably will happen.

If our economy, as the minister has indicated, is in a stronger position than the economies of other provinces, then the amounts of dollars flowing into Manitoba from the federal government is going to be lessened. If that happens, and I know how the minister doesn't like hypotheticals, but let's assume this isn't hypothetical. Let's assume that it is a fact, and the transfers and equalizations are going to be reduced. What would the minister's reaction to that be and how would he deal with those types of reductions which are very important to our budget? As I said, It's about 38 percent of our total budget at the present time with the CHD, the social transfers and the EI equalization; 38 percent of our total budget—it's quite a dramatic amount. How would the minister, not hypothetically, but how would he deal with those—he's never had to deal with those reductions. He's had 10 very good years of economic growth and growth in the transfers. How would he deal with a downturn in those transfers?

Mr. Selinger: Well, first of all, to assume something is a fact is a hypothetical. So I mean, you can describe it any way you want, but you're asking me to predict the future when the member himself has

said that the future is unpredictable and very volatile right now. The reality is—and then the member references that the last 10 years have been a cakewalk for the government. The member forgets that we had the second largest drought in the history of the province about five years ago. The member forgets that we went through the tragedy of 2001, September 11, and saw dramatic revenue plunge during that period. So we did see reductions in transfers during that period of time, and we had to cope with that. We also saw our own source revenues decline during that time.

So I know it always looks rosy when you're on the other side of the fence, but the reality is when you're in government, you have to deal with variability and unforeseen circumstances and they can have bottom line impacts. We've had to cope with them in the past and we will have to cope with them in the future.

So we have seen a decline in equalization of about 4.5 percent in the last decade, just to put it in perspective. So the reality is that there could be some changes, but the other thing you have to be aware of is that as some formulas change in a negative way, other things are happening in a positive way. We're seeing a major stimulus program put out across the country where all governments are working together to provide stimulus to the economy, mostly through investments and infrastructure. So, Mr. Chairperson, the changing canvass of federal-provincial fiscal relations is an ongoing dialogue between the provincial governments and the federal government and the story is unfolding as we speak.

What will happen, we will work toward a balanced budget in the future, based on our best estimates of revenues and our best ability to identify how we want to spend the money, and there will be some variability in there. There will be some difficult times. The member knows that virtually every province in Canada, but for two, are running deficits this year. The member is very aware of that, including some of the provinces that he used to try to hold up as examples that we should follow in the past. I notice that those examples aren't quite as prominent these days. But the reality is that we'll try to structure our budgeting process to grow the Manitoba economy, to grow the wealth in the province and to do it in a fiscally prudent fashion.

Mr. Borotsik: Just to correct the record, I know the minister wouldn't want the record to show that there was a 4.2 percent decline in equalization payments.

Since 1999, the equalization payments to the Province of Manitoba were \$970 million, at which now we're hitting \$2,000,063,000, so there have been some minor declines. As a matter of fact, in 2002–2003, there was about a \$60-million decline in equalization. But I know the minister didn't mean to have the record show that there was a 4.2 percent decrease in equalization over that period. There have been decreases in certain years, but a substantial increase since 1999 to budget year 2009. In fact, from \$970 million to \$2 billion is a fair increase that the Province of Manitoba does depend on with respect to equalization payments.

*(16:10)

One of the comments that was made in the panel recommendations—and I assume this was the O'Brien panel. For information, information only—and I guess that's what this whole process is about, is information, improving equalization formula. They refer to something called the representative tax system, the RTS approach, for assessing fiscal capacity of provinces should be retained.

Can the minister explain to me exactly what the RTS is and how that fiscal capacity is assessed?

Mr. Selinger: The representative tax system is the standard by which the federal government calculates the equalization transfer program, and it includes all the major tax bases in every province, income tax, corporate tax, sales tax, all the major tax bases. It only includes 50 percent of natural resource revenues and it excludes what you might call user fees.

So the representative tax system used to be as broad as 36 separate tax bases. The O'Brien recommendation simplified that system down to five variables for the representative tax system. Then they look at what the average yield would be in the country for taxes across the whole country. If a province's yield would be less than the average, they become eligible for the equalization transfer, and if it's higher than the average, then they don't get that equalization transfer. So that's it in the simplest form.

Mr. Borotsik: Thank you, and in the simplest form, as I understand it, I thank you for the simplicity.

Basically the five areas of taxation would generate revenue. Those revenues is the yield that you refer to. You look at those revenues, that yield, and compare it to other provinces. That's how it's done. Can you give me the five areas of taxation?

Mr. Selinger: The tax bases that are used as the bases for the representative tax system are the business tax base, the personal income tax base, the property tax base, the natural resource tax base and the retail tax base. There are lots of little variables within that, but those are the principal ones.

Mr. Borotsik: When you refer to business, as we've just gone through the revenue section of the budget, when you refer to business you're talking about corporate taxes, mining taxes, all of the revenue centres that we saw in the business tax section of the budget.

Mr. Selinger: Yes, the various sources that generate business revenue to government, including only 50 percent of natural resource revenues and excluding user fees.

Mr. Borotsik: As I understand it, that's the current calculation, the current formula that's being used for the equalization at the present time. I know, again, no crystal balls, but we do know that the federal government has identified equalization and transfer payments as one of its areas of perhaps reducing the cost to the federal government.

Does the minister have any indication as to how the formula could well be changed in the future that may well impact Manitoba in a negative fashion? In this document that I read, there are some fears that have been identified here that, should there be a change in any of the formula, it could negatively impact Manitoba.

Mr. Selinger: I'm not aware of any proposed changes to the representative tax system. I think they're more looking at various forms of capping.

Mr. Borotsik: Good. Thank you. If I can, just a question. I know this is off topic. Equalization is pretty much done. The minister's explained to me, as best he can, where we're heading with equalization. We do know that we're very dependent on equalization payments from the federal government, and now, knowing full well that it's based on the tax revenue generated, Manitoba does, in fact, receive the lion's share, on a per capita basis, of equalization. In fact, I think there may only be one or two provinces in the country that actually get more per capita equalization than the province of Manitoba. I do have the document here at some time. Perhaps the minister could tell me who receives less on a per capita basis of equalization than Manitoba?

Mr. Selinger: I'll give some preliminary comments. First of all, on a global basis, transfer payments to

Manitoba have been below the Canadian average. The size of the pie, of the total transfer pie received by Manitoba, has been relatively stable but slightly declining. So the portion of the pie made available to Manitoba is actually somewhat smaller than it was a decade ago, and the average transfer payments to Manitoba have been less than the Canadian average.

For example, Ontario has seen an increase in transfer payments over the last decade of 203 percent. Alberta has seen an increase in transfer payments of 139 percent. British Columbia has seen an increase of 114 percent. This is presented in the budget, actually, on page C-7 if the member wanted to see the chart—that document—C-7. There's a little chart on the lower right-hand corner, which I'm sure I'll have the opportunity to mention it to him again in question period as we go forward. That little chart would indicate that the average increase to transfer payments to the provinces has been about 98 percent, and Manitoba has been below that at about 86 percent. Contrary to the mythology of who gets the benefit of transfer payments, some of the most populace and largest provinces have been receiving the larger transfer payments, including Alberta, British Columbia and Ontario. That's just to give the member an indication of that.

Now, on a per capita basis, P.E.I. and New Brunswick are higher. Nova Scotia is about the same place. It's about \$9 difference per capita. That gives you an indication of what our ranking is. It looks like we're in about third place on a per capita basis. Of course, in terms of absolute numbers, it's been far greater to other jurisdictions. The member has to understand that equalization hasn't been the major area of growth in transfer payments. It's the per capita transfers that have been growing most rapidly, for health care mostly. Those per capita transfers have been going to the larger provinces, which is why I indicated to the member where the largest percentage increases are, all transfers included. The largest increases have been to Ontario, Alberta and British Columbia.

Mr. Borotsik: As I'd indicated to the minister, my question related to the equalization dollars that were being generated on a per capita basis, and the minister's identified that we are the third highest. As a matter of fact, on a per capita basis on equalization per capita, we're actually substantially higher per capita than the province of Québec on equalization.

It wasn't the transfer payments totally with the health transfer and the social services transfer. It was

simply on equalization, and that is a very major component of the total transfers that come to the province of Manitoba. The minister can certainly identify perhaps more health and social transfers going to the other provinces, but the reality is that on equalization we have \$2.063 billion that flows to our budget. That's substantially more than most other provinces with the exception of P.E.I. and New Brunswick.

It is important that the minister—well, I know the minister realizes the importance of the transfer payments because we just talked about that. We also know that there's a jeopardy there with respect to equalization because of the capping of it and that growth in the equalization is not going to continue probably over the next couple of years. I know the minister's cognizant of it, and I know he's certainly going to do everything he can as to try to structure the next budget based on those potential of reductions. Yes, we do receive substantial transfers from the federal government, and I appreciate that.

* (16:20)

Last question with respect to this section on the budget, if I can. I had forgotten about it. We talked about transfers perhaps being reduced. We talked about revenue streams perhaps being affected. We talked about the summary budget.

We know that in a previous year, this administration, as much as they want to talk about the sale of Crown assets, the fact is that in one previous year, when a deficit budget came in, and I'm looking at this as being a challenging year, and the minister and I have already discussed that. This is challenging, more so than anything we've ever seen.

Should that happen, and, again, hypotheticals, it's happened in the past where retained earnings or net earnings from Manitoba Hydro have been flowed into the budget. Would that happen again or could that happen—no, better yet, not even would? Could that happen again where, should we run into some extraordinary circumstances, where Manitoba Hydro, again, would be asked to contribute cash, not just on a balance sheet, but cash coming from their retained earnings back into the operations of the core operating?

Mr. Selinger: Just before I answer that question, I just have to point out to the member that, in '99-2000, the last time the Conservatives were in government, their share of federal transfers was 6.8 percent, and in this budget, our share of the total

federal transfer pie is 6.4 percent. It's a declining portion of the overall pie, and I explained earlier that when your economy is growing, in the top three for the country, you're going to automatically get less transfer payments as a portion of the total.

I have to remind the member again, if you want to look at transfer payments, it's just like summary budgeting; you actually have to look at the whole story. And the greatest percentage increases in transfer payments are total transfers. For example, there's been a 200 percent increase, 203 percent increase in transfers to Ontario. It started at 4.7 billion in '99-2000; it's up 14.2 billion now. British Columbia started at 2.2 billion in '99-2000; it's now almost 4.8 billion. Alberta started at 1.3 billion and it's \$3.1 billion. So that just gives you an idea of the growth in transfers in other jurisdictions.

That's part of the whole story, and it's important to link those together because the arrangements that were made and understood through the O'Brien report were to strengthen the equalization program and put it back on a principal basis at the same time as more transfers on a per capita basis would be made available to other provinces. That was part of the grand bargain that the federal government structured when it strengthened the equalization program, is they offset that strengthening of equalization by improved per capita transfers to the more populous provinces.

On the question of transfer payments or transfers from Crown corporations to government, the member will know that, under the old balanced budget legislation, it was possible to transfer in revenue from a Crown corporation to government because it was outside the reporting entity. It is now included within the reporting entity so it's much more accountable now and it's included within the reporting entity. The incentive for a transfer is much less.

Mr. Borotsik: I can probably access the document the minister is looking at right now with respect to the increase in the transfer payments to the other provinces. If it's possible, I'd ask the minister to make that report available to me. I assume, as well, that in those numbers that he's quoting from that there's a per capita number there for the transfer payments to all provinces.

Ms. Flor Marcelino, Acting Chairperson, in the Chair

Mr. Selinger: I will make the document I discussed with him available about the percentage increases. I will make that available to the member.

Mr. Borotsik: Madam Acting Chair, we can now, perhaps, turn to another topic which is dear and close to my heart, and I know it's dear and close to the minister's heart. That's one of debt. We have seen an increase from budget to budget of net debt, and I do understand the difference between net and gross and nominal. I know the minister's going to throw other issues at me, and, certainly, there's borrowing as opposed to simply debt, and we can talk about all of that. But, from budget to budget, it's actually increased from \$10.1 billion to \$11.8 billion in 2007-2008 actual. Excuse me, from actual was \$10 billion to budget this year is \$11.8 billion, which is an increase of \$1.7 billion in debt. That's a substantial amount of debt. I do know that there are explanations in here as to where it went. There was some money that went to the pension fund. There was, I believe, 400-and-some-odd million dollars that was for infrastructure.

Does the minister anticipate continued levels of debt acquisition to the same level as it was from this actual to budget year?

Mr. Selinger: Well, again, a lot will depend on where we go with this global recession. There has been a worldwide consensus that governments should provide about 2 percent of their GDP as stimulus. In our case, rather than running an operating deficit, we've been doing it by investing in assets that grow the wealth of the province, and that's why there's been increased borrowing to provide assets. But the growth in the assets has been greater than the growth in the net debt. I indicated to the member yesterday, and I actually think it was today when we were talking in the Legislature, or debating in the Legislature, that I indicated that relative to GDP, our assets have grown by 18 percent, whereas, relative to GDP, our debt has declined by 15 percent. So we're investing in such a way that we grow the wealth of the people of Manitoba.

Mr. Borotsik: The minister takes great pride in indicating that we're now in a debt-to-GDP of, well, at that time it was 21.7 percent than the previous. We're now at 23 percent; it's going up. It's increased by 1.3 percent for this budget year. So there has been an increase in the debt-to-GDP. Is there a level of debt-to-GDP that the minister finds acceptable because there are different levels of debt-to-GDP in different jurisdictions? But is there a number that the

minister can give me that he finds acceptable as debt-to-GDP?

