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of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 24, 2009

The House met at 10 a.m.

ORDERS OF THE DAY
(Continued)

GOVERNMENT BUSINESS

COMMITTEE OF SUPPLY

Madam Chairperson (Bonnie Korzeniowski): Good morning. Will the Committee of Supply please come to order.

Hon. Dave Chomiak (Government House Leader): Would you please canvass this section of Supply to see if there is agreement to temporarily set aside the proceedings of Supply and have the Speaker resume the Chair in the House in order to change the Estimates sequence.

Madam Chairperson: Is there agreement to temporarily set aside the proceedings of Supply in order for the Speaker to resume the Chair in the House so that the Estimates sequence can be changed? *[Agreed]*

Call in the Speaker.

IN SESSION

Mr. Speaker: Please be seated.

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is leave to change the Estimates sequence so that Aboriginal and Northern Affairs is considered in the Chamber section this morning, followed by the Estimates for the Department of Culture, Heritage, Tourism and Sport, once Aboriginal and Northern Affairs is completed.

Mr. Speaker: Is there leave to change the Estimates sequence so that Aboriginal and Northern Affairs will be considered this morning in the Chamber section, followed by the Estimates for the Department of Culture, Heritage, Tourism and Sport once the Estimates for Aboriginal and Northern Affairs are completed? Is there agreement? *[Agreed]*

This section of Supply will now resume. Madam Deputy Speaker, please take the Chair for Supply.

COMMITTEE OF SUPPLY
(Concurrent Sections)

INFRASTRUCTURE AND
TRANSPORTATION

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

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

Mr. Larry Maguire (Arthur-Virden): With the indulgence of the minister for a moment, in regard to the process, I know that they were, I believe, going globally on the process yesterday. I want to thank the minister for proceeding yesterday with the Estimates on Infrastructure, Transportation and Government Services, particularly because I had the opportunity of being asked to go, by the Premier (Mr. Doer), to Melita to deal with the flooding and the dike situation down there yesterday, and I appreciated the Premier being there. So I appreciate also, I want to put on the record, my colleagues for coming in and going through some of the areas that they had concerns on. Particularly, I know, the Member for Lakeside (Mr. Eichler), who is my deputy critic on CentrePort, was dealing with some of those issues, and I appreciate the minister for taking those yesterday and dealing with them.

I hope to be able to deal with some of the taxicab issues, water services areas, today, as well, without getting too much into, maybe, some of the particular issues of highways as much. Maybe we can do that Monday or Tuesday next week, whatever we carry with there.

I just wanted to say, as well, that there were a few things that came up yesterday that I told the Premier I'd be meeting with you on this morning, and he said to mention them. So I will, at that point. As he said to the mayor, he said, well, the mayor doesn't always get his way either, does he? Just because the Premier asked for it, he doesn't always get his way. But I would suggest that the minister probably has more experience with that on Treasury Board than I

do. I would tend to think that the Premier probably gets his way in a lot of those areas.

I know he had a good meeting with the town council in Melita yesterday and the R.M. of Arthur, Reeve Jim Trewin and Mayor Bob Walker and some of their people there. The EMO people, I want to give my commendation to at this point as well, but, also, particularly to the staff you have in the highways department for the work that they've done in making sure that the diking and sandbagging was in place on No. 3 highway in Melita. It looks like a fortress down there for the amount of water that's presently in the area.

A particular commendation that I'd like to give is to the EMO person on the ground there, Grant Hume. I met with Glenn Negrich out of the department yesterday, who was there dealing with the circumstances in the R.M. office of Arthur, where they're using the EMO headquarters there, and one of the engineers from Boissevain that I met yesterday too, Doug Jansen. I've received a lot of favourable comments from the people on the ground there, because I haven't been there daily. I've been in contact with them daily but not on the ground daily because of being here in the House. But the people indicated to me that those people, and others, some of the highways people from Virden that are down there as well. I know that the Hydro people have moved out to Reston, and they've sandbagged the law offices there, and just a lot of positive comments from the elected people for the staff in some of those areas, the ones that I've named and others, to get the project moving as quickly as it has.

I think we're at about 1407.5 or .8 somewhere this morning on the floodwaters, Madam Chair. It was 1407.1 yesterday morning, and it's still rising slowly. We may get into that a little bit later in regard to some of the infrastructure requirements after the sandbags are taken away and after this recedes, which all indications are that the flood there will not last as long as it did, of course, in 1999. I think it went on till June, but there was saturated land and heavy rains that continued through that whole process.

So I just want to say, first of all, again, thanks to the minister for allowing my colleagues to take over my responsibilities yesterday, perhaps, in some of those areas, and thank him for his indulgence in the questions that he was able to answer on their behalf.

This may be an opening statement, Madam Chair, I guess, as I didn't do that yesterday. I

don't know if the minister had one or not in his opening remarks yesterday, but I thank the minister for that. I'll be checking that in *Hansard*, then, as well, to appreciate that.

I just wanted to say that overall, in the province, I commend anyone for increasing the budget, as the minister's been able to do in the budget for Infrastructure and Transportation. The responsibility that I have is to look at where those dollars are spent and make sure they're spent, I guess, in that regard, and if the minister can help me on any of the questions that I have in that regard, I'd be most appreciative in my role.

I think that, you know, bridges have been an issue in the past. We know that bridges, as much as it costs a million to build a mile of road nowadays—or a kilometre of road. I've got to get my distances proper there because there's quite a difference—kilometre of road—that bridges eat that up even faster, and that was a concern there in Melita yesterday as well.

So, with that, Madam Chair, I want to maybe go back for a few minutes. I think that one of the areas that I wanted to check on just briefly was—as I've asked the minister in the past—just if he could provide me with a bit of an update on some of the political staff that he has in his office as well.

Hon. Ron Lemieux (Minister of Infrastructure and Transportation): Well, thank you. I understand that, first of all, a great deal of work is going on around Melita, and people are working very diligently. Some people made comments that the protection so far is looking far greater than what was really needed. But there needs to be a long-term fix there and we're certainly prepared to do that. Our people are going to take a good look at what we can do there to make sure there's a long-term fix.

But, as the member said, the MLA said, for that particular area, there's a great deal of energy and time being put in by staff. In my opening remarks, when he has an opportunity to look at *Hansard*, it really covers—I was very brief, but I just thanked a lot of the staff. There are many people that are putting in a tremendous amount of hours related to this flood. That's where their energies are going. We've been very, very flexible—try to be very, very flexible—and I believe we're successful working with the agricultural community, whether it's oilseeds or grains or moving livestock or other product or produce.

I've not had an answer yet with regard to greenhouse products, Madam Chairperson. There was a question raised about, you know, do trees and shrubs from greenhouses apply as agricultural products because they're being shipped, from the MLA for Portage la Prairie. I'm still waiting. I was hoping to be able to get that answer today because, apparently, the drivers of those trucks have been told: Sorry, you can't haul. Yet we're trying to determine, you know, is that a legitimate product to haul. I mean, they're saying that they're being flooded out near Portage la Prairie. So I just wanted to raise that.

But all along the line we're being very, very flexible this spring because it's been a really unique situation with the flood. So our restrictions on our roads, we're trying to protect the integrity of the road, and we're doing everything we can to do that, but the other side of that coin is that we're also trying to be flexible. We understand that people are trying to move their goods, and our inspectors have really bent over backwards trying to be flexible with a lot of the people hauling.

With regard to political staff—oh, let me just say, first of all, this is really very, very helpful today, even though we're going global, to be able to let us know that, you know, we want to deal with certain items because we don't have to have 12 staff sitting here all day long. I do thank the opposition for this because there are people working for the Province, and they're doing their best, but they don't need to be sitting in this room, necessarily, if there aren't any questions pertaining to their areas.

* (10:10)

So we do appreciate having a head's-up like that, and, the same, I would really appreciate what my critic has for Monday as well, so we know we can bring the people in to try to assist me if I don't have the specific answers right at my fingertips. They can help me, because what we're trying to do here is trying to give us the answers as quickly as possible and not follow it up with a letter or something later.

Political staff: I have one person in my office, who is a special assistant; Eric Plamondon is his name. In my constituency, I have an executive assistant. I'm trying to think—that's essentially it, but I do have a few other people. I have, for example, out of the—oh, sorry. The EA is Matthew McRae, Matt McRae, in Lorette, and we do have a Phyllis Fraser, who's with the Lieutenant-Governor's office; she's his executive assistant. Tanis Wheeler—these are all

technical appointments. Tanis is with Northern Development and Aboriginal Issues, Alison Dubois is also dealing with Northern Development and Aboriginal Issues, and Sig Laser is the planning and programming analyst.

Essentially, those are the technical appointments that I have.

Mr. Maguire: Just for clarification, Mr. McRae—I believe Matt is your constituency administrator?

Mr. Lemieux: If I could clarify—Phyllis Fraser, the executive assistant to the Lieutenant-Governor, she's not political staff, but she's just a technical appointment. So I just want to clarify that. She's not political.

But, you asked about Matt McRae?

Mr. Maguire: The minister indicated that his constituency administrator, he had a constituency administrator. Is that Mr. McRae?

Mr. Lemieux: Yes, Madam Chairperson. My executive assistant in my constituency is Matt McRae.

Mr. Maguire: So that's the staff you have there. That's the CA, EA, same thing, one person.

Mr. Lemieux: No, I have a CA, as well, a constituency assistant that's in my constituency, as well, and also Matt.

Mr. Maguire: Who's the CA? Can he tell who that is?

Mr. Lemieux: I was just going to say that that salary comes out of members' allowance, just like everyone's else's CA, and his name is Justin Morant.

Mr. Maguire: Just so we're even, mine's Cheryl Porter.

Mr. Lemieux: I just want to say that—and I clarified about Phyllis, right? *[interjection]* Very good. So that's essentially—that's the staff.

Mr. Maguire: The ones that you've listed for me, they're all full-time staff?

Mr. Lemieux: Yes.

Mr. Maguire: Can the minister give me an indication of the—I know we've got the flow chart here, as well, but can he give me an indication of whether there's been any changes in the last, well, probably the last year since we had Estimates, I guess, in regard to the staff in the department, deputies or ADMs?

Mr. Lemieux: Everyone is the same. The staff is all the same except for a Mr. Chris Hauch, and he's the assistant deputy minister of Accommodation Services.

Mr. Maguire: Can the minister indicate who he replaced in that regard?

Mr. Lemieux: Mr. Geoff Bawden is his name.

Mr. Maguire: How was Mr. Hauch chosen? Was he within the department?

Mr. Lemieux: Yes, Mr. Hauch was from the Department of Health but it was through a competition that he was selected.

Mr. Maguire: So a number of the other persons working for him—and I'm just looking at the flow chart here on page 10 in the Supplementary Information that you provided us, there are six other areas there. Their lead people in those areas are still the same, or is there basically just one person in some of those areas? Corporate Accommodation Planning, Leased and—Project Services, et cetera?

Mr. Lemieux: Yes, the second person down or third person down, Leased and Accommodation Management, that staffperson retired, and we're in the process of rehiring.

Mr. Maguire: Retiring is one thing. I don't suppose they're up for rehiring.

Can the minister indicate who that was?

Mr. Lemieux: Mel Shewchuk is the person's name.

Mr. Maguire: Are there other retirements under—just on the flow chart there's Human Resources, Administrative Services, G. Bosma there, and Supply and Services under Assistant Deputy Minister Rochon's area—are there other retirements that the minister knows of in that area?

Mr. Lemieux: Regrettably, we're going to be going through a lot more retirements, and all that corporate knowledge, of course, goes out the door with these people, and that's something I believe all governments and all organizations are going to be faced with. We've had some retirements.

I'm just wondering if my critic wants to go through everyone who's been retired in this area, because there have been a number of them, or people have left. So we could go through all of—like there

are quite a few of them, there are a number of them, I guess is what I'm saying, or we could just point them out, or—

Mr. Maguire: Perhaps, rather than going through each of them individually, can you just provide me with a list of those persons?

An Honourable Member: Sure, yes.

Madam Chairperson: Honourable Minister of Infrastructure and Transportation.

Mr. Lemieux: Sorry, Madam Chairperson, we should know by now to wait until we're recognized, for *Hansard* people to put it on record. I apologize for that.

That would probably expedite, or at least help us with time. We'll just provide that because there are a number of people that have retired or left and people have been replaced, and the people who have been replaced there have been through competition. Would this be just at the director level? I'm just wondering.

Mr. Maguire: Yes, I'm thinking so, I mean, I know I'll have questions here on staffing numbers and that sort of thing, but the administration people, the lead people in some of those areas would probably be more appropriate and responsive. I know that Mr. Spacek's, Vigfusson, and the other areas here as well, if they could provide that just for those areas, that would be good.

I just wanted to know, how many staff are currently employed in the department?

* (10:20)

Mr. Lemieux: We have 2,478 positions.

Mr. Maguire: Yes, it is a big department. Thank you, and as I said earlier, I have to commend the staff that's on the ground in the areas that are doing the work across the province, because this hasn't been an easy winter, particularly, never mind the summer work that I know takes place as well, but it's been a tremendous winter in regard to ice and the utilization of resources in that area.

Can the minister indicate—I know there's always some turnover in departments—how many new staff they've hired in the past year?

Mr. Lemieux: New, in this year, '08-09, is 731.

Mr. Maguire: Can he indicate whether they would be all hired through competition or appointment?

Mr. Lemieux: Yes, it would be through the regular process.

Mr. Maguire: And the regular process is competition. Were there any of them appointed?

Mr. Lemieux: To the best of my knowledge, no. It all went through a regular civil service process.

Mr. Maguire: So those are the regular advertisements that the minister would do in papers throughout the province and regular advertising channels.

Mr. Lemieux: Yes, it would be, I guess, on-line or through the newspaper, and so on.

Mr. Maguire: Yes, particularly the Web sites and that sort thing of the department and the regular other channels.

Have there been any reclassified positions in the past year, description of any position that might have been reclassified?

Mr. Lemieux: I would have to get back to my critic on that. There are positions that are often classified, reclassified, I should say, all the time, and it varies for different branches, and so on.

I don't have that at my fingertips right now. I'd have to get back to him and let him know. I don't know if there's a specific area that my critic had in mind, but I don't have that at my fingertips right now.

Mr. Maguire: No, that's fine. If he can provide me with a list of that and probably have to—the next question is in regard to the vacant positions and perhaps the number of vacant positions that might be open at the present time.

Mr. Lemieux: I'm going to check the documents in front of me, Madam Chairperson, but I believe it was around 115 positions, sorry, 175, approximately 175 positions are vacant.

Mr. Maguire: I know there's always turnover and that sort of thing, but I was a bit surprised of—where would the most of the new hires come from, the 730 seems like a quarter of the department or somewhere in that area?

Mr. Lemieux: I would say a lot of those are probably—well, they would be internal, as I've been advised. In other words, you might have an ADM that retires and then another person would move up from, let's say, an executive director into the ADM's

position, and someone would then go into a director's position. A large number of them, I would say, are internal where people see different positions come up so they apply for them. The moment they move out of one position that position becomes available for someone else. I guess that's probably the easiest explanation I can give, as I have been advised by my department.

Mr. Maguire: I guess when I was asking about new hires, I was thinking of new people coming into the department, but this is certainly, what the minister has indicated is probably, you know, that is a normal procedure. Can he provide me then with perhaps the number that retired? I guess we've already checked on that. I think he was going to provide me with a list of the people that have retired in the department in the last year.

Mr. Lemieux: Yes, I would have to gather a specific number of retirements. But I would—as has been pointed out to me, it looks like there is 84 retirements. But within government, and I know—I'm not telling my critic probably nothing new that he doesn't already know, but there are people who come over as I mentioned; just Chris Hauch coming over from Health, for example. He sees a position available so he applies for it through a competition. So throughout government, through many different departments, people move around. This happens all the time. As I mentioned, with regard specifically to retirements, I understand there's approximately 84, but we can certainly get that. I can certainly confirm that.

Mr. Maguire: Does the minister have a number then of actual new people from other departments or other areas that have come into Infrastructure and Transportation in the past year, other than the number of 731 would be a lot of internal people, but it would be a much smaller number I assume that would be coming in from outside the department. It may not be.

Mr. Lemieux: We would have to break that down. Officials in my department will have to take a look at this and really have a kind of a better breakdown of what that looks like. There is a lot of movement within government and, in fact, people are encouraged if they see positions available and they want to better themselves or they see a better opportunity for them career wise, they take advantage of it. But we'd have to get a better snapshot of that as to who's come in from other departments or brand new off the street, if I can use

that term, coming into government from the private sector or from university or community college.

Mr. Maguire: That would be good then if the minister could supply me with a list. It doesn't need to be today, but if he could supply it perhaps Monday, if he could provide a list of people that have retired as we talked about already and then a list of where people have—how many actual new people have been hired from outside. Perhaps it will be beneficial to know the ones that have moved internally as well. If the minister can supply me with that, that would be good.

* (10:30)

Mr. Lemieux: I certainly will attempt to do that. I can't promise it will be Monday, but I know that we'll try to get it to you as soon as we can and we'll try to get those numbers for you.

Mr. Maguire: Madam Chair, the 175 vacancies, what's the—you know, that's 7, 8 percent of the department here. Can the minister indicate to me how many of those—if that's a normal number in the department. If it's normally in that area, how many of those will be tendered in the near future and what is the smallest number of vacancies perhaps that have been in place in the last year?

Mr. Lemieux: Out of the 175, I've been advised that about approximately 75 are in the works right now, looking to rehire and approvals to move ahead on them and approvals on hiring and getting those types of approvals. So about 75 out of the 175 right now are in the works.

Mr. Maguire: As well then, can the minister supply me with a list of the vacant positions?

Mr. Lemieux: I know my critic will be sensitive to the fact that the staff will put this together as quickly as they can and try to break it down and take a look at what's available.

Mr. Maguire: I might be inflexible in the fact that if the minister thinks that I need these this instant, I don't, but if—some Monday would be good. Not maybe this Monday, but I appreciate his indulgence in that.

Before I move on to that, pretty much all of the staff here that he would have are filled, then. Are there any vacancies at the assistant deputy or deputy minister—well, I guess we only have one deputy, so, assistant deputy levels and their immediate staff filled?

Mr. Lemieux: The only position that's really available on the management side is the Leased and Accommodation Management position. That's over on the right hand side under Accommodation Services under Chris Hauch. It's the third position down.

Mr. Maguire: Yes, just so we have that on the record. We've talked about Mr. Shewchuk there and thanks.

So I just wanted to touch base in regard to the types of staffing opportunities that would be there when looking at the vacancies that are there and the hirings. Most of the hirings would probably come either in the department or within government or within the province. Have there been many hirings in the last year out of people that have come in from other parts of Canada?

Mr. Lemieux: I'm certainly not aware of any. In my department, anyway, I'm not aware of any. Most of them have been people coming in from other departments, or from university or community colleges or outside, or from the private sector but, to the best of my knowledge, not from outside Manitoba's borders.

Mr. Maguire: I know that the minister will, from time to time, provide new direction, new incentives in his department, and I know that the staff runs a very good department from what I see in regard to that area. I know the minister's very well aware of—it's pretty hard to keep track of 2,478 positions, and I don't mean that you or your immediate staff have to know what everybody's doing every minute when I ask this question, but I just wondered, is the minister from time to time, or has he ever hired outside consultants to look at the structuring of the department, contracting that they would do, the number of things that might be there?

I know the minister's been in the department, the minister, for a number of years in regard to this, and from time to time, it may be beneficial—and I don't know if I would do it if I was in his shoes or not, but can he apprise me of any outside contracts that he might have had in regard to direction that he might get on how others are doing things in other jurisdictions, or does most of the advice come internally on that?

Mr. Lemieux: Well, most of the time—and we're blessed actually in Manitoba to have a great deal of expertise especially in infrastructure and transportation in our province, thank goodness. But

there are occasions where you look outside for outside expertise. I'm trying to think of—for example, the Taxicab Board recently received a report on the taxi industry. That might be an example of someone, you know, that has gone outside. It's within my department. It's a board that I'm responsible for. I'm trying to think off the top of my head of others. That one comes out because that's fairly recent.

Also, what we're looking at is looking at engineering expertise also outside the department on occasion where you have to—there's so many projects and so much money now being put out there on bridges and roads that we may not always have the capacity internally to engineer to that, so we're working with the engineers association and so on, and others, to see how we can better improve that to make sure more engineering is done.

So that example I gave before is the one that comes to mind. But governments do this on an ongoing basis. They often will look outside if they don't have either, No. 1, don't have the expertise internally, or everyone is at max capacity. So you have to go out to get some assistance to be able to move the whole agenda forward with regard to infrastructure. I'm not sure if that's what my critic was looking for, but that's essentially the answer that I have at the moment.

Mr. Maguire: The minister's touched on one area, and I know that there will be specifics in regard to departments, and I'm assuming, then, that the taxicab study that was done is, of course, under his jurisdiction, and, eventually, the funding comes out of that department, then, for such studies?

Mr. Lemieux: Well, in that particular case, they have their own budget. The Taxicab Board has their own budget, and that's where a consultant would come from. It would come from their budget. I'm certainly not privy to, you know, the amounts, or, you know, the compensation that was given to their consultant that did the report or anything like that, but it's their budget. It comes out of, for example, the Taxicab Board budget, as I understand it, to pay for individuals like that.

Mr. Maguire: Just while we're on that, then, the taxicab people pay a fee to their board, or is it the board is appointed by the government in regard to the management of it, and then the funds for such a study would eventually be paid for by the government in that regard?

Mr. Lemieux: Well, we as government provide—there are civil servants that are attached to the Taxicab Board. Mr. Jerry Kozubal is one person that is a staff person that is directly associated with giving advice and being the person that's responsible as a civil servant. But the board, itself, the Taxicab Board, the chair and others are appointed by government, and it goes through a screening process to put those people on the board.

*(10:40)

There are civil servants that give advice. They're the full-time people. I guess that's the best way to describe it. But they do have their budget that they're given, and part of the responsibility of the civil servants that are there is to make sure that they live within that budget. That's how they determine their budget and the spending.

Mr. Maguire: I'll go back for a moment in regard to that. I have some questions I want to ask in that area, and I will. Also, one of my colleagues will be in, so the minister knows there are a few questions that they would like to ask around—shortly after 11 or somewhere in there. So I may have a few of my colleagues coming in, as well, so time does go by quickly.

I wanted to ask the minister, you know, the other day I was asking—I'll ask this question, first, I guess. So the minister has indicated that, as far as he knows, he hasn't done any outside province hiring of visionary ideals for the department, I guess, is what I would put at. I know that he's pointed out that you've got contracts for specific areas within the department. I guess that wasn't what I was looking at so much as the overall direction of the department and its management and running. I know that he'll have think tanks with his deputy ministers all the time internally and that sort of thing, but has there been any contracts for hiring from outside the department to give the minister advice on what direction things should take, or if there are changes needed in the department, that sort of thing?

Mr. Lemieux: Well, to the best of my knowledge, no. If an example would be like hiring the former governor of Arizona to comment on cross-border trade, no, we haven't done anything like that. I don't know. You know, I mean, the answer, basically, is no. You know, we have, as I said, we're blessed to have good people within the department. People have been around a long time, including the current deputy minister who's been in that position for about approximately 14 years and is very, very

knowledgeable, and the contacts that he has throughout North America have really been of real benefit.

Also, the staff that we currently have, as well, the ADMs and others, we're very fortunate to be able to have them placed on many, many committees and transportation committees and organizations in North America. That provides us with a lot of input as to where we should be going. Just on the item about a vision, there was a Vision 2020 committee with the MLA for Selkirk, the MLA for Flin Flon and the MLA for Flin Flon, Selkirk and Transcona were—well, we call them the three wise men. But my critic may not. Actually, it has been proven that they are truly wise in the sense that they've given direction not only to increase funding to Transportation, with the kinds of challenges we have on bridges and roads, and that consultation that they did with First Nations and Aboriginal communities and with rural municipalities a number of years ago has really set the foundation for this province many, many years and, indeed, decades into the future with not only funding but where we should be going with a better plan.

So, anyway, the brief answer is, to the best of my knowledge, no, no; no one from outside of—no visionaries or anyone else outside of Manitoba's borders.

Mr. Maguire: I'll give the minister an example of why I asked this question in a minute. I appreciate the fact that he had a 2020 vision, and that the people did do work, and 2020 is, you know, clear sight as opposed to the 2010 one that the Agriculture Minister had and maybe was only halfway there—just for the record.

I wanted to say that, when I was asking her questions in her Estimates on Wednesday, I guess, it would have been when I was here, part of the reason that I asked this question, and may ask others, you know, the minister indicated that there was some visionary work being done in her department in regard to maybe some areas of changes in rural initiatives. So what I was able to extract, I guess, in information just the other day, was that the minister had hired the former NDP Minister of Agriculture out of Saskatchewan to do a study for her in regard to rural initiatives. I guess I was wondering if the minister has had any hirings of contracts and that sort of thing from other previous—never mind Saskatchewan—other departments, ministers or

retired persons in those regards for visionary ideas in this department.

Mr. Lemieux: Well, I know that the Minister of Agriculture, Food and Rural Initiatives (Ms. Wowchuk) doesn't need me to stand up for her. This is a person, not only a farmer and a person off the farm, but knows agriculture well and has been the Agriculture Minister in this province for a number of years and has put forward a plan, a vision on agriculture and where we should be going with regard to her department. So I know she doesn't need me to defend her, but she has clear vision, 20-20 I would argue, on where she would like to go and where the department should be going.

Governments have done this for years and will continue to do so, looking for outside advice. Sometimes it's great to step back and have someone else take a look that's external to your organization just to see how things are running and maybe have some input into how to better improve your organization. I wouldn't want to take that away from anyone, but that's an option. To the best of my knowledge—well, let me put it a different way. I certainly have not received any information from other previous elected officials or from other provinces, Ontario or the United States or anywhere else. That doesn't mean that I—I may in the future, but to this point, I certainly have not. But I think it is a good idea for organizations to sometimes have somebody external to their organization take a look at how things are running and how things are functioning.

Mr. Maguire: That's clearly what I wanted to get to. I think the minister has been very forthright and clear on his direction in that area. To be fair to the Minister of Agriculture, her 20-10 vision is probably very close because it's 2010 next year, and we don't have to be rocket scientists to figure that one out. The calendar will keep moving. These studies were done a number of years ago, so I appreciate that.

I guess I'm wondering in this case, you know, in the case that I just referred to, it was Minister Clay Serby who I know well, and as well I've had some dealings with Mr. Serby when he was Agriculture Minister in Saskatchewan. I had opportunity as a farm leader to meet him on a number of occasions and through our association with the Canada Grains Council and the work that we did at that time. I'm looking forward to, and I believe the report that he has presented to the ministers, may even be released today or in around, creating—Capturing

Opportunities, and so we'll be looking at that in further detail.

I know that the minister, with the size of the department that he has, he and his immediate staff have a big job trying to co-ordinate all of the issues because you're dealing with weather. So is Agriculture, I guess, in some of those regards. Some of them are not maybe quite as detailed, but it changes daily. As I pointed out earlier, it's a big impact on all budgeting that can be done in that area because I appreciate the fact that you have to be pretty flexible when it comes to making decisions around flooding. Urgency situations do arise. This minister's budget can be targeted by other departments when those kinds of things happen. We've seen an extremely long, cold winter, but the irony of it is in February, there was an extreme amount of rain that caused a tremendous pile of icing of our highways and that sort of thing in the province as well. It maybe even led to some of the flooding that we're seeing now, certainly here in the city in regard to the ice jams that we had as well.

Can the minister indicate, while we're still on positions and before I get away from that, how many positions were relocated in '08 and '09 sort of from rural to northern, in to Winnipeg or Winnipeg out to rural?

Mr. Lemieux: I'm not aware of any. The positions that are there basically stayed in the different regions. There really wasn't any movement as far as I know, and that's what my department and officials with me today advise me, that there really wasn't anything.

* (10:50)

Mr. Maguire: Highways is a big area and you've got regional departments, and I just wondered if there was much movement within the regional departments. They seem to be—I've met with a number of them at different times—certainly solid individuals, from my perspective at least anyway. A big job to do. I think that it's a budgeting issue in a lot of areas, as the minister has told me many, many times over the years in Estimates. There are six or seven times the requests for money than there is money. I appreciate that. The people in the field are the ones that really feel that because they're there on a daily basis. I'll have more questions on that area at the beginning of the week, I think.

One of the areas that we're looking at is the type of contracts being awarded directly and, you know, I

guess I just wondered if the minister can indicate to me the type of contracting that he normally goes through in his department on jobs and just the process of why that type of contracting was chosen.

Mr. Lemieux: Well, I'm at a bit of a loss. I'm not sure where my critic is going. I'm not sure what he means by that. I mentioned before that we're looking at and have, well, historically, I guess, really, in the department, looking for outside assistance on engineering, for example, or going to the private sector to get engineering assistance. You know, if our engineers are busy, and they're especially to the max now with all the projects they're doing and we're doing. We may have to look at hiring outside engineers to do different projects to assist us.

I guess I'm just looking for more clarification as to where—I mean, I'll give my critic the best answer I can and the forthright as long as I know and have a clear understanding of what the question is. I guess I'm not sure what the question is.

Mr. Maguire: I guess I'm looking at the types of contracts that would go out. I'm assuming that they're just normal tendered contracts. There's not many tendered versus nontendered, that sort of thing.

I'm assuming everything's tendered. Are there any examples that the minister can give me of a nontendered contract that he might have in the department?

Mr. Lemieux: On occasion, there certainly have been untendered contracts. It's for various reasons. Sometimes it's a matter of an organization or an engineering firm having specific expertise in a particular area. They may be a company that has done a similar project, a similar bridge, for example, maybe elsewhere, and they have the capacity. It's a larger organization and company that would address the particular issue or concern that we have.

But probably the best example that I can think of is First Nations winter roads, winter roads in the north. We as a government have made a commitment that we want to ensure that we're building capacity amongst First Nations people and providing them with the finances to be able to do that work, but not only that, is that since these roads are going through these isolated remote communities, we feel it's imperative that—and I believe this has been a long-standing practice, is that we work with the First Nations organizations and communities on winter roads. They may sole source or have a partnership with a particular company that would do the work for

them, or they would certainly do the work for themselves as much as they can. But that's one example of sole sourcing or having a particular project dealt with in that manner.

