

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

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, April 30, 2010**

*The House met at 10 a.m.*

**ORDERS OF THE DAY  
(Continued)**

**GOVERNMENT BUSINESS**

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**AGRICULTURE, FOOD AND  
RURAL INITIATIVES**

\* (10:00)

**Mr. Chairperson (Mohinder Saran):** 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 Agriculture, Food and Rural Initiatives.

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

**Mr. David Faurschou (Portage la Prairie):** We concluded yesterday by questioning on the PFRA, a federal department of government that has recently undergone restructuring and obviously has a major impact on the province, obviously, on the line involving the irrigation, as the budget has been basically slashed to zero.

Could I ask the minister for a update regarding PFRA and the current status of the relationship between the Province and the federal government because of this vital activity that was previously carried on in co-operation with the federal government, developing irrigation reservoirs for livestock and other—shelterbelt, and the list goes on?

**Hon. Stan Struthers (Minister of Agriculture, Food and Rural Initiatives):** Yeah, the member for Portage has got his finger on some changes that have taken place at PFRA. For years they were involved with Agri-Food Canada. That—the shift for all—the documentation, the work, the authority, everything that was there has shifted to Agri-Environment Services branch at the federal level. We still interact with that branch. We want to work in co-operation with the federal government because we think there are some important issues and some important projects that we need to be working on, some right in the member's backyard, I believe.

So we want to maintain a co-operative approach with the federal government. However they organize themselves, we want to be co-operative with them. At the end of March 2009, the federal government ended their support for the National Water Supply Enhancement Program.

We've been—we've lobbied the federal government to continue to reinstate that support. We think that's an important role of the federal government. We've told them that we'd like to work with them, but they haven't responded in a positive way yet to—not—and, you know, not just our requests to reinstate that funding but different industry partners who have also spoken to officials at the federal level and the minister as well to try to get that reinstated.

So far the federal government hasn't moved forward on that, but any help that members opposite can lend to that endeavour we'd appreciate it.

**Mr. Faurschou:** Obviously, I'm disappointed in learning of the end—the termination of the federal-provincial working agreement. It's something that I certainly see the value in, and I hope perhaps our federal counterparts will, indeed, do as well.

On the federal-provincial relationship, there was discussion a year, perhaps, or more ago as it pertained to redevelopment of facilities around and about Manitoba as it pertained to now the existing labs at 303 Main Street, the Canadian Grain Commission building.

The—Supply and Services Canada or Canada services, Canada had done an assessment of that building and there had been a greater development of laboratories at that location than was structurally feasible, and they were looking to work with the Province to disburse some of the laboratory activities into other locales around the province. Has there been any progress on that front?

\* (10:10)

**Mr. Struthers:** A couple of weeks ago I had a very interesting day, and it was touring through the exact building that the member for Portage la Prairie is asking about, in conjunction with some of the activities going on out at the University of Manitoba that day. I'm really glad I did it, first of all, because it

was interesting and I learned a lot and I got to meet a lot of very interesting people, and secondly, because now I can work it into my question here at Estimates. So that's always a—it's always a bonus in this job.

And I would highly recommend it. And I know that the folks in—at CIGI and other places there involved with that—at that site, I think would love to tour the member for Portage through. And if he hasn't done that, that, I think, is a very good opportunity. And if he has done it, I don't know when he would have been there last, but the beauty of what's going on there is that it's dynamic and it's always—it's not a stagnant place that's kind of collecting dust. They're always into something new. They're always developing. They're always crystal balling, looking down the road a little ways and in anticipation of what they should be looking for next.

They talked—wherever I went that day and in meetings that I've had previous to that and since, there's a lot of folks quite interested in forming a centre of excellence in terms of grains. And, you know, the—all of the people that I spoke with that day were quite psyched up about this. We have talked to the—our counterparts at the federal level. Minister Ritz and I have had a conversation about bringing together these offices and really developing it as a centre of excellence.