Mr. Selinger: I think we've discussed this in previous Estimates about what the standard should be for debt-to-GDP. In Europe, for example, in the European Union, I think it's about 40 percent debt-to-GDP. They asked the members of the European Union to try and keep it in that area. We're at 23 percent in this budget. I think that's considered to be pretty strong debt-to-GDP ratio on a global scale when you look at it through, like bond rating agencies and the people that assess the finances of governments. It's come down from 32 percent of GDP. When we came into office we brought it down, as the member has acknowledged.

So we've been bringing it down every year until this year. Now it's going up again as a result of our commitment to stimulating the economy to make sure the recession has as short a life as possible. We're putting that money into things that are going to make a real difference. I must remind the member that he asked for these kinds of capital spending projects. He has a number of projects he would like to see occur, and you have to finance them. Every other MLA in the House, I've noticed, has their own pet projects that they ask for at the same time as they complain about the debt. So this is not an uncommon phenomena. The reality is that this is a level of debt that, I think, is supportable by the Province. It's 6 cents on the dollar, which is about half of what it was when we came into office, when it was about 13.2 cents on the dollar.

Mr. Borotsik: The 23 percent debt-to-GDP ratio is something that's acceptable by the Finance Minister. Certainly, if you look at European standards, perhaps it's low, but does the minister ever look at the areas that we're actually competing against, western Canada particularly, because their debt-to-GDP is substantially lower than what it is in Manitoba. Saskatchewan, for example, has just reduced its debt, it's net debt; we have to compare apples to apples. It's down to around \$4.8 billion at the present time, and I believe they're running around a 6.8 percent debt-to-GDP ratio. Alberta, needless to say, has a zero percent debt-to-GDP, and B.C.'s running around a 15 or 16 percent, if memory serves me correctly.

Is there no correlation between what other western Canadian provinces do and what Manitoba does?

* (16:30)

Mr. Selinger: If you look at our budget on page B-12, we show net tax supported debt-to-GDP, a ratio by province, and we were the fourth lowest of all the jurisdictions. So we're very competitive on a Canadian basis.

The member says we have to look at relative to who we're competing against, and the member will know that our major market, 69 percent of everything we export goes into the United States. We're very competitive in the United States where they've been running deficits for several years. Their national debt-to-GDP ratio is quite a bit higher than Manitoba's, and certainly higher than Canada's for that matter, and growing quite rapidly, as the member will know.

So, you know, who are our competitors? We compete on a global basis now, and we have one of the highest credit ratings in the world for a sub-national government.

Mr. Borotsik: Then, as I understand it, it's the same credit rating that is achieved by New Brunswick at the same time. So we are—if you want to make comparisons, we still do have the ability to look at other provinces and New Brunswick, it's a great province in the country of Canada, they have the same credit rating as we have, and it's a competitive issue.

Now, when the minister talks about, we send most of our trading goods south, he's right. In fact, I have mentioned in an earlier comment that 80 percent of what we produce in this country goes south.

However, I also understand that there are some discussions going forward with respect to interprovincial trade barriers coming down, and that may well mean that we can move some of our goods laterally across the provinces. If we don't have the ability to compete in Saskatchewan, Alberta and British Columbia, which could well be a fairly good trading partner for us, then we may well lose out of that marketplace. So we have to be cognizant of the fact that we have to compete not only internationally and not only in the U.S., but also in other western Canadian provinces, and that means not only with debt but also with taxes and also with the ability to perform business here in the province.

As for the debt, the minister is happy at a 23 percent level of debt-to-GDP.

An Honourable Member: I didn't say that.

Mr. Borotsik: The minister said that it's a standard that he's comfortable with, I think, is what—am I right? [*interjection*] Perhaps the minister could tell me what he said then.

Mr. Selinger: The member asked me what I thought was the appropriate level, and I said to him—I didn't make a value judgment on it. I said we're at 23 percent. I said, in relative terms, it's quite strong. Am I happy with it? I mean, in a perfect world you'd have no debt. But you want to build assets. You want to build the wealth of the province.

So, you know, I'm not happy with anything short of perfection, and part of the exercise of being here is to improve things on an ongoing basis, which is why I put on the record that our tangible capital assets have grown by \$2.1 billion, or 18 percent of GDP in the last five years. Our net debt has decreased by 15 percent of GDP.

You know, if the member buys a house and the interest rate on it is low, and the value of the house is greater than the mortgage he put on the house, he's better off, and Manitoba, the investments we're making have made the province wealthier as a percentage of our GDP, and the debt has shrunk as a percentage of the GDP. We are overall better off in this province because of the way we've structured our investments, and that's a good story and a positive story.

Yes, we do have to compete even west of us. We're about 69 percent of our markets in the United States. The remainder is east and west and international. We do actually do more trade east and west of us.

But, if you take a look at Manitoba's competitive advantage in terms of cost of doing business in Manitoba, it's extremely competitive with any of the provinces to the west of us. They all have much higher rates of inflation and overhead costs than we do in Manitoba, and very competitive going east too. New Brunswick, I'm delighted they have a credit rating the same as ours. We don't really compete with New Brunswick—on very few things. Most of their trade flows north and south, as does ours. I can't think of too many things we compete on and, if the member can let me know, well, I'll let him know whether we're competitive or not on that particular product line. But I just don't think there's much that we compete on in terms of market share.

So we are very competitive. In terms of our business environment, there was that KPMG study

that looked at a hundred cities in North America, and the cities in Manitoba were in the top 20. That was identified on page 10 of the budget. There's a little grey area there where some of that information was put on the record. It just gives an idea that we are a very competitive province. It says a recent study by KPMG International confirms the competitiveness of our business environment, noting that Winnipeg has the third-lowest effective corporate income tax rate out of 81 cities in North America. Now, we're No. 3, and I'd like to be No. 2 and No. 1, but No. 3 is not a bad place to start out of 81 cities. Furthermore, Winnipeg has a lower effective corporate income tax rate than 58 out of 59 American cities in the study. That's not bad. I know we'd like to be No. 1, but being lower than 58 out of 59, there's one that did better. I'd like to know who they are. We should take a look at what we can do to move ahead of them in the future.

So the reality is that we do have a very competitive business environment and we have to start promoting that. Everybody should be promoting that, including members of the opposition.

Mr. Borotsik: Actually, Madam Acting Chair, we do promote the province of Manitoba as best we can. We have an awful lot of potential, perhaps potential that's untapped at the present time, but I'm sure that eventually we can tap that potential and we can see the province eventually become a have province as opposed to a have-not province. I think if there's anything that we should be trying to achieve, it's that; where, in fact, Manitoba could hold itself with pride and say that we're not only a contributing member of this great country of ours, but we're now going to be a part of a contributing member without having to take handouts from the rest of the provinces. That would be great.

Mr. Chairperson in the Chair

Mr. Selinger: I just have to intervene. There are so many fallacious statements that the member made there. We already are a have province. We've been a have province for many decades. We have one of the highest quality of life in the country on any measure. We have one of the highest credit ratings in terms of fiscal probity of any measure. Transfer payments are from the federal government to the other provinces. There are no transfer payments from one province to another. That is really inaccurate information the member has put on the record.

Mr. Chair, part of what the opposition likes to do with transfer payments is they like to make the

government feel that somehow they failed the people of Manitoba because they're getting a transfer payment. I indicated earlier to you that the major percentage increases in transfer payments are to the wealthiest provinces, Alberta and British Columbia, to name two of them.

The transfer payment scheme is no different than the National Hockey League, where there's a transfer payment among the hockey teams to make them all competitive. I don't think the member opposes that. There's a draft system that allows the teams to remain competitive. They share revenues. All the major sports leagues in the world recognize that they're all better off when they're all competitive relative to each other, and there's a transfer scheme put in place to do that.

So, if the member wants to continue to try to put down the people of Manitoba by saying they're a have-not province, he can do that. I don't see it that way. I see us as a have province. We contribute to the whole country in terms of policy innovation. We contribute to the whole country in terms of economically. We contribute to the whole country in terms of the people we educate, and they contribute both inside the province and they move to other parts of the world, and they make a contribution.

Some of the best things that have happened in this country started in Manitoba.

Mr. Borotsik: I'm not going to dispute the minister. There's no question. I would not be here, nor would my wife be here, if I didn't have a great feel for this province. I was born here. I expect that I will die here, and I will not be leaving the province at any point in time soon. The fact is I have developed a home here, as the minister has.

I see that we do have a number of advantages in Manitoba. Certainly, our summers are one of those advantages; however, we have some disadvantages. Our tax regime is a disadvantage, and I can certainly point to data, and I will at a little later date, as to how we are not competitive in a tax regime here between Manitoba and other jurisdictions. Unfortunately, we lose a lot of what we shouldn't be losing, and that could be our children and that could be others that leave this province that could be contributing to the province, as opposed to other jurisdictions.

So, if the minister wants to talk about the wonderful advantages we have in Manitoba, he's right, but we also have disadvantages, and I know he has to identify some of those disadvantages.

Going back to another comment that he made with respect to our assets and building our assets, and it's necessary to acquire debt to build those assets, I disagree with that, respectfully, I disagree. I don't think that one has to acquire debt in order to increase their assets. Individuals can add to their own homes and increase the asset value of that home without having to go into debt, and the same is true in some provinces. Mr. Chair, in this particular case, the Province increases assets and they take the accompanying amount of debt that goes along with that.

Other provinces can acquire assets and do it through cash flow. They can do it through the revenues that they generate on their income statements, and they don't have to borrow money to do that. This minister and this Province have borrowed more money, and that's not a secret. We're \$1.7 billion more this year than we were last year. Now, some of those went into hard assets; some of them went into operating. The fact is that there has to be a balance as to how much debt we do have in this country and in this province.

* (16:40)

In saying that, now that we have the staff here who know what the debt costs are, I would like to—and I know that there's some refinancing that's going to go forward this year. We have new cash requirements. As a matter of fact, the new cash requirements are some \$1.7 billion; the refinancing is \$1.5 billion for a total of \$3.2 billion.

Can the minister tell me what type of terms that he's looking for, what kind of credit terms and what kind of length of term that he's looking for, for not only the refinancing, in some cases, but also the new cash requirements?

Mr. Selinger: I will give him that information, but I just have to put on the record the fallacious information the member has communicated to the public, through the Legislature, that the debt in Manitoba was greater than, for example, the debt of provinces to the west of us, in aggregate. The debt of British Columbia is \$40 billion, the net debt, \$40.5 billion. The net debt in Manitoba is \$11.8 billion. So, you know, it's just inaccurate information. Now that's on a full summary basis. That's how we do budgets now. That's how accounting is done. You can pick different rules and carve it up a different way, but if you compare apples to apples, our net debt is substantially less than the provinces to the west of us.

The other point I have to make is there no province in Canada that is not borrowing money this year to finance its program. So for you to suggest that the best way to grow the wealth of Manitoba is to do it with cash is, quite frankly, unrealistic, given the times that we're in. It's like telling a young couple they should not buy a house until they have the full cost of the house able to be put down on the table. By the time they got to that stage, the kids would be grown up and gone and they wouldn't be able to provide them with a decent quality of life or an education. The reality is that a properly managed investment program to grow the wealth of the province can be improved by a proper program of borrowing that has a discipline built into it in terms of amortization.

The other statement that's frequently made by the member and other members is that we're leaving a legacy of debt to the next generation. Every asset we finance in Manitoba, it pays itself off over the useful life of the asset. All members of the public use a building over the 40 years, all members benefit by that and by the time that building has no longer a useful life, that debt is paid off. That's the discipline built into our amortization schedule now.

I don't know what economic model the member is following or what theory of economics he's doing, but if he thinks that every province or provinces are going to be wealthier by having no debt and never borrowing money, I don't think there's any jurisdiction in the world that operates that way, that I'm aware of, unless it's some very, very wealthy resource-based economy that has a massive amount of surplus money. But even those economies are struggling right now, as the member knows, with the dramatic change in commodity prices.

In terms of his question, how are we going to finance it, at what levels? Generally, the borrowing rates will be single digits. They'll be in the order of about 5 percent, roughly. We go to the market when we see the best opportunity to attract money, but I would suggest that the borrowing costs for financing our investments will be about 5 percent on an approximate basis, give or take. It could be a little higher. It could be a little lower. As the member knows, the markets change on a daily basis.

Mr. Borotsik: That's fair. On the borrowings that you have, you talk about an amortization. So you're paying principal and interest on those notes. And you're saying they're 5 percent notes at the present time? If memory serves me correctly, this time last

year, the number was about 4.25. Have rates gone up over that past 12 months?

Mr. Selinger: Last year, the rates were under—well, even last year they were starting they were starting to go up into that 5 range. So there hasn't been a dramatic change. There's been a change in some of the spreads but, as you know, the Bank of Canada has been reducing the primary rate. Last year, about this time, it was around 5 as well.

As I indicated earlier, the spread rates have gone out. The long Canada rates have declined by, maybe, 50 basis points from 4.25 to 3.75, but the difference between the long Canada rates and our rates has been picked up by the banks charging more, so it's still about five this year versus five last year, even though the basis upon which we get that rate has seen more spread built into it by the banks.

Mr. Borotsik: Okay, could you use an example for me at this point? Manitoba Hydro, you're showing new cash requirements of \$800 million for Hydro. It's identified in your budget document.

First of all, why the \$800 million? Where's the capital requirement for the \$800 million? Is that Wuskwatim that they're looking at at that \$800 million, and, if so, the rate at 5 percent, what would the term be on that \$800-million borrowing?