Mr. Maguire: Thanks, Mr. Minister, for that. I mean, that's the kind of thing, I guess, that I was looking at, contracts, noncontract. It may be a big undertaking; I don't know if the minister can give me an example of this or not, or not an example, but a figure on this, but how many contracts would he basically go through in a year in his department?

Mr. Lemieux: Well, we don't have the number, but we'll do the best we can to try to find that. It won't be by this Monday, but it'll be—you know, we'll try to get that for my critic. I'll ask my department to do that.

Mr. Maguire: I don't know if he can provide me with the contract number, the number of contracts that they've had in the past year. He gave me some examples of non-contract areas that, perhaps, he can give me a list of those as well.

Mr. Lemieux: I'm not sure, non-tendered contract where it was sole-source, where the company may have had a specific expertise where we went to them, and the availability, we may not have the capacity within the department and we went outside? Is that—

Mr. Maguire: Close enough, Madam Chairperson.

Mr. Lemieux: We'll try to do that, see what we have and, hopefully, it'll be to the satisfactory of my critic. Thank you.

Mr. Maguire: In regard to the Taxicab Board, Madam Chairperson, I was discussing a couple of issues with it. Of course, there was the study done that the minister knows, what he just talked about earlier, with TTLF, I believe was the company, Tennessee Transportation and Logistics Foundation that did the work on the taxicab program.

Can the minister perhaps indicate what the cost was of that? *[interjection]* Yes, I'll try to deal with some of these.

Mr. Lemieux: Jerry Kozubal is joining us now, and he is the staffperson that's connected with—and secretary to the Taxicab Board, I believe, is the position. I certainly would have to ask him for some assistance with regard to the funding of the study. In fact, even though the company is called the Tennessee—I'm not sure the company name, but I believe the person's from St. Louis. I will certainly

get more details, maybe on the following question. Thank you.

It was a tendered contract. It wasn't sole-sourced, or it wasn't a direct contract. It was tendered, and \$50,000 Canadian was the amount that was paid for this. It was tendered, and this particular company was the one who won this tender.

Mr. Maguire: Yes, St. Louis is a wonderful city. Home of Andy Murray and the Blues, as the minister will well know, in hockey circles. I guess that he's done now. But they had a pretty good year in the end.

I just wanted to touch base in regard to the outcomes and the recommendations of this study, look at some of the other areas, and if the minister can give me what's his sense in regard to being able to proceed on the—I know there are a number of licences that are required, that the taxicab people are looking at. There are independents, I guess, who would like to see more opening up of that and, of course, the taxicab people that are there—there are those who seem to think that there's a large, inordinate perhaps, control in that area from the major taxicab companies we have in the city of Winnipeg.

I wondered if the minister can provide me with any information that he might have on whether he sees that as a viable future way to go for the present licencing that we have in the province.

Mr. Lemieux: Well, there were a number of recommendations that came from it. I know there was a press conference that was held, and one that I know of and am familiar with, is that there are peak periods of time. This was pointed out in the report that had to be addressed.

One recommendation that came of this particular study was allocation of seasonal taxicab business licences, and that's to be determined by the board, but that they would immediately add 80 Christmas cars to the Winnipeg taxi system. I believe it's from December to March.

* (11:00)

My father is in the taxicab business in Dauphin, Manitoba, and there used to be certain times in Dauphin that—Christmas was always, in the winter, that was the peak season. You had the Ukrainian Festival in Dauphin, that was another occasion. No different than Winnipeg. There are certain peak times that you need more cabs on the road. You don't

necessarily have to add 140 cabs to the total amount of taxis that are in the city, but one of the recommendations that I'm certainly familiar with was adding the seasonal—I can call them that—seasonal taxicab business licences to take a lot of the—I guess at the peak season—to address the peak season concerns.

Mr. Maguire: Yes, there was a number, I think it was 70 or 80, that the minister was talking about, of licences that would be added in that peak period of time.

Can the minister give me an example of how many total cab numbers we have in the province, or in the city?

Mr. Lemieux: We currently have 410 permanent licences and we have 70 seasonal.

Mr. Maguire: Pardon me. Thanks, Madam Chair. Can the minister just repeat that number for me? I was just getting rid of my colleague here.

Mr. Lemieux: Well, yes, there are 410—sorry, 410 permanent licences and there are 70 seasonal.

Mr. Maguire: How many persons are on the Taxicab Board?

Mr. Lemieux: I believe there are seven appointed. They're Order-in-Council appointments. It's government who appoints them, and there's one, two, three, four, five—five that are appointed by government, Order-in-Council appointments, and there's two that are City. One is the City of Winnipeg Police Service and another representative is a city councillor from the City of Winnipeg that also sits on this particular board. So, in total, seven.

Mr. Maguire: Can the minister just supply me—does he have the names of the persons that are appointed by Order-in-Council and, if he has, can he put that on the record?

Mr. Lemieux: Yes. Sylvia Farley, Navjit Sidhu, Lee Gaylene, John Jack, Bruce Buckley and the Councillor Harry Lazarenko—I think it's still Mr. Lazarenko that's on the board—and Patrol Sergeant Barb Tobin with the Winnipeg Police Service.

Oh, sorry, it's no longer Barb Tobin; Rick Zurba is the Winnipeg Police Service appointee.

Mr. Maguire: How many new licences would the board issue in a year?

Mr. Lemieux: It varies from year to year. It can go anywhere from 12 to—it could be 50—but this past year was 40. I should also add, of course, that the Taxicab Board, even though these appointees are from government, the City of Winnipeg or the Province, that the Taxicab Board is an independent, quasi-judicial administrative tribunal. This is something that has been in place for a number of years now. As I mentioned before, it can vary in the number of licences that are issued, but last year, I believe, I was advised it was 40.

Mr. Maguire: I know that there are the main two large units that we have in Winnipeg, Duffy's and Unicity. Can the minister indicate to me how many other companies would be in the taxi business in the city?

Mr. Lemieux: There are anywhere from, I guess, 40 is the total, but there are some individual owners and they don't have—they're individual companies, I guess, individual owner-operators. They're not part of Duffy's necessarily or Unicity, but they're owner-operators. There are also others who do Handi-Transit or they do other types of taxi work.

Mr. Maguire: The minister indicated there are 40 such companies. Is that correct?

Mr. Lemieux: There are 40 owner-operators so that could be handi-transit, that could be limousines, that could be standard taxicabs, but they're individuals.

Mr. Maguire: For clarification, I believe there are some of the owner-operators that work for the larger companies as well. I use Duffy's and Unicity as an example. They may not own all of the cabs individually as companies. There would be an owner, I assume, that maybe would have a number of cabs within one of those larger companies, maybe a sublet contract to work for them. Is that correct or are all of the cabs owned by those two companies directly that they would operate?

Mr. Lemieux: So to use the example of Duffy's. Within Duffy's there are 154 licences. The company itself does not—it's not their licences. They dispatch the cabs so they're each individual licences. They're owned by individuals so you have a shared corporation that you have each person having a share.

Mr. Maguire: If they have 154, what would Unicity have?

Mr. Lemieux: Two hundred twenty-five, I understand.

Mr. Maguire: That 379 is part of the 410 licences we have in the city?

Mr. Lemieux: That's correct.

Mr. Maguire: It leaves 31 cabs, I guess, available for other units, companies. Is that correct?

Mr. Lemieux: Yes, that's correct. Unicity and Duffy's have the vast majority of them.

Mr. Maguire: Licensing, getting licences and that sort of thing, all have to be done through the Taxicab Board?

Mr. Lemieux: Anyone would have to apply for a new licence through the Taxicab Board.

Mr. Maguire: I guess the circumstances there are, you know, in regard to fees and licence fees and that sort of thing. Can the minister indicate what a normal fee would be for a licence cost in Manitoba for a Taxicab Board in Winnipeg?

Mr. Lemieux: The licence is about \$200 and a driver's licence is \$30.

Mr. Maguire: Can these be transferred or exchanged, the licences they would receive for those values, for that annual fee?

* (11:10)

Mr. Lemieux: That's correct. The majority of the licences are transferable.

Mr. Maguire: If they were, you know, there seems to be a secondary market in that area, then, and I guess, if you will, what the value of those would be to get into the taxi business by someone else. I'm told that it's over \$200,000 in that area.

Can the minister elaborate on whether he feels that that's a correct route to go, then, or whether that's, in fact, the case?

Mr. Lemieux: My critic is correct. It's certainly over \$200,000, but it's a free market system. Even though the board approves the transfer of the licence—and for that transfer fee there's a \$400 charge, but it is the buyer and the seller that determine that market value.

Mr. Maguire: Yes, some of the information is that that's risen quite a bit in the last few years. Can the minister indicate just if that \$200,000, \$225,000 has been the number for the last decade or the last two years, or five years, or how much it might have increased?

Mr. Lemieux: My critic is correct. It has gone up in the last decade. From 2001 it was around \$100,000 at

the time, and now, 2009, it's over \$200,000. He's correct. It's gone up more than double.

Mr. Maguire: Lest the minister thinks I'm getting political on that because of the 10 years he's been in government, I'm not. He can go back another 10 years or 20 years or 30 years. I understand that it's increasing and I guess that's a point of concern, but it seems to be—I guess if the returns are there, you just have to make a business, you've got to run faster. Take more fares to cover it, I guess, as the minister indicates.

But I wonder about the competition side of it. He's talking about this being an open area, and I know the report dealt with it a little bit in regard to the difficulties of getting the new licences, of getting new companies involved.

Does he feel that there needs to be a change in that at all in the way that the present licencing procedure is dealt with in Manitoba, city of Winnipeg, I guess, particularly?

Mr. Lemieux: The board has accepted the recommendation about the 80 seasonal cabs needed for a peak season and that is something that—they review it. It'd been a while, a number of years since the last review was done. About 1992 or so, the previous review was done.

I mean, the Taxicab Board is always open to ideas and suggestions, but, currently, this report gave some good insight and recommendations, and the Taxicab Board has certainly accepted the seasonal approach to it in having the seasonal licences. Currently, this is where the issue stands.

Mr. Maguire: Does the minister intend to recommend that increased numbers of taxi licences be made available on a permanent basis? When was the last time that there was an increase in the numbers of taxis that are allowed to operate year round?

Mr. Lemieux: Well, as I mentioned before to my critic, the Taxicab Board is an independent quasi-judicial administrative tribunal, and, yes, people are appointed including a city councillor from Winnipeg, as our City representative, and also a police officer. These people determine and give, certainly, advice as to where they would like to go.

It's seasonal right now. The board has accepted the 80 seasonal licences, and that's essentially where it lies.

Mr. Maguire: So the minister doesn't foresee any increasing in the number beyond the 410 at the present time?

Mr. Lemieux: Certainly not. Not at the present time. There are the cabs that we mention, the licences that are in place and the seasonal approach to the recommendation, and that's really what the board is looking at, and they look at the issues on an ongoing basis obviously. They deal with this issue all the time and so does the secretary to the board. So, as of today, I would say that's correct. The current licences plus the seasonal.

Mr. Maguire: When was the last time that there was an increase in the number to get to the 410? Can the minister indicate when the last increase was allowed?

Mr. Lemieux: Yes, on the taxicab licences themselves, it's been certainly 10 years since they have been increased, but the areas that have received more of an increase is—for example, let's use limousines or Handi-Transit or handicap vehicles, those are the areas that have increased, I guess in relative terms, substantially. But, with regard to—I don't know how you phrase this—regular licences or regular standardized licences, it's been about a decade or so approximately since there's been a real substantial increase.

Mr. Maguire: It's my understanding that we have a Taxicab Board here in the city of Winnipeg. Does the rest of the province run independently?

Mr. Lemieux: Yes, the city of Winnipeg, the Taxicab Board is specific to the city of Winnipeg, and the Motor Transport Board regulates the taxis outside of the Perimeter, I believe, or outside of Winnipeg.

Mr. Maguire: Can the minister confirm that those are all independent then, if you want to start up a new taxicab company in, say, Brandon or Thompson, that you apply for your licence and you're allowed to go ahead?

Mr. Lemieux: That's correct. They would request or apply to the Motor Transport Board, or they're within the municipality, they, I believe, apply within that municipal jurisdiction for licencing.

Mr. Maguire: So there aren't the same kind of restrictions in the total numbers of cabs in those areas that there would be in the city of Winnipeg?

Mr. Lemieux: I believe that would—I understand anyway because I've been advised I think that's the call of the municipal jurisdiction. If they determine

that—well, I don't want to put words into the mayors' or reeves'—into their decisions, but my understanding it's their call if they feel they need seven cabs or 10 cabs or 80 cabs, it's the municipal decision to make and, with regard to that, I guess that area.

Mr. Maguire: Madam Chair, I know that there are Estimates going on in other departments as well at the present time, and I just wanted to have the indulgence of the minister for a moment in regard to my colleague from Brandon West, who's our Finance critic. I know that he has a few questions in regard to some of the items that may not pertain to taxis or water services. I'm not sure what direction he wants to go in, but I wonder if I could offer him a few minutes of time for some of the concerns that he may have in his jurisdiction, and we may come back to this following that. Thank you.

Mr. Rick Borotsik (Brandon West): I just came in at the right time. Talking about taxi boards. The City of Brandon does certainly have its own board and has its own controls over the taxis within their jurisdiction, and it's fully funded by the City of Brandon.

Why is it that the Province fully funds the taxi board for the city of Winnipeg when, in fact, the City of Winnipeg could quite well have that authority given to them, could they not?

* (11:20)

Mr. Lemieux: I guess the—certainly what I've been advised by staff is that the Taxicab Board for Winnipeg is historical. When you had Unicity develop, the decision was made—and this goes back to the 1930s I believe, 1935, on the Taxicab Board of Winnipeg, to The Taxicab Act, to have the Taxicab Board regulate the industry within the city.

Mr. Borotsik: Yes, tradition sometimes has to be changed, and if you go back to 1932, if you will, enforce this particular board on the City of Winnipeg, has the City of Winnipeg ever asked for their own authority to control their board, the taxi board?

Mr. Lemieux: Not to my knowledge certainly—not to my knowledge.

Mr. Borotsik: As I understand the Member for Arthur-Virden (Mr. Maguire) had indicated I believe, there's a cost of around \$20,000 for that particular board. Would it not be in the benefit of the Province to perhaps share that cost with the City of Winnipeg?

Mr. Lemieux: The budget essentially is around \$700,000 for administration and the board and about \$300,000 are generated as a result of activities from the board.

Mr. Borotsik: So there's a net cost of \$450,000 to the Province of Manitoba to regulate taxis in the city of Winnipeg?

Mr. Lemieux: That's correct.

Mr. Borotsik: Well, maybe you could share those costs with the City of Brandon. If there are costs that are going to be shared at that level with the City of Winnipeg, perhaps you would like to contribute that cost to the city of Brandon as well.

Mr. Lemieux: There is no intent to change what is in place right now.

Mr. Borotsik: Well, I think we all try to look for efficiencies in everything that we do and every department that we have. I'm sure that this minister certainly would look at those efficiencies as well if—I'm sure he would.

My question is, unfortunately, a little bit more parochial. Madam Chair, we do have Infrastructure and Transportation performing a very necessary infrastructure project in the City of Brandon at the present time, which is the reconstruction of two bridges across the Assiniboine River. One is well under way right now, albeit some 12 to 18 months late in coming because of tender processes and tender delays previously.

Two questions: No. 1, is the current first bridge on time and when will completion of that bridge be?

Mr. Lemieux: Well, the first section of bridge—let me go back a couple of steps if I might. The twinning of the 18th Street Bridge is one of the largest, I guess, transportation projects to be launched in Brandon probably for over 20 years. The Province will have spent and invested close to \$30 million on the project, including adjacent road work.

The intent then—I'm advised by the contractors that they would like to see traffic on the new bridge certainly late this year, by the end of this year hopefully, that there will be traffic being used on that bridge. They could begin work on the south bridge, which is expected to be completed in late 2010.

Mr. Borotsik: It's very appreciated that we have this large infrastructure project, but, as the second-largest city in the province of Manitoba, we do need bridges,

we do need infrastructure renewal, and I won't talk about Kenaston underpass. I won't talk about the Disraeli Bridge, Madam Chairperson. I won't talk about the just announced Inkster to the airport \$200-million capital. So, yes, I make no apologies for looking at a large capital improvement to the infrastructure of Brandon, nor should the minister make those apologies as well. It's something that's absolutely necessary.

So we're looking at the completion of those two bridges which have been a long time coming. There is another infrastructure requirement in order to make that whole corridor passable, and that's the addition of another lane on the 18th Street overpass. There's an overpass that goes over the railroad tracks, and the minister is fully aware that there's terrible traffic at the present time. There's a terrible bottleneck at that particular overpass because there is only one lane going north and some of the traffic can be even more horrendous than it is in the city of Winnipeg.

Can the minister give me some time line, some timetable as to what the projections are for the starting of that particular project? Perhaps even a completion date.

Mr. Lemieux: Well, I mentioned that Brandon is getting not only the 18th Street bridges, two bridges, but also the repaving of 1st Street from Victoria and all the asphalt work that's taking place there. There has been other asphalt work take place in Brandon, and the overpass over CP Rail, I believe it is, is certainly in the area that we are looking at. I know the department is. But, as of this date, I haven't consulted with my department recently on that particular item. I don't believe that there's necessarily any start-up date or design of anything done as of yet. That's not to preclude that we won't be looking at it, or doing something there, but I can tell the MLA for Brandon West that, as of this minute, there is no complete design work or project started on that piece.

Mr. Borotsik: Well, if I could—and I know I don't have to because the minister is very familiar with that particular piece of infrastructure—simply suggest that that process be started, that the design process be started. It takes time, as the minister knows, to not only do design work, land acquisition, albeit the land is already acquired on behalf of the Province through the city of Brandon a number of years ago. There is design work, there's a time lag, and if he could start the process earlier, it would be most appreciated by

the residents not only of Brandon West, but Brandon and southwestern Manitoba.

That is the major, major entry point to a very major retail development that we have at the north end of the city which is utilized by a marketplace of some 180,000 people, of Manitobans who live in the southwest quadrant of this province. So it is a very major thoroughfare. It is the total responsibility of the Province of Manitoba.

If I could simply implore the minister to, perhaps, accelerate that process a little bit because there will be serious, serious traffic implications with only a three-lane bridge going into a four-lane highway as well as a four-lane bridge over the Assiniboine going up into No. 1 highway.

So I would ask the minister, just simply to put that on a fast track as opposed to going through the normal process. It could take years, and I'm afraid that particular corridor just doesn't have years.

Mr. Lemieux: I thank the MLA's question, I won't use the word lobbying, but certainly his attention to this issue is important. Brandon is the second largest city so far in the province of Manitoba. His colleague from Pembina is stating there's huge growth in Winkler-Morden. Winkler-Morden and other cities may be catching up someday, but Brandon is certainly our second-largest city and deserves a lot of attention and has been getting a lot of attention in the last decade from this government. Whether you're talking about MRIs or you're talking about eastern access, or you're talking about the 18th Street bridges, multi-multimillions of dollars have been spent.

There's a lot of work that needs to go into projects like the one that the MLA is talking about because you have a rail company that needs to be worked with. We also have to work with the City of Brandon itself, with the mayor and council. There also has to be a design, engineering and design done on this particular project. So, as I mentioned, as of this minute, the department has not—there has been no design work or engineering done on this particular segment. It doesn't mean that the department is ignoring it. We're not. There are huge needs throughout the Westman region which we are trying to address on Highway 10 and other areas. As I mentioned, just the eastern access itself is close to \$25 million over the next few years, and working with CP Rail on detour needs and the need to build

rail underpass and move dirt and paving and all of that, it's a huge project in itself.

*(11:30)

That's not to preclude that MLAs are going to ask for more projects to be done, and I understand that. But there is a priority system in place and the eastern access, and the paving of No. 1, the eastern access has been determined to be a priority.

Certainly, we'll be looking at this particular overpass as well. It's not going to be ignored. It can't be. That's the reality of 18th Street. I hear from my sister all the time that lives in Brandon, and my brother-in-law, about 18th Street and how busy it is. Brandon is a real hub of Westman and it's only going to continue to grow, so we're not going to overlook this important infrastructure project but, as I mentioned, I'm just trying to put in a sequencing of the projects that are geared for Brandon and that's the 18th Street bridge, eastern access, 1st Street paving, doing more work on No. 10 and, of course, this particular structure is going to be looked at and is being looked at.

Mr. Borotsik: That's the point I was trying to make. None of these projects progress quickly. There's a certain process in place and the initial is design work and obviously negotiations with the City of Brandon. I think if the minister talked to the City of Brandon and the mayor of the city, he would find that this, perhaps, has gone up the priority list quite substantially. He talks about the eastern bypass. The eastern bypass, I can recall, back in a future life of mine, was also anticipated. We go back 25 and 30 years and it's not still completed. However, we can't wait 25 or 30 years for the 18th Street overpass. That is vital infrastructure and I think if he talked to the mayor and council of that city, he would find that that would be well up on the priority list at the present time.

I thank the minister also for giving me another opportunity to put the priorities forward to him and his government through his sister and his brother-in-law, so I'll be making sure I make those calls to the sister and the brother-in-law to make sure that they can certainly pass on the urgency of that particular piece of infrastructure. I thank the minister. I know that, with the two bridges completed over the Assiniboine River, this next infrastructure project will absolutely be vital, so he will hear from his sister on a more regular basis.

Mr. Lemieux: I'm always pleased to talk to my sister on a weekly basis.

I have to tell you that, when you take a look at priorities, I meet with municipalities on an ongoing basis. They have huge wish lists of what they need and what they feel they want, including Brandon. Brandon would like better sewage treatment. They would like better accommodations as far as health care. They are looking at different recreational opportunities. They're looking at bridges. They're looking at the eastern bypass—or access, I should say. So there is a lot of work happening in Brandon. That's not to take away with—the fact is, the second largest city in the province will need ongoing infrastructure.

You mentioned about 25 years it's taken to do certain projects. I can guarantee you we're not going to be taking that long to address these projects. Even though you take a look at the 18th Street bridge, these projects do take two, three years, and even though we've been on time and on budget, even on the eastern access, it takes a long time to do these projects.

As a former mayor and member of Parliament who has been around for a while, I know he knows this, and so he's making the point that you can't wait until 2020 or 2030 to get this done. The department is looking at this issue; we've had to. We understand it because, once the 18th Street bridge is done, the current ones, there's another overpass on 18th Street that's going to have to be addressed. We know this. We're committed to it. It's just that I'm saying to the MLA for Brandon West, I don't have the details in front of me today, but the department is going to be working on this and so I can't give a time, but I certainly can give the time in 2009-2010 when the current new 18th Street bridges that we're working on are going to be done and going to be used. *[interjection]* Over the Assiniboine, yes.

Mr. Maguire: Thanks. I, too, would like to just put my request in as the Member for Brandon West (Mr. Borotsik) has an accelerated process on the railroad overpass in Brandon.

It will be continuing to be a bottleneck with the amount of traffic pull that's going up and down the 18th Street area, into the new businesses, the expansions along the, basically, No. 1 highway, which is a part of, basically, a perimeter highway in the city of Brandon, as well.

I just had a couple of questions to finish up on some of the areas, the taxi areas, and then I'd like to move into some of the Water Services opportunities that we have, Mr. Minister, as well. There's a concern, I think, amongst the taxicabs and some of the limo operators in the city that there's unregulated amounts of taxicabs or, perhaps more to the point, limo operations even to the point where some people are saying that there's unsafe vehicles in the road in regard to some of the unlicensed opportunities that are there.

Can the minister indicate to me, No. 1, if he's aware of unlicensed operations that are operating within the city of Winnipeg, or in the province, and what the recommendation is in regard to unlicensed use of vehicles in this regard for taxi purposes?

Mr. Lemieux: Well, it's a difficult job for anyone to police any industry, quite frankly, but this one, where there's a dollar to be made, there will be some people that want to operate outside of the legal bounds and the legal boundaries. I know the Taxicab Board will do spot checks. They will do surprise inspections, because you get a lot of limos that operate outside of bars now. At one time, it used to be grads. All of a sudden, you had a huge influx that looked like there was—you wondered where did these limos come from all of sudden because you have graduations, and possibly a number of them were not licensed.

Ms. Jennifer Howard, Acting Chairperson, in the Chair

So you have spot inspections, the Taxicab Board inspectors making sure that the people are licensed and they are being regulated. The Taxicab Board has added more inspectors to try to make sure that they are inspecting limos in Winnipeg, and they want to ramp up the patrols to ensure that the limousines are being law-abiding, or the owners being law-abiding citizens, and they are going by the rules of the Taxicab Board.

So, having said that, if the MLA or my critic for Arthur-Virden has some information that I'm not aware of, with regard to illegal limos or something like that, we'd certainly like to know about it. Thank you.

Mr. Maguire: No, I'm just raising a concern, Madam Acting Chair, that the taxicab companies have raised, the licensed companies have raised in the past. I know that there are some fines and that sort of thing that are levied against unlicensed operators, some of the vehicles.

Can he provide me with a number in regard to the total number of inspectors that the Taxicab Board may have? I'm assuming that the Taxicab Board hired inspectors.

Mr. Lemieux: There's a chief inspector and then there are three full-time. There're two people on term contracts as inspectors. They have a big job in front of them. There's quite a few cabs and quite a few limos that are out there that have to be inspected, and they are doing a relatively good job. It's a tough job to do.

But, having said that, that's where we stand right now with regard to staffing.

* (11:40)

Mr. Maguire: The 410 licensed cabs that there would be in the city, does that include the limos and the other companies that would operate as well?

Mr. Lemieux: No, it doesn't.

Mr. Maguire: Can the minister indicate how many licences there may be, then, outside of that 410?

Mr. Lemieux: Yes, in total, it would bring it up to about 588.

Mr. Maguire: So the 178, or so, above the cabs, can he indicate how many of those would be limos or these other types of service vehicles?

Mr. Lemieux: Madam Acting Chairperson, 83.

Mr. Maguire: Madam Acting Chairperson, 83 would be limos.

Mr. Lemieux: Yes, 83 in that limo category.

Mr. Maguire: And what would make up the other 90 or 100 vehicles, then?

Mr. Lemieux: Handicap vans and accessibles, and towncars fit within that 83 limos. It's not the big truck limousines, big stretches that we think of, but it's also luxury cars fit within that 83.

Mr. Maguire: So none of the luxury cars would be in the 410 category.

Mr. Lemieux: Sorry, Madam Acting Chairperson. We should wait until we're recognized so *Hansard* has the opportunity to put us down. But the answer is no. They don't fit within the 410.

Mr. Maguire: So of the chief, the three full-time, the two part-time, the six inspectors that you would have, they would inspect only the 410 licensed cabs or would they inspect the whole 588 in total?

Mr. Lemieux: Yes, they're responsible for inspecting all.

Mr. Maguire: About one inspector per 100 vehicles.

Mr. Lemieux: Yes.

Mr. Maguire: I guess I would just wonder how often an inspector would stop a licensed cab of the 410 units.

Mr. Lemieux: They do random checks monthly.

Mr. Maguire: And that, of course, wouldn't be to check licences. Is it to check the ongoing—well, maybe it is to check licences, but would it also be to check the safety of the vehicle?

Madam Chairperson in the Chair

Mr. Lemieux: They check the licence. They check the quality of the vehicle. They check for any safety concerns related to—it can be as simple as signal lights or brake lights. They do a full inspection not only on the cleanliness but also the total vehicle package.

Mr. Maguire: I guess, to go back to the unlicensed complaints that we've heard of from some of the licensed operators, what sorts of fines or how do they deal with the unlicensed vehicles, whether it's a limo, a school bus, a Town Car, or somebody trying to infringe on a regular cab opportunity?

Mr. Lemieux: They would receive a provincial offence notice and, then, it would go to court and it would be the determination of the court. It could be anywhere from \$200 to \$1,000, depending on the infraction or a history, I guess. The court would have to take that into consideration if someone is a repeat offender. I think they would take that into consideration. But the court determines the fine.

Mr. Maguire: In regard to the regular cabs that are in the system today, is there a mandatory log process that they need to go through?

Mr. Lemieux: As well as the monthly inspections, they have to go through meter checks and safety a couple of times a year, but they go through meter checks where their meters are checked and so on, and mechanical safety, also, twice a year.

Mr. Maguire: And that's over and above these inspections that the inspectors would do on a random basis.

Mr. Lemieux: Yeah, random inspections too.

Mr. Maguire: I guess I'm wondering if there was a responsibility of the cabs. I'm sure there's a cost to doing inspection twice a year. There'd be more costs if it was four times a year. What onus is there on the—other than those two inspections? Is there—I mean, obviously, there's an onus to keep the upkeep of your vehicle going because, apart from the regular inspectors, I'm assuming that city police driving down the street see a cab with no tail-light, can stop it for that as well.

Mr. Lemieux: Well, I think anyone—as I mentioned, my father, who is now deceased, but he was in the taxi industry quite a few years ago now. It's changed, but to show you the responsibility that the industry takes as part of providing a service for the public, there are, I would say—would it be half the fleet?—80 percent of the fleet has now gone to hybrid or trying to be not only energy efficient, but the reason I mention this is also to mention hybrid vehicles are relatively new vehicles, so the fleet has been enhanced by the industry, and they are very cognizant of the fact that the public expects to have clean vehicles. They expect to have newer vehicles.

So there has been a transition over the last while to going to new vehicles because it's just good business. It's just good business, and they understand it, and they're trying to react to the needs of their customers. So they've really made a lot of progress over the last couple of years.

Mr. Maguire: Just finally in this area, the study is out that the group did for the Taxicab Board. Will the minister be receiving further input from that board as time goes on in regard to the implementation of the recommendations of the committee? I guess I'd also like to know, I suppose, just whether the minister agrees with the recommendations that have been provided in the report, specifically around, you know, being affiliated with a legitimate call centre and a number of minimums and maximums that—pickups that are required per day and those sorts of things.

Mr. Lemieux: Well, I would like to think—certainly, since I've been a minister, for any board I've been responsible, I've always been open to suggestions or recommendations that come from boards. If they ask me to look at a certain area, I'm certainly open to that. This is, again, a quasi-judicial board, and they have the responsibility for the taxi industry.