What isn't on the table as of yet is any kind of a formal commitment on the part of the federal government. I don't say that in a negative way, I mean, I think it's—I'm sure that will come at the appropriate time and some announcements in terms of federal capital and all of those sorts of things. But right now, I think there's a lot of people very interested, including this minister, in developing the concept of a grains centre of excellence.

I think that there's a lot of good reasons, logistical reasons, to bring those offices together, and the kind of synergies, I think, that can come with that. But I think, overall, it'll be part of that package that improves Manitoba's position in terms of research and innovation and development, and what—and I want to stress the thing that I was most impressed with was the way in which all of the folks that I talked to understood that probably the most important connection was between them and the farmer, and if they were out there researching things that had nothing to do with the farm gate, then they understood that that wasn't very practical. They want the farmer to be able to, you know, make suggestions and be part of determining what's the research, what

direction we should be going in, because that, again, I think, improves the capabilities of that—or the likelihood of that research and that knowledge being used in a practical way out on the field.

We toured that day through CIGI, the Canadian International Grains Institute, and they made a presentation to us on what they do. One—I think maybe one of the favourites is when we toured down through the Canadian—let me—malting and brewing technical centre. Maybe it's because I had a sample at the end of that that I couldn't remember the whole name, but at 10 o'clock in the morning, it wasn't too bad either.

So the—I mean, we met with some people at the Canadian Grain Commission. We went out to the university that day and met with some folks at the Cereal Research Centre, and a fellow who I went to university with, Digvir Jayas, runs the grain storage centre there at the university, and we were toured through there.

It is, I think, is a very good concept to get all of these groups together. I think we can make it work for the farmer and I think we could make it work for that—the value-added jobs that I think Winnipeg never gets enough credit for. I wonder how many people know, when they drive across the corner of Portage and Main, that there are millers and there are brewers, and all these folks just within a, you know, a baseball's throw of you waiting at the red light at the corner of Portage and Main. I don't think many people know that. It's quite an interesting story, but that's not a reason to keep it where it is. I think we need to keep working on bringing all those groups together in another location.

**Mr. Faurschou:** I thank the minister for the answer. No, this is not scripted. It was not a predesigned opportunity for the minister to go on about his tour.

The reason for my questioning is that, obviously, the Food Development Centre is, right now, going through another expansion. I thought it would be an excellent opportunity to review what labs that are currently at 303 Main Street and the potential of relocation and, at this juncture in time, when the design phase is at hand, for the Food Development Centre possibly—it—there was discussion of upwards to four labs moving from 303 to Portage la Prairie. And so I leave that for information for the minister to further investigate.

I would like to ask the minister—back on the water side of things, there was discussion about

interdepartmental committee that would facilitate and streamline the surface and ground water licensing in a co-ordinated fashion between departments such as Agriculture and MIT and Water Stewardship and others, because there is a lot of interest in water, whether it be for industrial, commercial, recreation, agriculture, and the varied interests are in different departments. So it was looked upon that potentially Agriculture would take a lead on an interdepartmental committee assigned to enhance licensing process.

Has that moved ahead?

\* (10:20)

**Mr. Struthers:** Mr. Chairperson, I almost hesitate to do this, but I'm going to talk about another tour that I did because, as the member—and I'll just do this quickly—but the member put it—I think he quite rightly put his finger on the successes of the Food Development Centre in Portage la Prairie. And he knows we made some announcements of expansion on that about a week ago, but here's another very good example of how a cluster of entities comes together and does very good work on behalf of the farmer, and the larger 1.2 million Manitobans.

One day I was out and I toured through the Food Development Centre. A number of my colleagues went with me. Linda Lowry out there does an excellent job with a whole number of people. Shortly after that I toured at the St. Boniface Centre and the Richardson Centre for nutraceuticals. And it is just amazing to see how well the Food Development Centre, the research centre at St. Boniface, and the Richardson Centre work together. How that all fits in and works to help do the research, do some commercialization, take good local Manitoba ideas and get them onto peoples' tables, into their fridges, into their cupboards. It's such a good synergy with those three entities and I—and the Food Development Centre plays a key role in that.