Mr. Selinger: Well, the member asked a couple of questions there. What's the money for? It's, in part, for Wuskwatim. It's, in part, for preparing for the next major project, which will likely be Keeyask. It's, in part, to finance improvements to existing infrastructure, all of those things.

I mean, Hydro has a major capital program every year to keep its assets in good shape. A certain amount of that they finance through internally generated cash, and a certain amount they finance through a borrowing program. They retire that every year, too, so there's a refinancing element in terms of some of that, but about 5 percent over a long term, say, of 30 years.

Mr. Borotsik: Would most of the borrowings identified in this be over a 30-year term?

Mr. Selinger: The protection of the interest rate probably is over 30 years, but you don't actually borrow all your money over the same time or otherwise you get very lumpy rollovers. So you would finance it over different terms. Some would, say, be 10 years. Some would be somewhere between 10 and 30 years. But you put a forward

protection on that to protect the cost of that money as you roll it over.

So, I'm just keeping it basic, but 5 percent, 30 years. But, you know, we do some 10 years. We do some five years. We do some terms in-between that, and then we try to make sure that we have a program that's managed for a certain amount of turnover every year, so you don't get a whacking pile here and then none here. It's a way of managing our costs going forward because, as the member knows, every year there's going to be variations, and if you can have a consistent program of managing your debt acquisition and turnover, then it's more easy to predict the future costs.

Mr. Borotsik: Just as a correction, the minister just already indicated that Manitoba Hydro does do some of its capital internally. They do do it from cash flow. They do do some from borrowings, and that was my suggestion. You don't have to borrow all of the money in order to put it into capital assets. You can do it through internal cash flows, as well.

So the minister took me to task in suggesting that there is no need for any debt. That's not true. If he had heard this afternoon's debate, I had indicated that mortgages are fine. Mortgages are necessary and certainly those are required for capital debt, but the capital debt has to be within line of being able to service that debt, and you want to make sure that the debt servicing doesn't goes out of whack. So it's just a matter of balance. Everyone has to look at the amount of debt on balance and sometimes that goes out of balance.

He also mentioned British Columbia, and he used the number of \$40 billion total debt before forecast allowances. What he didn't say is that taxpayer-supported debt, provincial government direct operating debt, without having to add the education, health, the highways, public transit and others, that is \$6.8 billion, which is the operating debt.

I would like to know what our operating debt is in the province of Manitoba at this point in time.

Mr. Selinger: Well, are you asking for our operating debt by taking out highways, education and schools, because that's all included in ours.

You're not comparing apples to apples there. You can't say that they have \$6.8 billion of net debt and not count health, schools and highways. Give me a break.

Mr. Borotsik: Excuse me, but some of those items of debt are deducted from the net debt that the minister is talking about, the provincial borrowings and guarantees. They do reduce Manitoba Hydro. Other Crown organizations, health facilities, government enterprises, other capital investments, general government programs, pension liabilities are deducted from that when they come to a net debt of \$11.8 billion.

So you compare apples to apples, oranges to oranges, but not apples to grapes. So the minister, we can talk about semantics; we can talk about numbers anytime. The fact is that there is substantial operating debt in the province of Manitoba that can be comparable to the same level of operating debt in the province of British Columbia.

* (16:50)

Manitoba Hydro, we talked about the \$800-million requirements for new cash, as well as \$800 million in refinancing.

Just a question on the debt requirements for this year, the borrowing requirements, Mr. Chair. There's \$50 million for Manitoba Lotteries. I wonder if the minister could explain why there's a requirement for \$50-million capital for Manitoba Lotteries.

Mr. Selinger: Subject to checking on it, I believe that that money is rolled over from when they built the casinos, refinancing, and some acquisition of assets as well. New cash requirements are 50, and refinancing is 9.1 million. I'd have to get the breakdown of the 50 million there for the member, but I can get that for him and report back to him. I'm sure I'll be able to do that before we rise from this Estimates sitting.

Mr. Borotsik: I would appreciate that. I just don't know of any new developments in Manitoba Lotteries. If they're going to completely refurbish all of their equipment, it may well come out to 50 million, but 50 million seems to be a fair chunk of new cash requirements, new capital. So, if the minister would do that, I would be most appreciative.

Mr. Chairperson, I also see that borrowings—new cash requirements that are identified under the borrowings—is \$330 million that is going to the Civil Service Superannuation Plan, the CSSP. So the government is borrowing \$330 million to put into the plan. Could the minister just expand on that?

Mr. Selinger: We have said that we will start providing the resource to the plan, and I think we had

a discussion about this with respect to TRAF in previous years. But we've said we would try to fund up to about 75 percent of the employer's obligations to the plan, and if we can get the money at a reasonable rate, which we think we can, we'll provide that to them.

Mr. Borotsik: Is the minister suggesting that the \$330 million is an annual requirement on the employer's contribution to the superannuation plan? Is that going to be an annual contribution to that plan at 330-million level?

Mr. Selinger: I just want to make sure we're on the same page. What page are you referring to?

An Honourable Member: This is B-10, new cash requirements, \$330 million.

Mr. Selinger: The 330 is money borrowed to fund the unfunded liability, which had been left for a long time. There'll be a different requirement next year, but it's not an annual amount every year in perpetuity.

Mr. Borotsik: There is a requirement on an annual basis for the employer's contribution to that plan, as we all know, on a pension plan. That's where I'm going with this question. This is borrowings. This is an unfunded liability, as you borrowed \$1.5 billion, last in 2007, as an unfunded liability for the TRAF plan. Am I to assume that this \$330 million is the unfunded liability that was left and this will then be transferred to the superannuation plan?

Mr. Selinger: This is a portion of the unfunded liability, as I've indicated to the member in the House. The current employer contributions are now part of the base budget, unlike for many decades. The go-forward problem was kind of looked after because we're making a contribution for everybody that works in the public service now to the superannuation fund, and this is the remaining unfunded liability, a portion of which is being funded through this borrowing requirement.

Mr. Borotsik: What is the annual employer contribution to the superannuation fund—on a cash basis, go-forward?

Mr. Selinger: I'll get a precise number. I think it's in the order of 60 million to 70 million, but I'll just try to nail that down for him and give him a little more accurate number.

Mr. Borotsik: While they're looking for that number in the superannuation plan, could they also look for

the required employer contribution to the TRAF account on an annual basis as well?

Mr. Selinger: We'll get those numbers for the member.

Mr. Borotsik: On the debts and the borrowings, the refinancing is \$1.5 billion on turnovers. I find this interesting: under health facilities, \$150 million. There's a refinancing of the 150? That's a strange number, actually, and I don't know why you would have to refinance \$150 million on—refinance, I can understand new capital at 100 million—that I can understand. I'm talking refinancing at 150. Can the minister explain that refinancing?

Mr. Selinger: The refinancing represents the fact that the borrowing may have been, say for a period of ten years, and now it's come due and you're refinancing. You may have protected your interest rate calculation with a forward on it. But, as that money comes due, you refinance it. I'm assuming that our refinancing is quite competitive now, probably compared to when it was originally put in place in most cases.

So, if every loan has an interest rate forward put on it in recent years, and then at certain points, they have to be rolled over and refinanced in the marketplace. That's what that represents.

Mr. Borotsik: The minister had indicated that there's an amortization schedule attached to borrowing of assets. So, if there's an asset for this health facility or health facilities, there was an amortization period that's attached to that as well. Has there been principal paid off on that particular loan that is now being refinanced at \$150 million?

Mr. Selinger: The short answer is there is amortization that's part of this amount. I think the member has to understand that the debt gets pooled across several facilities and then refinanced on a global basis, but for each facility there's an amortization schedule in place. So the reborrowing or refinancing is net of the amortization.

Mr. Borotsik: Just for my purpose, on the health facilities itself, that \$150 million that's going for refinancing, there will be payments made to the Province of Manitoba by the health—I assume it's the regional health authorities themselves that will be allocated funds and then will repay back that debt. Is that correct?

Mr. Selinger: The short answer is, yes, there's a loan transaction with the health authorities or a

promissory note and they pay us back as part of their budget.

Mr. Borotsik: That would be the same, I assume, as what happens with Manitoba Hydro and the Lotteries Corporation except they don't get provincial money. They earn their revenues their own ways, their own resources, and then pay back the government on an amortized schedule?

Mr. Selinger: In the case of Lotteries, the amortization schedule was only in place since '99. When we came in, we found out that they had, and I'm not trying to be political here, I'm trying to be accurate, they had illegally borrowed money outside The Loan Act and we refinanced that inside The Loan Act. Then we put an amortization schedule in place to retire the value of it to pay off those assets. It was loose, short-term money outside The Loan Act. Technically it was illegal, morally it was illegal and it wasn't transparent and made public. So we've done that and now we're refinancing that with an amortization schedule.

In the case of Hydro, they pay us back, but they make payments to their sinking fund, so they sort of manage it internally even though we work with them on the borrowing. We borrow under the guarantee of the Province of Manitoba.

Mr. Chairperson: The time being 5 o'clock, I'm interrupting proceedings. The Committee of Supply will resume sitting tomorrow (Friday) at 10 a.m. Thank you all.

ABORIGINAL AND NORTHERN AFFAIRS

* (14:40)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Aboriginal and Northern Affairs.

Does the honourable minister have an opening statement.

Hon. Eric Robison (Acting Minister of Aboriginal and Northern Affairs): Madam Chair, I will try and keep my remarks fairly brief.

I'm pleased to discuss some of the important activities of the Department of Aboriginal and Northern Affairs. As members in the House are well aware I was appointed the acting minister of this department following the death of our colleague, Oscar Lathlin, last November.

I'd like to begin by briefly remarking on a priority of this government on several issues, including the implementation of provincial obligations under the Treaty Land Entitlement agreements. On that issue we have committed to expediting the transfer of TLE land within our jurisdiction. The total lands and residual interest transferred to Canada are 455,058 acres and total land set apart as reserve are 421,290.

The Peguis First Nation ratified a treaty entitlement agreement for 166,794 acres, of which Manitoba is obligated to provide 55,038 acres of Crown land. This implementation is currently under way.

On the Aboriginal development program, the department supports operating costs for seven Aboriginal organizations including the AMC, MMF, MKIO, SCO, the Mother of Red Nations, the Aboriginal Languages of Manitoba, MASRC, which is the Manitoba Aboriginal Support and Recreational Council, and 11 Manitoba friendship centres. Madam Chair, we brought in a \$1-million capital fund for the friendship centres, as well, in the province of Manitoba.

The department also matches federal funding provided to the Aboriginal Council of Winnipeg and the MMF tripartite agreements. We have been working, as well, with the Manitoba Métis Federation and the federal government to prepare an economic development strategy. One of the priorities is a Métis economic development fund, and we are working with the MMF to develop this fund.

Last year the Province and the Manitoba Métis Federation signed a participation agreement to guide the development of a Manitoba Métis policy. The development engages line departments as well as Métis organizations and citizens. A public process began on the 21st of March and includes presentations at MMF regional assemblies and town hall meetings to allow feedback on draft principles and policy framework.

The First Peoples Economic Growth Fund has begun to stimulate the economic development in First Nations communities as well. The Province has made a five-year commitment of \$20 million with \$4,545,000 in this year's budget.

The department is also working with other provincial and federal departments to provide assistance to the community of Shamattawa in dealing with issues related to youth suicide and

suicide prevention generally. The identified needs range from issues of capacity development to matters related to community youth programming and infrastructure that will complement the existing programs and services.

Last summer, a water safety program and a children's summer camp were both well-attended in the community, and those programs will again be happening this summer. The department is providing \$200,000 to assist with the redevelopment of the community's arena to house youth programs in the community, and we're very proud of that initiative as well. And the leadership of that community have Chief Jeff Napoakesik and counsellor Liberty Redhead have been in regular contact with our government as we try to move that project and initiative forward.

The government of Manitoba also recognizes it has a duty to consult in a meaningful way with Aboriginal communities when any proposed law, regulation, decision or action may infringe upon or adversely affect the exercise of a treaty or Aboriginal right of that Aboriginal community, and to advocate and to advance the process of reconciliation between the Crown and the Aboriginal community. The Aboriginal Consultation Unit has been involved in a number of consultations with First Nations and Aboriginal communities and organizations. A draft consultation policy and guidelines is available on the Aboriginal and Northern Affairs website and continues to be provided to sectors of the Aboriginal community for comment and additional information.

Madam Chairperson, the objectives of the draft policy and guidelines are to ensure that the Province gains an understanding of the interests of the Aboriginal communities with respect to the proposed government decision or action and to seek ways to address and/or accommodate those interests, where appropriate, through a process, a consultation, while continuing to work toward the best interests of the citizens of this province.

On local government development, Madam Chair, the department is responsible for funding and supporting municipal services and infrastructure throughout the unorganized territory of Manitoba. This includes 50 communities created under our act and covers roughly 80 percent of the land mass of our province. Areas of service to communities include municipal administration; protective services which include fire, constable and emergency preparedness; environmental services; water, waste

water, and solid waste; technical services; public works; community and economic development, along with recreational and wellness.