But I'm certainly open, as I said, not only to this board, but any board that I'm responsible for. I'm

certainly open, and my door's open to them, if they wish to make any recommendations or suggestions. They haven't as yet. That hasn't happened, but I mentioned about the seasonal vehicles that they're looking at and want to put in place and have said they would like to do that and are proceeding on that. But my door's always open to, you know, to any of the boards that may have a suggestion on how to make their boards more efficient or if they have regulatory concerns, they may want to raise that too.

Mr. Maguire: Just to close on this, Madam Chair, I'm assuming, then, that the minister feels that this is the best way to provide an efficient, cost-effective means of transportation for cabs in the city of Winnipeg, for the service of the public who requires or seeks out services for transportation in this regard.

* (11:50)

Mr. Lemieux: I believe in the report it also said that our industry is one of the best in our country, if not, indeed, in North America. It doesn't mean that, heaven knows, I'm not perfect, and neither is the Taxicab Board and neither is our industry, but they've come a long way and deserve a lot of credit for trying to make improvements to the industry. It doesn't mean that there will never be room for improvement. I think if you're progressive, you want to be able to look for ways to improve it, but as it stands now, they're doing a very good job. That doesn't mean in days or years ahead that things won't have to change, but I think Manitobans can rest assured that the industry itself is being run well. There is always room for improvements, and that's why the study has been a good 18 years or so since the previous study was done in the industry.

As I said, my door's always open, and we look forward to improving this industry in Manitoba. It's an important one. The taxicab industry, they are the ambassadors to Manitoba. Anyone who gets off a plane or gets off a bus or comes to our city or travels from hotel to hotel from a conference in the Convention Centre or MTS Centre watching a hockey game and going to their hotel, the people within the taxi industry or within that industry of transporting people are the ambassadors for our province and for our city. So there's always room for improvement.

Maybe I'll just conclude my comments by saying that I believe this industry has really turned the corner and is really trying to become even a more professional organization than what they already are.

They take a great deal of pride in their industry and we're there to support them.

Mr. Maguire: I'd just like to turn to Water Services, if I could and, with indulgence, the minister in regard to that, and thank Mr. Kozubal for being here today in attendance to take questions on this as well. Thanks for his input and the work that he's done as secretary of the Taxicab Board as well. Sometimes there are some trying times in trying to come to agreements between all of the people that he obviously has to deal with on a daily basis and the charges in those areas. I appreciate the time that you've spent with us, but I want to—I know there's a whole host of questions around Water Services and that area as well, and I thank Mr. Menon for being here with us today as well and taking the time to be here.

Before I get too far into it, I know the Member for Carman has some questions in regard to this area, and perhaps I could allow him to open up the discussion.

Mr. Blaine Pedersen (Carman): Thank you to my colleague from Arthur-Virden for allowing me to get a few questions in here.

I believe it was about a year ago that the Pembina Valley Water Co-op was required by the Public Utilities Board to pass through them any rate increases. The Pembina Valley Water Co-op actually just sells the water to the municipalities and municipalities also apply to the PUB. Has there been any review of that? There is a duplication there. Has there been any review of that system since it was put in place?

Mr. Lemieux: Just in the discussion with staff, it was pointed out and I was reminded that the PUB, the Public Utilities Board, is a quasi-judicial body, and any decisions that they're making—we certainly can't interfere with any of the decisions they're making, and I'm not sure if this is what the MLA's asking or to look at their decision and to change it somehow or to get involved in that, or I'm not sure if he's recommending something else, that we look at doing something different.

Mr. Pedersen: Whose decision was it that the water rates had to go through to the Public Utilities Board?

Mr. Lemieux: Because Pembina Valley is retailing water, there is an act that states they have to go to the Public Utilities Board because of that.

Mr. Pedersen: Well, I think there were some contrary views, certainly from the Pembina Valley Water Co-op about that, but I'll just leave that then.

I want to go on to rural water lines. PFRA was the partner with a lot of the, well, with all of the rural water lines that went in on a one-third basis with the Province and the municipalities. PFRA is no longer in existence now. It's been rolled into the, as I understand it, Agri-Environment Services Branch in the federal government. Is there any funding available now for rural water lines that still have to go in? In terms of both major projects, there are a lot of municipalities that still have major projects on the go, and there's also some cleanup in existing municipalities that have water lines.

Mr. Lemieux: The Water Services branch and the board for the Province of Manitoba does a great job, quite frankly, and there are huge amounts of requests, comparatively speaking, compared to the monies available, but there is also a process in place now, the Building Canada Fund, that there are many municipalities that have put forward proposals to improve their potable water as well as waste-water structures. Unfortunately, the Canada-Manitoba agreement on the National Water Supply Expansion Program expired on March 31, just this past March 31, '09.

The Minister of Agriculture (Ms. Wowchuk) and myself, we sent a letter to the Honourable Gerry Ritz, the Minister of Agriculture and Agri-Food Canada. The letter we sent to the minister was—well, No. 1, expressing our support provided by the Canada-Manitoba agreement on the National Water Supply Expansion Program, and we entered into that agreement in '03, and so what we're looking for: is that program being brought back? Manitoba is one of those provinces that really made use of this program. Others may not have so much, but Manitoba looked at this program as being very, very important.

Some of the replies that we've received from some members of Parliaments are that, for example, Prairie Grain Roads and also this water program, they're saying, well, that's all been rolled up into one. One, meaning the Building Canada Fund. But there are many people in rural Manitoba that believe these should be separate programs, and they should not be part of that Building Canada pot of money.

So, essentially, the letter that the Minister of Agriculture as well as myself sent, we were just saying that the government of Manitoba is very interested in participating in extending this

agreement that we had and that we were assured in the negotiations that this would be the case. So we're urging Minister Ritz to continue to assist Manitobans in ensuring the development of water supply infrastructure.

So this letter went to Minister Ritz at the beginning of this month, and so we're just saying we'd want to see that program back. We were told that there was a good opportunity that it would be, but there's kind of mixed messages happening about, you know, use the Building Canada Fund or use other pots of money. Yet this particular program was really specific to rural Manitoba and is really necessary. So we've asked the Minister of Agriculture to reinstate this program. Thank you.

Mr. Pedersen: So there are some small projects I know going in my constituency right now. It's more fill-in projects, if I can call them that, because the main lines are in there.

Funding for those particular projects, have they been announced? Have they been decided? If so, is it one-third sharing from previous programs, or what are the funding arrangements on them? Is the funding in place? Can the projects go ahead?

*(12:00)

Mr. Lemieux: Well, I would have to put the MLA for Carman on the spot and ask him which projects. Like, which specific projects? I'd have to know that because there have been a number of projects, I believe, in the neighbourhood—certainly over 340, I think it's 342, but over 340 projects that had been submitted to the Building Canada Fund, the communities component, and those projects are being reviewed right now. So I'm not sure what projects the MLA is referring to is part of that or—and also, if I might add, I think it's in the neighbourhood of \$800 million that these 342, or excess of 340 projects—they're being asked for an investment of that kind of money.

I really would need to know which projects—in other words, which projects they exactly are, because some of it is in the works.

Mr. Pedersen: Yes, in the R.M. of Grey, in particular, is one of the projects that I'm aware of. They had some small—and I can't tell you exactly how many hookups they were looking at, but I know the last time I talked to the municipality that they were still waiting for funding announcements, and this would be in the last two weeks. I haven't talked

to them since then, but there's one specific proposal. Has the R.M. of Grey been awarded any funding?

I'm only talking about rural water lines. I'm not talking about sewage. I'll get to sewage in a minute.

Mr. Lemieux: I've been advised that some of these projects—some people have applied to the Building Canada Fund. Some, of course, have not but because the federal portion of the contribution, which is the R.M.s have been notified that two-thirds of the cost they would have to pick up. Again because there have been no agreements as of yet and no decisions made as to who is going to be receiving funding from the Building Canada Fund or any other sources of money. Really there was some work done before, but it's still outstanding, and the R.M.s know that there is a lack of funding and, as it stands today, they would have to pick up two-thirds of the cost in order for it to proceed.

Mr. Pedersen: The minister asked for a specific case so if you don't have the answer now, can you get back to me whether the R.M. of Grey has received funding for their particular project?

Mr. Lemieux: Yes, we've been putting money into the R.M. of Grey for the last five years on different projects. So they've received money.

Mr. Pedersen: Also in the R.M. of Grey there is the community of Fannystelle. There's been some preliminary work done on building a lagoon because they don't have a lagoon right now. Their fields are leaking, and there is need there. I realize that when you start talking about lagoons, we are overlapping with Conservation, Water Stewardship, Agriculture and goodness knows who—Intergovernmental Affairs and goodness knows what other department too.

Is there any ongoing work there from your department in terms of funding this lagoon proposal? Can you give me an update as to what's happening?

Mr. Lemieux: No, not at present.

Mr. Pedersen: I take it then—I'm going to go back to waterlines again because there's nothing else.

Pardon me, I just want to go back to sewage lagoons one more time. In general there is some new technology out there from some different companies and again, this is crossing over to Conservation's territory too in terms of new proposals, restricting sewage ejectors on rural properties and fields. But there is some new technology out there in terms of processing human waste on individual basis, on households and on communities.

Is your department doing any work in terms of working with these new companies? What is happening there? Is your department putting out any information on the new technologies rather than building either a traditional lagoon for a community or on the household basis about treating sewage?

Mr. Lemieux: The MLA for Carman is correct. You do have other departments involved. Conservation, for example, deals with residential properties, and our department certainly works with the communities or regional structures or regional lagoons and so on—or municipal structures. But Conservation deals with the individual ones.

I wouldn't want to leave it, you know, on the record that when, my previous answer, I said, you know, are we helping out, are we doing anything with regard to these other communities, for example, Fannystelle, and others. My answer was, no, not presently. But a lot of, for example, the R.M. of Grey and other municipalities have applied to the Building Canada Fund as part of that communities component or part of the Building Canada Fund funding pot, and yet those decisions haven't been made yet. I mean, we have the secretariat and others going through reams and reams of applications and papers trying to determine which projects are ready to go and which are shovel-in-the-ground ready, and that's a criteria that the feds have put on us.

So there still are opportunities there for many rural municipalities to get some funding.

But, just to complete the answer to the most recent question, Conservation deals with residential sewer issues. We deal with, or water services deals with municipal bodies.

Mr. Pedersen: Thank you, Madam Chair, and Mr. Minister.

I guess I spent too many years in private business because I always want to know when this stuff is going to happen. There've been applications to Building Canada; your department's involved in Building Canada. Do we have any time line at all on when these announcements, funding announcements, will come out of Building Canada? It's a great thing to stand up there and say there's money in Building Canada, but until communities actually know when—give them some sort of time line as to when so they know, then, whether they do qualify, they don't qualify. They can get on with planning other ways of funding these or making other arrangements.

Do you have any sense of time line on Building Canada announcements, particularly in regard to water and sewage projects?

Mr. Lemieux: The answer is, yes. But there is another partner in this, and it's called the federal government. It's Minister Toews, member of Parliament, Mr. Tweed—and Minister Toews is the lead minister in the federal government—also play a role in this, and many provinces have been asking the feds to step up for a while, and they have. They should be congratulated for that.

There was a deadline put in place on the communities component of February 23. Applications, some are quite extensive, some are not so much. What we're saying to communities that the decisions, hopefully, will be made in the very near future. We're saying in the spring. We've always said in the spring so, hopefully, in the next month or so that we will be able to make some announcements, because you're correct, you raise a good point; that there are municipalities and communities that want to get on with it, and if they are not receiving funding, the one-third, one-third, one-third components, they want to be able to figure out—they have to do it, so they have to figure out how they're going to move ahead.

So your point is right on. The federal government has heard us loud and clear. They've heard it from the municipalities. We, as a provincial government, have heard it from the municipalities and towns and villages and cities, and we know we have to move in a very—well, we have to get on with it. Yet, you have to make sure that the applications are gone through and that they're, you know, they're legitimate projects that are ready to go. Thank you.

Mr. Pedersen: So, just to circle back to funding of rural water lines, you're telling me right now that there is no federal money in any way, shape and form to go one-third, one-third, one-third on any municipal water projects. Right now, if any municipal water project wants to go ahead, it's one-third provincial and two-thirds municipal—of course, depending on whether funding is available, but that's the funding model right now on any water project.

* (12:10)

Mr. Lemieux: No, because there's the Building Canada Fund that's a one-third, one-third, one-third. I'm not trying to muddy the water, but that federal stimulus package, that Communities Component and

other Building Canada Fund dollars are in the millions upon millions of dollars, and so that's available to many communities.

All I'm saying is with regard to the National Water Supply Expansion Program, that program ended March 31, so that's gone. We're trying to get that brought back and we believe that the Honourable Gerry Ritz, the Minister of Agriculture is looking at this seriously, at bringing this back, because it's a specific project that's geared to rural Manitoba, rural western Canada primarily, and we feel that that needs to be brought back.

But there is the one-third, one-third, one-third Building Canada Fund money that municipalities are waiting for, waiting for decisions to be made on their projects.

Mr. Pedersen: Thank you for your information and I'll pass it back to the Member for Arthur-Virden.

Mr. Maguire: I just wanted to check on the number of boil-water orders that are presently still outstanding in Manitoba. Can the minister give me a number on that?

Mr. Lemieux: This probably would be better asked of the Minister of Conservation (Mr. Struthers), probably, or Water Stewardship (Ms. Melnick), but I believe we have the numbers. I'm just going to consult with staff to see if we have the numbers here today. If we don't, we can certainly try to find them for my critic in the very near future.

So it's a combination of Water Stewardship and Health that really have those numbers, so that would be better asked to the Minister of Water Stewardship (Ms. Melnick) or the Minister of Health (Ms. Oswald). They would be able to have that at the request for that information.

Mr. Maguire: In regard to the Building Canada Fund, of course, the sewer and water, I know the minister would hope that that would be a priority in regard to the dollars that would available there. Of course, the Water Services Board will be involved, hopefully, in a number of those projects. There's been a good number of waterfication projects in the province.

I wonder if the minister can just indicate to me how many would be on the go at the present time in regard to waterfication in rural municipalities or in communities.

Mr. Lemieux: Just a point of clarification: how many projects are on the go now, or how many are in

the works, like people asking for projects to go ahead? Sorry, I'm not clear.

Mr. Maguire: Well, I'm assuming that with the Building Canada Fund deadlines and that sort of thing that have been put in place, you may not have knowledge of all of those that are even there yet. I'm talking about the ones that are presently ongoing, the ones that are presently being worked on at the present time that aren't, perhaps, finished in the province.

Mr. Lemieux: Right now, it can be anywhere from 20 to 50 projects on the go with regard to waste water or water projects in the province of Manitoba. That's aside from—well, and may even be included in the amount of the over 340 applications that have come in. People may be trying to tap in to a different pot of money to either wrap up or conclude a project. Maybe they finished phase 1 and they want to go into phase 2.

So just a rough number would be anywhere between 20 and 50 projects that are currently on the go.

Mr. Maguire: Would the minister in his discussions with his federal counterparts feel or believe that some of those would be priorities for the new funds that will be available, or is the funding fully in place for those 20 to 50 projects that are presently on the go? They probably are, but I just wondered.

Mr. Lemieux: The one that the Water Services Board of the Water Services branch is directly dealing with, the funding is in place, but there are other projects.

As the MLA knows, there are many other water projects or waste-water projects that people want to move ahead on. They may not have started yet, but they're looking for one-third, one-third, one-third funding, and that's why they've got their applications in.

But a good portion, I mean, just even a guess, as a rural MLA myself, even venturing a guess, I would say, probably one-fifth of the projects that have been put in would be related to water or waste water, I'm sure, because that has always been a priority through the Canada-Manitoba Infrastructure grants previously. And now, with this new package of money, I would say that, certainly, a fifth or 20 percent would be related to waste water or water projects.

Mr. Maguire: Yes, and I know that a number of those would be dealing with lagoons as well. The minister will be dealing with those as, of course, we've had on the record before, a number of those are 40 to 50 years old in the province. I actually came from a meeting in Oak Lake last night. The town of Oak Lake is looking at a new lagoon. So if I'm a little bleary-eyed, that's why. *[interjection]* I was out with the Premier (Mr. Doer).

The opportunity of looking at more than water on dikes, yesterday, in Melita, as I mentioned in my opening comments, but we are dealing with the objective of trying to look at a location. I know that the town of Oak Lake, I commended them last night, and the R.M. of Sifton there, for getting their application in by the February 23 deadline; that's in, just so the minister knows. It's a project that I know is needing to be done. The present lagoon has some leaking issues in the town of Oak Lake.

A public meeting was held last night in regard to information for location of a new lagoon. The engineering firm that provided their input into it, certainly, gave an overview of it, looking at costs, the full cost of the project, as opposed to what it would be on a one-third, one-third, one-third basis, which makes an awful difference, as you well know, to those communities. It's a very sensitive type of soil in that region with the sand that the engineering report showed as well, and, perhaps, needing linings for lagoons, and that sort of thing.

But why I originally asked the question about boil-water before is because there is a waterfication process in two of the communities in my area, particularly the R.M. of Wallace, and with an objective of trying to provide some water in the rural areas. Waterfication, rural waterfication, into the parts of Pipestone Municipality, just south of Wallace and the Reston-Sinclair-Cromer area, as well as the project that's pretty well—*[interjection]* Yes, it's a regional project, as the minister has just pointed out. It's been a good project in regard to it. I know that the Town of Virden is looking at projects within its own water treatment facilities that they're going to go ahead with, I understand, in the next while as well.

But can the minister give me any kind of an update on the Wallace project and the potential of moving into the Pipestone Municipality, just to the south of them? It's been a tremendous project that will pay dividends in that area for the type and quality and quantity of water for that whole region.

Mr. Lemieux: Well, I have to say that, and, I think, as a rural MLA as well, the quality of life and economic development, and all those issues related to water, are huge for all of us and, indeed, for the province of Manitoba. So if you're talking about waste water or good potable water projects, they are, indeed, a priority for many rural municipalities.

Dealing specifically with the R.M. of Wallace, to date, there's been \$15 million spent on the particular project, and there's about \$8 million left to do. They understand, because of the type of project that it is, that there are no dollars really available except to tap into the Building Canada Fund. So they put their application in, hoping to be able to go one-third, one-third, one-third, as I understand it, on the remaining.

* (12:20)

So all I can say is that the secretariat that's made up, really, through the federal government and the provincial government have a huge challenge ahead of them because there are so many waste-water projects and water projects out there that I don't think, in principle, one could argue against—very difficult to argue that one project is better than another or more deserving. It's such a difficult decision to make, and there's only so much money in the pot and so many more requests as opposed to dollars that are available even though they're essentially, really, we're talking about hundreds of millions of dollars in the Building Canada Fund.

So this is an important project. Their application, as I understand it from the MLAs, no decisions have been made yet, but we hope, in the very near future, working with our federal counterparts, we'll be able to make some announcements, certainly later this spring, and get those announcements out because these communities need to know where they're going. On top of it, we need to—some projects have started, yes, but other projects need to be tendered, and they need to get out there and start looking for contractors to do this work.

So we're anticipating, hopefully, in the next short while that we'll be able to start making some announcements of those projects that have been selected.

Mr. Maguire: Just want to clarify the application that I was speaking of that had gone in was for the, well, I'm assuming that Wallace has theirs in for the waterfication project, as well at Pipestone, but the one for the town of Oak Lake and the sewage lagoon

there was certainly one that, pointed out to me last night, they did have in on time, both of them.

So, I appreciate that. I guess I look at the one for Wallace and Virden as separate issues, but they are certainly—I just want to point out that they appreciate the work that the department's done. I certainly do and the Water Services people have done a tremendous job of moving that forward, as they have with the other 20 to 50 projects that the minister has indicated that are on the go in the province now. I don't want to single one out. I just wondered if the—and the minister has provided me with the information, some that I was seeking.

The town of Melita has just had water put in. They brought it in from the community of Bede or the area known as Bede in that area to the north, and is up and running now. I believe it's working well and there's some discussion there about moving water further east to Medora, the community of Medora. I wonder if the minister can tell me if it hinges on being able to get a number of hookups along the way from the farmers, which may be more expensive than they might like, given that there is some water in that area. Medora's been on a boil-water order since I was elected, and I just wondered if there was any opportunity. I think that the treatment facility in the town of Melita has capacity to move water to Medora to take care of that community, and I wonder if he can update me on any progress in that area.

Mr. Lemieux: Well, the MLA for Arthur-Virden may know this, but that Melita project, the intent, of course, is to put water through Brenda, Arthur and Winchester. Part of that was to look at Medora as a first phase and to be able to tie some of this in. Very expensive again, these projects, but, you know, again, since the MLA for Arthur-Virden, since he was first elected—well, when I was first elected, there was quite a few boil-water orders in place. I'm not pointing the finger politically or anything from the '90s and the carryover. These things happen. They were there and no matter what political stripe, what governments, I believe the intent would be to take care of these on a priority basis. No one wants to see any communities with boil-water orders.

So, it's not a political issue is where I'm going with this, but we have taken care of quite a few boil-water orders with regard to new water systems and so on, and we really want to progress. As I mentioned before, the application to Building Canada Fund, even if I had to guess, it would be, I'm

sure, one-fifth of the projects would be related to boil-water orders or potable water or waste water. It's a fact that, regrettably, in Manitoba, rural Manitoba, I guess also in urban areas, the infrastructure has really taken a beating over the last number of years. Some of these structures are 40 years of age, 50, 60 years of age that need to be looked at.

I know the MLA from the southwest knows this, no different than many projects in the southeast or throughout Manitoba. There is a lot of areas that need to be addressed especially on the lagoons and good potable water.

But, with regard to the specific question on looking at Brenda, Arthur, Winchester and Medora, the intent in their plan is to be able to tie in, and having Medora as a first phase is part of that. I understand they've applied. They put their application in to the Building Canada Fund hopefully to get that one-third, one-third, one-third to kick-start it. But, again, it's quite a bit of money, over \$2.5 million just for Medora alone, I understand.

Again, we'll have to wait to see what kinds of decisions are made on the Building Canada Funds and when that comes out.

Mr. Maguire: In the interest of time, I appreciate the fact that, on page 134 of the supplement, Water Services Board objectives for distribution of water, the disposal and treatment of effluent and waste sludge in a sustainable manner, the provision of drought-resistant, safe water supplies, I note with interest that the expected results are sustainable water and waste-water infrastructure that enhances economic development. We would certainly hope that would be the case anywhere.

The other expected result, I'm a bit surprised at. An objective there, an expected result is to maximize the federal contributions toward water-related projects for rural residents. I guess I was wondering if that's to come from the \$4.1 billion in transfer equalization payments a year, that sort of thing. From a provincial perspective, I found it interesting.

Can the minister expand on why they would be looking at maximizing federal contributions? Maximizing the efficiency of them, I would think, is what I hope it means. If their objective is to get as many dollars from the federal government as they can, I wonder how many more they want than the 4.1 and whether it isn't a matter of prioritizing how those dollars are used within the government of

Manitoba, considering, I believe, the minister is a member of the Treasury Board.

Mr. Lemieux: Before I answer the question, can I just leave this thought with the MLA, my critic, that we really need to clarify what staff we would need on Monday and what areas would be covered before we wrap up? It's almost time to close now.

The quick answer with regard to your question was, on the pipeline, some years it would be \$3 million; some years it would be \$5 million. You never knew how much money was in place and that's what really we had to work with.

Mr. Maguire: I will finish up on Water Services here today, those areas, taxicab. What we'll be looking at, I believe, next week is the balance. Obviously, we'll be looking a lot at highways, the actual highways, bridges, infrastructure projects and those areas.

I appreciate that I haven't been able to do justice to the Water Services Board and Mr. Menon here today in regard to the questions. I appreciate him for being here and the staff for the work that they do throughout the year as well. I want him to pass that on to the rest of the personnel. But, with time where we're at, there are always more questions than time as well as dollars for requests, as the minister has reminded me a number of times.

So, if we could look at mainly the highways, some of the northern winter road situations, northern roads, some of the airport questions that I'll have for next week as well. We could probably get into those on Monday.

Mr. Lemieux: I know that there's not much time left and I'm not sure if there's one final question for Mr. Menon. I know the critic and I—well, I'll speak for myself—have a very good working relationship, I believe, and if there are any questions outside of the Estimates that come forward, I'd be pleased to try to find the answer for the MLA for Arthur-Virden as well, aside from the Estimates process.

Mr. Maguire: One quick one might be the average age of lagoons in Manitoba?

Mr. Lemieux: I would have to check or the MLA would have to check with Water Stewardship or Conservation. They'd probably have a better handle on that than we would.

Mr. Maguire: No that's fine. I appreciate from the discussion that was held last night in Oak Lake about

the treatment of sludge and that sort of thing and the location of lagoons.

But I want to say I appreciate the work that the department has done through the waterfication projects that are ongoing in the province.

Madam Chairperson: Order. The time being 12:30, committee rise.

FINANCE

*(10:00)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Finance. As had been previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

Mr. Rick Borotsik (Brandon West): Good morning to everyone on this wonderful Friday morning. We'll just, for a couple of questions, carry on with the topic of debt that we left off on the last one.

On the budget, there's identified for debt-servicing costs \$250 million under the core government, and I appreciate that the 516 on the consolidated impacts refers to other areas. However, the 250, if we go to the Estimates of Expenditure and Revenue, to page No. 98, there is a section there—*[interjection]*

Hon. Greg Selinger (Minister of Finance): Thanks for your patience. What did you want to ask on 98, Rick?

Mr. Borotsik: The Public Debt (Statutory) is identified at \$250 million, which is reflected into the core operating budget of the \$250 million. The actual cost of debt, as it's identified here, interest and public debt of Manitoba, is at \$1.84 billion, interest on departmental capital assets is \$136 million and interest on trust and special funds is \$25 million, which gives a total cost of servicing the debt, I assume, of \$1.246 billion. Am I reading that table correctly?

Mr. Selinger: I believe so, yes.

Mr. Borotsik: Where you have your reductions of that debt, which is reasonable when you take Manitoba Hydro, the 531 which is reflected again in the consolidated statement, there are other areas, Manitoba Housing Renewal, Manitoba Agriculture, other government agencies, I assume that that debt

has been allocated to those departments and is reflected in their departmental budgets?

Mr. Selinger: If the member would go to page 7 in the budget you can see that it comes back through the consolidation impacts there. So you will see, lets take an example, I'm trying to get a good one here, maybe Housing Renewal Corp. Lets see if we can generate that out of here. It should show.

The short answer is it is in the departments and it comes back against the general purpose debt out of the departments and the Crowns are consolidated. They come back to us through the consolidated statements.

I would just like to do an example to make sure that we're all understanding it properly. Family Services and Housing—it was the 130, no, okay let me just get that clarified for you.

Infrastructure has a 109 delete—We'll let our staff work on that for a second and we'll get you the information.

Mr. Borotsik: Thank you. I appreciate that, Mr. Minister, and as I understand it, the total cost of servicing the debt for the Province of Manitoba is \$1.246 billion and as long as that's clarified.

The other area when we're looking at the appropriations of that debt to the departments, there's a section 7 there which says other appropriations of \$205 million, and I'm sure your staff will identify—

An Honourable Member: You're on page?

Mr. Borotsik: Page 98, on the—*[interjection]* Yes, and then when it totals that all up and makes the deductions there's a total operating debt of 354.

Mr. Selinger: You're where, Rick, on this?

Mr. Borotsik: Page 98, and I'm just trying to understand that section S. As I say, the total cost of servicing the debt for Manitoba is \$1.246 billion. The total operating debt they show at \$354 million, but the public statutory debt—maybe you can just explain exactly the definition of public statutory debt which is identified in the core operating budget at the \$250 million.

Mr. Selinger: The public statutory debt is the general purpose debt for which there's not an amortization schedule other than what we've agreed to in previous years through the balanced budget legislation. So that's what that represents.

Mr. Borotsik: So, when you're looking at total operating debt of \$354 million, does that mean there is an amortization schedule on the difference between the statutory and operating?

Mr. Selinger: On all of the debt indicated here there are amortization schedules, for Housing, for Hydro, for any—for agricultural services corporation—all of those things, they have a schedule of repayment attached to them.

The general purpose debt had not, in the old days—the '80s—had a repayment schedule, an amortization schedule. It was factored into the overall deficit, and then the long-term debt, and then the balanced budget legislation had a discipline attached to paying that down over time, which we discussed yesterday, and the issue was how much. We said \$20 million this year, given the circumstances we're in. When we came into office, it was \$75 million. We ramped it up to \$96 million, and then we went to \$110 million, and this year we're going to \$20 million.

* (10:10)

That public statutory debt represents the costs of continuing to pay for the general purpose debt, and all the other pieces relate to assets that have been acquired through those various agencies and their obligation to pay back that debt, as represented by the numbers in brackets. So you can see the total, the subtotal there, of \$1.24 billion, less what each department is providing to offset that, for a net amount of 354.

Mr. Borotsik: When your calculations are made for the cost of—

Mr. Selinger: I want to clarify. You take the \$1.246 billion less the \$996 million, gives you the 250. Then the 354 includes the results from the piece on top of that, the next—is that correct? I don't think so. I don't think so. I don't think that's right.

So you take the 996 minus the 246 and that is going to give you the—yes, roughly the 250 there. *[interjection]* Page 90, okay. Try page 90 and that will give you the 354 total operating. You got that?

Mr. Borotsik: Yes.

Mr. Selinger: Okay. All right? There it is.

Mr. Borotsik: All right. When the minister makes his calculations of the cost of servicing the debt at 3 cents, and he mentions that quite frequently—

Mr. Selinger: Six cents.

Mr. Borotsik: –six cents, and it used to be 13 cents. Needless to say, there're interest rate fluctuations and interest rate changes that go into that reduction of 13 to 6.

When he does the calculation of 6 cents, what number does he use for the debt-servicing costs?

Mr. Selinger: Okay. So there are two places I'm going to reference at. The number, the 6 cents, if you look at page 7 in the budget–

Mr. Borotsik: The 250 plus the 516.

Mr. Selinger: Yes, 766.