In terms of the water question that the minister—the member asked, there isn't a government committee, per se, as he suggested. What we do is we make sure that Agriculture has a say in terms of water decisions in this province, whether it be here in the Legislature with Water Stewardship, and any kind of legislation they bring forward or any kind of regulation that they put forth, we make sure that we have input on behalf of agriculture.

We also, at the regional level, and I'll give a specific example, Water Stewardship staff being

located right with us out at Carberry and working closely together there, we see those kind of things happening in every region where Water Stewardship staff, our staff, other departments like Conservation, and others who are located in the regions, in a way in which they can very easily get together and consider water decisions. And we understand that Agriculture has to be in on those discussions. We have to have our say. We know how important water is to the farm community. That's been clear for generations. We understand our role in that and we want to co-operate with other departments to make good decisions.

**Mr. Faursschou:** Well, I thank the minister for his response. My other colleagues want to get on with another area of questioning. However, I want to leave the minister with the understanding that we have spent a great deal of money in this province on flood proofing. The department's own literature and research state that the other most restrictive element facing Manitobans in agriculture is drought. And we have spent precious little money on—just as much of a concern to producers such as myself, and basically all Manitobans, because water is our lifeblood. And I know there is a lot of effort gone into a very small step towards drought proofing, and that being the Treherne Dam.

And I would like to ask the minister: Are you supportive of efforts to drought proof our province with water retention in such examples as the Treherne Dam? And obviously the minister has heard me speak a number of occasions about the Holland No. 3 Dam on the Assiniboine, as well. These are the types of investments that I believe are vital to our long-term sustainability, not only in agriculture, in Manitoba.

**Mr. Struthers:** I'm the first to say that the member for Portage la Prairie has been absolutely consistent and determined on this issue, and I think he makes some very good points.

My approach to the whole sometimes it's drainage versus retention kind of an issue is that it doesn't have to be versus. If we think of our water in terms of watersheds, I think there is room for both moving water off farmers' lands when we have the chance and retaining water in such a way that, you know, that we don't rush out and drain out all the water and then a month later we're wishing we hadn't done that. If we replicate the watersheds that Mother Nature put there in the first place, I think that's a positive step.

I believe there's a role for water retention in our decision making, whether that be the kind of projects that the member for Portage has talked about or some of those—even some of the smallest little projects that a number of water—a number of conservation districts have taken on, with small little weirs that slow down the flow of water or divert somewhat the flow of water. I think when you think of what's going to happen in terms of climate change over the next while, that will—I think that will point us in the direction of water retention.

You know, last summer wasn't maybe the best summer for the member for Portage and I to point to as evidence, but—and maybe not this weekend either—but all the indications are is that we're going to be in a position where our climate will force us to consider retention of water. I think we've spent a lot of time thinking about drainage, and I understand that, and I want—I mean, I want farmers to know that, you know, that there are drainage programs out there that are helping them. I think we need—I think we do need to spend some more time talking about retaining water.

**Mr. Faurshou:** Well, I know there's a number of members that would like to encourage and assist the minister in his efforts to develop water retention policies here in the province.

I turn it over to my own colleague from Carman—that I'd like to welcome the minister officially on the record as the honorary president of our Manitoba Seed Growers Association and hope that he takes that investiture with a great deal of pride as we do in the association. Thank you.

**Mr. Blaine Pedersen (Carman):** If I can cover a couple of things under REDI, one of them is the rural entrepreneurship assistance program and Community Works Loan programs. There's two programs there. If I could have—first of all, I'll just ask: Is there a number of projects that were completed last year under this?

\* (10:30)

**Mr. Struthers:** Yes, maybe while staff is looking up some information on the Community Works Loan, I can—I'll get started with the Rural Entrepreneurial Assistance Program.