Madam Chairperson, our Northern Healthy Foods Initiative continues to support initiatives to improve the availability of affordable and nutritious foods in northern communities and to build community self-sufficiency in the production of food. The departments of Healthy Living; Science, Technology, Energy and Mines, Manitoba Agriculture, Food and Rural Initiatives; Manitoba Infrastructure and Transportation, along with the federal department of the First Nations and Inuit Health Branch and others, including the Four Arrows Regional Health Authority, Katayowin [*phonetic*], KTC, NACC, Frontier School Division, and numerous local northern residents and local governments that have worked together with our department to produce more than 200 gardens in the north along with a number of productive activities. We expect close to 30 communities to participate this year in various projects, from seeding to freezers, in conjunction with our partners, and new projects include the support for a new healthy snack program through MHHL for northern schools, and partnering with chronic health disease prevention initiatives to create nutritional awareness and promote healthy lifestyles among the citizens in northern communities.

We will continue to provide opportunities for northern youth to participate in programs and initiatives that build upon self-esteem and lead to better outcomes in health, education, and employment. The department remains committed to the replacement and upgrading of water and wastewater treatment facilities. To date, upgrades are complete for 14 water treatment plants and are in progress on another six for a total of 20. Upgrades have been completed on 16 of 27 waste-water treatment facilities. These are 15 water treatment plants and 11 waste-water facilities that remain to be upgraded or replaced.

Additional funding allowed expansion of a very successful Swim to Survive program last year. A total of 23 communities received the program last year. Plans are being implemented for a year-round program including ice and sled safety.

The department also supports 11 community constable programs serving in 13 communities, including Duck Bay, Camperville, Crane River, Barrows, and that surrounding area, Waterhen,

Bissett, Manigotagan, Seymourville and Pelican Rapids, along with Cormorant, Brochet, Pikwitonei and Thicket Portage.

On the recreation and wellness front, Aboriginal and Northern Affairs, through our recreation and wellness program, continues to support the delivery of recreation, training and programming across northern Manitoba. Sports and recreation initiatives are important to promote healthy living and combat chronic disease, suicide and gang activity.

There are a number of other developments that I'd like to discuss, but due to the limited time period that we have in this section, Madam Chairperson, I will end these brief remarks here so that we could get on with more detailed discussions in the section that we'll be discussing this particular department.

Madam Chairperson: We thank the minister for those comments.

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

Mrs. Leanne Rowat (Minnedosa): Thank you, Madam Chair. I just have some brief comments to make. I also am aware that we have a very limited amount of time to go through a number of issues or areas that I would like input on from the minister, but I do want to say that I look forward to the dialogue over the next few hours.

I have the opportunity to be also the critic for the minister's other role as Culture, Heritage and Tourism, so I believe we're spending two afternoons or two days together on various issues.

I do want to just put on the record that last year, this time, as I was just recently reviewing my notes from last year's Estimates, I was working with the late minister from The Pas, Oscar Lathlin. I do want to just put on the record that I will miss his dialogue and his insight and, obviously, his passion for the community that he represented not only of The Pas but of the north. I do know that Minister Robinson will be able to provide me with some good insight into the works within the department.

I would like to, beforehand, congratulate all the hard work that the department staff do put forward in the area of initiatives that do promote and help the well-being of people of northern Manitoba.

Madam Chairperson: We thank the critic. 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 line item 1.(a) and proceed with consideration of the remaining items referenced in resolution 1.

At this time we invite the minister's staff to join us in the Chamber, and, once they are seated, we will ask the minister to introduce the staff in attendance.

Mr. Robinson: With me today is the Deputy Minister of Aboriginal and Northern Affairs, Mr. Harvey Bostrom; the Executive Director of the Aboriginal Affairs Secretariat, Mr. Joe Morrisseau; the Director of Administration and Finance, Mr. Rene Gagnon; and the Executive Director of the Local Government Development Division, Ms. Freda Albert. These are very capable staff members of the Department of Aboriginal and Northern Affairs.

Madam Chairperson: Thank you, Mr. Minister.

Does the committee wish to proceed through these Estimates in a chronological manner, or have a global discussion?

Mrs. Rowat: I think a global discussion would be preferred.

Madam Chairperson: Is a global discussion agreed? *[Agreed]*

The floor is now open for questions.

Mrs. Rowat: General housekeeping questions. Can the minister please provide for me the name of each political staffperson, including their position and the FTE attached to those positions.

* (14:50)

Mr. Robinson: Yes, I will, in fact, provide the names of the people that I am aware of, Madam Chairperson. As you know, the late Oscar Lathlin had his own staff members that he selected when he was responsible for this department. These people continue to be employed in a political staff capacity within the department. The special assistant is a person that is very capable, Mr. Kurt Penner, and the executive assistant is Mr. Jack McPherson, who is situated at OCN, The Pas. Both are very capable people. If there are additional names I may have forgotten to mention in this forum, I'll certainly provide them to the Member for Minnedosa at a later time by writing.

Mrs. Rowat: Can the minister please provide for me a list of all staff in the minister's and the deputy minister's office? That would include their name, their position, and their FTE.

Mr. Robinson: I just want to point out again that in the organizational chart, the Member for Minnedosa will see the structure of the department including the deputy minister and the senior staff that are present here. I can't give you all the names of the—through you, Madam Chair, to the member, I can provide the names of all the employees within the department. Certainly, that would eat up a good portion of the afternoon, but the senior staff, the executive directors of the various divisions are listed on there and their support staff are listed including a grievance management policy and strategic initiatives, the Aboriginal Consultation Unit, and of course, we have, under the local government division, the program and operational support northern region, the north central region, program planning and development services, and we have under the financial and administrative services division, we have the northern affairs fund.

I wish I could provide you the names of the individuals that are employed in this department, but the department's big enough for me to not know everybody that is employed in this department. I know they're all very capable and are doing a very good job in providing services for people that rely on this department to be provided with such.

Mrs. Rowat: To be more specific, Madam Chair, I was wanting to know the staff that are in the minister's office within the Legislative Building and also the deputy minister's staff which are within the Legislative Building and their titles.

Mr. Robinson: The appointments secretary is Ms. Shirley Frank. The correspondence secretaries are—I'm sorry, the two individuals, I don't have their names before me. Allow me to provide that for you in a few minutes. I don't spend a whole lot of time up there.

Mrs. Rowat: I look forward to that information. Can the minister indicate to me—I don't need the names. I just need the number of staff currently employed within your department.

Mr. Robinson: There are a total of 94 employees within the department which I said has responsibility of roughly 82 percent of the land mass of the province of Manitoba. All are doing a very capable job in ensuring that people are serviced in the most appropriate way.

Mrs. Rowat: There are some other questions with regard to staffing et cetera, but I'll go through them a little bit later. Can the minister indicate to me in

detail how many and what types of contracts over \$25,000 have been awarded directly from his department, and how many contracts are maybe going to tender at this point?

Mr. Robinson: Madam Chair, I'll have to take that question under notice and provide the information as it becomes available to me, and provide it to the member in writing in the next few weeks.

Mrs. Rowat: Just to be clear, because I did receive information last year and it was not exactly as was requested, so I'll read exactly what I'm looking for and, hopefully, the minister can respond specifically to the request: Details of how many and what type of contracts over \$25,000 are being awarded directly from his department and why this is happening and how many contracts are going to tender?

My next question would be if the minister can share with me a description of any positions within his department that have been reclassified.

Mr. Robinson: I'll avail myself to providing that information for the member.

Mrs. Rowat: Madam Chair, with the description of any position that's been reclassified, I'd like to know the position title and the person that is holding that position and the FTE, as well, attached to that position.

My next question would be with regard to travel. I do know that on the Web site there is some information on the Web site with regard to ministerial travel, but I do have a couple of questions that I would like the minister to put on record with regard to the questions that I'm asking.

Can the minister indicate to me if there has been any travel by the Premier (Mr. Doer), or a delegation led by the Premier, that was paid for by the Department of Aboriginal and Northern Affairs and, if so, the pertinent details of that travel, which would include location, purpose, dates, costs and who was all included in the delegation, the names of the individual and the organizations they would have been representing?

Mr. Robinson: Yes, I'll attempt to seek out that information, including the travel that was done by our late colleague, Mr. Lathlin, in his tenure as the minister responsible for this department.

For myself, I don't believe I have charged anything to this department with respect to out-of-province travel.

On the issue of the travel of the First Minister, I will be working with our department officials to seek out that information. Again, I'll be responding to the member, Madam Chair, by written letter on that matter.

Mrs. Rowat: Madam Chair, I look forward to the information regarding ministerial travel in that department, and, again, the same particulars and details would be appreciated.

On page 10 of the Estimates book, there's a breakdown of full-time equivalent summary by appropriation. In there, I just have a couple of questions with regard to divisions or branches and the FTEs and salary.

Can the minister indicate to me, or share with me, the background or the details on section 9-2 and in brackets B-1G, Capital Grants. There seems to be four positions in that FTE, but there's no salaries attached. I'm sure it's just an easy question to respond to, but I'm just not familiar with seeing something like that.

*(15:00)

Mr. Robinson: Madam Chair, I'm advised that under that section pointed out by the member, that's the Capital Grants section and the employees, they're hired for the projects for that period of time and that's why they're not reflected under the FTE. Their tenure is usually charged to the length of the project.

Mrs. Rowat: Just further clarification, who actually is responsible, then, for their salaries? Who pays their salaries, and, just so that I'm clear, are those contract employees? Like, are they hired on contract? Also, if the minister can indicate to me who those four staff years are identified to.

Mr. Robinson: Sometimes the people hired to do these projects, specific initiatives, are engineering students. People are hired on a temporary basis, and the duration of the project could be during the course of the summer months, as an example. So that is why we have it listed under there.

Mrs. Rowat: Can the minister please provide for me a list of the projects that would have been completed or worked on during that period of time, and also the details of each of the projects and, actually, the dollar allocation for each of those projects. Also, the individual who was responsible for each of the projects that were worked on through that year.

Mr. Robinson: Yes, I'll gladly prepare the information requested by the member, Madam Chair. I don't have that information before me.

If I may, Madam Chair, I'd like to provide to the member the previous question she had about ministerial staff, if that's appropriate at this point.

Mrs. Rowat: I was wondering if the minister would just share the list with me since we only have approximately three hours instead of six. It would help in saving time, if he's agreeable to that.

Mr. Robinson: Read my writing, that's the problem.

I'll just read it into the record, if you don't mind. Is that all right? I only have six people.

Madam Chair, the people that work in the minister's office include Pat Chapko, and I believe I've mentioned the appointment secretary, Shirley Frank, in my earlier response. We also have Marilyn Ringland. In the office of the deputy minister, we have the deputy minister's assistant, Anita Nepinak; the appointment secretary, Linda Gibson; and the correspondence secretary, Sonja Starr. I just wanted to provide that information that the member requested.

Mrs. Rowat: Back to the Capital Grants category. Can the minister provide me with some examples of projects that were undertaken in that area? I know that he's going to provide me with some specifics, but I'm very curious to see what type of projects, grant projects, individuals would have been working on.

Mr. Robinson: Well, we've had a number, including friendship centres that have undergone some remedial work and some upgrades, but in my opening comments I also said the upgrading of water and wastewater treatment facilities.

To date, Madam Chair, upgrades are complete for 14 water treatment plants and, in progress, on another six for a total of 20. Upgrades have been completed on 16 out of 27 waste-water treatment facilities. There are 15 water treatment plants and 11 waste-water facilities that remain to be upgraded or replaced. An example of that would be Meadow Portage, which is the water line that they've been working on there, along with the Berens River internal road system. I know the member is very well aware of these two communities.

Mrs. Rowat: Just one other question I'm not quite clear on. Where are their salaries allocated from if

they're on contract, these university students? Who pays the salary? Because there's no salary allocation listed in the document.

Mr. Robinson: On these, Madam Chair, as I previously indicated, people that are hired on these specific projects, whether it's upgrading water lines or sewer and water systems, they're charged against the overall project itself. So that's how these people are paid. Again, the job hiring is done by the divisional head of the department that has responsibility over this department which is, of course, the local government, and the local government development division. Ms. Albert, who's here with us this afternoon, she has the primary responsibility for such initiatives that go on within the department.

Mrs. Rowat: Madam Chair, I'm going to go back to this, because I really want to understand. These four positions, are they four individuals or are they broken up into different categories? I guess I would like to know who these individuals are that were hired in these FTEs and what roles they had within the last year, and then I'll move on. Once you can explain to me who these people are and the roles that they had, I will move on to another area. But I want to be clear.

Mr. Robinson: Perhaps I wasn't clear enough in my earlier response, and I do apologize to the Member for Minnedosa. These could be four different people depending on the nature of the project that they're working on. It could be water and sewer, where you need people that specialize in such things. It could be on the roads, upgrading roads, as an example, in Berens River. If people had been to that community, they'll know the challenges that we have in making sure that their safety on that internal road system, in that community, because part of it is the responsibility of the Department of Aboriginal and Northern Affairs and the other part is the responsibility of the First Nation, ultimately, the Department of Indian Affairs, federally. But there has been some collaboration to ensure the safety of all in that community.

* (15:10)

So the people that are involved in this under that particular section that the member is referring to could be, actually, four different people, depending on the nature of the project, and which project it may

be. But, certainly, they're of a short-term nature. That's the best way I can respond to that.

Mrs. Rowat: Can the minister indicate to me who the people were that were hired in those positions in the last year? Who were the identified four individuals or four positions?

Mr. Robinson: In fairness to the member, I know that this is hard to understand and I remember when I was a critic of this department, I had an equally difficult time when Mr. Downey and others, Mr. Praznik, were responsible for this department.

I will provide the names of those individuals. For, as an example, two past projects maybe that the department was engaged in, that way it will give the member an idea as to the background of these individuals. So our staff in this department will try and get that information so that the member will have an understanding as to what I am trying to convey here. It appears that I'm not doing very well in trying to explain the nature of these different projects that is bestowed upon this department to deliver for the good of the province's Aboriginal and Northern Affairs communities.