Mr. Borotsik: Yes.

Mr. Selinger: Then, if you look at page 2 you will also see debt-servicing costs just above total expenditure.

Mr. Borotsik: 766.

Mr. Selinger: Right.

Mr. Borotsik: Thank you. Yes, I see the 766. I guess the question I have is the debt-servicing costs for Manitoba Housing and Renewal Corporation, Manitoba Agriculture Services, other government agencies, other loan investments and other appropriations, are those costs–

Mr. Selinger: This was something we discussed briefly in the Legislature. The net general purpose debt is tax-supported debt. If a debt line has a self-supporting revenue stream, like Hydro debt, it's netted out on that.

Manitoba Housing pays for its own debt through its revenue stream. So it probably is not counted. I'm just going to verify that with my staff. But Manitoba Housing, it's self-supporting debt. So Manitoba Housing debt is in.

Okay, so all the Crowns are in, but the government business enterprises and the primary one there is Manitoba Hydro.

Mr. Borotsik: Yes, I can understand Manitoba Hydro being self-supporting debt, no question, and certainly Manitoba Housing and Renewal if their rental rates are going to service the debt then that makes sense.

Mr. Selinger: If I could I'd like to be clear on that. I've been informed that it is included in that number. Manitoba Housing is in. The only one that's out is Manitoba Hydro when they net that calculation.

Mr. Borotsik: The other appropriations of \$205 million, is there a schedule for that other appropriations as to which departments that could be appropriated to?

Mr. Selinger: The question was is the–could I just clarify the question again?

Mr. Borotsik: Yes, item 7 is other appropriations of \$205 million. Is there a schedule that identifies what those appropriations are to, which department?

Mr. Selinger: Yes, and we'll get that for him. Okay, other appropriation costs includes what we call Part B. Those are borrowing costs that we capitalize inside a government for various assets that we develop inside a government: software, buildings, computers, those kinds of things. So we have what we call a Part B capital that attaches to each department. So that's the other appropriations there.

The biggest single item there, if the member would look at page 125, is the Infrastructure and Transportation piece which you can see up top there. You can see that that has an amortization expense attached to it in the three categories.

If you keep going down you will see other Part B–Capital Investment as well under Capital Assets. So what it primarily represents is what we call Part B Borrowing which is capital that we provide inside of government for various departmental capital acquisition of assets.

Just to put it together for the member, if you look at page 125 and you see under, for example, Infrastructure, the interest expense \$17 million, \$80 million and then \$2 million, and you put that together and you go back to page 7, you will see on the consolidation impacts there is the Infrastructure and Transportation; there's \$109 million-and-change. You bring that page that I've just indicated to you, and you total it and you factor it out there to give you a net number on the third column of \$456 million. So you recover it through the departments, and then that is the same experience for other departments as you go down the page.

* (10:20)

Mr. Borotsik: That's fair to the departments, but that is still government-supported debt servicing. It's not like Manitoba Housing and Renewal which is self supporting on that debt, Mr. Chairperson. This is government-supported debt that is being identified on an allocated basis to the different departments, in

this particular case as the example was in Infrastructure. So that is government-supported debt.

Is that amount of that debt identified in your calculation of the 6 cents that you continually—

Mr. Selinger: Yes.

Mr. Borotsik: Okay, would it be safe simply to say, and I appreciate there are other variables and certainly your investment income coming from sinking funds and Hydro being taken out and all of the rest of it, and I understand that schedule on 98 but it's safe to say that, in fact, whether it be self-supporting or whether it be supported by other agencies, Manitoba taxpayers do in fact pay \$1.2 billion in interest to other investment agencies.

Mr. Selinger: I think it would be safe to say that. To clarify, on page 98, the member will see the number of interest on the public debt, \$1.084 billion, the top line there. That is probably the more accurate number because the two numbers below that are interest paid out on various funds that are held by the government for other agencies. There's a hard, liquid asset that the interest is generated from. The interest on debt would be the \$1.084 billion.

Mr. Borotsik: I appreciate that clarification. Again, the \$1.084 billion would be the actual numbers. That may, in itself, not be the actual total cost of debt-servicing as I understand, and I realize the fact that there's a rotation of debt. You purchase debt on a rotational basis. There's certainly debt bought and debt sold and assets liquidated and the like, so for my own purposes, are we saying in the province of Manitoba, with all of the borrowings, and I believe that the borrowings are well in excess of the \$22 billion identified as debt, but as all of the borrowings that Manitoba has over a 12-month period, is there any way of finding out what the actual cost of those borrowings is in an annual period?

Mr. Selinger: This is actually a good question because that \$1.084 billion, if the member looks down in the B section there and he sees Manitoba Hydro, 531, right? That nets against the \$1.084 billion as self-supporting interest, right? So other sinking funds just above that generate—reduce it by another 107 million. Then you see the Manitoba Housing and Renewal Corporation; that's self-supporting, 28 million there, and the Agriculture Services Corporation and other government agencies, including other appropriations. We will get that for you. So you can see that you take those

numbers, the 996 from the 1.2.4 billion, and it gives you the 250 million. Just taking out Hydro alone cuts it in half virtually.

Mr. Borotsik: I understand the mathematics and I've gone through it. It's just a matter of getting a handle on what the calculation is, is when you come up to your sixth sense and I understand it and will certainly have to analyze it.

The last question on the debt side of it and then we'll head into something more enlightening. The minister had indicated, in fact, yesterday and other days, when I'd make comparisons between British Columbia on its taxpayer-supported debt. When we talked about taxpayer-supported debt, and that's where I was trying to get a handle on the taxpayer-supported debt here in this budget, and we do realize that even Manitoba Hydro is taxpayer-supported debt, but it is self-reliant and they do generate their own revenues in order to service that debt.

The \$11.809 billion that's identified as the summary net debt identified on page 22 of the budget. Would it be fair to say that the definition of that number, \$11.809 billion, is in fact operating debt?

Mr. Selinger: I need a clearer idea of what the member means by operating debt. It's tax-supported debt, net debt. Tax supported means that if the revenue is off of the tax base supported, and net means that you take out all those liquid assets that you have set up, all the various sinking funds against that.

That's why when the opposition frequently says we have \$22 billion of debt, that's really not accurate, Mr. Chairperson. The proper definition of the net debt is the \$11.8 billion, reflecting the reduction of self-supporting debt and liquid assets that can be netted against it. So that's the number that's commonly used across all jurisdictions to describe the debt of the government.

Operating debt, I need a little clearer idea of what you mean by that.

Mr. Borotsik: It's always nice to be able to compare apples with apples, oranges with oranges. I do appreciate the fact that there have been deductions made from the \$22 billion of total debt including sinking funds, including your pension liabilities and the rest.

When making comparisons in the budget of British Columbia, they, in fact, do have the similar type of deductions taken. If you'll notice when you have the \$22-billion debt, there's also been a deduction for education and health debt held by government enterprises. That's been deducted from the total debt. Debt from other Crown organizations has been deducted from the total debt; pension liability has been deducted from the total debt.

In B.C. when they made their calculations, they've done the similar thing and they come up with a provincial taxpayer-supported debt, provincial government direct operating debt, taxpayer-supported debt of \$6.8 billion, Mr. Chairperson. So that was a comparison that was being made at that time and that's why I asked the question. If the minister would say that the 11 billion was, in fact, taxpayer-supported debt, then the comparison is a fair comparison between the two.

Mr. Selinger: That's why yesterday we had some interesting debate about that. I sought some clarification on that after our discussion yesterday. I'm going to see what that clarification has yielded in terms of a further response to you today.

The number we have for Manitoba on net debt is \$11.8 billion. I think we've acknowledged that, Mr. Chairperson. The number I have for net debt using the B.C. calculations on an apples-to-apples basis—and I have my CA swearing on a stack of Bibles here, I just want to inform you of that; they toiled on this until the wee hours of the morning—is \$27.9 billion. So that number of \$6 billion, we don't believe is the accurate number.

* (10:30)

Now, if you want to seek further clarification on that, I'd be happy to discuss that with the member.

My folks stand by that number, \$27.9 billion.

Mr. Borotsik: As the minister is probably aware, he has more CAs available to him than I do to myself. As a matter of fact—

Mr. Selinger: They're available to all members of the Legislature. They're available to all of us.

Mr. Borotsik: I know that—*[interjection]* I know, and that's why the instruction obviously has gone out that I can use your staff to make these calculations, but I won't. I wouldn't put them through that.

Mr. Selinger: No, I would never want you to abuse the staff, but you can certainly seek information from

them so that we could all be on same page when we discuss these things.

Mr. Chairperson: The Member for Brandon West has the floor.

Mr. Borotsik: Well, I wonder if I could have that same page that the minister is holding right now so that my—

Mr. Selinger: I'll try to get multiple signatures on it.

Mr. Borotsik: Thank you. No, that's not necessary, and certainly they won't be held liable by any stretch of the imagination. I do have access to other information—*[interjection]*

Mr. Chairperson: The honourable Member for Brandon West has the floor.

Do you have a question?

Mr. Borotsik: Yes, I do have access to other professionals that perhaps we could make that same comparison, apples to apples. I would appreciate the schedule that the minister has, and we can maybe clarify this.

Mr. Selinger: Yes. Well, just on that page, we have other net that the member has quoted Saskatchewan at \$3.9 billion—*[interjection]* Well, here I've got them at—on projections for '09-10, that would be this year's budget. I've got them at \$3.9 billion on net debt. You've got them at 4.8 ?

Mr. Borotsik: I had \$4.8 billion. That was the number I was using.

We're losing it here, aren't we, Mr. Chairperson. I'm sorry.

The \$4.8 billion I was using for the previous year, but if you can give me the comparisons that would be good for me.

Mr. Selinger: I'll provide it to him, and I'll point out that, for example, New Brunswick at \$8.2 billion; Newfoundland at \$8.9 billion; Ontario at \$169.8 billion; Québec, \$136.9 billion and Alberta, not applicable, because, as you know, they have eliminated their debt. They're running a deficit this year, but they're drawing down their rather large fiscal stabilization fund.

The member knows full well that the provinces to the west of us that have been able to pay down their debt have had what you might call windfalls on resource revenues and royalties that have come out of that. That was the case in Saskatchewan and in Alberta in previous years, and they applied some of

that towards paying down their net debt. Bully for them. We appreciate that. We don't have a problem with that.

The structure of their economy is different; 20 percent of the revenues in the Saskatchewan budget this year come off natural resources. Our natural resource revenue is about 2 percent.

So, when the member makes those comparisons, I think sometimes it might be a little unfair in the sense that the ability of those economies to generate bursts of surplus revenue are directly correlated with commodity prices in the international marketplace. When they're very high, they benefit, and when they're low, they take a hit. We're seeing some hits going on right now in Alberta, in particular.

So I think everybody knows that. It's never mentioned in the Legislature, and I don't use that as a rationale for the difference. I think it's probably not a bad idea to just put that on the record, because I know the member is fully aware of that, although he never mentions that in the Legislature.

Mr. Borotsik: The member obviously also recognizes the fact that we do have the commodity potential here in the province of Manitoba. We have mining potential. We have forestry potential. We have potash potential, which hasn't been realized for any numbers of reasons.

So we can continue this debate on whether we have the ability to develop more of those resource-based revenues in the province of Manitoba, and I think we do. I think I have a lot of optimism here in the province of Manitoba and, I think, given the proper environment, that we could, in fact, generate some of those revenues. We have the same opportunity with oil in southwestern Manitoba, perhaps not to the same degree they have in the oil sands in northern Alberta, but, I think, those areas could certainly generate some more commodity revenues for the province. I look at that as being an optimistic outlook for this province in the future.

Mr. Selinger: And I would agree with him, and I would say that we have maximized those opportunities inside of Manitoba. For example, the oil fields in southwest Manitoba, we've improved dramatically the taxation regime to incent drilling, horizontal drilling, to incent carbon-capture experiments, but to be completely honest about it, the scale is the issue. We can maximize that, and we did very well off of commodity revenues, oil and gas

as well as the mining commodities in previous years, and then we have seen them crash and we discussed the commodity prices crash.

We saw that yesterday reflected in revenues for mining, but even at the best, the scale of revenue that comes out of those sectors is significantly different from provinces to the west of us, and I think the member, perhaps outside of the role we're both playing right now, might admit that. But I would agree with him that in all cases where we have opportunities we should be pursuing them and developing them and putting a tax regime in place and other incentives that will support that. We do that in Manitoba and we did that in this budget again.

Mr. Borotsik: We will get to the tax regime. As a matter of fact, I had an opportunity to talk to some individuals in the mining sector, and it seems that the tax regime in Manitoba is certainly out of whack with other jurisdictions. I believe it's gone from 18 percent to 17 percent on a sliding scale, and the mining industry themselves have indicated to me that it's the highest tax regime in Canada with respect to mining.

I know the minister has indicated that it's his desire to become more competitive in that, and I think that we do have a number of resources available to us in northern Manitoba with respect to mining commodities. It's areas like that that we have to look at in order to generate those resource revenues so that we can become more like our neighbours to the west.

But going further, and I'll get off debt, and I do thank the minister and his staff for finding the answers with respect to the debt calculations, and I look forward to that schedule so that we can make some analysis of the schedule with respect to the other comparisons.

I wonder if we might turn to pension assets. We do know that in this fairly challenging investment environment all pensions and all pension funds have been impacted quite dramatically in their investment capabilities. The area that I'm going to be talking about is on the budget document and it's pages B2 and B3.

I do know that the minister recently had borrowed \$1.5 billion as an unfunded liability requirement for the TRAF pension fund. The \$1.5 billion was borrowed on a \$2.2-billion liability as I understand. The Finance Department holds that account in trust in his department. Why is it that that

asset, well, the TRAF asset, the TRAF pension fund isn't transferred to TRAF and to have them control that asset?

Mr. Selinger: First of all, they do control it. They invest the fund. It's held in an irrevocable trust and that irrevocable trust is under their control for investment purposes. Their results were minus 11.7 percent, roughly, for last year, subject to final confirmation. I think they've released those publicly now, haven't they? TRAF, their investment results? They beat the benchmark for the sector they operate in, which was minus 14.3 percent.

So they performed, they believe, in the top quartile for funds. Over the last several years, they beat the benchmark in '07. They were close, within 15 basis points, in '06, and they beat it in '05 and in '04 and '03, so they've had a pretty good track record of beating benchmarks and adding extra value to the fund. Their return over 10 years on annualized returns for TRAF is about 6.8 percent. That's, as the member knows, a result that's better than the cost of borrowing the money that we provided to them.

*(10:40)

Mr. Borotsik: I appreciate the fact that TRAF does invest the fund or the fund is invested on behalf of TRAF by TRAF, but the actual fund is still held in trust by the government of Manitoba and the Finance Department. Is there a reason why that can't be transferred to the TRAF account?

Mr. Selinger: It is an irrevocable trust, but they actually control and invest the money. We do not hold it separately from them in our building here somewhere. They have the money but it's structured as an irrevocable trust. So, in other words, we can't take the money out.

Mr. Borotsik: Is that asset in the trust identified on the government's balance sheet? Do you show that as an asset?

Mr. Selinger: We actually skipped over this when we were looking at the pages in the book here. I'll try to get the page up for you from staff here, that the pension asset fund, which is an irrevocable trust, is netted against the pension liability. We saw that on—was it 98 that we were looking at that we saw that? It might have been page 7. I'll just—page 22? Let's get it for you so we have it.

Mr. Borotsik: It's right here. Pension asset fund is \$2.8 billion against the pension liability of \$4.6 billion.

Mr. Selinger: That's on what page do you have?

Mr. Borotsik: Page 22.

Mr. Selinger: Yes, 22, right. That's exactly right. So you can see there that it's netted and it's also shown as a liability on the TRAF financials.

Mr. Borotsik: The \$1.5 in borrowings, where would that be identified? Would that be identified in the \$11.8 billion?

Mr. Selinger: If the member looks at page 22 again, he will see that it shows under general government programs, pension liability, \$2.18 billion, so it is shown in the net \$11.8-billion debt.

Mr. Borotsik: The provincial government as an employer is responsible for a number of Crown corporations as well as public pension funds. Is there a schedule or a listing of all of the pension funds that the provincial government is responsible for ultimately for contributions or liability to those funds?

Mr. Selinger: The short answer is yes.

Mr. Borotsik: And the long answer?

Mr. Selinger: Yes. Yes, yes, yes. Most of the pension funds are part of the Civil Service Superannuation Fund. For example, Hydro is a participant in that as well MPI, as well as Liquor, as well as Lotteries. They all are part of the overall superannuation fund as well as the general public service obviously.

So it's all brought together there, and the teachers, of course, is their own. Then the health professions, the health sector, is in the HEPP fund. That's a separate fund for the entire health sector. Then universities have their own funds. I believe the colleges are part of our superannuation fund, and the municipalities, as you know, have their own operation and they look after themselves.

I'm just going to move that along in terms of giving page numbers for that. In the provincial annual report, these are laid out on pages 84 and 85, if the member wants to take a look at them. It starts on page 82. I just want to give you those references so you can look into it, if you wish further. Schedule 7 in the annual report, you can see them laid out again in a table all across the top there, including public school plans as well as the other ones that I've already mentioned.

Mr. Borotsik: So, when you show the total pension liability of \$4.6 billion, less the asset fund, which I

appreciate, when you show the total pension liability of \$4.667 billion, that includes all pension liabilities for all of the pensions that are under the responsibility of the government?

Mr. Selinger: It's only the outstanding liability for the superannuation fund and the TRAF fund. The other funds are fully funded. It's only those two big ones, the superannuation one and the teachers one that have not been funded since '61. Over the years, the Crowns—we actually went over this a little bit last year. You raised a question about a \$46-million liability in the—I think it was liquor—

An Honourable Member: Lotteries or liquor.

Mr. Selinger: It was liquor. We indicated that that was going to be dealt with, and it was. So the Crowns are fully funded on the employer's side, which is a plus, obviously. But they are part of the overall superannuation fund.

Mr. Borotsik: All of those funds, regardless of who the management of those funds are, have identified losses this year, and we recognize that. The markets have not been kind to any pension funds or kind to any portfolios, quite frankly. Any of those losses, how are they going to be offset? There is a guarantee by government; obviously there's a liability there from government. If they can't recover, how are those going to be offset?

Mr. Selinger: First of all, I'm not aware of any pension funds that made money this year, in the world. The question is how do you address losses? The same way you deal with it when they have surpluses. They have an actuarial expected rate of return, usually somewhere between 6.25 and 6.5 percent. In the good years, when they've earned better than that, the actuary takes that into account when he makes recommendations on how to keep the funds viable.

In years when the returns are below the expected amount, below 6.25, 6.5, then the actuary will come back with a report, usually on a tri-annual basis, and recommend measures to take to improve the solvency of the fund. The actuary recently has suggested that we need to increase employer and employee contributions to these funds. The returns are one factor, but another huge factor is the experience of the demographic retiring—at what ages they're retiring and how long they're living. The life span issue is becoming an issue on all pension funds across the country as well. That's why the actuaries are there. They're there to give us their best

long-term calculations of what is required to keep the fund solvent.

Mr. Borotsik: I understand the role of an actuarial, and I certainly understand the longevity of the employees at this point in time, or the pension recipients. The superannuants received a notice not that long ago that there could quite well be a need for a 2 percent increase in contributions over the not-too-distant future. If you look at the plan itself, and you look at how much that plan is going to be costed out over the numbers of years of people living and drawing down pensions, the 2 percent is what's been identified.

What's the government's position on that as employer? The employer also has a contribution requirement on that 2 percent, not just simply the employee. What's the government's position on that right now, as that has been identified and is there in front of government at the present time, because we do know that the plans are underfunded. What's the government's position?

Mr. Selinger: The government's position is they're certainly willing to discuss that with the members of the plan, the various unions and employees that are part of the plan, and discuss how we can look together to increase the funding for the plan, both on the employee side and the employer side. We're willing to look at that.

* (10:50)

The fund for many years has actually generated cash-flow surpluses and they have surplus money set aside. Then that money, some of it is allocated to a reserve fund, some of it is allocated to the COLA account, similar to some discussions we've had. I think it's important to note that the losses and the gains are unrealized. They're not crystallized because they're not actually being used at this time. There's not a cash flow issue. All the obligations are being looked after. As the member knows, between March 31 and even today, markets have been showing an update. So those numbers change as we go forward.

There's been a lot of volatility in the last 18 months. I expect that there will be, certainly, volatility going forward although the volatility has been declining, the range of the volatility has been declining. But we have seen some improvements from the lows went it down to about 7,500 on the TSX, for example.

So losses are unrealized and they're part of the calculations an actuary does in terms of funding it.

The actuary for many years has been suggesting increases, even before the market took a downturn. But, for example, the sup fund has about a half a billion dollars in reserves right now. So the board of directors of the pension funds decides whether they want to start seeking additional funding, and when they had large reserves in the past, even though the actuary was recommending an increase in contributions they did not want to act on it at that time. I think the attitude is changing now given the current market circumstances and the volatility. We're willing as a government, as an employer, we're willing to discuss that with them and see what we can do.

Mr. Borotsik: I'm sure with what's happening in the private sector—pension funds at the present time—certainly motivates individuals to look to make sure that their pension funds are well funded so that years out they'll be able to generate those pension incomes.

Mr. Selinger: If I could just have one additional moment. The pensions are not in any way at risk. If for some reason, such as in 1961, government decided not to put the employer contribution in, the government has to pay as they go. They have to pay it as an obligation under the—it would be an operating expense in the budget. So we prefer the strategy of trying to get the funds, the pension funds, more fully funded from an employer point of view so that the active investment managers could use that capital to generate a better than benchmark return, which we believe in the long run will increase the solvency of the fund and put less annual operating pressure on the government. We think it's a win-win circumstance, and that's how we analyzed it and looked at it.

Even in this very difficult market, you know, your five-year and 10-year returns still support the investments we've made because they're better than the cost of the investment. So that could change and then we'd have to take a look at it, but so far it's been a pretty strong story.

Mr. Borotsik: There was no intentions of suggesting that the funds were in jeopardy at all. We recognize that the funds have strength and, as you had said, had indicated they're guaranteed by government and government can always raise revenues by taxation so they can always fund those pension funds as is required by the act.

In this year's budget, it's anticipated, as we've identified in the line item, that the actual asset fund held by government, if you will, is \$2.889 billion,

that's page B3, by the way, but we have also identified that asset fund on the statements themselves. I've noticed that there was new investments in 2009-2010, of \$330 million, which is also identified in The Loan Act, so you're borrowing \$330 million to put into the fund. Is that correct?

Mr. Selinger: Yes.

Mr. Borotsik: Thank you. In the previous budget, you probably don't have this document, but in budget 2008 on a comparison of these two pages it was anticipated that there would be a new investment of \$500 million for 2008-09 and if you look at the 2008-09 forecast here, it's only \$350 million. There's a reduction of \$150 million. Could you explain why?

Mr. Selinger: The short answer is timing. The difference, the 150, was deferred into '09-10.

Mr. Borotsik: These are borrowings, going to the market, putting them into the account, and for '09-10, probably a little better opportunity of generating some investment revenue out of them.

The \$1.5 billion that was borrowed back in 2007-2008 was put into the fund and there was a loss of, as the minister has indicated, I believe he said the TRAF account lost 11 percent. So, is it safe to say that there was approximately \$150 million to \$160 million loss on that asset base?

Mr. Selinger: The short answer is that the entire funding, including the 1.5, showed a loss which beat the benchmark last year, but the overall experience in the fund was that they're generating profits or surpluses in excess of the actually expected requirement. So, yes, no, I don't think anybody would suggest otherwise. Last year wasn't the best year for investments.

It's a long-term strategy and it speaks to unrealized losses. They haven't actually been lost anywhere on paper. They haven't been cashed out or crystallized. The cash flow is more than sufficient to cover all the obligations. So we'll have to see how it performs over time. We expect over time it'll perform considerably better.

Mr. Borotsik: I would suspect that most everybody, not only in this province but in the country, would like to see them perform better over time. We're all looking for recovery in portfolios and investment opportunities. So I know that the same is true here.

I guess the last question I have, and then, Mr. Minister, what I would like to do is excuse myself for about half an hour. I would like to go and

ask some questions on another minister. However, I do have another individual here I know would like to ask some questions.

But before I go, Mr. Chairperson, the last question, and I know maybe it's a hypothetical question that the minister doesn't necessarily like answering, but hypothetically—and we all wish we had 20-20 hindsight, and I know I do on a number of my own investments, my personal investments—but in 20-20 hindsight, the strategy is sound. I have no difficulty in understanding the strategy of borrowings, borrowings and of looking at increased investment over cost of borrowing. That hasn't been the experience of the \$1.5 billion that was borrowed on behalf of the pension liability for TRAF. In hindsight, I suspect the minister would agree it would have been better, perhaps, to keep it as just simply an unfunded liability on the books, as opposed to going out to the markets paying interest on that money, and that's where we come into some disagreement. I know last year I asked what the interest rate on the term was, and I believe it was 4.35 percent is what they had indicated.

Mr. Selinger: No. It was more around 4.65 percent.

Mr. Borotsik: Thirty basis points aren't bad for my memory. I'll accept that, okay. But even at 4.65—

An Honourable Member: I wish you were right, actually.

Mr. Borotsik: —at 4.35. Yes, I wish I was too.

At 4.65 there's still interest being paid on a debt of \$1.5 billion that has lost 11 percent of its value and it's going to take substantial time to regain that 11 percent of the value. Again, I say it's hypothetical, and it's a question that I know the minister probably isn't going to answer. But, in hindsight, it would have been better, I expect, that that strategy would have taken place this fiscal year as opposed to 2007.

Mr. Selinger: In hindsight and, first of all, I actually enjoy answering hypothetical questions, but the rules of the Legislature actually make hypothetical questions not appropriate. I mean, that's the rules of the Legislature. I know the member may not have looked at the book, but hypothetical questions are actually, the Speaker is supposed to rule them out of order, and that applies at the committee level as well.

The trouble with hypothetical questions is that both the question and the answer are entirely based on assumptions which may or may not bear any relationship to reality.

* (11:00)

In the perfect world, to answer the hypothetical question, it's a leap into the unknown. It would have been better if the employers' contributions had never been stopped in 1961 because then the total funds of resources would have been much larger now. Because, since 1961, until this year, the member knows, that the economic cycle has not entirely disappeared from the real world. There would've been ups and downs during that period, but, overall, the fund has performed quite well, in the top quartile, at least in the last decade, and there would have been more resources there. Even with the losses of previous years, the overall fund would've been in healthier shape.

So, in my hypothetical world, I wish previous governments had not stopped the employers' contribution to the plans, and we think that any investment strategy is not a market-timing strategy. Nobody has ever advised that. It's about putting the money in place for a long-term strategy so that unrealizes and losses and gains generate overall positive returns over time to support the full solvency of the fund and the ability of the fund to provide the benefits that the people participating in the fund have earned through their many years of service in the public sector.

The analysis was done based on a growing pension liability that started at about \$2.9 billion when we came into office in '88. When the incoming Conservative government did a financial review, it was recommended to them that they start funding the employer parts of the pension plans. They didn't do that for 11 years.

The same thing was recommended to us when we came into office. We've started doing that, and we've been doing that with a certain amount of money every year since our first budget in the year 2000. We started putting money into the employers' part of the pension plan. Every year or so, we look at the ways to improve that, and we're now at the stage where we're fully funding the employers' portions of the teachers' and the civil servants' pension plan, plus replacing some of the liability that had been built up over the years, because we have an analysis that shows that liability would have continued to grow up to \$8 billion. With the contributions we're putting in, it'll eventually level off and then decline, based on the long-term experience of the markets and the successful active management strategies of both the funds.

So, that's the concept. History supports that. History also suggests that there will be times when things get difficult, and the most important thing to do is to have a long-term strategy and not to be pulled into any market-timing approach, but to have a long-term strategy to invest in the fund, and then to let the fund do its job based on sound investment practices.

Mr. Chairperson: Just before recognizing the next honourable member, so everyone understands in committee, in question period it's a little bit more stringent, Marleau and Montpetit have made a note, as the minister mentioned, of a prohibition against hypothetical questions. It's not as clear at the committee stage. So, past practice has been to allow them; ministers have the discretion to decide whether they want to answer them or not. So, just so everyone knows. [*interjection*]

No, it's not me. It's all about the staff.

Mr. Borotsik: Yes, I'd like to thank the staff for that clarification. I do appreciate that.

Just the last comment, and then, as I said, I have other questions in other areas.

The contributions, as I've seen them, to the pension fund, and as identified in the schedule we just looked at, for the most part, the contributions have been borrowings. There was \$350 million, and I assume that that was a borrowing that went forward into the pension fund.

So, the minister, as much as he speaks to a good strategy of having contributions on the employers' contribution, I agree with him. We see corporate pensions right now who are finding themselves in great difficulty because their contributions, the employers' contributions, weren't being made. They found themselves, and find themselves right now, in severe financial difficulty because they can't come up with it.

The Government of Canada has now allowed, instead of a five-year catch-up period, a 10-year catch-up period. So, that's important from the private sector. Again, it's true, it's necessary that the employer look at their contributions to the pension plan on an annual basis, and I would assume, and I should make no assumptions, the minister can answer it, that those contributions on an annual basis will come out of general revenues. They'll come out of cash flow, as opposed to borrowings, because the borrowings have been identified already into reducing some of the pension liability. But it has to

be an ongoing cash flow contribution to the pensions, not simply through borrowings.

Mr. Selinger: I'm very glad the member raised that because when we took a look at this growing liability we realized you could entirely focus your energy on reducing the general purpose debt and, by ignoring the pension liability, actually have a greater overall liability at the end of the day. You could pay down your general-purpose debt, as the member, I know, supports, but by ignoring the pension liability, you could actually wind up in a worse position after you'd paid down the general purpose debt in terms of your total liabilities.

We had criticism from the bond rating agencies for not having a plan to deal with the pension liability, and so we took a look at what we could do about that. So the member is correct. As part of this answer I want to answer the one question that I said I would give him in response to yesterday. Our current service costs for '09-10 for TRAF are \$67 million and for the superannuation fund are about \$68 million for a total of 135. Those are cash contributions, cash flow contributions, and the member I think would agree with me as, now that we're starting to do that, that liability will start shrinking because from hereto forward it's looked after, and as the civil service turns over, everybody coming in, all of that will be looked after.