The figures that I have are '09-010 numbers. There were 54 loans through this program, totalling \$5,259,740. And as the—I think, the member knows that—this is—I think this is a very—it's a very focussed kind of a program for small entrepreneurs. It deals

with loan guarantees for business loans between 10,000 and \$200,000, to new and expanding, full-time, small and home-based businesses located in rural Manitoba.

And to continue on with the Community Works Loan Program, this is a revolving loans program. What we do is we work the community development corporations, of which there are 72 in the province. We—sorry, in the program—72 in the program, covering 127 municipalities. We forward the money to the community development corporation, and then they loan out the money from there. There's \$3.1 million that we have available through the program. And I believe, if I'm correct on this, municipalities contribute for a total pool, ours and theirs, to 5.7 million. I think I have that right.

So I don't have in front of me a list of the actual loans and things that have been given out. I think we could probably undertake to get that information. But it might be—that might be hard because it's the community development corporations that hold that information, and they make those decisions.

We are looking at this program, reviewing the program. I think we're looking to see if we can—what we can do with it—we can make it more efficient—you know, taking a look at it to make sure that it's working properly.

**Mr. Chairperson:** Member for Portage la Prairie.

**An Honourable Member:** Carman.

**Mr. Chairperson:** Oh, I'm sorry. Honourable member for Carman. Sorry.

**Mr. Pedersen:** It's all right, Mr. Chair. Thank you. I just want to make sure *Hansard* knows what's going on.

Community Works Loan Program—you must have input, though, into those loans. Like you're not just handing over a lump sum of 3.1 million. You—there would be some sort of approval process, before this money is disbursed from the Province?

**Mr. Struthers:** Yeah, there's an important distinction that we have to make. We loan the money to the community development corporation. And then that community development corporation makes those decisions. They know the local scene the best. They know who their entrepreneurs are, the people they can work with. So they make those decisions. Our staff, in MAFRI, is—at the local level, is in a position to help and advise and that sort of thing, but the authority rests with the community development

corporation to make those decisions as to where those loans go.

**Mr. Pedersen:** So the community development corporations then manage the loans and the loans are repaid, and then the Province is reimbursed as the community development corporation has repaid the loan. So there's—you're actually—you have the liability of—for instance, last year, of 3.1 million, but it's up to the community development corporation to make sure that the loan is repaid and, ultimately, the Province is repaid. Is that correct?

**Mr. Struthers:** Essentially, I think the member for Carman has got it. The—what I have to—the one thing I want to add is that we do get an annual report from the community development corporation. So, through our staff working at the level with the community development corporations and then an annual report that we get, we feel we have a pretty good accountability of the loans that are given out.

I do want to point out that—I mentioned it's a revolving kind of a program. So, as the community development corporation gets their money back from—paid back locally, they don't necessarily just hand that on to us right away. They can—the advantage to them is that they can re-loan it back into the community and keep things, you know, keep things chugging along out there in rural Manitoba.

At the end of March '011, there's a number—there'll be—the loans from community development corporations will be due. And that's one of the reasons why we're undertaking this review. We want to take a look at this. If there are problems that are happening in the system, we need—we want to have a little bit of a heads-up on that so that we can make some adjustments to keep the program going well.

**Mr. Pedersen:** So you get an annual report on these. Is that also a listing of the loans that are out and outstanding, in your annual report?

\*(10:40)

**Mr. Struthers:** We get some rolled-up amounts, not the specific amounts. We think that—we think that that's—and, I think, for our purposes is a good way to do it. We want that local decision making to be central to this whole process. We think we need to know, you know, volume and amounts in a kind of a total kind of a way, not so much a very specific way. That, I think, quite properly, is best handled the way we are doing it at the local level.

**Mr. Pedersen:** So, is that report—can you share that report with us? Will you share that report with us, I should say.