Mrs. Rowat: Okay, Minister, I'll move on to the next section.

Another area is the Aboriginal Consultation Unit. I know that you've created a consultation unit in there and I want to just identify that I've noticed it there. I'm going to have some questions with regard to that unit a little bit further into the Estimates process.

Recently there was an Aboriginal summit. It was a two-day summit that was a follow-up meeting to the 2006 National Summit on Aboriginal Health in Kelowna, B.C., and the 2005 First Ministers' Meeting on Aboriginal Health. My understanding is that Aboriginal leaders from across Canada, provincial and territorial ministers and officials, were in Winnipeg for March 3 for the National Aboriginal Health Working Summit.

Can the minister provide me with some information regarding the total expenditures for hosting this summit in Winnipeg?

Mr. Robinson: I know that conference that was held and hosted by the Province of Manitoba was very meaningful in order to give, not only our government and other jurisdictions that participated, a greater understanding of the challenges faced by Aboriginal people nationwide on health issues.

I just want to advise my colleague from Minnedosa that, in fact, the lead department was the Department of Health and perhaps that question is better suited to her.

Mrs. Rowat: Was the Department of Aboriginal and Northern Affairs a contributor financially or through staff at this summit?

Mr. Robinson: In fact, the late Oscar Lathlin participated at this conference, as I did, as a matter of fact. The deputy minister, Mr. Bostrom, was also on the working group. This, of course, resulted from the conference that was held on Aboriginal issues in the province of B.C., in Kelowna, back in 2005. A number of premiers including our own Premier (Mr. Doer) and the Premier of British Columbia, the former Premier of—I believe the Premier of Québec and the Premier of Newfoundland-Labrador, were the ones that took an active interest in ensuring that dialogue must continue on the several key issues that are faced by Aboriginal people.

So to the degree that I have responsibility of this department, yes, in fact our department was a participant in the planning through our deputy minister and, as well, our participation with the other Aboriginal leadership from the Native Women's Association of Canada, the Métis National Council, the Assembly of First Nations, the Congress of Aboriginal Peoples and the ITK, as represented by Mary Simon, representing the Inuit of this country, did have that meeting in the city of Winnipeg.

Madam Chair, as far as expenses are concerned and expenditures, none were expended from the Department of Aboriginal and Northern Affairs, and the lead department in this was the Department of Health.

Mrs. Rowat: I'm sure that one of the issues that was discussed at this health summit would've been diabetes. I just want to know if the minister can share with me any specifics on goals that would've been shared on improving diabetes rates among Aboriginal Manitobans. It's my understanding that the last provincial diabetes strategy was put forward in 1998. So Manitoba is due for a new Aboriginal diabetes strategy and, definitely, with the increased number that we see within this chronic disease, we definitely need some leadership.

So just wanting to know if the minister can share with me what may have been discussing at those meetings, and if he has any updates on what his department is doing in relation to creating awareness

and preventative measures as well as addressing this disease.

Mr. Robinson: We will provide a summary of the report that resulted from the summit that was held on Aboriginal health for the information of the member.

Allow me to say this, indeed, nationwide this is becoming more and more of a serious problem, as the member knows, because I know she has visited many of our northern remote communities in the province of Manitoba. Just about every community, I believe, has been affected by this illness, and I know in a few of our communities in northern Manitoba 100 percent of the people of the entire population are affected by diabetes in one form or another.

That is why we have taken proactive measures in ensuring that we address this problem, particularly when it comes to the stage where our people require dialysis treatment. We broke new ground in the community of Norway House when the first dialysis treatment facility was open in that community to allow people not to have to relocate to Winnipeg or elsewhere in order to receive that life-giving treatment.

We were also very proud that we broke new ground in being able to open up a facility in Garden Hill to ensure that our people receive this treatment close to home, because often what happened was elders having to leave their communities and being displaced with their families and then finally, in many cases that I knew, and personal friends of mine from the community of Garden Hill is one example, died of loneliness while they were here in Winnipeg because they were not accustomed to city life for one thing.

* (15:20)

Secondly, they had to adjust to the different pace of life the people that live in Winnipeg are accustomed to, and certainly not familiar to the people from these northern remote communities. So that's been a challenge, and we are currently working, our government, the lead department being the Department of Health, again, to ensure that people, for example in Berens River, have that available service as well, and work is ongoing. Currently, at the same time, in the community of Hodgson, which will serve the people of Peguis and Fisher River so they don't have to come all the way to Winnipeg or elsewhere or even Ashern to get dialysis treatment so far away from where they live.

The commute, as the member fully realizes, is often challenging, particularly in the winter months.

So those are some of the preventative measures that we have taken. There's obviously more to do. Part of it is the education. Part of it begins at the school level, at a very early age. It's not a good feeling when we go to some of these communities and we find young teenagers that are suffering from type 2 diabetes already at such a young age because of the nutrition that they're forced to live with because of the other contributing factors that lead to such, including the high cost of living, therefore not being able to eat the food that people of that age, or any age for that matter, should be eating. Also the loss of a traditional livelihood which has contributed greatly to the unhealthiness of many Aboriginal people in the province of Manitoba.

As well, we have tried to ensure measures are taken to have the Northern Healthy Foods Initiative, which has been something we're very proud of in this government, something that my colleague, the Minister for Healthy Living (Ms. Irvin-Ross) has had a very important role to play in. Since 2006, we've implemented that, including the school food and nutrition recommendations of the Healthy Kids, Healthy Futures Task Force report. We worked with the dietitians of Canada to develop guidelines for the foods that are served in schools. We provided a Manitoba school nutrition handbook, getting started with guidelines and policies to publicly funded schools, as well as information sheets for parents.

So we have done a fair amount of work, and I wish we could do more. I don't deny for a moment that more work can be done to avoid the serious onslaught of diabetes among Aboriginal people particularly. It's not a good feeling when we're faced with these kinds of situations in a country that is so rich in natural resources. We're carrying on with the work. It's a struggle, as the member knows, in trying to accommodate all these, but when you're faced with a community of maybe 1,000, 2,000, 3,000 people that diabetes has a 100 percent effect rate on, it's very discouraging. So we have to be vigilant in the work that we're doing to ensure that this work may not be necessary in a time to come.

At one time, I remember, as a little boy, my parents telling me about the unfortunate situation that my older brother's generation had to face, and that was tuberculosis. It took many years, but eventually that was conquered. Tuberculosis was eradicated for a period of time. Unfortunately, because of the

overcrowded housing conditions, another issue that we're trying to deal with in many of our communities, that's another disease that has resurfaced in many of our communities in northern Manitoba and continues to be a very serious problem.

However, if I could just go back, I can provide the report of the summit that was produced following the health summit meeting that occurred here in Winnipeg, and I'll be providing that to the member in the next few days so she can work with us in trying to find these solutions. It's too bad that too many of our people are diagnosed and many are still walking around today that aren't even diagnosed with this illness.

My own executive assistant is a young man in his early 30s that is faced with type 2 diabetes. Is it an inheritance because his mother and grandmother had the illness? I don't know but it certainly is something that I don't feel good about and as a fellow elected member I'm sure the Member for Minnedosa is equally as frustrated as I am as we try to deal with these issues as representatives of the people of the province of Manitoba.

Mrs. Rowat: Madam Chair, I want to thank the minister for his update on some of the things that they are doing in the area of diabetes prevention and addressing, obviously, some of the immediate needs with that disease. But I do know that there is a strong need from this government for a strategy. We have an epidemic, obviously, within not only the First Nations but in Manitoba with diabetes as a chronic disease, and we do need to have some strong leadership in this area in education prevention as well as in providing access to health-care supports and needs.

Living in rural Manitoba, I do see some similarities in accessing supports that are required for individuals who are living with diabetes. I had the opportunity to visit Garden Hill's facility, and I do believe that it is a state-of-the-art facility and provides very important care for individuals who live in that community or close surrounding communities but there is a lot more work that needs to be done in the area of supports.

In the visits that I've made in northern Manitoba, a big question and a big concern is the costs associated in receiving care in the south or down south or up south, down south, for individuals who are needing either dialysis—I believe even in cancer care, as well, a lot of families see a financial struggle

in getting a family member to come to Winnipeg or Brandon or even Dauphin or Swan to receive supports or care. And we need to be looking at ways to provide better access for supports in those communities.

Having healthy foods and helping educate individuals on the importance of healthy eating leads to positives not only in prevention of chronic disease but also, I believe, it provides a healthy base and start for individuals for mental health and that leads into my next question for the minister. It's an area that, obviously, we've had discussions on in the past, not only with himself but also with the minister that is sitting near him in the Chamber here, the Minister of Healthy Living (Ms. Irvin-Ross); the area of suicide and the tragic, tragic outcomes that families face when they lose a loved one.

Again, Madam Chair, this suicide is not an issue only seen or realized in Aboriginal or northern families. So many families deal with these issues and deal with trying to work with either family members or friends who are struggling with mental health issues and some just lose that struggle. But I do know that this is something that is a very serious concern in a lot of northern communities, and in my discussions with many community leaders, families, mothers, brothers, sisters, educators, we're really wanting to see a provincial youth strategy that works.

* (15:30)

I was pleased to see that the government had brought something forward near the end of last session, and I really would like to know how this strategy is unfolding, in which communities it's presently being targeted at this time, because, as the minister knows, we have facilities that have wait lists and people who are looking for supports and help but are just finding that those resources are not there.

So, I'm very interested to learn more about the government's progress in the area of suicide prevention and, again, the provincial youth suicide subcommittee's work on the strategy.

Mr. Robinson: I want to thank the Member for Minnedosa for her insight. I've never once ever questioned her commitment to this issue, which I'm equally concerned about as she is.

I wish we could just wave a magic wand and make the problem of suicides go away, because we personally experienced that within my own family unit two weeks ago, when my niece, at the age of 30, took her own life, leaving behind an eight-year-old, a

five-year-old and a one-year-old. Now these children will never know a mother, and, regrettably, there's argument among family members, as the member can realize, as to where these children will be placed.

As a matter of fact, my niece grew up in Brandon, but because her stepfather was a school teacher in Wasagamack, Lake St. Martin, Fairford and other communities in the province of Manitoba, and in fact her stepmom lives in the constituency of my colleague, in the town of Minnedosa. Part of the service and during the funeral was in the beautiful town of Minnedosa just a couple of Saturdays ago, when we put my niece to rest in the city of Brandon.

What led her to doing that? We have no idea. I wish I knew, as well. I've spent many hours reflecting, on not only her, but other youth that we have in the province of Manitoba, and what leads them to taking that escape route. Is it the circumstances around them? Is it the experiences that they have held? Is it because we're bad parents, our generation? Is it because of our parents' generation and the experiences? Speaking as an Aboriginal person, these are the questions that go through the mind of an individual. You start questioning your ability as a parent. You start questioning your ability as a leader, and you start questioning your ability, even as an uncle or an auntie, about caring for these people, and what leads them, when you think you're giving love and providing the proper care.

I say that because we used to keep my niece, when she was younger. Regrettably, her own mother died—her biological mother—when she was only two years old, at a very young age as well, at the age of 24, back in 1981.

We are saddened by the number of suicides. The member and I both know that, in Shamattawa alone, there've been four suicides in the last six months, and that's unfortunate. I spoke with the Chief and counsellor Liberty Redhead from the community in recent weeks about that, and we've had a crisis team go to that community, to work with the community in understanding why this takes place.

Lac Brochet is another community that's had many challenges. Pauingassi. Is it because of its remoteness? I don't know. I can't provide those details. I can only assume, as a parent and as a leader in the province of Manitoba, why these things happen.

When I shared this with the federal Indian Affairs Minister some months back, he was equally

frustrated about why these things happen. We believe that—and the member's quite right, it's not only among Aboriginal people that suicides are a reality. This, in fact, happens across whatever ethnic background may be. But, on the First Nations, Aboriginal suicides that have occurred, we want to be able to provide more opportunities for people in Shamattawa.

Madam Chairperson, I was starting to talk about Pauingassi, in fact. Pauingassi gives me great concern because of the high number of suicides that have occurred there. We put together an interdepartmental working group to address the issues in Pauingassi and Little Grand Rapids, other government departments, including Aboriginal and Northern Affairs; Culture, Heritage, Tourism and Sport; the ministry of Health Living and other departments across government, and we've asked one of our people to chair this interdepartmental working group to address these issues. I mean, we just can't react when a time necessitates us to react to these unfortunate incidents that occur.

Our government has always been aware that we need to invest into what degree we can in trying to address the issue of suicides, particularly in Aboriginal communities. Last summer we did a project in Shamattawa, something that was very successful, I would say, because it was attended by over 90 children daily. It provided training for 16 young people to provide leadership, mentorship, role modelling and recreational opportunities in that community. The member's quite right. In December of this year, the government announced an investment of more than \$8 million over four years to help young people from committing suicide, perhaps, and improving accessibility to mental health care and providing open opportunity for young people in our province. This includes, of course, creating a youth crisis stabilization unit up in Thompson to provide treatment for young people from remote communities and to decrease the need for youth to fly south for intensive treatment.