So I think it's a strong story. The bond rating agencies have acknowledged that. That's part of the rationale for our credit rating upgrades. We have put money in every year out of the money we set aside in the debt repayment schedule as well into the pension plans, cash. So we started doing that in our first budget as well because we wanted to get the right mix. For all of those years we were putting cash in, they were generating returns that were greater than the 6.25 and 6.5 percent. So that's been a strong story.

We've hit a dip; everybody's been creamed by the dip. Nobody likes it, but in an interesting kind of way we all have a faith in the markets now that we may not have had before because we've got a lot of skin in the game. Everybody has a lot of skin in the game. Everybody's got a retirement fund out there that has a mix of investments, including equity investments, real estate and bonds, et cetera, that they're counting on to deliver them a pension in their years of retirement. History has shown that those strategies have yielded pretty good results, and funds that have been fully funded and even funds like ours

that have been partially funded have generated reserves. They've generated extra cash that's been set aside in reserves to ensure the proper cash flow is there and have allowed for a COLA adjustment as well.

So that's generally a pretty good story. I actually believe that the most important benefit of anybody in public service is the defined benefit pension plan that they get at the end of the day. I think that's the thing that compensates for the fact they're not in a business where they can generate a profit or commissions or, in most cases, those kinds of sort of market-related benefits. They get a steady salary based on some form of collective bargaining, and then we included along with that a pension plan that gives them some security in their retirement years.

I think that's a very important asset for us to ensure that we look after it, and we've been attempting to do that. I do have confidence that, over the medium to long-term, the strategy will yield additional benefits for retirees and members of the plan.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I do have a series of questions and areas that I would like to enter into in discussion and hopefully get some answers.

I want to start off by just continuing on the idea of pensions and just convey to the minister a very short story but I thought very poignant and I think important for all of us to realize that there is something that goes beyond public pensions.

It was a few weeks ago I was coming down to the Leg, and I'd seen an older lady on the street. A car beside me and I kind of pulled over, recognized this lady from the street in which I lived on, and it was a day in which there was a lot of ice on the road. I helped her put her into my vehicle and said I'll drive wherever it is that you're going to, and she was going to the bank. I said, well, why would you be going to the bank on such a day like this. Fairly emotional, she explains to me that she wants to pull her money out of her RRSP investments because she's losing so much money and, not in tears but quite emotional, saying that it looks like now she's going to have to go back to work.

Quite often I think that situations of this nature are occurring in the private sector and I think that we overlook it. The first question I would ask the Minister of Finance: What is the government doing to protect those individuals, because we hear a lot

about public pensions; what about private pensions? What role does the government have or see that it has to ensure that we're also there for those individuals that haven't had the good fortune—and many would classify it as a good fortune—to have a government type of job where there's a public pension?

* (11:10)

Mr. Selinger: It's a good question. As you know, we have a pension superintendent in the Department of Labour, so the member may wish to get into details there. I'm not going to try and answer for that minister or for that activity.

But there are registered private pension plans. They're usually defined contribution plans, where the benefit relates to the direct performance of the assets that they've put aside, and they have to follow certain rules and they have to retain certain levels of solvency as part of that obligation. There's legislation controlling that.

There's public pensions which are—in Manitoba for the most part, not all, but the majority of them are—defined benefit plans that are based on a formula. Defined contribution plans are more of the norm in the private sector, although there are some defined benefit plans in the larger area of the corporate sector, and I won't talk about executive pension plans because we can have a lot of fun with that, and we know how rich those are, and we know how they may not relate to performance at all in terms of the benefits.

Then there's individualized pension plans through what we call registered savings plans. There's a legislative regime that allows a tax deduction to incent people to save for themselves.

In those areas, we don't directly regulate, but we have made moves under this government to protect people more and that's through the Manitoba Securities Commission. It's not well known that most people's mutual funds that are invested, often in a retirement plan, do not have the kind of protection that, for example, a credit union provides to your deposits, the deposit guarantee, or a bank provides through the Federal Deposit Insurance Corporation, up to, I believe, \$60,000?

These private plans do not have protection, but early in our mandate, we brought in some new legislation for the Securities Commission that allowed somebody that was given unsuitable advice, for example, a financial adviser—let's say you were a

beneficiary of unsuitable advice for your circumstances and you felt you were not treated properly by your financial advisor. You could take your complaint to the Manitoba Securities Commission. They could investigate it and if they felt that the advice you received was inappropriate, they can order compensation or restitution of some of your losses, up to \$100,000.

That never existed before in Manitoba. The only way you could recover money out of a retirement savings plan with, say, a mutual fund company, would be to go to court. You can imagine for people of modest means, that's extremely prohibitive, and so most people would never do that because the cost would probably be greater than their losses.

But now in Manitoba, you can do \$100,000. I've also brought in a bill this spring and that bill is going to lift that ceiling to \$250,000, and I'd be happy to discuss that bill with the member because I think there are lots of people out there—like, a quarter of a million dollars doesn't actually give you a huge pension. So I thought it would make sense during these times of great volatility to provide more protection in terms of restitution or compensation through the Securities Commission.

Now, the advantage of that procedure is you don't have to have a lawyer so it's not expensive to put your complaint in. If the complaint has merit and the commission believes it has merit, then they can order the financial adviser and their firm to provide restitution or compensation, now \$100,000; hopefully by the time we finish our session, the new limit will come in at \$250,000.

I think that's a very important feature. We were the first province to do that, and, of course, I've encouraged my fellow colleagues in other provinces to do it, and several other provinces have brought in similar or parallel measures as well. Like, in the securities commission business, the member will know, there's a bit of a debate about who should be in charge of securities regulation in the country. I've been working with my colleagues across the country to strengthen consumer protection in the securities area, the private securities area, to which many people have invested their money for retirement.

So I think we've done some very positive things there and I think it's going to get stronger. Maybe the member might even support the bill when it comes in front of the Legislature.

Mr. Lamoureux: I do believe that the stronger the national standards, I think, the healthier it is in the long run because of mobility and so forth. I will go through the legislation that the minister has brought forward.

At times we hear about the possible need or demand on government to look at some other form of compensation to top up or to add to a government pension. Is that something that the government does give consideration to, where they will provide additional tax dollars to funds? I'm thinking, let's say, for example, when the retired teachers were here before committee, recognizing that there was a need to bring in additional funds, to what degree does the Province actually look into that and, more importantly, does government act on providing any form of further compensation that would be retroactive?

Mr. Selinger: Well, for example, on the teachers' fund, the member will know that we made several improvements to it in discussion with the Teachers' Society. The contribution rate for employers and employees went up on both sides in the last seven or eight years. I think it was 6.9 percent. I believe we moved it to 8 percent. So that was an additional contribution from the government, and the teachers also had to make an additional contribution on the money they put into the fund as well. So we did improve that. We have done that. We usually do it as part of a larger discussion around collective bargaining, and we can consider that in the future, all subject, of course, to the ability to balance a budget and to have a sustainable financial plan for a government.

Mr. Lamoureux: Again, getting back to the private sector, when the minister looks at the comments, in terms of what he just said, and he reflects in terms of the private sector, because, ultimately, the private sector and the public sector contribute towards the revenue. Does he feel that there is any obligation on behalf of government to look at what's happening in the private sector and behave in the same sort of fashion, or is there any role that government should be playing? I'm thinking, in particular, let's say, if a private company goes bankrupt and issues of that nature.

Mr. Selinger: Well, again, you're starting to ask me questions that are properly put to the minister responsible for the pension legislation in the province. But I would say the primary responsibility of government is to have a regulatory or a legislative

regime in place that protects those plans and ensures their solvency. So I don't think I should, probably, go too much more into that, because that's really not under my set of responsibilities, but I would encourage the member to discuss it with the Minister of Labour (Ms. Allan).

Mr. Lamoureux: I am going to move on. I raise it, primarily, because I do think it's important for the Minister of Finance to be, and I'm sure he is, aware of private versus public, and it's quite easy for us to overlook private and the things that are happening with those private pensions.

Having said that, I wanted to go into another area of the GST and PST, the whole concept of harmonization. I know, a number of years ago, I was at the table and I had asked the Minister of Finance some questions on that issue back then. I wonder if the Minister of Finance, I understand, I think I heard that Ontario has now moved to harmonization. I believe all the Atlantic provinces have moved to harmonization, or a number of them have moved to—

I wonder if the Minister of Finance can indicate which provinces in Canada have actually moved to harmonization with the GST.

Mr. Selinger: All the Atlantics but Prince Edward Island. Québec. Ontario's not there yet, they are just saying they're going to do it, and they're grinding through all the politics on that now and, I understand it's somewhat painful. I think there's a fair amount of controversy going on about it. Then nobody in the west. Although, it's a non-issue in Alberta because they don't have a provincial sales tax.

Mr. Lamoureux: That's the luxury of having a lot of oil, I guess there's no need for the provincial sales tax in Alberta.

What's happening in those jurisdictions where there has been harmonization, from what I would anticipate, was that the collection costs have actually gone down if you would have compared the collection costs of having two administrations collecting both the PST and the GST versus, now, one administration that's collecting. That seems to be a common-sense way of looking at it. Is that, in fact, the case?

* (11:20)

Mr. Selinger: I suspect there are efficiency gains by consolidating the administration of a harmonized PST-GST regime, yes.

Mr. Lamoureux: And, you know, given computers and cash outs or tills that are in the marketplace today, I realize that one of the arguments for not harmonizing is that you will want the consumer to be aware that you're paying a GST and you're paying a PST. Through a simple computer program, that can be fairly easily illustrated when there's a printout, whether it's getting gas or buying a widget or getting a haircut. The Province, a couple of years ago, in fact, expanded the PST to cover more areas.

The question that I would have for the Minister of Finance is: does he believe at some point in time, that there might be merit to harmonizing the GST and PST here in the province of Manitoba?

Mr. Selinger: Again, that's that slippery slope of hypothetical questions.

Is there merit? I think you could make a case for it and it certainly has been made. I think you can make a case against it because of the distributional impacts, some of the things that get caught up in the net of harmonization that some people might object to: children's clothing, for example, those kinds of items; home heating fuel. I think the home builders' association probably wouldn't be thrilled about having a blended GST-PST on new homes because currently, we don't have a PST on new homes, just the GST.

So there's lots of distributional impacts. I think you can argue it either way. There's an efficiency gain, probably, in terms of administration. There may or may not be a transparency gain, which the member identified in terms of how it's calculated. I actually think, and I don't know if the member'll agree with me on this, the idea that you get a price when you look on the rack for a product, and then the price gets these additional taxes added at the till; makes it hard for people to know what their real, final end price is. It would probably be better to have the full thing displayed right on the rack with a bottom line, and then you know whether you can afford it or not. That doesn't require less transparency; it just requires less calculation at a different point in the sales transaction process.

So I kind of think when I go to other countries or other places and you see one price and you decide that's what you're paying and you know there's no add-ons on top of that, it makes the decision a lot easier. So, I think the original idea of not putting the GST into the price, even if it was transparent, was to keep a high visibility for the tax so that the citizens could complain about it if they weren't happy. As

you know, it becomes a marketing thing, you know—the sale: no GST on this—or whatever.

So, it keeps a constant focus on a discussion about taxation, which we can decide whether that's a good or a bad thing, depending on the circumstances we're in, but you know, it comes down to the details. It's probably one of those things where you have to decide whether the arrangement being offered for harmonization provides sufficient transitional resources to minimize the negative impacts and maximize the positive impacts. We think there might be some potential GDP positives out of a harmonization, but not every sector that would have to collect that levy would agree with that. So it's going to be a continuing source of debate.

Mr. Lamoureux: You see, I would think that there are ways in which you can compensate the negative aspects of a harmonization, example being that the minister talked about, you know, a new house. A new house would be—it's a fairly substantial tax to be putting on a new home but in return the government, then, could use additional revenues generated from the house sales to provide incentive for being more environmentally friendly in terms of the development of that house, you know.

So there are trade-offs, and I tell you, over the years, what I'm inclined to think that it has more to do with the idea of a political will. I realize whenever you make a change, there's quite often a reaction to that change. I raise it because I do believe that there are some efficiencies, and I would like to see efficiencies in this particular area. I think that there is some merit for the government, at least, to review and provide a report on what those efficiencies actually would be. Then, at least, we could bring that component into the argument, whether or not we should be doing it or should not be doing it.

In the long run, as a have-not province, I think that it's in the Province of Manitoba's best interest to see a healthy GST national program. I say that because, at the end of the day, it's a revenue source to Ottawa and, you know, some provinces more than other provinces need Ottawa to have a relatively healthy revenue source in order to provide different forms of programming so that programming is of an equal nature.

So the question, and I think this'll be the last question on this particular issue, is to ask the minister if, in fact—and maybe he already has it—I would very much appreciate some sort of a sense of

what sort of efficiencies could be achieved by having a harmonized GST.

Mr. Selinger: Yeah, I don't have a hard number for the member—I'm just on the verge of a potential sneeze here, but the good thing is we don't tax that in Manitoba. The efficiency gains would be at the administrative level with some of the people that do the tax collection. I don't have a net cost of that, but there would be a transfer of employees from Manitoba to the Canadian revenue collection agency.

You know it's—I don't think the cost savings in efficiencies are huge. I think, on the net—my ADM of Taxation, Barry Draward, informs me that our costs for collecting a dollar of PST revenue is less than the cost that the revenue collection agency incurs for collecting a dollar of GST revenue, but there probably would be some gains by the blending part of it. So, you know, we tend to be more a cost-effective level of government, to be blunt about it, and there's probably some linkage to salaries and benefits as well as just the levels of bureaucracy in these larger national agencies; they have more layers.

But, yes, just in principle, there would be some efficiency gains. I don't know if you want a hard number. I'm not sure we have a hard number that we could provide. That kind of thing sort of happens on the ground as you work your way through it if you get into a serious exercise in that. But, if the member wants me to try to identify a range of potential efficiencies, I could probably try to ask staff to look at that.

Mr. Lamoureux: It's not to create a bunch of work. But I suspect, for example, you could probably guesstimate a fairly decent percentage of the efficiency by looking at what's happened in other jurisdictions. So it might, you know—and I suspect you'd probably get a much higher sense of co-operation and ability—your minister or deputy probably knows the deputy out in Newfoundland and others, so it shouldn't be too complicated to find out. I just think it would be good to have that and if it could be provided, I'd appreciate it.

Mr. Selinger: We'll see what we can do.

Mr. Lamoureux: I want to move on to the area of employment. There is a significant decrease in personal income tax, individual income tax, and there was one thing that I wasn't really too sure, in terms of how or why there's a difference in numbers on personal income tax. I'm looking at the budget document, the 2009-2010 Estimates, pages 7 and 9.

One deals with source of revenue, core government, income taxes, and it says that income tax here would be \$2.342 billion. Yet, on this page 9, for fiscal year ending revenue, income taxes, \$2.689 billion. I don't quite understand what the difference is.

* (11:30)

Mr. Selinger: If you look at page 7, you take the \$2.3 billion and then you look at the corporate income tax line just below that, the 346. When you add the two together you get the \$2.689 which is the same number on income taxes on page 9. So it's a blended number of corporate and personal income taxes.

Mr. Lamoureux: Why then would corporate income tax be considered as an income tax line?

Mr. Selinger: You and I get income and so do corporations so they pay a corporate income tax. It started at 17 percent. We've got it down to 12, but they still pay a corporate income tax based on the income they generate. Corporate income taxes and individual income taxes are just put together as income taxes on page 9.

Mr. Lamoureux: So then the income tax, because it doesn't show the comparison. For example, if you take a look at where it's taken together, it shows the 2008-2009 income tax of 2.61 and then it shows 2.68 for the '09-10 year, whereas it doesn't show that sort of a breakdown then for the individual income tax. Does the minister have that?

Mr. Selinger: Thanks to the trusty assistance from officials, if the member would go to 181—You don't have the document here it doesn't look like. You've got Xeroxed pages. If you go to 181, we break it out, individual income tax last year was—page 10. Do you have page 10? [interjection] You do? All right, we might be able to get on the same page here. There's the comparison year over year there so you can see \$2.3 billion, \$2.4 billion and then \$2.34 billion. Does that give you the information you needed?

Mr. Lamoureux: I appreciate that and it quite often points out the reason why you should page through a whole document before you may possibly pose a question.

Mr. Selinger: That's fine. I like questions I can answer.

Mr. Lamoureux: At the very beginning, I indicate that, you know, there is a decrease. One would expect to see a decrease, given that we're going into a

recession. The total number of jobs that we have I believe was year to date, 607,000 employed Manitobans.

Mr. Selinger: I'm just going to verify that with my chief economist here. He's going to put away his volume of John Maynard Keynes at the moment, on monetary stimulus, and check the budget book. Yes, the number is about 606,000 employed Manitobans right now, active in the labour market.

Mr. Lamoureux: I could be looking at a wrong stat. It actually comes from the *Summary of Economic Indicators for Manitoba*, and it shows as year to date, Manitoba's population 1.2 million, 607 total employed SAs; unemployment rate of 4.7.

The reason why I raise the issue is more so there are certain industries within Manitoba's economy. Can the minister provide any information in terms of how he feels which industries will be affected by the recession that's, in particular, really taking its grip on Ontario?

Mr. Selinger: I'm just going to get the reference in the budget papers on the economy. It sort of breaks out which sectors are going to grow and which sectors aren't going to grow and I'll give the member a reference. While we're getting that for the member, I think there's some obvious ones that we know are going to have some challenges. Mining is down because commodity prices are down. That's sort of been a fairly dramatic change in the last year and a half, year.

The forestry sector's been struggling for a few years even before the slowdown started to occur. So those areas are going to see some declines—are seeing continuing declines on employment.

Manufacturing in Manitoba has done better than the Canadian average. It's slightly down but it's doing better on comparative terms than say Ontario and some of the bigger provinces where they have a concentration of manufacturing.

If the member gets a chance—we can provide it for him, but I think he's got it. In the *Economy on page A33*, there's a section called *Manitoba's Economy: Strength in Diversity*, and it shows where we've seen activity in '08. As the member knows as he reads through that section, he'll see some of the strengths we bring to the slowdown were 72 percent services. Services tend not to be affected as negatively during tough times, you know, the financial services sector, the health sector, software, those kind of things tend to be a little more robust.

Then on pages A36 and A37 it gives an idea of what's happening in different areas of the economy, farm, manufacturing, mining, housing, retail, electric power sales. There's some information there including—all of those are up to '08. It's a little harder to give the member '09-10 for the obvious reasons, but it gives an idea of trends.

If the member reads that whole section starting on A1 there's a sort of opening piece on the Canadian economy and then we put the Manitoba economy in the context of that. So it gives you quite a bit of information there on what's going on. Then on page A5 it breaks it out by sector in terms of growth in dollars, but it only takes it up to '08. It doesn't try to forecast '09 other than sort of on a more global basis.

As you know the real growth in the Canadian economy is started at about minus 1.8 percent when they did the budget and I think its gone to minus 3 percent now. At budget time our growth in the Manitoba economy was minus 0.2 percent, pretty much flat. So we're considered to be performing in the top two or three economies in the country in a scale that's moving downwards. We have no information to update that since the budget right now, so we still think we're going to be flat, slightly negative growth.

I noticed the Bank of Canada yesterday was changing his more rosier forecast of Christmastime to a more gloomier forecast that the bounce back wouldn't be as quick as he originally predicted. That it'll take a little more time and we're going to be in for a longer struggle to turn the economy around.

Mr. Lamoureux: Ultimately, I would argue that there are certain sectors of the economy in which we need to pay more attention to. An example of that would be our manufacturing industry because of demand, whether it's in Canada or outside of Canada, even though we seem to be doing relatively well.

How can we come up with government programming that will potentially minimize the loss of jobs in an area that, when the economy starts turning around, the world economy or the national, the North American economy turns around, we haven't lost that opportunity for growth going into the future?

* (11:40)

What makes me want to talk about it is the fact that yesterday I had a constituent who I met at McDonalds who came to me to tell me—and I haven't

had it confirmed, but I understand that at the CP there are dozens—when I say dozens, maybe he implied up to 30 diesel cars from CP that are just parked, and they're talking about hundreds of layoffs.

I suspect that that would have an impact, and what all that involves, I don't really know, but I suspect that there are certain situations that come up, that the ministry, whether it's this minister or other ministers, the minister of industry and trade, they're made aware of problems.

To what degree does the government get directly involved when they hear things of this nature?

Mr. Selinger: I can talk quite a bit about what we've done for manufacturing. I'll just start with the railways. Railways is a nationally regulated industry, so it's highly unlikely that that industry would come directly to the provincial government. It would be more of a national issue, because it's regulated that way, and it's a very large corporation. But you're absolutely right. If there's less goods and services moving, there's going to be less requirement for that kind of activity, and that's a problem, but we also have one of the larger truck transportation industries in Canada, with five of the 10 largest firms in Manitoba.

On manufacturing, we started working with the manufacturing sector several years ago before the latest economic slowdown. Just before the dollar started going up relative to the American dollar, we saw a real requirement to work with industry to modernize their methods of production. They were taking the lead on this themselves, but we've got an advanced manufacturing initiative where we're collaborating actively with the manufacturing sector to do what they call the lean manufacturing techniques, to look at new areas where manufacturing can take research and development and translate it into new products, like advanced composites. There's a research centre on that that we fund through the university out at the Smartpark at the University of Manitoba.

Then there have been sector councils that have focussed on strengthening the training of the employees in that sector, and the member will have some members in his constituency that work at Boeing in the aerospace sector. There was a lot of work done with that employer, and the government of Manitoba ran literacy issues, just the ability to read instruction manuals and to be able to apply the information in those to the work they do on the manufacturing and the rehabilitation of products they

do there. That's on the human resource and the technology side. We've done quite a bit.

Then on the tax side, the member will know that there's been a reduction in the corporate tax rate from 17 to 12. There's a phrasing out going on currently of the capital tax which is very significant from an investment point of view. One of the most proactive measures we took early on was introducing refundability for the manufacturing investment tax credit. We started at, I believe, 10 percent, 20 percent, and now we've ramped it up to 70 percent. That has allowed them to get a credit up front to reinvest in new technology, new equipment, new buildings. That was done as the dollar was rising, a lot of the technologies outside Canadian borders, so if you have a rising dollar plus a refundable credit up front, you can acquire new technology to modernize along with your human resource strategy.

This year we've introduced an additional measure to incent new business development in Manitoba, including manufacturing, and that's what we call refundability on the Research and Development Tax Credit which allows, again, for you to get cash flow up front to take research and development and to commercialize it and to develop it into products.

These initiatives have been very well received, plus a new innovation council in Manitoba co-chaired between industry and government to look at ways that institutions like universities and colleges can collaborate with industry to improve their manufacturing and their production processes, train people better and bring new innovations and new products into the marketplace.

Even as recently as yesterday in the Legislature, on the college side, we brought in a bill that allows for applied degrees to be offered at Red River College and other colleges in Manitoba that will allow new forms of skills to be made available to young people or anybody training in those institutions, which will have a direct positive impact right back on industry. So it's been a multi-pronged strategy: research, innovation, taxation, human resource development and better access to technologies and techniques of manufacturing and production processes.

Our manufacturing sector has fared relatively well compared to other provinces. They've been very good at adopting these new technologies and these new practices. I think it's just slightly down this year,

if I understand correctly, our manufacturing. We're certainly outperforming the Canadian average on this. It's slightly down. It's been a pretty strong story up to now. I hope there's nothing looming out there really negatively that I'm not aware of. If there is, hopefully members will make me aware of it. We work closely with industry when a problem comes up to try to address it to retain employment and retain these jobs.

The one area that the member will be aware of is New Flyer Industries. They ran into some serious capitalization problems about eight or nine years ago. We worked very closely—well, I probably will never forget—working with the banks to make sure they didn't call the loan on them until we could refinance them and find some new equity investment. But New Flyer, the story is a great story. In a tough environment, bus products are very popular for a whole bunch of reasons, not just environmental reasons but for cost affordable transportation in cities. So New Flyer's got a strong order book and expanding jobs in Manitoba.

Manufacturing is expanding as well in the agricultural sector. Our machinery manufacturing in agriculture has been doing very well in Manitoba, both in North America and outside North America. In Europe and over into eastern Europe our products are being sold and developed and marketed over there. New jobs have been created there.

The aerospace sector, you know, there are some ups and downs there, but a lot of it depends on the American marketplace, but there's been some good investment and improvements there.

Biotech, the R&D refundability will definitely help the biotech sector.

So, we've done quite a bit of work with the manufacturing sector. Nobody's ever entirely happy, but I think they're pretty pleased with the co-operation and partnerships they've had with government in that area. I know it's a long-winded answer, but you gave me the chance.

Mr. Lamoureux: The Member for River Heights (Mr. Gerrard), my leader, I know wants to ask you a few questions yet too.

If I can just get a very short comment on the next one and that is: One of the opportunities for investment is through immigration. There is a good program, and I think this is a time when the economy maybe isn't going to be doing as well. Actually, we should be investing more energies into how we can

possibly take advantage of that particular program to bring some of those entrepreneurs from abroad and potential investors to our province. Again, with the idea that when the economy is not doing as well, if we can establish, we'll be able to prosper that much more once the economy starts to pick up.

Mr. Selinger: I think the member was making a comment. I didn't hear actually a question, but I'll take it as a question. Will we be supporting more business immigration to Manitoba? The short answer is, yes, we obviously support that. That's why we've ramped up and strengthened the Provincial Nominee Program. There's a lot of skills and talent and sometimes capital that comes with those people. We believe there's lots of opportunities in Manitoba for these people to come and further strengthen and expand or start new enterprises in Manitoba. So, yes, we support you on that. I'm sure you'll support the government's program on that as well. If there are ways we can strengthen that, we'd be happy to hear about it. Thank you.

Hon. Jon Gerrard (River Heights): As I think you are aware, I've been concerned that you've overstated corporate income tax revenues. For the first three quarters of the year just past, the revenues coming in from corporate income taxes were \$225 million as opposed to \$253 million last year. They were down significantly, and yet your estimate for the full year is \$380 million, which is up from last year.

Mr. Selinger: Do you have your budget book with you?

An Honourable Member: No.

Mr. Selinger: Okay. I'm going off page 10, which I know your colleague to the right of you has, and he could share it with you just so if you want to discuss a common set of numbers.

I'm going off on corporate revenues. Our budget forecast last year was \$299 million. Our forecast was actually much stronger than that, \$380 million. This year's forecast is \$346 million. So we're down from last year's forecast. We're assuming that there's going to be a reduction in corporate income tax revenues over actual.

* (11:50)

Mr. Gerrard: You didn't get the question properly. Your forecast for the 2009-2010 fiscal year is \$346.

Mr. Selinger: Correct.

Mr. Gerrard: Your forecast or estimate for what will come in for the 2008-2009 fiscal year was \$380 million.

Mr. Selinger: Correct.

Mr. Gerrard: Actual third-quarter revenues, which came in from April 1 to December 31, 2008, are \$227 million as opposed to the previous year, where it was \$253 million. Right? So for the first three-quarters of the fiscal year which is just ended, you've got revenues already down, and yet you're estimating for that fiscal year that we're going to have, in the final analysis, \$380 million, which is actually up from the year before, which the final number was 367.

Mr. Selinger: I think the member is incorrect and I'm going to try and explain why, although that was a very complicated question. I think we might be getting a slight confusion between cash flow and year-end actuals. Our numbers show, as presented to me here, that our year-end for '08-09 will probably be around \$380 million, okay, and the third-quarter forecast, it looks like the year-end will exceed that. So we are reasonably confident, based on what my officials have told me, that we'll hit the 380 for '08-09, and in light of the economic forecast, we predicted that it would go down from 380 to 346 this year on a year-over-year basis.

So there are sometimes changes and variations according to timing and when remissions occur with respect to those taxes, but I'm giving you the best information I have.

Mr. Gerrard: We're now on the same page, all right, in terms of the numbers.

I think your 380 estimate is too high, all right. Now, I understand that there can be year-to-year cash flow issues, but the last three-quarters of the fiscal year just completed—January, February, March—were not a good quarter for Canada. I mean there's a report that the GDP is down 7 percent. One of the typically hardest hit areas in a recession when there are cutbacks in expenditures is the corporate revenues.

So I think that when this finally comes in, that you will end up with a number less than \$380 million. We will see. But I'll give you a chance to defend your \$380 million once more if you like.

Mr. Selinger: All I can tell you is I have looked at these highly educated officials of mine and they are feeling quite confident, as they cross their arms

across their chests, that the numbers will be about \$380 million.

You know what? We're going to know the number fairly soon. We should know it by June 30. *[interjection]* Okay. August, September. We should know it by the end of the summer. I don't try to manipulate these numbers. I take the advice I get. I ask questions just like you're asking me and we make the best estimate we can. But if there's a variation off of that I'll be happy to report it to the member, and if he's right, you know, bully for him.

Mr. Gerrard: Yes, we're going to wait and see what happens. Fair enough.

I would want to pick up, I think, in the comments to my question in the Legislature that you'd replied that this was using a model that was going back a long ways to predict what the corporate revenues are. Is that correct?

Mr. Selinger: Yes. My current staff remember it being in place for at least a decade, probably longer.

Mr. Gerrard: My concern is this: that the model may even have been in place in the last recession, which was the early '90s, and that the predictions that were made in the early '90s, in terms of what happened during a recession, were way out. I think that the prediction was, like, 173 million and it came in 78 million one year. But my guess is that where we are, this 2008-2009 number is likely to come in less than 380 million, and that the number for next year is going to be less, considerably, than the 346 million that you're estimating. Everything depends on what happens with the economy and we will wait and see. But I'll give you one more chance to defend the 346 million for next year.

Mr. Selinger: Well, I think the member and I would agree that nobody has a crystal ball for what's happening in the economy and forecasts have been getting somewhat gloomier, as recently as yesterday, with the Bank of Canada CEO. However, there is a difference between this recession in Manitoba and the last one. In the last '91 recession, in that era, and I was involved in government at that time, Manitoba was hit second worst of all the provinces. Now we're expected to be in the top three, so there's kind of a change in circumstances. So that changes the same model forecast in an historic sense.