**Mr. Struthers:** I'm torn on this one because I want to get it into the hands of as many people as I can, the information that needs to be there. We have to be careful because there is a proprietary relationship between the CDC and whoever it is that they're giving the loans to. Now, that might not—in a big community where there's a tonne of loans, that might not be a concern that I would have, that information would get out. But in many of the communities that, you know, the MLAs around the table here represent are pretty small communities with some pretty small amounts and it'd be fairly easy to figure out who's got what from the CDC, and I don't want to break that kind of proprietary obligations that exist between the CDC and an individual who's got a loan through them.

Having said that, I certainly understand that all members would want some type of an activity report that we could look at and learn from, and that's part of what we want to do with our review that we're doing.

So I can't commit to making these annual reports public, but I can commit to working with members cross the way to get whatever information is that they're interested in without leaving some small—some individuals in some small communities exposed.

**Mr. Pedersen:** Well, I'm not sure if that's yes or a no. I understand that personal protection and property protection, and that kind of—I understand that part of it. I'm just not sure whether that answer tells me that you're going to give me any kind of a report, or there won't be—if you will commit to at least giving me some sort of report on this without identifying persons or loans, that's fine.

But we're more interested in—and what we're interested in is the amount of loans out there, the time frame on them, the, you know, obviously, we need to know that the loans are being repaid and that they're current, and that kind of stuff. And that's what we're looking for on the Community Works Loan Program because it's working through the CDC. So try and get me as much information you can as—and I assume that'll be in written form to us following Estimates.

**Mr. Struthers:** Yeah, I'll endeavour to try to do that for the member and get as much information as I can.

**Mr. Pedersen:** Now on the rural entrepreneurial assistance program, that's a direct loan from the Province to the—can we get a list? There's 54 loans of 5.2-some million dollars. Can we get a list of those loans?

**Mr. Struthers:** Yeah, we—thank you very much, Mr. Chairperson. Yeah. We've—in '09-010 there was 54 loans, five—about \$5.29 million. Those are loan guarantees, and part of the problem here is that those are held by the financial institution, a bank or credit union or whoever is involved, and there very definitely is a confidential business relationship between that financial institution and the person getting the loan. So that, again, presents us with a problem in terms of making that kind of information available in any kind of a public way.

**Mr. Pedersen:** I don't believe before you told me that they were loan guarantees. I understood they were direct loans.

So I guess if you will give me a list of the—in terms of the loans, and I realize it's personal—or property—or identification. But what I guess what I am seeking, though, is when you're going a loan guarantee, then, the current status of the loans—of the 54 loans at \$5.29 million—the current status as to how many are in current status? How many are overdue? How many are written off? That is what I would like to see, then, out of that.

\* (10:50)

**Mr. Struthers:** Yeah. These are loan guarantees. Historically, 191 loans over the course of the time—\$11.4 million. In '09-10, there were six claims that were paid out totalling 219,000.

The way that works is that the financial institution makes a determination on the status of the loan, and if they determine that it's in arrears and can't be—and that MASC then needs to pay it out, they contact us. They make that determination. They've got the expertise in that and then they contact us, and we pay out.

Historically, probably, you're looking at anywhere from—probably looking at 2 percent or less in terms of default, which I think, considering the type of loans we're dealing with, is quite a good—quite, actually, quite an amazing low number. And I think there's, between our groups and between our staff and our financial institutions, I think it shows that they do their due diligence, and they work a lot with that rural entrepreneur to make sure that they're successful. Two percent is, I think, is a pretty good

number to deal with over a period of time. Six claims in last year—as determined by the financial institutions and paid out through MASC—is a, I think, a pretty decent number too.

**Mr. Pedersen:** There's always risk when you lend out money.

My question is: Does the taxpayer of Manitoba have any idea, other than with—than trust me, I'm—we're handling your money in a proper manner?

You're not going to let us see the loans that are out there, where the loans are, the type of projects. We have no guarantee as to the type and where these loans are, and that's the concern. The unknown is the concern here.

I'm not worried about 2 percent default rate. That's—you're probably looking at—when you're looking at start-up entrepreneurs and that, that's probably a very low rate in terms of start-up entrepreneurs.