Reclaiming Hope, Madam Chairperson, also includes expanding successful workshops and peer support programs to schools in northern Manitoba through Teen Talk and a program at the Klinik Community Health Centre that provides health education to youth and wider representation for northern, urban, rural and northern and Aboriginal communities in providing recommendations for, and monitoring the roll out of the strategy initiatives through the provincial youth suicide prevention

strategy implementation steering committee. That's currently in the beginning stages, and additional details are going to be unveiled as time goes on. We hope that there'll be some success from this investment, and I know that my colleague, the Minister responsible for Health Living (Ms. Irvin-Ross) will have additional details when it's time for her department to come up for the Estimates review of this Legislature. I know that she'll be more than happy to provide the additional information required by the Member for Minnedosa and other members as well.

Mrs. Rowat: I look forward to more dialogue with other members of the government side on this topic. There's definitely an interest in ensuring that there are strategies and initiatives that are going to make a difference for these young people.

*(15:40)

Another area that I've been doing a little research in and I'm concerned about when I saw the statistical numbers that were presented was teen pregnancies. Manitoba's teen pregnancy rate is among the highest in the country. This is particularly true of the province's Aboriginal population, and, looking at the numbers, the numbers have definitely been increasing, I think, and have been on a steady incline recently.

In particular, the area that we're speaking about today is northern Manitoba. In the area, the RHA of Burntwood region, last year there were 324 teen pregnancies, and teenagers would be between the ages of 15 and 19. I looked at that number and I thought that's interesting because I do recall, even through my years of growing up and having experiences through life, that I had at least two friends that were younger than 15 that were mothers. So I know that that number is interesting, that that's where they decided to draw the line.

But I'm just wanting to know if the minister can give me some comments on what the department is doing to increase Aboriginal teenagers' access to education about prevention of pregnancies, and any type of information he can share on access to birth control or abstinence. I understand that this is an issue that we're all concerned about as this leads into further questions on education down the road. Teen mothers often drop out of school as a result of their pregnancies, and once you leave school and become disengaged from the education system, it's extremely difficult to pick up where you left off.

So I'm just wanting to have the minister give me some perspective on what he believes the government is doing to address this very significant challenge and issue going forward.

Mr. Robinson: I'm going to begin with the one element of the issue, and I know that the issue is much broader on the provincial AIDS strategy that our government has introduced. Madam Chairperson, this is a \$1.3-million strategy that was announced in September 2007, which includes a number of prevention approaches in Aboriginal communities and throughout the province of Manitoba. It's a provincial strategy that aims to create more awareness about that issue.

On the specific issue about teen pregnancy, I share with the member some of the concerns that she has in this regard because, coming from that of course, are further drains in our society on other issues. I really can't get into detail about those things, but I know that this is something that's very near and dear to the Minister of Healthy Living (Mr. Irvin-Ross).

But, currently, this government funds six teen-centred primary health services. Among them are the Elmwood Teen Clinic and the St. John's Teen Clinic in the city of Winnipeg.

Can we do more in remote communities? Absolutely.

We have, also, a clinic in Winnipeg and the ones I talked about, but we also have some—one in Flin Flon, The Pas and Cranberry Portage. My colleague the Member for Flin Flon (Mr. Jennissen) is in the Chamber today, and I know that he knows the positive things that this is resulting in, in his constituency.

The Selkirk Teen Clinic, Manitoba Health and Healthy Living supports three teen clinics in Portage, Brandon and Oakbank.

In addition to the provincially funded clinics, Madam Chairperson, there are 19 other teen clinics operating in the province supported by the WRHA and/or community health clinics. Teen clinics provide complete primary care services with a focus on sexual and reproductive health. The goals of teen-centred health-care services are to increase teens' accessibility to health services that are accessible and appropriate to their needs, increasing their knowledge about health issues, identifying strategies for maintaining good health, and accessing health promotional tools and resources.

In addition, we have, through the Department of Aboriginal and Northern Affairs, the Northern Youth Empowerment Initiative. This initiative is what the Department of Aboriginal and Northern Affairs began implementing in '07-08. It provides an annual total of \$100,000 in funding for community-based youth projects. In addition to its funding function, this initiative also serves to provide some degree of program support to communities.

The Cross Lake Cadet Corps is something that is also very positive in terms of youth programming, something we're very, very proud of because we're taking a lot of young people that were involved in negative activities in the community and turning their attention into more positive things including the cadet corps. So I have to give a lot of credit to the Cross Lake Community Council, the leadership of Bob Smith and others in that community for being able to divert the attention of these young people from negative things in the community and having them do positive things. In fact, we were so impressed with this cadet corps we took them to the Northern Affairs ministers' meeting that I filled in for when Oscar was still the minister and still the MLA for The Pas. I filled in for him at an FPT, actually, in Ottawa about a year and a half ago, and we took along these cadets to show their example to other jurisdictions.

Mr. Bob Smith, who was very instrumental in the creation of the Cross Lake Cadet Corps, is somebody that we should be engaging in further dialogue with, in being able to start other initiatives in other communities in northern Manitoba. Particularly of interest are not only cadets but also the Ranger program which has proven to be very successful in the Northwest Territories and the territory of Nunavut and other areas.

We also have our assistant deputy minister's committee on youth. Our department participates as a member of this committee on youth. This committee meets semi-regularly to share information and discuss issues related to provincial programs and services focussed on youth.

There are some other initiatives under way. There was the May 2008 round table on Aboriginal youth protection. It was hosted by the Assembly of Manitoba Chiefs. I've been working with my other responsibilities as the Minister for Culture, Heritage and Tourism; I've been working with the Island Lake youth group which consists of young people from the

four Island Lake communities, and we've been dealing with these young people directly.

Actually, they have the attention of our government because they deal directly with our government and recommend to our government what we should be devoting our attention to with respect to the youth programming that they feel is important in their communities. I have to commend the leadership of young people like Bobby Monias, Sol Harper from Wasagamack, and Clifford Graves up in Oxford House, and Poinby, and the other communities from St. Theresa Point and Allison from Red Sucker Lake. Her last name escapes me—Allison McDougal. Their leadership has been tremendous and they've recommended to our government the areas that we should be focussing attention on. Certainly, we'll be making more of an effort to work with this group of young people. I deal with Mr. Harper, Sol Harper from Wasagamack—

Madam Chairperson: Order, please. The minister's time has elapsed.

Mrs. Rowat: Madam Chair, the conversation the minister is having in the Chamber here is interesting, and I do know he works hard with the Aboriginal and First Nations communities to ensure that the youth do feel engaged in the process of policy and development opportunities within their communities.

*(15:50)

I had an interesting conversation with a chief from a community that is six miles from where I grew up, Waywayseecappo, Chief Murray Clearsky. He indicated to me yesterday that the youth are definitely taking a strong interest in how communities are growing and developing, and the challenges and successes that are facing communities such as Waywayseecappo. He understands and appreciates that. As he said, we have to start getting it right because they are looking really closely at how things are being done and the way things are being done and may decide to, at one point, make a difference. So I think that everybody is paying attention to the challenges. I think that we have a lot of people in all of our communities, young people within all our communities, who have some very good ideas, fresh ideas, on how to make a community stronger and better. So the minister's comments are not lost on me and, I know, not lost on a lot of people within the communities that are represented through ANA and also the First Nations communities.

The minister touched on it briefly. There's the Northern Youth Empowerment Initiative. I'm curious to know what the minister can share on that initiative. There's very little on the Web site on that. I again explored last night trying to find more on it. It sounds, from what little I know of it, as an excellent initiative. My understanding is based on what I could find. It does provide annual funding for community-based youth projects.

Can the minister provide me with the list of the community projects that are funded and the process under which the discretionary allocation of dollars are made? Actually, I would also like to know who is the staff person in charge of the Northern Youth Empowerment Initiative.

Mr. Robinson: Madam Chair, our government last year, 2007-2008, authorized \$100,000 in 2009-2010 for the department to continue the Northern Youth Empowerment Initiative for a third year. Now, this is community-based, and the projects are similar in northern communities that support the following objectives: First of all, is to improving health and well-being and an overall decrease in suicides, addictions and gang involvement, something that is all part of the reality of everyday life in northern communities, as well as increasing life options and opportunities for youth, improved school attendance and completion rates and, of course, improving labour-force outcomes and enhanced citizen involvement.

Now, the grants on this project usually range from \$5,000 to \$20,000 and, to date, the Northern Youth Empowerment Initiative has supported 18 projects for the total of \$185,000 and beyond. The person responsible for this is Mr. Ray Irvine from our department. Mr. Irvine has been working diligently, with not only government departments, but, indeed, with the communities that have made application to this particular program. I'll just give you an example: In 2008-2009 the grants that have gone out—this will give some idea to the member—the Cross Lake Cadet Corp will receive \$20,000; the Shamattawa WASAC Express, which is the Winnipeg Aboriginal sports and athletic centre express, will receive in excess of \$19,000. The Northlands youth cultural canoe challenge, which is up in Lac Brochet, will receive just under \$5,000. The MKO CEPS youth leadership project will receive about \$25,500. The Aboriginal youth I see why challenge will receive \$15,000. The Pauingassi First Nation youth in action project will receive

\$20,000. The Sapotaweyak First Nation youth drama initiative will receive \$21,700.

This is something that we're very excited about because it demonstrates again the art of our people and their skills in the performing arts, something that this government has been committed to, particularly with the creation of something that was never there before, and that's the Manito Ahbee Festival that's hosted by the City of Winnipeg and the Province of Manitoba in early November. It's something that all of us, regardless of being government members or members of the opposition, that we should all take pride in because this is something that all Aboriginal people have an opportunity to celebrate in early November. There was a point in our history that Aboriginal people weren't allowed to participate in ceremonial activities, whether it was dancing or the more sacred ceremonies, because of the laws that existed in those days, prohibiting such practices and, if I could term it, such heathen practices. So we've come a long way.

It's people like the member has identified, Chief Murray Clearsky that have led the way. Chief Clearsky is a good friend of mine and has been for many years. He's demonstrated leadership in bringing his people out of the grasp of poverty and providing greater opportunities on economic development initiatives. I share that vision that he, indeed, wants to make it right for our young people as well. There will come a time when we older folks, like the member—I'm not suggesting that the Member for Minnedosa and I are old, but there will come a time when we'll be moved aside and young people from places like Waywayseecappo or Churchill, Cross Lake, Norway House and other communities will be replacing us in this Chamber, and they will be making the laws. So we have to be very careful in the decisions we make today and the direction we provide for the generations to come.

I watched a CTV news story last night, actually, which I thought the words spoken by one of the parents with respect to what her children were involved with, and that is, of course, providing greater awareness on our environment, and yesterday being Earth Day and all. She said something that still rings in my ears today: It's not about what we received from people in the past, but it's what we're taking from our future, and those ones yet to be born, or something to that effect. It truly rang a bell with me. I think that could be used in that context as we make decisions in this Chamber and debate the issues that are important to us, that, indeed, we're

laying the foundation, laying the groundwork for the future of our province. I'm sure that all of us want to ensure that we have a good future in the province of Manitoba for all citizens, regardless of their residency, whether they live on a reserve, whether they live off the reserve or whether they live in a rural or remote community in the province of Manitoba.

* (16:00)

Madam Chairperson: Is there agreement for a five-minute recess? *[Agreed]*

The committee recessed at 4 p.m.

The committee resumed at 4:06 p.m.

Madam Chairperson: Shall we call the committee back to order.

Mrs. Rowat: Madam Chair, another question to the minister, and this is in the area of Aboriginal education. Recent studies and reports have indicated that more than 50 percent of Aboriginal students within the provincial school system drop out of high school before graduation.

The largest gap between Aboriginal and non-Aboriginal students exists in the case of reading and the smallest gap is in writing. By grade 4, there's already a sizable gap in reading, writing and numeracy between Aboriginal and non-Aboriginal students. The gap in all three skills increases by grade 8, grade 7.

Can the minister indicate to me what role do you believe should be played by the provincial government in closing the education gap and increasing student performance for Aboriginal children in this province? Your predecessor supported and believed that standards testing was something that should be considered. What is your position on this?

Mr. Robinson: Well, we've done a lot of work in ensuring that Aboriginal people get the proper training opportunities for long-term sustainable employment opportunities as well. We've done work with respect to adult learning centres and providing a second chance system for adults to attain high school diplomas.

In 2005-2006, there were 43 ALCs operating in 83 sites in our province, 8,446 learners, 41 percent Aboriginal attending or completing over 12,000

courses, with 1,238 adults completing a high school graduation. A high percentage of ALC graduates in 2007-2008 were—the Aboriginal numbers were around 36 percent or roughly 423 people.

Madam Chairperson, the Aboriginal Education Action Plan is a strategic approach to increase school retention and high school graduation rates. Three departments are co-ordinating activities relating to education, training, employment, and transition to and participation in the labour market.

Now we've made some substantial gains, Madam Chair, in education, but the member is quite right: we still have a lot of work to do. Over the past decade there are still some huge gaps that continue to exist between Aboriginal and non-Aboriginal people with respect to educational outcomes, two of the most concerning gaps that relate to stark differences in high school graduation rates and readiness to learn at kindergarten.

Back in 2004, our Province announced what I just described in detail. It's co-ordinated by the Aboriginal Education Directorate, a shared service of Manitoba's three education departments. This plan is presently undergoing a renewal exercise, and presently both Canada and Manitoba have signed a—have signalled, rather, an interest in addressing issues relating to First Nations educational systems for improving educational outcomes.