The other thing we do is we take private sector forecasts and we use it to temper the information we get from the federal government. They give us a number, and our prudence is greater than the number

that we receive from the federal government. We could have just gone with their number, but we added some additional prudence.

Now, you could be right by the end of the year. I'm not, in any way, saying that this number is rock-solid because Manitoba is not making the global economy. We are part of the global economy. We're not sufficiently large to be able to shape the final outcome of either the Canadian economy or the North American economy or the global economy. But we think there's been pretty good prudence here, in terms of how the officials have done their forecasts. But all forecasts, as the Member for Brandon West (Mr. Borotsik) has pointed out, are, at best, estimates. We'll see how it goes.

As I said to you in the Legislature, I'll let you know if there are some dramatic changes. I wasn't in any way trying to be defensive about it or claim that I had any foresight more than the member has or anything like that. I asked all the questions you're asking me of staff when we go through this. I use common sense and say, really, I can't believe those numbers. I think it's going to get worse than that. What do you think? And they come back, and then I say, my God, maybe that number is a little too low. Don't you think we're going to do a little better in that sector? We go back and forth until we get to a place where I can get some comfort level accepting their analysis. I don't override it. I don't write the final numbers, but we ask the questions and we bring all our knowledge to the table and we have a dialogue and then we go back with the private sector forecasters and the Conference Board of Canada and the federal estimates and we try to put that all in perspective and give the best revenue number we can get. So that's how it's done. I think it's done with a pretty high degree of integrity, I would say.

Mr. Gerrard: If I'm right and the corporate revenues are going to come in lower, then you're going to have a deficit in the core government accounts which is greater than \$88 million, depending on what the differences are and depending on a whole lot of other factors. So I really just wanted to make that point, and we will wait and see how things turn out. Okay. Thank you.

* (12:00)

Mr. Selinger: Any member of the Legislature can jump up and say the same thing long enough, it's eventually going to become true, depending on how long you want to stay in the Legislature and make

the same prediction. I've made that point to the Member for Brandon West (Mr. Borotsik).

It's a bit like Tolstoy's "Charge of the Light Brigade." You're going into an unknown territory with lots of cloud and smoke around. You think everybody's behind you. You think the economy's going a certain way; it may not go as well as we thought. It may do better. It may go sideways. We don't know.

Forecasts are being revised on a regular basis. I enormously enjoyed watching the banks in the last quarter. Just about every second week, they revised their own forecast. We think we know what we're talking about this week. Oops. By the way, we've got to make another adjustment this week.

Some of the players are changing, too. New economists are coming to the forefront as the ones that missed have been faded into the background—*[interjection]* Exactly.

Our economist has been fairly consistent and fairly prudent. We have seen no need to replace him, but he takes a look at all of these things, and he gives us his best estimates. We're not like the banks. We don't roll them in and out depending on the trend of the day.

But we take a look at our forecasts. We take a look at the Conference Board. We take a look at the federal estimates. We do our own Estimates, and then we apply judgement to that. If it's way off, we'll let you know.

But, even if it was the best estimate in the first quarter, we don't know what the fourth quarter is going to do. We don't know what the third quarter is going to do. There could be some catastrophic event, unforeseeable by all of us. We've seen this in 2001. We could have weather-related catastrophic events. We could have politically driven catastrophic events.

We could have further turmoil in the financial sector. There are lots of people saying that the situation in the United States hasn't bottomed out yet. There's a whole whack of what they call adjustable rate mortgages that have not come to the point where they have to be rolled over yet. We don't know what's going to be done in terms of the government interventions and buttressing the financial sector in all of these areas.

There's been lots of stuff done in the first 12 weeks of the Obama administration. I read some of the economists in the States, like Krugman, that

says, it's not enough. It's not going to solve the problem. I see a whole bunch of other people saying, it's too much. It's the new socialism in the United States. You've gone way too far. Let them fail.

There's a lot of debate on this. History suggests that government has to intervene very significantly to provide stimulus, they have to go beyond monetary policy, and they have to go, in some cases, beyond fiscal policy into what they call quantitative easing and actually generate new money to buy assets, whether it's long bonds in the corporate or the public sector.

The United States is pretty much into quantitative easing, I would say. They're there. Canada isn't. The head of our Bank of Canada is preparing in case he has to do it, but he has not moved into that area yet. Japan's there. They moved very quickly, because they had a horrible decade in the '90s where they ran their debt-to-GDP up to 170 percent, because they were very committed to keeping unemployment low and people working. They rebuilt their entire infrastructure during that period with a lot of debt. Was it the right thing to do? They believed it was, because that's the kind of government they were. They have a high commitment to low levels of employment, and that's part of their national policy.

Europe is not doing as much stimulus as the United States, but their argument is they do stimulus all the time, because they have a bigger social safety net. They have a bigger public sector, which adds more buoyancy to the European economy. So, they're a little less aggressive in that regard than the States has been.

But everybody agrees that they have to move in that general direction. The differences are a degree, how much, timing, some differences about how much regulatory reform is required and how quickly. But, everybody agrees the government has to play a very significant role in buttressing and increasing demand in the global economy right now.

The IMF is being gloomy, but they're also recommending more money be made available, including through their own facilities, which were topped up at the G-20 meeting. They're recommending more investment in Africa and South America to make sure they don't get sideswiped by this. Because most people that are struggling right now weren't the cause of their own problems. This global recession was generated mostly through the financial activity in North America, and it spread

across the world. So, most economies, their challenges are coming from outside of them and they are now multiplying inside.

So, we're going to have to see how it goes, but what I am pleased about is everybody's more or less moving in the same direction. There's nobody saying, let's just all hunker down, put all our money in the bank and wait for this to blow over. I don't know of any government that's doing that anywhere in the world. Everybody recognizes that government has an extraordinary role to play at this time, and everybody recognizes that central banks have an extraordinary role beyond what they normally play in managing monetary policy. They have to go well beyond that to turn this thing around, and then the debate is—once you get out of it, and we're not there yet, so we can discuss that next year—whether you have an inflation problem. But I think that's really hypothetical. Right now the focus is still on making sure we don't get into a deflationary cycle.

Mr. Gerrard: Last year I asked you about whether you had included the environmental liability for the clean-up of Lake Winnipeg. I wonder if you're making any progress in that direction.

Mr. Selinger: I'm pretty sure I gave you an answer to that, and—[interjection] Pardon me?

An Honourable Member: You said no last year. So I'm asking whether you made any progress this year.

Mr. Selinger: I think I said no because it's not our environmental liability entirely, Lake Winnipeg. I think the accounting on that did not allow us to put it aside as a liability. I'm looking for the comptroller, who may not be here anymore.

An Honourable Member: She's not.

Mr. Selinger: She's not. But I did a follow-up on that, and I thought I sent you a response that under the accounting rules we cannot set that up as an environmental liability because it's not fully realized in terms of understanding what it is, and it's not fully within our jurisdiction.

We are proceeding on other environmental liabilities that we can quantify, and bringing them onto the books in this fiscal year as we move on the public accounts, and they have increased in terms of our ability to quantify them.

But, as I recall, the Lake Winnipeg one was not one that we could properly bring on our books in a speculative kind of way, even though I might wish to do that, like the member did, so that we could set

aside resources for it. I don't think the GAAP accounting rules would allow me to do that.

Mr. Gerrard: I think that you must acknowledge that there is going to be a cost to clean-up, environmental clean-up, and I would suggest to you that, you know, it would be prudent to have a look, one more time, and see if you can't figure out a way to have a look at this. Okay?

Mr. Selinger: I will take a look again, but in the world of GAAP there are only certain things they'll let you do and other things they won't.

I mean, I think it does make sense if you have a clearly identified responsibility for an environmental liability that you find a way to record it on the books so you can have the resources over time to address it, but I don't believe in the Lake Winnipeg case that the clear responsibility is entirely the Province's, and I don't believe—I think that was one dimension of it. I think another dimension of the reason we couldn't recognize it and put it on the books was it wasn't fully quantifiable in terms of degree and extent, et cetera.

That being said, the real point is to find ways to mitigate it and address it, which is, I think, what the member is really concerned about and the accounting is one part of that. We are taking measures to strengthen the ability of the Province to regulate and protect Lake Winnipeg as a resource, as a natural resource, that'll be available for a long time to come in an improved state as we go forward.

Mr. Gerrard: You know, I'm not a certified accountant, so I can only speak from my observations of accounting policies in a variety of circumstances. It would seem to me that a prudent accountant, even with GAAP, would, at the minimum, put a note there that there are some liabilities which can't be precisely specified for these reasons. I think that there would be a way under GAAP to at least acknowledge that there is a significant liability, and maybe you can have a look at that.

* (12:10)

Mr. Selinger: I'm not an accountant either and, even though I've enjoyed many interactions with accountants in the last several years, I have no intention of becoming an accountant for my next career, although I've learned a heck of amount about accrual accounting over the last 10 years, and I never thought I'd be the—you know, debits and credits and

all those wonderful things. It's all been a joy to learn about that—

An Honourable Member: You're a better man for it.

Mr. Selinger: If you're still standing, you probably are a better man for it.

It certainly is a major constraint on the way government operates, a constraint that has pluses and negatives, but it's a reality. We have to operate in a certain environment with respect to accounting.

If there was a way to put the liability on the books that would allow us to better address it, that the accounting profession would say is legitimate and reasonable, we would do that. But I prorogued it because I took the question seriously last year and I was rebuffed in that attempt.

We have, however, increased our accrual liabilities for other issues such as abandoned and orphaned mines, such as asbestos and such as underground storage tanks for gas stations that have been abandoned, et cetera. We've been out working away trying to understand the extent of those liabilities and put them on the books as things that have to be addressed. As the member will know, there has been some announcements of mitigation measures we're taking for some of the abandoned and orphaned mines in the north. We're up there doing some things to improve those situations.

Mr. Gerrard: I don't believe that, given my experience with accountants—and when they recognize that you've got a significant liability, in this case for cleaning up Lake Winnipeg, that the accountants, even if they couldn't put a specific number, would put a note in that section saying that there is a liability, but it can't be quantified or something like that.

Mr. Selinger: I could say a couple of things. The Public Sector Accounting Board is reviewing these standards for accounting treatment, so it's an act of discussion that's going on. I think there was some commentary on it in our annual report. I'm going to refer the member to the annual report. On page 78, we have a couple of paragraphs discussing environmental liabilities. It tries to estimate remediation costs and the necessity to comply with environmental standards set federally, provincially and municipally.

So there is some discussion there if the member wants to look at that. I'll ask again the comptroller to

take a look at that. I did take a serious look at it last year, and I was told that we just can't put it on the books at this stage of the game. But I think the member's real point is that he wants to ensure that we're paying attention to that issue and doing something about it. I agree with him on that and we're trying to do that.

Mr. Lamoureux: I appreciate the Member for Brandon West (Mr. Borotsik) in allowing me to just do a couple more questions in two different areas.

Going to page 6 on the main budget document, looking at revenues, I want to talk about two: Equalization and Manitoba Hydro.

First, in regard to Manitoba Hydro, when we make reference to the \$265 million, would that be net revenue, after everything else is taken care of from Manitoba Hydro, coming over to the Province?

Mr. Selinger: That's the net revenue that they retain. We don't get that revenue. I mean, it shows up in the summary financial statements, but it remains with Manitoba Hydro as retained earnings.

Mr. Lamoureux: Now, it's the government's intention, then, that that line would always be respected as that, that revenue generated from Manitoba Hydro would, in fact, stay in that sort of category, whether it's in this budget or future budgets?

Mr. Selinger: Well, the member's asking me to comment about the future in a hypothetical way, and it's always difficult to do, because we don't know what circumstances we'll be facing as we go forward. But, generally, yes, subject to what conditions we are facing.

I mean, the bottom line is we want to ensure Manitoba stays in good shape financially, and we want our Crowns to stay in good shape financially and be able to do what they have to do to build the wealth of the people of Manitoba. Hydro's got a lot of projects on the books right now. They're doing a lot of things and they've got a lot of projects to complete in the next 15 years, because they have some very good contracts, term sheets I've signed for supplying energy to other jurisdictions.

But in terms of Hydro's financial health, it's the strongest it's been in several decades in terms of its debt equity ratio. It's now achieved its 75-25 target ahead of schedule so it's in pretty good shape.

If you want to pursue that more specifically, we will have a Standing Committee on Public Utilities.

There's a scheduled date, and we'll have Hydro management there as well as myself. We can have more detailed discussion on Manitoba Hydro at that time if you wish.

Mr. Lamoureux: If I am at that particular meeting, I likely will.

The Québec Hydro, how would our 75-25 compare to Québec's? Does the minister know?

Mr. Selinger: I don't have the information at my fingertips. I'd have to get it for the member. I'll try to get it when we get to standing committee if you wish.

Mr. Lamoureux: I do believe that would help facilitate a better discussion on the issue.

Equalization payments. Right now, we get \$2.063 billion through equalization payments. Is there a graph in the document that would date this back to 1999?

Mr. Selinger: In terms of?

Mr. Lamoureux: The actual equalization payment received from Ottawa.

Mr. Selinger: In previous budgets, yes, on those tables that we show in the budget where we show previous years. We only go back to '04-05 now because we just ran out of space on the page, but in previous budgets we take it back five years so, you know, we can get you back to '99-2000 in previous budgets. If you want me to get the information, I'll try to get it for you.

Mr. Lamoureux: What I can do is—thank you. The member from Brandon's just provided me the actual document, so that's okay.

In looking at it, since the Minister of Finance has been in government, there has been an increase. With the exception of 2003, there was a minor decrease—well, we're talking millions; I guess it's not minor—in 2003. Otherwise, it's been constantly going up and sizably. From 1999, it was \$970 million to today that it's over \$2 billion.

I'm wondering in terms of, you know, it's great to receive the money from Ottawa, but we're becoming more, I guess, dependent on Ottawa, and with the recession and what's taking place in Ontario, Ontario was a major contributor towards equalization payments. Now they're going to be a recipient of an equalization payment. Has the Minister of Finance secured any sort of minimum equalization payment

from Ottawa going into the next year or two, or are we going to anticipate that we will be receiving decreases?

Mr. Selinger: A couple of points: equalization has been pretty stable as a percentage of total revenues in Manitoba over the last decade of between 19 and 20 percent. It's up slightly in percentage terms. It doesn't come from other provinces; no province contributes to another province's equalization. It's entirely a transfer from the federal government to the provinces based on the total revenues the federal government collects. The member should know the federal government collects two-thirds of the income tax in this country and probably a proportionate amount, about two-thirds, of the corporate income taxes, as well as the GST, so there is no interprovincial transfer for equalization. That's, unfortunately, a myth that exists out there.

In terms of a minimum, there is no guarantee. It's formula-driven, based on—it was, until very recently, based on the O'Brien report, which I don't know if we discussed this last year. I think we did in this committee, and the O'Brien report had been implemented by the current federal government based on a 10-province standard and sort of a streamlined set of revenue tax bases.

Then the member might recall at a finance meeting I attended in Toronto just before Christmas, he made some unilateral changes which put some ceilings on equalization. Those ceilings will have some negative impacts on Manitoba as well as most provinces. It's a situation that has seen some change without consultation that probably makes all the equalization provinces a little bit worse off in terms of the way the O'Brien formula worked. The reality, however, was, and I expressed this yesterday and the day before as well, is that because our economy's growing above the Canadian average, and in the top three in the last three or four years, we were automatically, under any formula of equalization, going to see proportionately less. Because when you outperform the Canadian average on the economy, you're not going to get as much of the transfer payments on equalization. It's a transfer payment that's adjusted and made available to those provinces that perform below the Canadian average on the representative tax system that they use.

* (12:20)

So if you look at page C7, I don't know if you have the budget book there, but we'll get it for you. On page C7 there's a table—I'm not sure I want to

encourage that much co-operation between the opposition parties but, as you share that information, you'll see in C7, in the lower right hand corner, that our transfer payments increases—on a global basis, since this is health, social and equalization—have been below the Canadian average and you can see at the top of the page another chart which shows the new framework versus O'Brien, and what the differences are.

So you'll see in '09-10 there, there's a difference between the new framework and O'Brien-projected. So these caps are going to start biting for provinces in the next few years and we're all going to be worse off as a result of that, but even under O'Brien, we were going to get less because of our economic performance.

If I could just go a little further, this was sort of the Danny Williams complaint. The Danny Williams complaint of Newfoundland was, you know, we're starting to do really well economically because of their offshore resources mostly, and it really frustrated him that, as he did well, he was losing. Almost every dollar he gained, he was losing a dollar on the equalization side. So, from his perspective, it was frustrating because he didn't see a net gain in terms of the wealth of the province and, as a result of some intense negotiations, he was able to get a special deal, note with Nova Scotia, to retain some of that equalization even though his revenues went above the Canadian average.

Now that has been changed again by the federal government and it's caused, as you'll know, some real heartburn out there and some animosity between that government and the federal government. So there have been some changes, but even in the O'Brien formula they recognized that only 50 percent of natural resource revenues should be included because they wanted to have some incentive in the formula for provinces that had an abundance of natural resources that were attracting high prices to see a net gain.

So, if you're only including 50 percent of natural resources and you start doing really well, you don't lose as much as you gain. So there was an attempt in that formula to sort of ensure that the natural resource provinces weren't losing dollar for dollar what they were getting as their markets improved.

Mr. Lamoureux: I'm very opinionated on equalization payments and, quite frankly, if it was up to me, I'd probably have a constitutional amendment with some sort of a formula, because I disagree with

national governments of whatever political stripes and the changes that quite often are made because of one region or one thought. I think that it's not necessarily healthy in the long run. But anyway, having said that, I do realize equalization payments is already—the concept of equalization is there.

There is an overall budgeted amount that is allocated towards equalization payments, and I think these graphs were somewhat getting to it, from Ottawa to provinces. What percentage of that overall equalization going out to all the provinces does Manitoba actually receive based on a per capita?

Mr. Selinger: I had this information yesterday. I'm going to rag the puck a little bit until we can get the specifics for you, but our total take of the transfer pie has actually slightly declined in the last decade. When I say the total transfer pie I include the health transfer, the social transfer and the equalization transfer. If you take that pie and you spread it among all the provinces, our piece of that pie has gotten smaller.

This might be a surprise, but the largest increases in transfer payments not including equalization, but also health and social transfers, have been to the most populous provinces. The biggest increase has been 200 percent to Ontario and 139 percent to Alberta and 114 percent to British Columbia. Our increase, over the last decade, has been 86 percent, but the Canadian average is 97 percent. That's that graph in the lower right-hand portion of the table that I was showing you.

In terms of equalization, our share, in '99-2000, was about 11.2 percent. Our share, now, is about 13.8 percent. So we've gone up on that piece about 2.7 percent. It's about 19 to 20 percent of our revenue base in the budget. So that is one part of the whole story. On the whole story, our overall chunk of the pie is shrinking. This piece of that pie has been slightly increasing.

Mr. Lamoureux: This is the point that I'm really getting to. We're referring to just the equalization payment, because this is where you have a little bit more flexibility than a straight transfer over. Manitoba, as a province, has done reasonably well in terms of receiving the money, and that two percentage points is a fairly significant amount of dollars. I suspect, when you look at that overall pie in the next couple of years, I would not be surprised, three years from now, we're back down to that 11.2. I guess, maybe, that's why I would ask the minister, and I realize this whole hypothetical situation, but I

think Manitobans want to get a sense of what the minister, the government is really thinking on the issue.

Is it fair to say that that's probably the direction we're going to go and no one would be surprised if, in fact, we were back down to that 11.2?

Mr. Selinger: I think I just indicated that. Even under O'Brien, under any formula of equalization, as it's presently structured, they're all structured to be a transfer payment that gives an amount of money to any province to allow comparable levels of service at, roughly, comparable levels of tax efforts. So if you're below the representative tax standard, you're going to get some money. If you're above, you're going to get less. We've been above for about four years now, so we're going to get less. Our success has a downside in terms of transfer payments. We're not complaining about that. We like the economic growth. We like to be the masters of our own economic destiny.

Unilateral decisions, over and above that, without consultation, do create some heartburn, because they're unpredictable and it adds consternation to our ability to forecast revenues and plan our economic growth strategy. It's probably the case that our piece of the equalization pie will start shrinking. I don't have a precise number, but it's probably the case it will.

Mr. Lamoureux: This is the reason I ask, from budgetary purposes, does the actual dollar amount, would we anticipate, then, that that would be reduced or does the overall pie grow at such a rate that we don't have to be fearful in the next year or two of it dropping, the actual dollar being transferred over through equalization?

Mr. Selinger: A lot will depend on the growth in the GDP because just about all these formulas now are sort of GDP-connected base. So a lot will depend on that. But the member should know that we put a pretty decent discussion of transfer payments in the budget papers, section C1. I know the other member at the table, I think, acknowledged some benefit from reading that yesterday. We did that deliberately so we can have an informed discussion about this. I would encourage the member to look at it, and if he has any follow-up questions, I would be happy to answer.

But it's not going to be easy as we go into these difficult economic times. Transfer payments, globally, could shrink, as GDP shrinks for

everybody. As Manitoba outperforms the Canadian average on the economy, there's another potential loss of revenues there. So you combine those two things together, and you could have fairly flat revenues going forward.

Mr. Lamoureux: I guess my final question would be, as the year progresses and if the recession does have more of an impact on the province of Manitoba, as many suspect that it will—

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

ABORIGINAL AND NORTHERN AFFAIRS

*(10:00)

Madam Chairperson (Bonnie Korzeniowski): We will now resume proceedings of the Committee of Supply. This morning, the committee has before it the Estimates of the Department of Aboriginal and Northern Affairs. The item under consideration is Minister's Salary. Are there any questions?

An Honourable Member: Pass.

Madam Chairperson: Resolution 19.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,219,000 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Executive, for the fiscal year ending March 31, 2010.

Resolution agreed to.

Madam Chairperson: This concludes the Estimates for this department.

CULTURE, HERITAGE, TOURISM AND SPORT

Madam Chairperson (Bonnie Korzeniowski): The next set of Estimates that will be considered by this section of the committee are the Estimates of Culture, Heritage, Tourism and Sport.

Are we ready to proceed, or did you want a recess?

This section of the Committee of Supply will be considering Estimates of the Department of Culture, Heritage, Tourism and Sport.

Does the honourable minister have an opening statement?

Hon. Eric Robison (Minister of Culture, Heritage, Tourism and Sport): I just want to make a few brief remarks prior to commencing this section of our Estimates process. It's again my privilege to

introduce the 2009-2010 Estimates for Manitoba Culture, Heritage, Tourism and Sport.

To begin with, I'd like to acknowledge the recent achievements of our fellow Manitobans, and I'd just like to highlight a few of those achievements made by our fellow citizens in this province, including the 50th anniversary of the Manitoba Theatre Centre and the 40th anniversary of the Festival du Voyageur; also the international critical acclaim for Guy Maddin's film called *My Winnipeg*; the achievements of individual athletes such as hockey player Brigitte Paquette; speed skater, Kyle Gendron; boxer, Olivia Gerula; softball player, Gazheek Morisseau-Sinclair, and of teams such as Kaitlyn Lawes' Junior Women's Curling team.

Also, of course, we shouldn't forget about Miriam Toews for her authoring of the book *The Flying Troutmans*, and Joan Thomas's *Reading by Lightning*.

The awards for musicians, Chic Gamine, Doc Walker, DJ Brace, and James Ehnes, again, were a huge accomplishment for Manitoba artisans when these people won a Juno Award in the recently held event in Vancouver, British Columbia; as well, the national tourism industry recognition of the Manito Ahbee Festival, the Winnipeg Folk Festival and the Central Museum of the Canadian Royal Regiment of Canadian Artillery at CFB Shilo; as well as international recognition for the eco-tourism accomplishments of the Northern Soul Wilderness Adventures and the opening of the Peguis First Nations Public Library, the first independently operated public library on a First Nation in the province of Manitoba. I think that all of us take pride in these accomplishments.

Madam Chairperson, these Estimates, like our overall provincial budget, represent a steady, balanced approach and a continued commitment to building our future together. I'm very pleased that the government which I am a part of recognizes that this department and the many organizations it serves have fundamental strengths to contribute to our province: diversity, agility and creativity.

Manitoba's tourism industry continues to perform strongly in spite of the many challenges facing the travel sectors all across Canada. According to Statistics Canada and their most recent data, Manitoba's tourism industry is growing at a faster rate than any other province in Canada. In 2007, visitors to Manitoba spent more than

\$1.1 billion in our province. Hotels in Winnipeg and Brandon continue to sustain high occupancy rates, and the private sector has invested over \$100 million in new tourism infrastructure over the past three years, including new hotel and resort complexes in Brandon, Winnipeg and Hecla. Partnership investment in Travel Manitoba's marketing programs has continued to increase as well, approaching \$1.5 million in 2008, which represents a fivefold increase since the agency was established in 2007.

I could go on with the tourism activities; however, I just want to point out a few key areas of that. Through my department's Aboriginal tourism strategy, we were also helping Aboriginal tourism, that sector, to increase and enhance Aboriginal tourism opportunities and to generate new tourism training and business development initiatives, and to build upon our province's capacity in cultural and eco-tourism.

In 2009-2010, we will be launching a formal collaboration with the State of Minnesota to create a new, unique international birding trail shared by two jurisdictions, Minnesota and the province of Manitoba. The trail will be promoting prime birding and other wildlife viewing sites on route between Detroit Lakes, Minnesota and the Hecla/Grindstone Provincial Park.

So we're continuing to support the work, as well, of Manitoba Homecoming, which is expected to bring thousands of former residents of our province back to the province of Manitoba. In 2010, we look forward to the Homecoming announcement on May 12, Manitoba Day, the community selected to host the province's 140th birthday on next year's Manitoba Day.

Next February, as well, the Olympic Games are returning to Canada for the first time in more than 20 years. I'm very pleased that my department is leading the province's efforts in featuring performers and visual artists and to highlight economic tourism and immigration opportunities. In addition to Manitoba-based activities, a Manitoba Homecoming social and other tourism promotional activities will be featured as part of Manitoba's presence at the 2010 Olympics in Vancouver.

We hope to have—we have high hopes, rather, for medals for some of our stronger athletic events and our athletes. I'm also very pleased that we've developed a strong partnership with the Four Host First Nations in B.C., that are a part of the overall

planning committee: the Musqueam, Squamish, Tsleil-Waututh and Lil'wat Nations. I was very pleased to sign an MOU with the Four Host First Nations two weeks ago, pledging our co-operation as a province and to the Four Host First Nations with that government, the government relationship, to ensure that we have the proper cultural interaction and that our cultural mosaic in the province of Manitoba is well represented during our activities during the Olympics and the Paralympic Games that are going to be taking place in Vancouver.

* (10:10)

I'm also pleased that our government has fulfilled its campaign commitment towards the Trans Canada Trail development. I know I'll be getting into more details about that later on. Communication Services Manitoba also plays a key role in providing Manitobans with information about the programs and services provided by this government. Madam Chairperson, in the last year Manitoba Government Inquiry responded to 153,000 public requests for information and assistance in contacting government offices. The government's central Web site www.manitoba.ca is updated virtually every day with news releases, amendments to laws and regulations, highway conditions and other valuable information and, most recently, of course, the flood that was of great concern to all of us here in the province of Manitoba.

This December will see 75 amateur provincial sport organizations, the Manitoba Sport Hall of Fame and their umbrella organization Sport Manitoba move to some new accommodations. Earlier this year my department was pleased to work with Manitoba Finance to enable Sport Manitoba to undertake the purchase and renovation of 145 Pacific Avenue, on the east side of the Exchange District. Madam Chairperson, we are continuing to work with Sport Manitoba in its efforts to establish the new facility as a hub of sport, tourism, community sports outreach and development as well as amateur sports administration.

Those few remarks, Madam Chair, are just some of the highlights that the department has availed itself to and continuing to make progress on, and I will just leave my comments at that. Thank you, and also the critic, for giving me the opportunity to introduce this segment of the Estimates process.

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): Madam Chair, based on the time limitation that has been allocated for this department, I would like to get right into the question-and-answer process within this department. Thank you.

Madam Chairperson: 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: I'm joined this morning by our Deputy Minister, Sandra Hardy, and her staff, Mr. Dave Paton, the Director of Finance. We have Terry Welsh, the Director of the Sports and Tourism Secretariat, and Mr. Mike Baudic from the Communication Services, who are a part of this morning's Estimates.

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

Mrs. Rowat: Global discussion, please.

Madam Chairperson: Global discussion is suggested. Agreed? *[Agreed]*

The floor is now open for questions.

Mrs. Rowat: I want to, first off, welcome the staff for joining us Friday morning. It's not our regular day of sitting, so we're fairly sparse in numbers in the building, but I want to thank you for taking the time to assist the minister on some questions and want to thank you for your continual efforts in responding to any concerns or questions I have throughout the year from the department. Thank you.

The first line of questioning will be our general housekeeping questions with regard to staff. Can the minister provide for me a list of all political staff that he has working out of his office, which would include their name, their position and their FTE?

Mr. Robinson: The special assistant that I have in my office is Matt Williamson. The executive

assistant is Kevin Hart. That's the people that are under our employment.

Mrs. Rowat: Can the minister also provide for me the names and positions and the FTEs of the staff that are in his office as well as the deputy minister's office, please?

Mr. Robinson: The appointment secretary in the minister's office is Barb Robson. The administrative secretary is Claudette Lambert-Johnson, and the correspondence secretary is Rema Chandran.

In the deputy minister's office, we have Laura Shwetz, who is the assistant to the deputy minister; Beverly Beck, who is the appointment secretary; and Brigitte Lavitt, who is the correspondence secretary.

Mrs. Rowat: Would the minister be able to provide me with the details of how many and what type of contracts have been awarded directly from his department over the last year and why this is happening and what contracts are going to tender at this point.

Mr. Robinson: In the area of employment contracts, we don't have any currently on—if I could refer back to the question that the Member for Minnedosa asked yesterday in the other Estimates process, I'll have to take that under notice and provide her with a more accurate response to the question on specific projects that may be out there, with respect to people that are currently under contract, what project they're working on.