But what guarantee can you give the taxpayer right now that this program is doing what it's designed to do, and what kind of report do you give back to the taxpayer on this program, other than 54 loans at \$5.29 million under loan guarantees? That's not a very comforting amount of data—information to go back to the taxpayer. What kind of report can you give to the taxpayer saying this is a program that's worthwhile doing because this is what it's done?

**Mr. Struthers:** Well, the member for Carman used the word "comfort" for the taxpayer, and I think even in the discussion that we've had so far, there should be a lot of comfort with Manitoba taxpayers in terms of how well this program has worked and how much they've—the bang for the buck they've got for the money we've assigned to this.

The—to begin with, we've already said this is a program that's there for small rural business, up to 200,000 is the cap. The banking institutions review each of the business plans that come forward, that anybody looking to get some support through this program need to do. They do their business plans. It's reviewed by the financial institution, who have a level of expertise on—in this area.

We've already indicated that—and the member knows and has said that, you know, that there's a—given the kind of work that they do, a 2 percent default rate is a—is pretty impressive. Historically, that kind of a default rate, with 191 cases that we've

dealt with, with \$11.4 million put into this, that is a—I think, a great level of comfort for people to know, that that is—that's the kind of due diligence that is spent in terms of producing those kind of good numbers.

The other number that I want to work into the conversation is that they try as best they can to track the employment that is generated, full-time employment that is generated in all our communities in rural Manitoba. Historically, they're looking at approximately 902 jobs that have been created through this kind of an effort. Last year, '09-10, they figure 132 jobs created. You know, when there's—when we've seen what has happened around the world in terms of an economic downturn, if we can create 132 jobs in little communities that him and I represent, I think that's a level of comfort for Manitoba taxpayers, knowing that those are 132 people who are now are contributing to our provincial economy, contributing back into the tax base. We need to be looking for those kind of opportunities, specially when every time you turn the TV on at—and watched the news at night, you see an economic slowdown.

It makes good sense. This is a program that's accountable to taxpayers, and I believe they're getting a bang for their buck.

\*(11:00)

**Mr. Pedersen:** One final question on this Rural Entrepreneur Assistance program. If I understand correctly, a rural entrepreneur—business applies to the bank for the loan. The bank approves it based on a loan guarantee from the Province. Does the minister then have to—it's up to the minister to sign off? Does the minister sign off on this loan, or who gives final approval to the loan guarantee?

**Mr. Struthers:** Yes, the only step that I would add to the—to what the member just put on the record is that a business plan is put forward as well, and that is reviewed by the financial institution as well.

I think that is an important step and adds to the due diligence and accountability that we need to do. I just want to be thorough on that. And the program manager involved with this program through MASC signs off on those—on each of these programs—each of the—they would look at the financial, look at the concept, look at the business plan, look at the request, and it's the program manager that signs off on that, just as we do in other programs in our department.

**Mr. Pedersen:** Page 179 of the Estimates book, you're contributing 250,000 to the Brandon and Thompson Neighbourhood Renewal Corporations. Can you explain what that is used for?

**Mr. Struthers:** Those are—that's a—accessing money through REDI to pay for programs that have been authorized through the Neighbourhoods Alive! program. which is administered by local government.

**Mr. Pedersen:** You just confirmed what I assumed. Which two—it says: "Creation of two new community foundations in rural and northern Manitoba." Are those—do you know which two communities or is that just a guess that you've put in here?

**Mr. Struthers:** Well, I think I got the—I think the member for Carman's got his finger on a very good Rural Economic Development Initiative. We have to remember that that's bigger than just agriculture. It's agriculture plus a whole number of things that I think build strong communities, including, I may add, the fine city of Carman, Manitoba, which reached the \$1-million mark earlier this year, I believe—I think, at one point, was actually helped by the very line in the budget that the member for Carman is now asking about.