* (16:10)

One of our major accomplishments was in February 2009. Our province participated with other provinces and territories along with the federal government and national and regional Aboriginal organizations in an Aboriginal educational summit that was hosted by the Council of Ministers. The final report and follow-up will be forthcoming in the next few months with respect to the outcome of that. I know that my colleague the Minister of Education, Citizenship and Youth (Mr. Bjornson) was a part of that, and my deputy minister, Mr. Bostrom, was also a part of that conference that was held in Saskatoon, Saskatchewan. We look forward to the outcome of that report because not only are we concerned here in the province of Manitoba, but, indeed, this is an issue that exists nationwide, that we certainly want to improve the numbers with respect to Aboriginal people—graduating and the graduation rates to improve.

Certainly, we've come a long way in the last several years from where we came from when I first

became engaged in Aboriginal politics. I know that we've made some substantial gains with respect to the number of Aboriginal people graduating from institutions, even high school, I would say. I wish we had better results, but we're getting there.

It's hard to turn the trend of many years of suppression of Indian people, Aboriginal people in this country, and to turn it around over one generation or even two is asking for a lot, Madam Chair. I think that we're doing some pretty good work. I think our government, along with other governments, is equally concerned about this. We're trying to put in the appropriate efforts, where necessary, to ensure that we improve these unfortunate statistics that have been brought to our attention in recent days.

Mr. Cliff Cullen (Turtle Mountain): I thank the Member for Minnedosa (Mrs. Rowat) for allowing me a few minutes to ask a few questions of the new Minister of Aboriginal and Northern Affairs. I recognize, obviously, that he's relatively new to this portfolio, but I certainly understand that, with his history, he will be familiar with the area and some of the areas that I would like to ask my questioning of.

Part of my critic role is in regard to the mining side of things. I certainly believe that there's tremendous opportunity for the mining resource here in Manitoba. I just want to get the minister's view on kind of his perception of some of the opportunities that might be out there for northern Manitoba in terms of the mining industry and what benefits might be available for First Nations communities and really, in my view, development of the north.

Mr. Robinson: Well, certainly, we're no strangers to mining activity in northern Manitoba. I know that at one time where the city of Thompson now sits was one time the trap line of an uncle of mine, Mr. Miles Hart [*phonetic*], prior to its development as a nickel mine, and a prominent one at that, in Manitoba.

Certainly, there are opportunities that are being explored in northern communities. I know that there are activities going on in the Minago region of our province. There are other exploration activities being checked out in the area around Lac Brochet and other areas as well that some exploration companies are wanting to gain knowledge about and see if there is, indeed, a feasibility to engage in doing some further exploratory work or, indeed, if there's enough of a deposit to make it worth their while.

However, some new circumstances, as the member realizes, have come to the forefront with respect to the duty to consult First Nations prior to any development occurring in the traditional territories. These aren't laws that were created by the Province of Manitoba or any First Nations, but these stem from Supreme Court rulings. Among them, the most prominent, probably, is the Sparrow case from 1990, which requires governments, both federal and provincial, the obligation to consult with First Nations. Others include the Delgamuukw Supreme Court decision back in 1997. Again, that Supreme Court decision dealt with the issue of Aboriginal title encompassing the right to exclusive use and occupation of land. Aboriginal title, it is something that has to be held in consideration before such activities by mining companies.

To put it simply, it's no longer business as it was in the past, that we explore an area, find the potential, find the deposit that may be beneficial. Certainly, Aboriginal people, I think, want to engage in any opportunities that may present themselves in many northern communities. I know that there are exploration companies, and maybe mining companies as well, that see some opportunities. However, there are steps that we're obligated, by law, to engage in prior to any development occurring without first fulfilling that requirement, the deal with First Nations that live in that area.

Certainly, Madam Chair, Aboriginal people, in my discussions with them, including the leadership of representative, the PTOs and individual First Nations, whether they're grouped by nation or by tribal council—tribal councils are interested in being able to seek opportunities for their people and seeking opportunities so that Aboriginal people are also given and afforded opportunities right from the outset, such as we're doing and demonstrating our leadership on Hydro development in northern Manitoba. It's no longer the case of years gone by where decisions are made and then projects are done, and then we live to pay the consequences later on, 30 years on down the road. That's not the way business is done anymore. We have to be responsible, and I think as legislators we're starting to understand that in greater detail, unlike the practices of the past.

So, to answer the Member for Turtle Mountain (Mr. Cullen), yes, we believe in opportunities. We believe that employment provides greater opportunities. I remember Mr. Bostrom and me travelling to the mining site 300 miles north of Yellowknife some years ago where a diamond

Diavik mine is located. We were the guests of then former Premier Joe Handley and travelling to that region of the country certainly provided us with an expanded view of what is possible when you seek out opportunities because 60 percent of the work force were Aboriginal people, and it certainly meant for those people that lived in that region an enhanced and a renewed sense of pride because they were providing for their families. We were very proud of the leadership taken by the territorial government. The proper consultation, no doubt, took place. If there are any mining activities to be had in the province of Manitoba, certainly these precautions have to be taken right at the outset as opposed to having to revisit them at some point in the near future.

*(16:20)

We are also committed to continuing our ongoing work with our partners that are preparing people for mining opportunities, forestry, energy, and that is the Northern Employers Council, an arrangement that this government has engaged. That, along with other partners, including the Partners for Careers, Manitoba employment centres, sector councils, partnership arrangements have been made. I believe that the Member for Turtle Mountain (Mr. Cullen) is also aware of the set aside for the floodway project that is currently under way. That's just to give you an example and a broad overview of my understanding about the opportunities that do exist. He is absolutely right. There are many opportunities that exist not only in the mining industry, but other industries as well. Aboriginal people and other people, for that matter, don't want to lose those opportunities, but the proper steps have to be taken before we become critical of one's perceived lack of action on whatever front it may be.

Mr. Cullen: Madam Chairperson, I certainly appreciate the minister's comments. In talking to some of the First Nations communities, I certainly agree that there is a willingness to move forward with some development. I did have the opportunity to attend a worldwide mining conference in Toronto just a couple of months ago. Obviously, they were in a very tough economic situation with commodity prices now in the mining industry and that entire sector. It's very difficult for the exploration companies and for the actual processing companies to make some money.

We're not sure when this whole commodity issue is going to turn around, but I think it is incumbent on

us as government to certainly make sure that we, as a province, are ready for that particular turnaround. You are exactly right. We are in a new era here where there is an onus, clearly. Federal statutes have pointed that out. There's a duty to consult. I appreciate the minister making that comment. That's real, I think, and in the essence of where we have to go.

I guess, from my perspective, we certainly want to be ready for the turnaround here. Is your department involved in any way in terms of trying to move the consultation process forward here in the province of Manitoba?

Mr. Robinson: To a large degree, yes, we are along with other ministers. I look to the Minister of Conservation (Mr. Struthers), the other Minister responsible for Science, Technology, Energy and Mines (Mr. Rondeau) and the Minister for Water Stewardship (Ms. Melnick) and other ministers that have been concentrating on this new reality. Within the Department of Aboriginal and Northern Affairs, we have the Aboriginal Consultation Unit. As I said at the outset in my opening remarks, the Government of Manitoba recognizes it has a duty to consult in a meaningful way with Aboriginal communities when any proposed law, regulation, decision or action may infringe upon or adversely affect the exercise of a treaty or Aboriginal right of that community and to advance the process of reconciliation between the Crown and Aboriginal community.

The consultation unit that we have within the Department of Aboriginal and Northern Affairs also engages in dialogue with other departments, other ministries, to ensure that we're not out of step with each other and to ensure that proper dialogue is rendered to First Nations, as an example, that may have a vested interest on a particular area where an interest may be had, maybe in mining or forestry or in some other field, but I think that we are doing quite well in that regard.

A draft consultation policy and its guidelines are available on the Web site. There continues to be more work that has to be conducted to make us feel comfortable within government, that the consultation unit is at the form or is at the place where we would like it to be at this point in time in terms of its ability to react in a positive way when required, and to ensure that government is doing its job in consulting, particularly with First Nations on these issues that we need to move on. Certainly, this government takes that advice very seriously.

We're working, as well, with First Nations and Aboriginal communities about decisions that might affect the exercise of Aboriginal and treaty rights. Currently, we're in a process of preparing an engagement strategy proposal to central government, along with a revised interim policy and guidelines paper for section 35 consultations. That'll be for this government to pursue, and, I'm sure, other governments 10, 15, 20 years down the road will be obligated to refer to. Certainly, it's something that we're committed to, and my department that I have responsibility over is certainly committed to continuing its work on.

Mr. Cullen: I appreciate the minister's response.

Can the minister advise us how many staff he has working in the Aboriginal Consultation Unit?

Mr. Robinson: Yes. We have a total of 4 staff members. We have an administrative assistant, two facilitators and one co-ordinator, and one director that oversees the operation of the Aboriginal Consultation Unit. As the work continues to be more recognizable throughout the province of Manitoba, we may find the need to increase the size of people employed by that particular unit because of the volume of work that is required to be carried out with respect to section 35 considerations in the province of Manitoba.

Mr. Cullen: The draft consultation policy that you alluded to that is available on the Web site, is that an all-encompassing policy that might be, say, applicable to the mining industry, as well? I guess the other question is, is that available through the provincial government Web site and then linked to the Aboriginal and Northern Affairs Department?

Mr. Robinson: Yes. It's available through the government Web site and, more particularly, the Aboriginal and Northern Affairs Web site. So we're very proud of the work that has gone on in that regard. There's obviously—like everything else in our work as MLAs—there's always room for improvement. We try to be the best representatives we could be, and the same could be applied to this policy we have. It's a work in progress. It's not a perfect piece of paper right now, but we continue to work on it and, certainly, we solicit any recommendations that the member or the opposition may have in how we may improve it. Whether or not we will take those suggestions seriously or not is another question. However, we will certainly consider, as we will with any other submissions that

are made, either from mining companies or other organizations that have an interest in this.

So we are, indeed, going to continue working on that to make to make sure that this policy gives us a good start in this regard. It's been a little while, and we're working on making improvements on it.

Mr. Cullen: I thank the minister for the offer to provide advice. As opposition members, we certainly do that from time to time. We don't always expect the government of the day will pick up on our suggestions, but, I guess, as opposition, we will continue to put forward our ideas. We just hope that the government of the day will listen to these suggestions we have because, in most cases, they certainly are very prudent ideas that we're putting forward for the benefit of all Manitobans.

Mr. Minister, you referenced the engagement strategy. Is that an internal document you're working on, or is that something that's also available to the public for discussion, consultation?

* (16:30)

Mr. Robinson: Part of engaging the Aboriginal community, because of our obligations, because of section 35 considerations of Canada's Constitution, is to engage discussion with the Aboriginal community, and I know staff from the Department of Aboriginal and Northern Affairs have been in dialogue with Aboriginal communities.

One of the things that occurred very recently was a meeting that was hosted by the Assembly of Manitoba Chiefs, and because they're the province-wide First Nations political territorial organization that represents the views of I think at least 99 percent of, the reserves in the province of Manitoba, we had a meeting which, again, was primarily the lawyers and the consultants that talked in broader terms about how the consultation unit within the Province of Manitoba should work. But, moreover, what the Grand Chief Ron Evans and I agreed to was to together co-host a round table to solicit more opinions and views from the First Nations from the province of Manitoba, therefore giving us a broader understanding about what we need to be doing to improve the policy paper that we have and to how we make improvements on it. So that was one of the things that we have in terms of engaging the community.

Certainly, I would urge mining companies and other companies that this, indeed, is a reality, and, as I said at the outset in my remarks, it's not business as

in the old days. There is an obligation under section 35 of this country's Constitution, and we need to consult. We have a duty to consult First Nations and other Aboriginal people in terms of any development that is being proposed and any development that's in the horizon.

It's best to do that right at the outset as opposed to doing it midstream or somewhere down the road where we're having to—as has been the case with the Northern Flood Agreement. That's a case in point that I could point to you, Madam Chair, through to the Member for Turtle Mountain (Mr. Cullen), that this is one of the issues that we regret every day. I'm sure that previous governments also regret the fact that certain projects went ahead without the consultation and without the proper discussions with Aboriginal people. This is what we're trying to get right, right from the outset.

Mr. Cullen: Again, I do appreciate the minister's comments and—exactly right. I think we obviously, as governments, have made mistakes in the past, and I'm hoping we can make the right decisions when we're moving forward. Obviously, to get the process developed for consultation is very important, and it will benefit everyone as we move forward. So I think the sooner we can arrive on a process and start putting the pieces together so that we can move ahead, I think it will benefit not only First Nations but certainly the economy of the province as a whole. I do appreciate your positive comments on trying to engage that strategy and trying to move it forward.

Just if I may make one more question, and I guess it does relate back to some of the mistakes we've made in the past. It's a Hydro issue. I know we have some outstanding issues in terms of the flood damage and flood compensation to First Nations communities. I don't pretend to be aware of the level of, or the number of, those outstanding issues, and maybe the minister could give me some indication of how many communities still have outstanding issues in that regard.

I guess the other kind of pending issue, or the issue of the day right now is the next potential development of the Keeyask dam. I know there's some voting that's probably going to take place in the near future with a number of communities. I wondered if the minister's aware of just where that process is at and if he has a sense of when some of those issues might be resolved and an agreement made—if there's a real time frame from a First

Nations perspective on when some of those agreements might be finalized so that the next step could be entered into.

Mr. Robinson: There are several communities that have been affected by past hydro development projects and past hydro development. I also don't pretend to know all the specifics of these past projects. However, having grown up in northern communities—Grand Rapids, Norway House, Cross Lake and even Churchill, all of those communities that I lived in were affected by hydro development without the consent and without the consultation of Aboriginal people.