I would assume, as in the other section of the Estimates, she would want that information from the last couple of years. If I recall, that was the text of her question yesterday, and I believe it was also over \$25,000 that the member was asking for any contracts worth beyond that.

I'll gladly provide the information once I am able to work with our staff in trying to identify any such contracts that may exist.

Mrs. Rowat: Can the minister provide for me the particulars on any travel by the Premier (Mr. Doer) or a delegation led by the Premier that was paid for by the Department of Culture, Heritage and Tourism, and, if so, the pertinent details of the travel, the location, purpose, dates, costs, who went, et cetera?

* (10:20)

Mr. Robinson: I can say that there's been no travel by the Premier that has been billed to the department.

So that is the information that I'm putting forth in this portion of our Estimates.

Mrs. Rowat: With regard to ministerial travel, as I indicated yesterday, I know that there is some information on a proposed Web site, or on a Web site, that I would like the minister to put on the record, information on how many out-of-province trips the minister has taken in the past year and pertinent details of these trips, such as the purpose, dates, who went as part of the delegation, how was it paid for, and I guess the costing of any of the details associated with the trip.

Mr. Robinson: I will provide the list of some of the trips that I took from Manitoba out of the province in the last 12 months.

Very recently, on March 30, I was in Vancouver to sign the memorandum of understanding with the Four Host First Nations, representing our province. I was also there to attend the Juno Awards this past spring.

Last year, I was in Calgary to attend—I believe that was in the month of November—to attend a meeting of the Aboriginal human resources development champions and that wasn't so much an expense to this department, but the other department that I have responsibility over.

As well as, in 2008, I believe the month was in April, I was at the Juno Awards in that same city, in Calgary.

On the 20th of May to the 23rd, inclusive, I was in Victoria, B.C., to attend the Minister of Sports meeting, which is an MPT, a regular meeting of that.

Then, in Ottawa, to attend a national Aboriginal role model activity, and in Nanaimo, B.C., to attend, back in August, the 2010 North American Indigenous Games, at the same time laying the groundwork for the MOU that was signed just very recently with the Four Hosts First Nations.

On the 20th of September, I attended to Kenora, Ontario, to meet with the White Dog First Nation, a meeting with the elders who have an active interest on this side of the border on some heritage sites, traditionally their trapping and hunting territory, which is now in what we know as the province of Manitoba. That work is ongoing with that particular First Nation and how we enable that community to carry on its practice of trapping, hunting and fishing and those other traditional pursuits.

I went to an Aboriginal tourism meeting near the end of the year, the 29th of December, in Minnesota, at the White Earth Reservation.

I went to British Columbia's one-year countdown to the Winter Olympics on February 11 to 14. I believe that is the entire amount of travel that I did in the past year, Madam Chairperson.

Mrs. Rowat: Would the minister be able to table that information for me? With that information, I'm looking for costs associated, as well as who attended with the minister on those trips.

Mr. Robinson: I'd be glad to provide a letter on that specific matter to the member at the earliest opportunity.

Mrs. Rowat: Can the minister share with me any costings and details on advertising campaigns that the department ran in the past year? And what was the advertising budget for the department to run those ads, a breakdown of the campaign ads?

Mr. Robinson: Yes, this department is not involved in any advertising campaigns; thus, there was no cost in that regard.

Mrs. Rowat: The minister would have contributed some dollars towards advertising promotions within the province, whether it be Homecoming or other types of events. There would have been dollars allocated from his department to support either organizations or activities throughout the province. Those are the details that I'm looking for: what types of events, organizations the department would have provided funding to.

Mr. Robinson: There's been nothing directly paid by this department on any advertising campaigns. Maybe in a form of grants that have been awarded to organizations; for example, the Homecoming is what she pointed out as an example. Perhaps in that regard, out of their budget, perhaps, is how these advertising campaigns may have been done. However, directly to any advertising campaigns from this department to organizations, no, that's something that we haven't done.

Mrs. Rowat: Just a question: My children are involved in a lot of activities, whether it be through the arts with their band program or through sports through hockey, figure skating and volleyball. I'm just curious; you always see Sport Manitoba or Manitoba Culture being part of the promotion. Is there a budget line that indicates how those dollars

are identified and then targeted into different sporting activities? I know that, for example, provincial curling or provincial volleyball, there are always Sport Manitoba logos, that type of thing identifying, obviously, the support and recognition of the Province behind that activity. Is there a budget line for those types of activities?

Mr. Robinson: As the member knows, this department, and, ultimately the Province of Manitoba does fund Sport Manitoba in order for Sport Manitoba to fund some 75 sports organizations within its jurisdiction. The money provided to Sport Manitoba then is—and within their budget, there is—the total annual allocation to Sport Manitoba from the Province of Manitoba is \$11.5 million, roughly. That is the total allocation to Sport Manitoba. From there, they've built in their own budgets, including such things as advertising. The logos that we see on different sporting events that occur in the province of Manitoba are done from the budget that is provided to them by the Province of Manitoba.

* (10:30)

Mrs. Rowat: Madam Chair, I'm just looking through Manitoba Sport here. It says there's communications under other expenditures. There's also something called grant assistance. Would those types of financial assistance come under grant assistance? Would they come out of communications? Where would they come from?

Mr. Robinson: Madam Chair, if I fully understand the question, I believe the member asked a question on the total appropriation of Sport Manitoba. Are we still on that, or I could refer her to page 55 of the Estimates book, the supplementary information. There, are the grants provided by the Province of Manitoba to this particular organization, including some of the budgetary matters that they have to deal with. She is quite right, if I understand the question properly, are the grants provided to these various sports organizations within that. They have, of course, budget lines of their own that involve such things as communications and advertisements of different sorts in order for them to promote their activities of their organization.

Mrs. Rowat: On page 55, I'm just wanting to get a clear understanding of how each sector or each area of your departments work through their budgets.

Under supplies and services, I notice that the Estimates of last year, there was an allocation for

supplies and services under other expenditures for \$33,000 and now its \$55,000. Can the minister indicate to me what would have identified the increase under that financial line?

Mr. Robinson: I don't know if the member has the same Estimates book as I do, but I assume she is—actually, there's a decrease under that line, according to the information I have before me. I believe she has last year's Estimates book there. I'll just leave it at that.

Madam Chair, if I could just carry on, I'll just direct the member's attention to that particular line. Under 2009-2010 Estimates of Expenditure, under that particular line, actually, there has been a decrease. We all know that there challenging financial times with us in the current day and, as a result, Sport Manitoba felt it appropriate to, and the Sport Secretariat, rather, of my department, saw it appropriate to cut back on that particular expenditure, and it has slightly gone down in that regard.

Mrs. Rowat: In the third line, grant assistance, obviously last year there were significant more dollars spent in that area than this year.

Could you indicate to me what types of programs and supports would have been identified under that area? Can you give me sort of a breakdown of the types of programs that would fall under that?

Mr. Robinson: There's been a reduction overall because of the economic climate currently faced by all governments, and, certainly, we're not immune from that in Manitoba. So there's been a reduction of \$250,000 in Sport as a result. I've also been provided information from Sport Manitoba on some of those cuts that they've had to decide on and they've had to make.

If the member would allow me, there are some impacts, indeed, to some of the organizations that are part of Sport Manitoba.

The way that Sport Manitoba provides funding to provincial sports organizations is through base-directed bingos and programs, specific grants, athletic assistance, Canada Games, Manitoba Games, coaching, officials, regional hosting and so on. That's the basis of how they help these provincial sports organizations.

The impacts: If I could read just some of the material that I have before me, 21 sports

organizations will see their base funding increase; 28 sports will have their base funding decrease; 21 organizations will receive the same level of base funding. The greatest increase is \$25,000, and the largest decrease is \$30,000.

Now, the way they do this is that they have a funding formula, or a funding model, that I believe changes and fluctuates every four years. So this is the basis of the decisions that they've had to make, and, certainly, I know that Sport Manitoba has had a difficult time in coming up with this rationale and in making some hard decisions.

But I think that throughout government we've had to make decisions, and, certainly, Sport Manitoba, being reliant on the Province of Manitoba for a lot of the funding, or a majority of their funding, probably 100 percent of their funding that they receive from the Province of Manitoba, have had to make some hard decisions with some decreases and increases that they have had to make with respect to different sporting activities that they have a responsibility over in the province of Manitoba.

Mrs. Rowat: The minister shared some numbers of grant increases, decreases, et cetera. Would the minister please be willing to—I guess the question is, would the minister be willing to table that list of organizations that will see either increases or decreases in support for funding of their programming?

Mr. Robinson: I'll certainly take the question under notice and provide the member with additional details, but let me read into the record some of the increases of some of these activities.

* (10:40)

In the area of disc sport, as an example—and there's rationale behind these decisions—the current level of funding that Sport Manitoba provides is \$10,000. It's anticipated between 2010 and 2014, which is the next cycle, this amount will increase to \$35,000. There has been an increase in officials. They've added a region. There's better organization, health, and steady growth in that activity. That's one example. I don't want to go through all these other increases, but, certainly, there has been an increase in activity, for example, in alpine skiing, trap shooting, football, sailing, and archery.

In the area that there have been decreases—and, again, there's rationale because of a reduction in programming, perhaps officials and other people not

taking part in the Respect in Sport program is another example, but, in the area of decreases, some of the sports that are going to be experiencing decreases include weightlifting, cross-country skiing, rugby, free-style skiing, boxing, curling, ringette, roller sports, and tennis. Those are some of the areas that are going to be experiencing decreases.

Again, I'll just repeat, in the area of increases, it's going to be in archery, sailing, football, trap shooting, alpine skiing, and disc sport. Again, there is rationale on the part of Sport Manitoba on why these decisions have been made, but all are rationalized. I'll gladly provide the member with the material we have on hand with respect to the funding of Sport Manitoba and the sports organizations they have responsibility for in our province.

Mrs. Rowat: I appreciate and look forward to the information being provided. The minister would understand my concern. We spoke yesterday about, you know, the increase in diabetes, the need for prevention and activities to encourage youth to be active and involved. A number of the areas you identified as decreased funding, cross-country skiing. Those types of activities are activities you can do independently. It doesn't matter where you live, those types of activities are easily accessible because anybody can just get a pair of skis and go into their fields out beside their homes. Those types of activities are significant.

Sports like rugby, great team sports and actually activities that are located not only in Winnipeg, but are also located in rural communities, those types of supports are critical. Tennis, another sport that is identified as seeing a reduction, it's an activity that is fairly inexpensive compared to hockey or figure skating. You look at it as an opportunity to be able to go out and have some fun.

I'm very concerned with seeing the decrease in numbers. I'm also very concerned because, in your objective, you're indicating you're looking for increased opportunities for all Manitobans to participate in sport activities and events. The key word is the ability to participate in events. My concern is that communities will not be able to provide opportunities for their youth if there is a significant decrease in assistance.

We see in Winnipeg a building being retrofitted or created for Sport Manitoba or for the provincial government, and then you look at this and see some serious issues with the reduction in grant assistance for individuals to participate. It does raise some very

serious questions with regard to the decision-making on allocation of dollars.

I've seen a lot of programs in my years as a parent or as a participant in activities, and you often wonder how or why volunteers continue to do as much work as they do, because often you hit roadblocks. You know, there's a significant amount of money that is raised for provincial events in some of the communities I represent, a significant amount of dollars raised through donations from community organizations to sponsor events, and a significant amount of that money goes back to Sport Manitoba or to the government.

I guess my concern is that, if we see such a significant reduction in grant assistance being provided by Sport Manitoba, you're going to have, definitely, communities questioning whether they're going to be able to raise dollars locally to ensure that events such as provincial hockey events, provincial figure skating events, provincial volleyball events can continue to be offered outside of Winnipeg, because they're just going to be too expensive to the community to offer.

So I'm very concerned about this budget line and the way that it seems to be going. I'm very concerned that, when an expected result says increased access and participation in Sport Manitoba is one of their identified lines of expectation, I don't see how that's going to happen with the allocation of dollars the way they're going.

I look forward to the information that the minister is providing. I look forward to the activities that Sport Manitoba will be pursuing. I know that my communities will be watching how this will definitely have an effect on how many events are actually going to be available out there for them to participate in.

Just as an example, in my community that I live in, there are less and less baseball teams participating locally and within the region. There doesn't seem to be the will from the community to look at making sure that there are facilities available to host these types of events. When there's no assistance to actually encourage and support that interest, then, I think, we're definitely looking at reduced interest in activity in and around some of the communities.

If the minister would be kind enough to—I think he did briefly indicate that, but you're saying that this is just a short-term reduction and that there'll be ways of looking at ensuring that as many activities are

available as possible for Manitobans. I'd like him to just confirm that and clarify when he sees a turnaround in this area.

Mr. Robinson: What I identified are decisions that have been made by Sport Manitoba. Certainly, I'm sure that, and I don't pretend to speak for Sport Manitoba, but I also take seriously the responsibility I have for sport. Certainly, some of these individual sporting activities that I identified that are going to be receiving increases or decreases is dependent on participation levels, as one example.

It should be noted that this government increased Sport Manitoba's grant overall. So Sport Manitoba dealing directly with communities, provincial sports organizations, are in a much better position to decide on some of these activities that may require some help in terms of finances. Some that have seen a decrease in activity. I know that some of the sporting events don't have any participants of great numbers.

*(10:50)

As well, in some of the remote and northern communities where recreational or sporting activities are needed—for example, in the area that I come from, it's not so much the organized sporting events that are important, but outdoor pursuits, including learning from elders, trapping skills, hunting skills, fishing skills, how to clean your fish or the animals that you may be trapping. Those could be perceived as recreational pursuits as well.

I know that in my tenure here as the Minister of Culture, Heritage, Tourism and Sport, we've been able to activate a dialogue with the federal government, actually the previous federal government, which has resulted in the ongoing support of the current government in Ottawa, the bilateral program that's currently in place. That is designed to ensure that all Manitobans are afforded the opportunity of outdoor activities, whether it's snowshoeing or going out on the trapline or these lesser expensive activities that people—I think the main object here is to engage Manitobans to become involved, because, as the member and I discussed yesterday in the Estimates process, there is, indeed, some serious health challenges faced by some elements of our society in the province of Manitoba. As a result, we have to be creative in our thinking.

For example, Shamattawa, a community that we spent a great deal talking about yesterday, has that opportunity to pursue outdoor activities. As an example, I know that Bunibonibee, or Oxford House,

as it is commonly known, in northern Manitoba, has developed a unique outdoor activity which involves snowshoeing, how to travel and how to survive outdoors. That in itself could be regarded as a recreational activity, but at the same time, what the young people that are taking part in this don't realize is that it's part of their heritage as people that have lived in that area or their people have lived in that area for generations.

So I think that, overall, support for those kinds of things has been demonstrated by Sport Manitoba, and I think at the end of the day, I'm sure that the decisions that they've had to make with respect to the funding levels of some of these sporting activities didn't come easy. I'm sure that they had to make hard decisions as well, but I have the ultimate confidence in Mr. Paul Robson, the Chairperson of the Board of Directors, and Mr. Jeff Hnatiuk, the CEO of Sport Manitoba, in making the proper decision in something that I'm sure was very difficult for them to do.

I know that they are also tasked with many requests from throughout the province of Manitoba to fund many, many different activities. Certainly, I think that they have our government's full support, and I know that they've done a tremendous job in promoting sport and recreational activities for all Manitobans over the years when they were first the Sports Federation and now, of course, Sport Manitoba. I have nothing but the utmost respect for these people that serve on the board of directors and are also leaders within the staff. I will gladly be adding those comments in addition to what I committed to providing to the Member for Minnedosa (Mrs. Rowat) on the decisions that Sport Manitoba had to make with respect to increases and decreases of the PSOs that they fund here in the province of Manitoba.

Mrs. Rowat: I thank the minister for those comments. I do understand that it's a difficult role when you see a significant decrease in your budget and trying to work through which programs will receive continued support, which ones will see a reduction in support and which ones will see an increase in support. I understand the significance and the difficulty in having to work through those types of challenges, but, again, I look at the objectives and the identified activities and expected results, and I see that that's going to be a significant challenge for Manitoba Sport with the reduction in grant assistance that's going to be available for them, again, looking at, ultimately, the people that would be most directly

affected will be the individuals who rely on Manitoba Sport or this government to provide those types of sporting activities and opportunities to continue to be healthy and active, or just to engage them in that way.

One further point that I wanted to share with the minister with regard to provincial games and that type of thing. The Manitoba Games tryouts—yes, I guess they were tryouts, were identified by several people in my community as a challenge because hockey provincials were occurring at the same time as the Manitoba Games tryouts were occurring.

In a rural or northern community, a lot of kids do all those types of activities. You don't have a lot of young people in some of these communities—you can't split them up. I know, for example, my son and daughter figure skate—or my daughter figure skates. My son plays hockey. He plays badminton. He plays volleyball. He plays basketball. He plays baseball and, in a small community you have to play every sport or you don't have a team.

I know that in northern communities that would be the same type of challenge. What we see over the last few years is a timing issue. Provincial hockey finals are happening—you know if you're lucky enough to make the provincials, and good to Manitoba Sport to identify different types of categories so as many communities as possible can participate. But the challenge there is that the same weeks that we're having the provincial hockey finals, we also have tryouts for the Manitoba Games which eliminated a lot of opportunities for the young people to be able to participate in those games.

I know that, for example, the community of Souris was looking at putting together a basketball team, but couldn't do that because half the team were in provincials in hockey in another community. So I really would encourage your department to look at how they're structuring those types of activities and those types of opportunities for the youth, because it does actually take away an opportunity for some communities and some children to participate. I think that you want to be able to offer as many opportunities as possible to young people in a lot of these communities.

Mr. Robinson: Well, certainly, to a large degree, I do understand what the member is talking about and, also, to a great degree I agree with her that sometimes these activities overlap, but, certainly, I will pass on the concerns expressed by her to Jeff Hnatiuk of Sport Manitoba and, certainly, the Games

Council, which has responsibility for the Manitoba Games, Mr. Bernie Crisp, whom, I'm sure, the member is familiar with, lives in Brandon, I believe.

I'll be passing on those concerns that she has raised. They're truly legitimate concerns with respect to, sometimes, the overlapping of dates for these activities. That's the best I can do at this point in time, but, as a minister, I think it would be unfair of me to impose upon either Sport Manitoba or the Manitoba Games Council to change their dates because of some play downs or playoffs occurring in another sporting pursuit somewhere else in the province of Manitoba. But, I think, to co-ordinate the activities in a little better fashion, I'll inform these two organizations of the concerns raised by the member.

Mrs. Rowat: Madam Chair, I do appreciate it because I do know that Manitoba Sport was, or the games committee were struggling at trying to find certain teams to represent a region when half the region were playing hockey and would have been able to play in the basketball type of program, but they're struggling. So I do appreciate that because it definitely does take away an opportunity for some young people to participate.

* (11:00)

Another area that is of a concern within recreation is different individuals who are trying to get their levels in coaching. This would be specific more to figure skating. I know that, in our community, we still are fortunate enough to have a strong figure skating program. I know that there are some young people that are interested in taking their levels in coaching, but often there seems to be some challenges in trying to allow these individuals from rural Manitoba to take their coaching levels. I just think that just a general review or some consultation with some of the figure skating clubs in rural Manitoba would be highly recommended.

I'm not going to get into the minutia or the details of it, but I just do believe that figure skating is a sport that, obviously, you need strong coaching; you need individuals who have the skills to mentor and encourage young people to stay in the sport, and it's fairly expensive for young people to participate. I do know that there's definitely a red flag with regard to qualified coaching, and individuals who are interested in doing this are finding that there seems to be more challenges than supports available for them to do this.

So, just as another red flag or an issue that has been brought to my attention, just from the Westman area. I know that there have been some concerns with individuals further into the Parkland, but, if the minister would be able to encourage his department to maybe have some discussions with the associations in Westman-Parkland area, and, maybe, even in the Interlake area, we would appreciate that greatly.

Mr. Robinson: Yes, allow me, Madam Chairperson, just to go back one to the previous question.

When I was talking about the games council, it's actually Mr. Dave Bosiak from Dauphin that is now the chairperson of that particular council. It used to be Bernie Crisp, the immediate past chair, but Mr. Bosiak is doing a great job in trying to do the work of the games council.

With respect to the figure skating activities that the Member for Minnedosa (Mrs. Rowat) has pointed out, certainly, that is one of the provincial sports organizations that are under the umbrella of Sport Manitoba. I believe the organization is called Skate Manitoba. I know that they operate within their own parameters of their own governing structure. Certainly, it's something that we will alert Mr. Jeff Hnatiuk to and, perhaps, alert him to the concerns that have been raised by the member.

With respect to training for coaches, clinics, also one of the things that we've instituted that I'm very proud of is the Respect in Sport initiative. That is to prevent any activities that may be unbecoming in these sporting activities. This was something that was created by Sheldon Kennedy, a former NHL hockey player, whom I'm proud to have established a relationship with him and a better understanding of the things that he went through—the sexual abuse and the harassment that he experienced when he was playing junior hockey next door in Saskatchewan and in other junior clubs that he was involved with.

Mr. Gregory Dewar, Acting Chairperson, in the Chair

Taking that reality into consideration, then, Sport Manitoba and the Province of Manitoba were the first jurisdictions in Canada to make respect in sport the course, the program, which could be taken on-line to be a part of the curriculum of coaches that are involved in sporting activity here in the province of Manitoba, a requirement as part of their overall duty.

I thought I would point that out to the member. I do remember sharing this with the members of the opposition at some point in the past. Mr. Kennedy is a person that I hold in high regard and, together with his business partner, Mr. Wayne McNeil, they have established Respect in Sport and are continuing to communicate with other provinces and territories in Canada to make this a part of the curriculum of coaches in preventing that type of activity in organized sporting activities in other jurisdictions and other provinces and, also, in other territories.

Mrs. Rowat: Thank you for those comments with regard to Respect in Sport. My children, obviously, as I said earlier, are involved in sporting activities. Sheldon Kennedy is a great inspiration to a lot of people. I've had conversations with Sheldon. He's an individual who comes from the Elkhorn area where we currently live. He continues to be very active and supportive of youth in sport and raises some really good questions and checks and balances for families who, at times, have to allow their children to leave their home to pursue their dream of playing junior hockey, or young girls wanting to pursue a more competitive skating career.

So those types of supports and checks and balances, as I said, for families is critical to the balance. I think that he has done great work in that area and, I think, it has probably benefited many, many parents and has taken away some concerns when we've had to make decisions about the future of our children. I think even with what it has done for strengthening the skills and the understanding of the coaching environment within Manitoba, it's been a great program and I think it will continue to be.

Another area that I would like to have some discussion in is in the area of libraries. Again, libraries continue to be an integral part in learning, whether it be for young people who are wanting to research or to learn more about issues, whether it be historical or whether it be just fictional. It also provides immigrants with an opportunity to learn about their country and learn about often the way of life Canadians appreciate and respect.

I do know that there have been some transitions within government, even within our government library. There are more electronic supports available, et cetera, but it's come to my attention that there's been some restructuring and elimination of books within the public library systems.

So I would just like the minister to comment on what I have heard in that there seems to be a directive to actually destroy a percentage of books that, in some ways, I think raises questions of whether every possible means were explored to utilize those books. My understanding is that the library collection was in excess of 170,000 books and is now being reduced to approximately 35,000.

So can the minister just provide me with the status of this issue and if he can assure me and Manitobans that only the removal of irrelevant, outdated or duplicate copies is being considered, or is this something that is legitimate and is being revisited?

Mr. Robinson: I know that the Member for Minnedosa (Mrs. Rowat) and myself are recipients of letters that were sent by the chair of the Minnedosa Regional Library, Jude Wesley, who is the chair of that particular library.

The withdrawal of library materials, what they call weeding, is standard library practice for accommodating new materials and improving collecting performance. It's important for these library collections that they're maintained to ensure the information they contain and provide for their clients is accurate, current and relevant information.

* (11:10)

I want to say, as well, the executive council of the Manitoban Librarians Advisory Group has expressed support for the public library system in their efforts to maintain a higher quality collection. A communication on the collection weeding initiative to client libraries has been prepared and quality books resulting from this process are being redistributed to libraries and literacy agencies and, to date, approximately 30,000 titles have been redistributed to improve collections in rural libraries, the Manitoba First Nations Education Resource Centre and the University College of the North, resulting in direct public access to unused materials.

There's a lot of work that we have to do in the area of libraries, obviously. Quite recently, I met with the Association of Manitoba Municipalities, with their president and members of the board, along with the Executive Director, Mr. Joe Masi, and, in that, they raised similar concerns that the Member for Minnedosa is raising. Among the other things that they raised that we are going to be actively considering is a universal library card that will enable people, for example, that may live in

Minnedosa, accessibility to the Brandon Public Library and elsewhere in the province of Manitoba. So my department is exploring that and seeing how that might work itself out. But, certainly, the work is ongoing in that regard.

With the specific concern of, perhaps, the destruction or the loss of certain library books, I'll check into the details of that and get back to the member. I'm not aware that it was to the high number that she cited. The number of books, certainly, I would think that, if it were that number, these books would be donated to perhaps a museum or something, that they'd be made available to the public that may want to read them. But allow me to find some background material on that and I'll get back to the member on the concern that she has raised, because I would be concerned as well on the specific issue. But, certainly, on the weeding on certain collections, I know that's a regular practice, a standard library practice, and I'm advised that this is done regularly, but not to the degree that the member describes. So, not to react too irrationally, I'll make sure that I have the proper information that I'll forward to the member in that regard.

Mrs. Rowat: Thank you, Mr. Acting Chair. I appreciate the minister's comments and I look forward to the feedback that he provides.

If there is a significant amount of books that are being destroyed, you know, there are other options. There are charities. I know that Shilo, which is a community that I represent, and the number of individuals that I speak to there about how they're trying to rebuild schools and I think, you know, there's an opportunity there to even possibly share some of our publications with countries like Afghanistan who are looking at ways to, you know, foster education and ensure that the young people there have not only the educational supports, but the tools to learn.

So I appreciate the minister looking into that. I appreciate, also, the minister's response to my—which would have been my next question, with regard to library access across the province. I'm encouraged that he's having a dialogue with AMM on that because it is an issue. A lot of people, especially in the Westman area that I know of, who live just outside of Brandon, who may have children go to a school in Rolling River, but, because they don't belong to the Brandon School Division, don't have access to the Brandon Regional Library, which is, you know, a great resource, that is their only library

that they would be able to access. So I encourage him to continue that discussion. We look forward to a positive outcome for the young people in Manitoba who want to learn and are encouraged to take part in the services that are available through libraries. So I look forward to the minister's decision making on that.

With regard to Star Attraction, I understand from the Reptile Gardens, which is a Westman business, that they have been identified and approved as a star attraction, so I want to thank the minister for his work on that. I know there's been some dialogue and discussion with the department on that. Dave Shelvey and Candy Shelvey are very excited about the signage. I know that they've been in discussions with the department to find out where and how those signs can get up as quickly as possible so that they can enjoy an even more successful year of tourism and educational sharing on the reptile species.

I just wanted to alert the minister of one little hiccup or challenge that that tourism business is facing, and I'm hoping that when he meets with his Cabinet colleagues he'll be able to share this concern with them. The Shelveys are very, very concerned with Bill 2, the animal protection act. There are several aspects of that bill that has amendments that will work actually in direct contrast to their business. I guess, the short of that is that it will probably cause them great financial hardship.

I'm encouraging the minister to speak to the Minister of Agriculture (Ms. Wowchuk) and to alert her to some of the amendments in that bill that will definitely put hardship on the Shelveys' business. As you know, their reptile business, they not only breed and sell reptiles, they also provide their reptiles for movie productions, not only in Manitoba or Canada, but also to the United States. They are very proud of the business that they've developed. They have networked very well. They do a great business with the Assiniboine Zoo. They also are, at times, with different pet shops, the only supplier of reptiles for different pet stores, because they are so well established and have such a caring—portray and also follow through in their care of the animals that they sell or allow to be used in movies, et cetera.

Madam Chairperson in the Chair

There are some really serious challenges with the licencing, some very serious challenges that they'll be facing with inspection. They have no problem adhering to any legislation that comes

forward, or regulations that come forward with regard to the safety and protection of animals. As I said earlier, they have a strong reputation as being excellent caregivers and have a broad understanding and knowledge of the reptile family.

I'm just wanting to encourage the minister to be aware of this issue that is forthcoming and to encourage the Department of Agriculture to at least listen to their concerns and to do what he can to ensure that we don't lose this industry. As I said earlier, they've just become a Star Attraction. They don't even have the signs up yet. It would be terrible if we have to look at this industry as something that we enjoyed in the past and not see it continue to grow in our province.

Mr. Robinson: I'll definitely look into the potential ramifications of Bill 2, which I don't have a whole lot of knowledge about. I believe that's a measure that's been acted upon by my colleague, the Deputy Premier (Ms. Wowchuk), with respect to puppy mills and the like. I will definitely cross-check with her. Certainly, we don't want any adverse effects on the Reptile Gardens, which are known nationally and internationally. We want to protect the integrity of the Reptile Gardens, but we're very happy with the work that was done by our department officials in ensuring that it receive the Star Attraction.

* (11:20)

I understand what the member is saying with respect to the potential ramifications that could be experienced. So we'll do everything we can to protect the integrity of the great work that has been going on there. I'll keep you posted on any activities that may arise. Certainly, we want to ensure that the reptiles are happy.

Mrs. Rowat: Madam Chair, I'm happy if the minister's happy, if the reptiles are happy. So that's great. But thank you, and, seriously, I would encourage and I appreciate the minister's support and understanding on the significance of Bill 2 and how it may cause some problems for the Reptile Gardens.

The next area that I would like to have some dialogue on with the minister is with regard to the Information and Privacy Policy Secretariat. I know that this is a fairly new area under the department and there have been some changes to how things were being delivered with the new bill that was introduced, Bill 31.

Can the minister just give me an update on the transition? Let me also ask if he could share if there's

been any activity with the Privacy Assessment Review Committee since the implementation.

Mr. Robinson: Madam Chair, Bill 31, of course, received Royal Assent in October of last year, 2008, and amendments came into force upon proclamation of the bill itself. The single greatest change to FIPPA was the establishment of a new independent officer of the Legislative Assembly, the title of which is the information and privacy adjudicator.