We like to—in little communities we like to help in terms of administration. If somebody in Carman or Dauphin or any other little community wants to get going with a community foundation and raise money to plough back into rural economic development, we think we have a role in helping them, and one of the ways we've been helping them is by taking off their backs the kind of administration costs that they would be up against so that little communities like Carman can then go and say to their folks, none of our money's going to go towards administration. Everything in our—that we raise is going to go towards rural economic development, working with farmers, working with local, small businesses who depend on agriculture, turning that money into investments that move our little communities forward.

I don't—I know that if people were thinking that they were being asked to put money into the foundation in Carman, that they would say, I'd rather have that money go towards good economic development in Carman rather than administration. So what we've done is we've said, we'll kick in, we'll help pay for some of that administration and startup costs.

I know a number of little communities that have really been appreciative of that because now they can focus on those very good rural economic development. Some may be agriculture related. Some may be tourism related. Some may be fishing related, resource sort of initiatives that they get going, a little museum that needs some money to document better, all those kind of things in rural Manitoba that are so important for our communities in terms rural economic development. So I think this is a very good—I think this is a very good step that we do and we free up a lot more ability for little communities to raise money.

**Mr. Pedersen:** I wasn't questioning whether you should do it or not. I just asked if you had to—if you were working with the two specific community foundations that are trying to get organized or whether this is just a goal. So I'll leave that right now rather than risk another long answer.

Further down in the same page, 179, is expected results: ". . . creation of approximately 197 new jobs in rural and northern Manitoba." How many new jobs were created last year?

**Mr. Struthers:** First of all, maybe my answers are a little long, but I do get excited about these things and I get excited about good things happening in Carman, Manitoba, and I'm not going to apologize for that.

The 132 jobs through the Rural Entrepreneur Assistance program, I reported earlier. The 197 is our target for this year. We want to make, consider some changes, some improvements, that would actually expand the number of jobs that we create. I think it's a good target and I'm hoping that we're successful in hitting it.

\* (11:10)

**Mr. Pedersen:** So the question was: How many were created last year?

**Mr. Struthers:** One hundred and thirty-two.

**Mr. Pedersen:** Fantastic. One final question on here, on page 180, you're contributing \$155,000 for the operation of Handi-van services in rural Manitoba.

I already know that Infrastructure, Transportation is involved in Handi-van services, obviously Manitoba Health, Healthy Living. What is the purpose of providing out of REDI funds into Handi-van services?

**Mr. Struthers:** And God bless those people that use the Handi-van in Carman and Dauphin and other places. They get around and they spend their hard-earned dollars in rural economic development activities, and I think it's a—my experience is in Dauphin, as a—*[interjection]* I'm just being careful about—because of what you said about your mother.

I think there's some very good rural economic development spin-offs that occur because we have Handi-van services that get seniors out of their apartments, out of their houses and into a whole number of businesses, a whole number of activities. I see it around my communities all the time.

This is an amount of money that is accessed and ready from—or to local government to help in our government's commitment to making sure that seniors are out there and active and participating in rural economic development opportunities.

**Mr. Pedersen:** So is this 155,000 which is budgeted in for this year, then, is—how much was spent last year out of REDI for Handi-van services?

**Mr. Struthers:** It's 155,000 this year and last year.

**Mr. Cliff Graydon (Emerson):** How much funding has Keystone Processors received from the provincial government?

**Mr. Struthers:** The short answer is that the Manitoba government is not giving any money to Keystone Processors. We, through the Manitoba Cattle Enhancement Council, match the farmer contribution to the MCEC, and MCEC, then, in turn, looks to enhance the slaughter capacity in Manitoba on behalf of farmers and to the benefit of farmers. So it's us, through MCEC, matching a farmer contribution.

Yeah, just to add that we did put some money initially into a feasibility study and we may have to get back to the member with the exact number on that.

**Mr. Graydon:** That'll be fine if they get back to me with that number. Perhaps the minister can tell me how much money MCEC has put into the Keystone processing initiative.