In Grand Rapids there are still some outstanding issues, and the Province of Manitoba has engaged in the dialogue with Chief Mercredi and his council on outstanding obligations with respect to that community. I recently asked one of our staff from our department to have discussions on outstanding issues that remain there with that forebay project in Grand Rapids—the Grand Rapids hydro development project, of course, occurring in the early 1960s.

Madam Chairperson, we have a person that's working with the trappers from Moose Lake, or as they call it now, the Mosakahiken Cree Nation. We are making sure that the work is ongoing to ensure that all the concerns are taken seriously by this government and, ultimately the public utility, Manitoba Hydro, who carries on the responsibility of these past developmental projects in northern communities.

No doubt there are some outstanding issues relating to the Northern Flood Agreement. We just completed, in the tenure of my colleague, the late Oscar Lathlin, a fishermen's arrangement in Cross Lake. Prior to that the trappers that were left out, and they were very happy with the leadership of this government and Oscar's leadership in ensuring that was finalized. There is some outstanding discussions on the Northern Flood Agreement itself, and that's ongoing. There's some ongoing discussions with the Churchill River Diversion project, and those discussions are still under way.

On the proposed project with Wuskwatim, we just talked about that, in fact, the other day in a lot of detail about the number of employment opportunities that has resulted for the Nisichawayasihk Cree Nation people, or Nelson House as it was previously known as, and generally northern communities because it is providing employment opportunities for

those people that didn't have those opportunities previously.

The proposed project at Keeyask has to go through some ratification votes by the First Nations that live in that region, and preliminary votes have taken place. All votes have turned out to be affirmative and positive except for one community where they had a lower turnout. They've scheduled another turnout, or at least another day to vote, on accepting the Keeyask project. That vote will be held in the next couple months.

* (16:40)

Further on the bigger project, the Conawapa project, which is, again, a longer term opportunity that is in the preliminary stages. Discussions are taking place right now with the Fox Lake Cree Nation. Chief George Neepin has been very active on that file, in dealing with Manitoba Hydro to ensure—what I was talking about previously—that we make sure we don't revisit the mistakes of the past, that we get it right at the outset and make sure that, onward, we have all the things covered off that need to be covered off so that there won't be any hiccups as we get further on into the future.

So those are just some of things—and we're ensuring, for example, with the Wuskwatim project, we made sure that we built in there the Churchill River Diversion Archeological Project to ensure the integrity of traditional burial sites were taken into consideration. In fact, that was built into the agreement and it's the law of this government. It's the first law, to my knowledge, that's written in Cree and also written in English. It's written in the Cree syllabics—I can't read Cree syllabics, but I'm told that it says what it says in English. It's something that we're very proud of in this government. It was breaking new ground for us as well in being able to accomplish that and without that, the Wuskwatim agreement would never have occurred if we didn't ensure that that occurred.

Mr. Cullen: I just want to thank the minister for his frank discussion and I'd like to turn the floor back over to the Member for Minnedosa (Mrs. Rowat), if I could.

Mrs. Rowat: I have just probably a few more minutes, which is unfortunate, because there's a number of questions that we're going to have to probably do some FIPPA on the rest of the issues. I do appreciate the comments that have been coming forward.

With regard to Wuskwatim, I did have an opportunity to tour the site and the development there. The person that did give the tour spoke of the agreements and the discussions on the burial sites and the significant role that the First Nations are having in the development there, so I do agree that consultation is important.

I also do know that Cross Lake has indicated that there is stronger and better need for consultation with regard to their issues, their outstanding issues with the Northern Flood Agreement. I do believe that the minister has within his department a consultation committee, a consultation board, and I received some information on that board. At some point I'm going to have an opportunity, I guess, to speak further to the minister on that because I do believe that Cross Lake is probably a good example where some clear direction, and some clear and important and useful consultation, is used to help them move forward on their obvious concerns with regard to the Northern Flood Agreement. So I'll be watching closely on that issue and encourage the minister to use a respectful consultation process with that community to help get that resolved.

My final question, or one of my final areas that I want to cover with the minister, is in the area of community council. It's the community of Dauphin River and the neighbouring communities that are asking for some leadership from this department, this government, with concerns that they have with regard to the alternative service agreements. The council has requested a meeting with the Northern Manitoba Community Consultation Board. I had asked the department a while back for some information on this board, and instead of receiving information on this specific board, which is identified in the Northern Affairs Act specifically, I received information on a board that wasn't specific to what I was asking for. I was looking for the Northern Manitoba Community Consultation Board guidelines and process, and I received something that was totally different.

So I'm going to ask the minister if he can give me some background on the role of this board, the reasons why the department is refusing to use this board to work through, obviously, a very serious concern that the community has with the direction the department is taking in taking over the administrative functions for the community. I believe that the alternative service community arrangement that is being put forward is not acceptable to the community. They would like to have this board work

as an appeal process and work as a model to work through, obviously, some very serious concerns they have.

I come from a community of less than 100 people. I appreciate their efforts in trying to be heard. I appreciate their efforts in not wanting to be told what to do, and I believe that this consultation board is an excellent venue and could provide the consultation that the community is looking for in resolving their issue. The size of the community should not prevent its independence from being vital to the identity of its people. I guess my thoughts are the community deserves to be directly involved in the decision-making process that affects the community politically, economically and socially.

I think that what I'm hearing is this community, which does not have fire prevention supports, this community that is trying to create an emergency plan. An emergency plan, I believe, needs to have an elected official to be part of that process. These are just two issues that this community has identified as concerns and are outstanding, that need to be addressed. I believe that until they can resolve their issues as a community, they are not going to be able to get their supports in place—such as fire protection needs as well as their community plan, which is definitely something that the community needs to address any future concerns they may have.

My concern is that this community is running into some challenges with the minister's department. So I would like the minister to respond to that, and, actually, to provide me with some assurances that this Manitoba community consultation board will be used and can be used as a tool to help resolve this community's outstanding concerns.

Mr. Robinson: Three communities that the member is talking about are Dauphin River, Harwill and Dawson Bay, and I believe that the member engaged in dialogue with Helgi Einarsson, who's been very vocal on this issue.

Madam Chairperson, these three communities have not been receptive to the idea of their current administrative structure because of the community's financial governance being switched to the department. How that works is that funds are held in trust rather than the community delivering them. As well, the administrative governance may change to a contact person structure, because these communities are relatively small and when they get below 50 people, the government has to clearly assess and see if a mayor or a contact person is more appropriate. I

know some of the Northern Affairs communities in the region that I represent in the Manitoba Legislature, including Little Grand Rapids and Oxford House and even Poplar River no longer have a mayor and council, but have contact persons instead.

The member is quite right. We have the Northern Manitoba Community Consultation Board consisting of three prominent Manitobans, including the head of the Northern Association of Community Councils, Mr. Reg Meade, and Rod McKenzie [*phonetic*] and Murray Harvey [*phonetic*].

* (16:50)

Now, if there is an impasse, what this board will be doing is recommending directly to the minister that they do have an impasse here and a resolution has to be sought. Until that time, it is not my desire, Madam Chair, to become involved nor interfere in the process, but if there is a point where this board comes to me directly, then I have no recourse but to become involved and become engaged in breaking the impasse.

Mrs. Rowat: It is my understanding that the communities have delivered a petition to the minister's office asking for leadership on this issue. I do know that NACC is aware that this community wants to meet with the consultation board, and my understanding is that NACC has no issue in meeting with this community through that process. So I'm not sure what else the minister is looking for or requires, but I think the community has done everything it—all three communities have done everything they need to do to move the process forward. If there's a piece missing, I think that the minister should share that and then I'm sure that the community or NACC will do what is needed to get this moving.

I'm very concerned for the community in that it has a number of infrastructure issues, including no fire supports, fire prevention supports. I believe that we need to get past this issue of how this community receives services and then get into what is really important in the community is their significant needs for infrastructure supports for protection and safety.

Mr. Robinson: I certainly take the comments of the Member for Minnedosa (Mrs. Rowat) very seriously. As I pointed out to her, there's been no representation made by the community consultation board and I have no choice but to follow the Northern Affairs Act, which governs this department and we have certain practices, and this is the practice that I have

to work with. Certainly, if the three communities have dissatisfaction, or as I said, an impasse, it'll be referred to this board and therefore the board will be then meeting with me directly to rectify the situation. I look forward to that. I am not knowledgeable of any petition to have been delivered to me. I've certainly not seen it in the mail that I go through from communities, and if I'm mistaken, I'll certainly take that back, but I'm not aware of any correspondence from these three said communities. I will certainly be awaiting some quick results on this because I share with the Member for Minnedosa the urgency of coming to a conclusion on their outstanding issues in that community.

Mrs. Rowat: One further community that I would like to raise their concerns with the minister on is the community of Leaf Rapids. Last year, I raised the issue with the minister in Estimates and indicated that this community was in a state of emergency and asked if the minister was having discussions with the Minister of Justice (Mr. Chomiak) and the Minister of Family Services (Mr. Mackintosh) to develop a strategy that could assist the community, which obviously was, at that time, in a very serious situation. There were backlogged cases waiting to be heard by the courts, there were issues of addictions and family unit problems, and obviously extreme violence. Recently, a young man was killed, he was murdered, while house-sitting for an individual, so obviously the community is in a situation where they're seeing increased violence and violent activity in their community.

I'm just wanting to know if this minister has had the opportunity to speak to Mayor Charrier about the situation in Leaf Rapids. What type of interventions is he strongly advocating for this northern community and if he would be kind enough just to give me a quick update on that.

Mr. Robinson: Well, I share with the member some of the concerns that she has raised. Regrettably, the community of Leaf Rapids doesn't fall under the jurisdiction of Aboriginal and Northern Affairs. That's not an excuse. I will be in dialogue with the Minister of Intergovernmental Affairs (Mr. Ashton) to get an update from his department, and, perhaps, as well, it could be a matter than could be raised with the Minister of Intergovernmental Affairs. I do know that the mayor from this community met with the Minister of Justice (Mr. Chomiak) and the Minister of Family Services and Housing (Mr. Mackintosh) to discuss some of the issues that they have in that community.

The government is aware of some of the issues that exist in the community of Leaf Rapids, and I am sure the appropriate ministers are acting and responding in the most efficient and appropriate manner that they see fit.

Mrs. Rowat: There are several areas that I would have enjoyed having a dialogue with the minister. Unfortunately, we've run close to the time that is allocated for the estimates process. I do appreciate the time that he has given, the time and effort that staff that are here today have provided in giving answers and support for the minister. I look forward to continuing our discussions, be it through question period or just conversations that we can have on a more informal basis.

Again, I want to say that the issues and concerns, the successes, the challenges that face the people within the jurisdiction of Aboriginal and Northern Affairs, the First Nation people that live within our province who have had some great successes in it, but also face some severe challenges. I look forward to continuing to advocate on their behalf.

Thank you very much for your time.

Madam Chairperson: Are we ready to pass the resolutions?

Resolution 19.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$36,323,000 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Operations, for the fiscal year ending March 31st, 2010.

Resolution agreed to.

Resolution 19.3: RESOLVED there be granted to Her Majesty a sum not exceeding \$142,000 for Aboriginal and Northern Affairs, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2010.

Resolution agreed to.

The last item to be considered for the estimates of the department is item 1.(a) Minister's Salary contained in resolution 19.1.

At this point, we request that the minister's staff leave the Chamber for the consideration of this last item.

The floor is open for questions.

Mr. Kevin Lamoureux (Inkster): Realizing the limitation on time, I would ask the minister if he can just give an opinion about a set price of milk and if

he believes that would be of benefit to northern Manitobans and particularly children?

Mr. Robinson: Certainly, the cost of living in all of northern Manitoba is very hard to describe, and given the economic circumstances of the many

people and especially the elders and children that have to live there—

Madam Chairperson: The hour being 5 p.m., this section of the Committee of Supply will now recess and will reconvene at 10 a.m. tomorrow (Friday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 23, 2009

CONTENTS

| ROUTINE PROCEEDINGS | | | |
|--|------------|---|------|
| Introduction of Bills | | Advanced Access Initiative Korzeniowski; Oswald | 1024 |
| Bill 22–The Cooperatives Amendment Act Selinger | 1015 | Water Services Derkach; Struthers | 1024 |
| Bill 24–The Colleges Amendment and Le Collège Universitaire de Saint-Boniface Amendment Act (College Degrees) McGifford | 1015 | Members' Statements Manitoba Lotteries MS Walk Blady | 1024 |
| Petitions Long-Term Care Facility–Morden Dyck | 1015 | Justina Hop Graydon | 1025 |
| Winnipeg Regional Health Authority Lamoureux | 1015 | St. Vital Curling Club Allan | 1025 |
| Ring Dike Road–Ste. Rose du Lac Briese | 1016 | Doc Walker Fauschou | 1026 |
| Oral Questions Nursing Profession Driedger; Oswald | 1016, 1019 | Ukrainian Labour Temple 90th Anniversary Martindale | 1026 |
| Taillieu; Oswald | 1017 | | |
| Derkach; Oswald | 1018 | | |
| E-Waste Recycling Depots Stefanson; Rondeau | 1020 | | |
| Manitoba Housing Mitchelson; Mackintosh | 1021 | | |
| Winnipeg Regional Health Authority Lamoureux; Oswald | 1022 | | |

ORDERS OF THE DAY (Continued)

GOVERNMENT BUSINESS

Committee of Supply (Concurrent Sections)

| | |
|-----------------------------------|------|
| Infrastructure and Transportation | 1027 |
| Finance | 1052 |
| Aboriginal and Northern Affairs | 1079 |

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