Bill 31 also shortened the period of closure for Cabinet records and imposed a duty of public disclosure of ministerial expenses.

Because this new position comes under the jurisdiction of the Legislative Assembly Management Committee, it'll be their decision to post the position and the hiring methods that are common practice of the LAMC will then take shape.

It makes a number of key changes, but probably the most important one is the creation of this new information and privacy adjudicator that has order-making powers, and, as I said, LAMC, because this person will be ultimately an officer of the Legislature, and will be making that decision as to its hiring practice and it'll be appointed by an all-party committee at a given time. I understand that discussions are currently occurring with LAMC on this particular position currently.

Mrs. Rowat: Can the minister give me an update on the Privacy Assessment Review Committee? Has that committee been struck, and have they been active at all on any situations?

Mr. Robinson: Well, Bill 31, as the member knows, abolished that particular committee. As it was, the committee met very infrequently at best. I think that we have staff, currently, that are able to deal with the issues that may come to its attention periodically as a result. They are charged with the responsibility of trying to deal with those issues. So Bill 31 that was proclaimed last October abolished that particular aspect that the member is asking about.

Mrs. Rowat: Can the minister share his thoughts or his observations in how this new legislation is actually working with regard to the length of time that individuals can expect to wait for a response to any FIPPA request? Has there been a reduction in the amount of time that it's taking for departments to respond to requests?

Mr. Robinson: Currently, we're compiling data since the bill was passed as to its effectiveness and

whether or not there's been significant improvement in the way FIPPA works. I know that people will never be fully satisfied with the way FIPPA works. However, the report is pending and will be tabled for the Assembly for their consideration. Until that time, we're monitoring some aspects of the new legislation, and we're hopeful that, of course, that improvements are being made as a result of the passage of Bill 31 last fall.

Mrs. Rowat: Based on the last annual report, it appeared to be numbers that I think need to be improved on. Nearly 60 percent of all FIPPA requests last year were denied either in whole or in part, and I think also another stat: only 55 percent of FIPPA requests were responded to within the 30-day window prescribed in the legislation at that time. So we're looking forward to the new report, and we're also looking forward to, we hope, improved percentages and response and accessibility of information.

We're also wanting to ensure that individuals who have requests specific to different departments see an increase in response and supports. I believe the numbers were not that great with Labour only having a 26 percent request of responses being fully granted; Agriculture, 25; Education 5.5, percent; Water Stewardship, 5 percent. So we're looking for, you know, if legislation proves to be successful, those numbers actually should improve. So we're hoping that the report will address that.

I'm just wanting to know if the minister can give me an indication of when that report will be tabled. Usually it's in June. I know last year it was September. So I'm just wanting to know if the minister can give me an indication on whether that report is targeted for a June release or is that going to be something that we'll have to wait 'til the fall.

*(11:30)

Mr. Robinson: Madam Chair, I'm hopeful that we'll be able to table the report by the conclusion of this particular session, which is in June. At least that is the target. Because of unusual circumstances, we were unable to table it until September last year. However, I think that with the amendment of the particular bill itself and the act, I believe that we should be on target in order for us to table it by the conclusion of this session in June.

Mrs. Rowat: I know the Member for Morris (Mrs. Taillieu) has a significant interest in this topic.

One of the areas she feels that Bill 31 has a weakness would be in the area of the private sector information piece. Can the minister give me any indication if his department is looking at the private sector information component and, if so, where that may be going?

Mr. Robinson: It's always been, whenever I'm asked the question, and I've had discussions with the Member for Morris with respect to the private sector privacy considerations, but there is currently a law that's in place, and that's the federal law that we know as PIPEDA. That seems to be doing the work that it's set out to do. Certainly, we've had no outcry from the Manitoba community with respect to the private sector matters. In the public hearings that were held with FIPPA that culminated in the new act being designed as it is, we did not hear in any large numbers any concerns about the private sector considerations.

I think it appears to be covered off well by federal legislation by PIPEDA and, on the provincial level, through FIPPA. So I would just say to the member that, until such time that there is a huge outcry, I believe that the job it was meant to do, the FIPPA piece will certainly carry that on.

On the private sector, I know the dialogue will probably be ongoing. The work that is done through PIPEDA appears to be satisfactory for the majority of Manitobans. Certainly, I've not come across any complaints about that so far. I'm fairly confident that people are satisfied with the work PIPEDA does in taking into consideration the private sector concerns the Member for Morris (Mrs. Taillieu) has very genuinely conveyed to us here in the Legislature.

Mrs. Rowat: With regard to private sector information, the minister had indicated that he hasn't heard a lot of public outcry and, until he hears something that would change his mind, he'll rest on that. I guess I'm just encouraging the minister to be pro-active and continue to be aware of what is happening across the country with regard to private sector information being part of legislation and, also, to look at, internationally, some of the issues and challenges that are out there with regard to this issue.

I know the Member for Morris has her legislation on the Order Paper again. I would encourage the minister to continue to pay attention to the Member for Morris's dialogue, because people do know that she has a vested interest in that area and, I

think, has been very active in her research in that area.

Can the minister share with me, because he had made a comment that he hasn't heard of complaints? I'm just now going to throw it back. What type of feedback has the minister received over the last six or seven months with regard to Bill 31? Has he been receiving concerns with regard to the implementation of the bill?

I know that MORN, Mothers of Red Nations, had indicated they wished to have been more involved in the consultation on that bill and feel that there are areas that Aboriginal women need a bill that will provide them with that protection. Also, playing it the other way, Aboriginal women would like to be able to access information that they feel this bill may have actually worked against that opportunity for them.

So, I guess, this is a two-part question. What type of feedback has the minister received from different organizations like MORN, Canadian Taxpayers Federation, the Provincial Council of Women? Has he had dialogue with them since the bill's been implemented? Also, if he could indicate to me whether he's had the opportunity to meet with MORN and discuss in detail their concerns with regard to the bill.

Mr. Robinson: Since the bill was passed, and shortly before that, I had the opportunity of meeting with the representatives of the Mothers of Red Nations and some other representatives from the community, who pointed out some concerns that they had. Some of these I pursued in conjunction with the specific nature of some of the concerns that they had. One of them was Solange Garson from, I believe, Tataskweyak or Split Lake Cree Nation in northern Manitoba, who had some concerns about hydro development in her home community. I remember a Diana Traverse from Dakota Tipi, who had some concerns as well, and the then-executive director of Mothers of Red Nations, who pointed out some of the concerns that they had with the proposed Bill 31, at that time.

Regrettably, there was no follow-up done by Mothers of Red Nations. I understand that there's been a changeover of leadership at that organization since that time. We've addressed the issues that were brought to my attention, I believe, to the best of our ability, on being able to do some follow-up on some of the concerns that the women had on some issues that were specific to them. We did our best. We

asked them to make presentations in committee when the bill went through the committee stage. I don't recall their participation there.

On the broader issue of PIPEDA, most provinces don't appear to be developing their own private sector legislation. I think only three provinces have passed their own statutes in that regard. Manitoba, as well, because we've not had any remarks or concerns expressed to us either way since the passage of Bill 31—in fact, we've been complimented on the measures we have taken and how we've acted on the public hearings that were held previously, chaired by the now-Minister of Healthy Living (Ms. Irvin-Ross) of the committee that went province-wide to hear the concerns of our fellow citizens. I'm happy to say that my office certainly hasn't received any complaints with respect to the lack of ability or agility of PIPEDA, the legislative piece. In fact, any comments I've received have been positive in nature.

* (11:40)

I would say to the member, however, Madam Chair, that Consumer and Corporate Affairs division, which is under the jurisdiction of Manitoba Finance, is responsible for private sector related legislation such as The Consumer Protection Act. I believe it's called The Business Practices Act. Additionally, the Consumers' Bureau has taken the lead on providing guidance for the public with regard to safeguarding against such matters as identity theft. On public sector bodies, certainly, my department has the responsibility under that and we do not work with private sector organizations. However, another division of government, that being Manitoba Finance, through the Consumer and Corporate Affairs division, has been responsible for the private sector related matters that the member raises.

So I'm not trying to offload any responsibility that I may have, but certainly on the public sector part, I assume responsibility. Perhaps the Minister of Finance (Mr. Selinger) would gladly answer some of the issues that there are, indeed, concerns on matters relating to the private sector.

Mrs. Rowat: Madam Chair, one area within government that recently has been sort of linked to or tied to the privacy issue has been the enhanced driver's licence program and the process. I'm just wanting to know if the minister's department has been in discussion or consultation with MPI on this new initiative.

You know, obviously, when Bill 31 was coming in MPI would have been aware of the act. It just seems there are so many questions out there. I've actually gone through the process of getting an enhanced driver's licence even though I have concerns about the privacy aspect of it. I wanted to clearly understand the challenges that I believe not only insurance agencies are voicing concerns within having to initiate the process, but also the fees attached to it.

So I'm just wanting to know if the minister is aware of any challenges, any concerns that his department might have been aware of either receiving complaints or concerns publicly with regard to this program, and if the minister has some comment with regard to MPI trying to assure the public that there are—the concerns are not founded with regard to the privacy concerns.

Mr. Robinson: As the member knows, the United States established the Western Hemisphere Travel Initiative. This was also a subject of discussion as tourism ministers at our PTA, PT forum rather. I believe that was back in Gatineau, Québec when we met and this was a topic of discussion at that time.

Certainly, the American government and our national government raised some security concerns that arose after September 11, 2001. As of June 1 of this year, citizens in Canada will need to have either valid passports or other approved secure documentation to travel in and out of the States, whether it's by land or by water, because Manitobans often travel to the U.S. for short or spontaneous trips, and the Manitoba government decided to develop a passport-looking driver's licence. So the result has been the government of Manitoba and Manitoba Public Insurance have been working with the governments of Canada and the U.S. to develop documents with the enhanced security features that meet the world hemisphere travel initiative.

The questions about the privacy concerns, I've heard only in the Manitoba Legislature here when it was brought up in question period earlier on in this session. Beyond that I have not heard it out there in the world, so I think I would defer any questions to the Minister responsible for the Manitoba Public Insurance Corporation. But, on a personal level, and as the minister responsible for one of the departments of this government, it's not been raised with me as a concern as of yet. That's not to say that there aren't concerns out there, but, personally, I have

not had any concerns related to me by members of the public or anybody else for that matter.

Mrs. Rowat: I do know that based on the reduced numbers—how do you put that? There are not as many people who have actually engaged in applying for this type of identification because they are very concerned about the process and the security questions they have with regard to this identification piece.

I do know that, when I was applying for the identification myself, when I was being interviewed by MPI staff, the information that I was sharing was easily overheard by two or three people down the aisle. I think the cubicles were very close together with minimal separation. I guess I felt really kind of awkward responding to the questions that were being asked with regard to marital status, address information, a number of things that I just felt were not being—three or four people down the road could hear and actually people in the waiting area.

I think that part of that issue is why this program hasn't been as successful as it could be is that I don't think the Manitoba citizens have been convinced that this is a piece of identification that is protected. I also believe that the processes are definitely—and the location and the atmosphere of how these applications are being processed are questionable.

I'm just wanting to let the minister know that MPI, obviously, has some work to do in encouraging people to engage in getting this type of application. I do know that maybe with your role as privacy minister, you may want to have a conversation with the MPI Minister to see what you can do to encourage Manitobans that this is actually a piece of identification that is secure. It's just a comment.

Mr. Robinson: Certainly, I'll pass that on to the Minister responsible for the Manitoba Public Insurance Corporation. But the enhanced identification cards and the enhanced driver's licences have been a contentious issue, I'm sure, with some members of this Assembly. I'm sure that the work is ongoing to address those concerns that have been brought to the attention of this government. I have full confidence that the Minister responsible for MPI is pursuing it to see a satisfactory conclusion.

I'd just like to point out that the enhanced cards are entirely voluntary, and the issue about privacy sometimes when you're applying or re-applying for your driver's licence is sometimes questionable at these places, where maybe it's just the level of

certain people's volume of their talk that often brings these concerns that the Member for Minnedosa (Mrs. Rowat) raises. Certainly, I've experienced that. People like to talk a little louder, so other people down the next cubicle can hear anything that you hold private for yourself, for example, the points that you raised, including your marital status, your race, and all these different kinds of things.

* (11:50)

So I share with her that, and perhaps there could be some exercise of discipline by some staff members that exercise these interviews that they conduct on us as citizens. They're really concerned. So I'll definitely pass that on to the minister of MPI.

Mrs. Rowat: I'm just going to go back to one more advertising question. Travel Manitoba spent approximately around a million dollars in advertising in the United States in 2008, and that included general advertising, trade shows, sale initiatives, major publications and production costs.

Can the minister provide a regional breakdown on which regions of the United States these dollars were spent?

Mr. Robinson: I know that some work has been done in promoting our province and some of the tourism destinations, including the Reptile Gardens, fishing and hunting spots in the province of Manitoba.

The specifics of the question, I'll have to get back to the member because I don't have that information before me, and I am unable to provide a detailed description of some of the activities of Travel Manitoba with respect to promoting our province in some of these shows that occur on the other side of the border, in the United States, in promoting our province. But I'll get a detailed response to the member as soon as possible.

Mrs. Rowat: Can the minister share with me whether the 2008 advertising expenditures into the United States were an increase or a decrease from previous years?

Mr. Robinson: Again, Madam Chairperson, I'll have to get back to the member on that. I don't have the information before me. It could be that, with the funding that they receive from the Province of Manitoba and maybe in partnership with the private sector or with specific businesses, there may have been increases in the level of advertising that was

purchased from the media outlets and the like, for spots and advertisement pieces in American publications that were paid for by Travel Manitoba in promoting our province.

So it could be that the Travel Manitoba agency, along with the private sector, may have partnered in promoting something, as an example.

So let me get the detailed information, and I'll gladly provide to the member.

Mrs. Rowat: The minister must be able to provide me with Travel Manitoba's advertising expenditures for 2008, and he must be able to provide a response to the question of whether that's been an increase or a decrease from previous years.

Mr. Robinson: Madam Chairperson, I'm just looking at the 2007-2008 report of Travel Manitoba. Under the expenditures line on marketing and product development, the budget for 2008 was \$5,741,453 compared to \$6,028,643 in 2007. So there's been a slight decrease.

With respect to visitors services, there's been a slight increase of \$1,392,116 from 2007, which was \$1,210,896.

In the area of the contribution to the Homecoming, that's a new expenditure in 2008, which is \$250,000.

Mrs. Rowat: Can the minister indicate to me what the expectation will be for 2009? Will this budget line increase or decrease in 2009?

Mr. Robinson: I'm advised that there is a slight increase in marketing under the marketing line for Travel Manitoba in the coming year 2009-2010 by about \$750,000, roughly. That's because of a couple reasons. Among them is the homecoming initiative in 2010, the activities of the Province, not only government, but our Province entirely on the 2010 Olympic activities in Vancouver.

I know that there have been a couple of agencies that have received a slight increase in their regular budgets to accommodate expenditures that are related to the 2010 Olympics that are occurring in Vancouver, to ensure that our province's activities are adequately presented to the world when we are there. I'm sure the member will be asking me about some of the specifics that Manitoba houses an example, a presence, that I described we will have during the course of the Olympics and the Paralympics and, also, Manitoba Day, which is the

25th of February, 2010, during the Olympics in Vancouver.

Mrs. Rowat: Can the minister give me some background or some information on what type of post-advertising research you do in your departments year to year, or even every second year? I'm not even sure how often you would do that, but I would think that, when you're providing funding for marketing and research, there would be some type of post-advertising research that would be done. I think it's appropriate to do this type of research. We need to know whether we're identifying and marketing to the right sector of the population and, also, to the proper region of the United States

So can the minister share with me what type of post-advertising research is being done within Travel Manitoba?

*(12:00)

Mr. Robinson: As is the responsibility of any organization or any agency of government, in this case, a Crown agency of government that Travel Manitoba is, and being that it's a market agency to a large degree, it assesses through its own findings and through data it collects, as an example, the visitation data that is provided from Statistics Canada, the areas that they're perhaps lacking and have to concentrate on.

I know in dealings that I've had with tourism—and I met with a delegation from Japan some time ago. Their interest was to have us—this is going back about two or three years now—to trade us with a polar bear for something else. But we're not in that business of trading polar bears because, I mean, we do have our own laws in this province. So we couldn't accommodate them.

On the other hand, we met with a delegation from one of the provinces in China who wanted to see—who wanted to experience an Aboriginal experience. What they wanted to do was sleep under a teepee. So we fixed that up. That was arranged. In fact, I think that was in the Bloodvein area.

So I think that it would be presumptuous of me to tell Travel Manitoba that you ought to be availing your attention to this because they do marketing on an ongoing basis, and they're best able to determine what they have to concentrate on. They have, this year, as I indicated, received an increase on their funding from the Province by roughly \$750,000. I know that they have, based on the data they receive

from Stats Canada on visitation and the like, that they are going to be devoting some attention to areas that, perhaps, require some attention. For a lot of people, whether it's white water rafting or the Aboriginal experience or dog racing or some of the winter festivals, which are tremendous in this province, and some of the great summer activities that we have going on here as well, they will certainly be under active consideration.

We have a very good board of directors that are operating the agency, the Crown agency of this government, under the very capable leadership, again, of Paul Robson, who is the chair of the board of directors. Doug Stephen, Jim August, Doug Ramsey, Barry Rempel, Michael Spence, William Young, Julie Turrene-Maynard and others, they've done a great job. I know that Hubert Mesman, the CEO of the agency, has done a great job in providing leadership and, in fact, this weekend will be having their general meeting, AGM. Unfortunately, I won't be able to be there because of other commitments that I have.

Certainly, there are exciting times in spite of the tough economic circumstances that we're experiencing globally. But I believe that, in spite of that, there're tremendous opportunities that still exist in the tourism industry and, certainly, Mr. Mesman and Mr. Robson are capitalizing on those opportunities to ensure that tourism is something that we don't forget about in the broad scheme of things in the province of Manitoba. The number of employment opportunities it creates both on a full-time and part-time basis here in Manitoba, it's certainly something that we're very proud of, and we're continuing to work on.

Mrs. Rowat: Again, I just want to encourage the minister to request and review the appropriate research with regard to post-advertising initiatives. You know, Spirited Energy was a good example where things went sideways. There are a couple of other initiatives out there right now. You've mentioned Homecoming 2010, which I think is—I'm looking forward to the opportunities that can come from a campaign such as that. I know Bernie Crisp, whom you mentioned earlier, in another capacity, leadership capacity, through the Manitoba Games, where he is now part of Homecoming 2010 in the Westman area—excellent resource, excellent person to have on board. I'm encouraged to see individuals like that play a role in those types of campaigns because I do know they understand and appreciate

the need to have effective advertising and understand the importance of the research that can back that up.

I'm just wanting to ask the minister again with regard to post-advertising research: Are there statistics available to demonstrate the effectiveness of Travel Manitoba's advertising into the United States based on tourists from the United States travelling to Manitoba?

Mr. Robinson: I am very confident with the work that Travel Manitoba has done because the visitation numbers have not dropped, they've not declined in the province of Manitoba and, in fact, have remained quite steady over the last few years in spite of the recession that's going on globally. Conducting a conversion study to assess the effectiveness of the '07 marketing campaign by measuring the number of inquiries that convert into actual visits to the province, this survey indicated that there was an 18 percent net conversion rate, an increase of about 3 percent over 2006. So this work is ongoing, and that's just to give the member an idea of the assessment that Travel Manitoba does on an annual basis and part of their work as a marketing agency in promoting the tremendous tourism potential that our province has.

There are many wonderful places to see. I know in the member's area of Westman—that's an area that I've personally given some attention to because I know that there's more than just the north and the Capital Region to see in this province: there is the Reptile Gardens, there's the Sandilands area of our province, the Spirit Sands area of this province and, of course, the area that they know as the Parklands and the Interlake. There are many wonderful regions and we have to promote all. I know that the Travel Manitoba agency has been very agile in trying to address all the issues that are brought to its attention, and I have full confidence in the leadership of Mr. Mesman and Mr. Robson and the work that they're doing on behalf of promoting tourism in the province of Manitoba.

Mrs. Rowat: I thank the minister for those comments. I still don't have a good sense of the tools that are being used to do the research with regard to advertising, but do totally agree with the minister that the department does an excellent job of promoting Manitoba, under the leadership of Mr. Mesman. I think that we do have a lot of opportunities to promote our province, not only internationally but nationally, so I will be following the different campaigns that are out there promoting

our province and will continue to ask questions with regard to how those campaigns are working on behalf of Manitobans.

*(12:10)

Madam Chair, I'd like to ask the minister a little bit about the Eastside Aboriginal Sustainable Tourism Initiative, which was launched, I think, in June of '08. It's a tourism development and marketing initiative, and it was funded under the Canada-Manitoba Economic Partnership Agreement. My understanding is that it is intended to promote the wealth of natural resources and tourism opportunities in communities along the east side of Lake Winnipeg in balance with respect for the land, its residents and its culture. We spoke about the need for different types of initiatives that can do a number of things to empower and support economic opportunities for individuals in the north.

Madam Chair, can the minister provide the status of this program? I understand there was \$245,000 earmarked for this program. I would like the minister to provide me with a breakdown of how that money has been spent.

Mr. Robinson: The Eastside Aboriginal Sustainable Tourism initiative is relatively new. Actually, the initial effort was by this government, which felt that there's got to be some attention paid to the beautiful pristine east-side region of our province; thus, EAST Inc. was created, which is a not-for-profit corporation whose membership is open to any individual, company or organization with an interest in developing an Aboriginal tourism operation on the east side of Manitoba. It's under the leadership of William Young, who is the owner of the Bloodvein Lodge, and anybody's that been in that area will remark at how beautiful that resort, if I can call it a resort, is. It certainly is something that provides and gives attention to people that want to canoe that river or to go fish for the greatest walleye in the world and also these other activities.

In addition, we've expanded and invited the interest of Shamattawa to become engaged in EAST. They operate with a board of directors. Currently, there are seven membership communities on EAST. They have generated an inventory of community tourism assets, including people that do artwork and crafters. We have roughly targeted the initiative to 19 First Nations communities. It's a project that's currently in the early stages of its life, but I think that it's got a whole lot of potential.

EAST itself is developing its own Aboriginal artist showcase in partnership with the Manitoba Lotteries Corporation. It's delivered in November, and it's ongoing, as I understand it. The concept consists of art marketing workshops, an artist market and a fashion show. My friend, and our mutual friend, actually, Edna Nabess, was the lead on the fashion show that took place at the McPhillips Street Station Casino in November as part of the Manito Ahbee Festival, and that was one of the first events that took place on that. We have a lot of hope that this will not only create opportunities for a few, but many people on the east side of the province, because of the potential that the east side has.

There are world class rivers. We have the Manigotagan River, the Bloodvein River, the Berens River, the Poplar River, all these rivers that people from around the world want to come and experience. The organization itself is very early in its life. They have a very capable general manager by the name of Jeff Provost. Officials from my department, in fact, just met with this organization yesterday. They are currently trying to find sustainable tourism dollars from the national government and the provincial government to make sure it has a good chance of being able to sustain itself. That preliminary work is still ongoing. For a new organization, however, it is doing relatively well. I'm very proud of the work that has gone on so far, but it's certainly one of those evolving and developing activities that we have here in the province of Manitoba.

Further I might add, that the government of Manitoba and the Government of Canada announced an investment into EAST back in June of 2008, a day before National Aboriginal Day, in fact. This initiative is designed to promote the wealth of natural resource and tourism opportunities in those communities that I described earlier, and a \$245,000 investment for this initiative was announced by the Minister of Competitiveness, Training and Trade (Mr. Swan), along with Mr. James Bezan, a member of Parliament for Selkirk-Interlake, who was here on the behalf on the Honourable Rona Ambrose, and myself. We made that announcement, I recall that. That's a joint Canada-Manitoba initiative, and we were very proud to make that announcement.

Clearly, the outcome of the work that has been put into this has yet to reap the benefits. It's very early on in its life, but, certainly, under the Canada-Manitoba Economic Partnership Agreement,

both of our governments are working together and in partnership with community stakeholders to ensure that this has an opportunity to grow and sustain itself in the time to come.

Mrs. Rowat: I'm hoping that the minister will be able to table for me the breakdown of how the money was spent, the \$245,000. That was part of my first question, a breakdown of how the \$245,000 was spent, if there were any dollars left over, and can the minister also share with me—again, we are looking for some type of results-based analysis.

Can the minister tell me what Aboriginal business opportunities have been launched, or will be launched, as a result of this initiative? Can the minister give me just a list, a breakdown of the businesses that have been launched from this initiative?

* (12:20)

Mr. Robinson: I'll be glad to provide a report or an update that's going to be coming in a couple weeks, I understand, on EAST, but the economic partnership agreements between the Government of Canada and the government of Manitoba focussed on some international marketing on U.S. and European, most particularly Germany, trade shows. It also has an enhanced Web site. Community planning certainly is a part of the scope of the work that EAST is charged with doing, but I will certainly keep the member apprised, being that she is the critic of the official opposition on the work that EAST is doing, and the specific questions that she asked about specific community spinoffs, I'll try and provide for her.

Certainly, artisans are getting the opportunity to show off some of their work that they have. I met up with a young man that's involved in carving from Poplar River just very recently, and another gentleman just north of us here at Brokenhead, Mr. Marvin Smith [*phonetic*], who was involved in bringing in tourists to see a bison herd. Some of these Europeans have only seen bison or buffalo in these cowboy shows, I don't want to say cowboy and Indians, but I guess there's no other way of getting around that, the John Wayne-type movies. The bison or the buffalo are shown, and these people from other countries come to see that, so they're excited by that—but, certainly, Marvin Smith [*phonetic*] has been doing a good job in providing tourism and giving people the opportunity to see the buffalo, not killing them, but just seeing them.

Mrs. Rowat: I look forward to hearing more about the success of the EAST Inc. work, because I also agree that there's a strong need for traditional products. I know, talking to Edna Nabess, who the minister just made reference to, is always seeking individuals, any type of cottage industry, anybody that has the skills for beading. Her business revolves around mukluks, moccasins, and other traditional types of product. I know that, in talking to her, that is a major challenge for her to find individuals who can do the traditional beadwork. The work that she does find is amazing and beautiful, but the individuals who are able and capable of producing that type of art is far and few between. I believe that this initiative is an excellent opportunity to foster the cottage industry type of need and desire to see more of this type of product. We are very proud of the skills that are out there and we just need to pull them all together and provide opportunities for them to showcase, and I think that's part of what Inc. is trying to do.

Again, we're looking at ways that this initiative will develop business entrepreneurs, and if there are ways that we can successfully promote the importance of this initiative, whether it be tourism operators, product developers, whether it be tourism or market products to help an industry. There's so much opportunity with this initiative alone. I encourage the minister to continue to support it and push for it to launch even more aggressively the opportunities that may be available there, but just wanting to know if the minister can give me one or two Aboriginal business enterprises that have developed from this EAST Inc. over the last few months.

Mr. Robinson: I will certainly try and get a list of—I don't know if there have been businesses created as such formally, but I do know that the promotion of arts, artwork and that sort of pursuit has certainly occurred. Certainly promoting the artistic ability of people that live on the east side has been the No. 1 focus and we will continue. A specific business has not yet resulted, to my knowledge, but individual pursuits, whether it's carving, artwork as we commonly understand it, have certainly been under way. I'm very proud of that work that has taken place in what I've seen.

Certainly, the matter that I talked about earlier of marketing the products that are made indigenously on the east side of the province of Manitoba are showcased at this, and I assume they'll be showcased again this fall—in fact, one in June I'm advised, and

one in November, again at the start of the Manito Ahbee Festival. I assume the one in June will be part of the Aboriginal Day celebrations on the 21st of June.

Mrs. Rowat: What I would like to ask the minister to provide, and I know that this is probably not going to happen in this venue, but I would like the minister to follow up with me on is the grant summaries, for each of the grants that are in Culture, Heritage, Tourism and Sport.

If the minister could please provide me with the detailed listing of the organization that received the grant, the amount of the grant, and any particulars that would accompany the grant, whether it's for infrastructure, whether it's for type of program or event, and the areas that I would like grant summaries on would be in all of the areas that are covered under his department: grants to cultural organizations, Manitoba Art Council, arts, libraries, heritage, recreation, tourism, sport and community places programs.

If the minister would be able to provide me with the detailed information on each of those areas, grant summaries, which, again, as I indicated, the names of the organizations that were successful, the dollar amounts that they received, and the events' particulars that were allocated specifically for.

Mr. Robinson: For the information that's not contained on the Internet, and there is a posting on the Internet of organizations that this government supports, and if there's something there that requires further explanation or greater clarity, my officials from my department will only be too happy to provide additional details for the member.

I'll certainly work with her to the best of my ability in trying to attain more information on the specific areas that she's referring to.

Mrs. Rowat: I think I'm ready to go through the process of finishing up.

Madam Chairperson: Resolution 14.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$46,804,000 for Culture, Heritage, Tourism and Sport, Culture, Heritage and Recreation Programs, for the fiscal year ending March 31, 2010.

Resolution agreed to.

Resolution 14.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,495,000 for Culture, Heritage, Tourism and Sport, Information Resources, for the fiscal year ending March 31, 2010.

Resolution agreed to.

Resolution 14.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,549,000 for Culture, Heritage, Tourism and Sport, for the Tourism and Sport, for the fiscal year ending March 31, 2010.

Resolution agreed to.

Resolution 14.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,353,000 for Culture, Heritage, Tourism and Sport, Capital Grants, for the fiscal year ending 31st, 2010.

Resolution agreed to.

Resolution 14.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$841,000 for Culture, Heritage, Tourism and Sport, Costs Related to Capital Assets, for the fiscal year ending March 31, 2010.

Resolution agreed to.

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.

Resolution 14.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,311,000 for Culture, Heritage, Tourism and Sport, Administration and Finance, for the fiscal year ending March 31, 2010.

Resolution agreed to.

This concludes the Estimates for this department. The next set of Estimates that will be considered by this section of the committee on Monday are the Estimates of Education, Citizenship and Youth.

Committee rise.

IN SESSION

Madam Deputy Speaker: The hour being 12:30 p.m., the House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 24, 2009

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