**Mr. Struthers:** There has been a two point—about \$2.75 million from the Cattle Enhancement Council to Keystone Processors. The MCEC holds the mortgage on the—because part of that money was used to purchase the site on Marion Street, so MCEC holds the mortgage on that site.

There's been some work done on the environmental assessment that needs to take place whenever you get into a project like this. They've been working towards a submission to the slaughter improvement plan, the federal—which they have received—notionally, they've received support from that program. That's that federal Slaughter Improvement Program. They've done some work on the design for their building. They've done work on the business plan, and there's some amount of that in terms of operating costs for the building that they've got.

So that encapsulates what the Cattle Enhancement Council has put into it.

**Mr. Graydon:** The minister mentioned a mortgage that the MCEC is holding. Is that above the 2.7 million?

**Mr. Struthers:** That is included within the 2.75; it's not in addition to that.

**Mr. Graydon:** Can the minister identify the two provincially inspected beef slaughtering facilities that they have talked about in the past to increase the capacity to produce quality, competitive products in Manitoba's marketplace?

\* (11:20)

**Mr. Struthers:** We've been working diligently with—well, really with three plants that are provincially—have provincial status now: Plains Processors in Carman, Oak Ridge Meats in McCreary and Country Meat and Sausage in Blumenort. The two we that we've—we have a longer history of working with are Plains Processors and Oak Ridge Meats. Those are provincial plants that are seeking to become federally inspected plants, as is Country Meat and Sausage in Blumenort.

We think that these are good projects that would be very helpful to our overall slaughter scenario in Manitoba if they could be federally inspected plants, and we're going to work with them to make sure we get there.

**Mr. Graydon:** Has there been any movement on efforts to have interprovincial trade in meat products enhanced?

**Mr. Struthers:** Yes, we're fairly early in the process here. There is a federal-provincial-territorial committee that's been formed at the ADM level. They will be meeting here within a week or two. They are going to be talking about a common meat standard. They are going to tell all kinds of different

possibilities, from federal inspections through to provincial bilateral trade options.

This is something that we will be participating in. We want to make sure that, you know, the Manitoba producer is well represented at the table and that their interests are, indeed, protected and enhanced. We think we can help substantially the—on the livestock side because I think both the member and I know that '09 was a tough year in terms of livestock, hogs or cattle. And that a very—I think a very natural response on our part is to increase slaughter capacity here in Manitoba. I think we need to promote a—we need to protect our markets outside of our province, that's for sure, and we need to promote a local market here in Manitoba.

One of the principles that we will—that will be—that we will be thinking about as we do this, as well, not just, you know, economic benefit for farmers and for our economy and that sort of thing, but public health and food safety. I think that goes hand in hand with protecting your market. You don't want people getting sick, and then trying to sell them your product again. We need to be able to move this file forward, understanding that we're protecting health of people, and we're protecting our markets.

**Mr. Graydon:** Could the minister tell me how many matching dollars has the Province given to MCEC?

**Mr. Struthers:** Last year, that's a January to December—*[interjection]* Yeah, January to December number, the MCEC collected \$770,763, and we matched that.

**Mr. Graydon:** That was for last year?

**Mr. Struthers:** That's correct.

**Mr. Graydon:** Could the minister tell me, and they can do this in writing later, but, the overall amount that has been contributed since the inception of MCEC?

\* (11:30)

**Mr. Struthers:** We have a couple of numbers here. To the end of December '09, \$2.5 million, plus at the beginning there was an operating grant—a start-up grant at the beginning for \$1,149,042, for a grand total of \$3.6 million. That's from May '06, to November—end of November '09.

**Mr. Graydon:** Mr. Minister, not that long ago, you made a rare and unusual move of appointing the deputy minister to be the chair of MCEC. Is that

going to continue into the future or are you going to have a producer—a full producer board?

**Mr. Struthers:** Yes, I can actually give him—I know this is—I read a letter to the editor somewhere where it was inaccurately reported that there was no farmers involved in the Cattle Enhancement Council, so I want to put on record the names of Gaylene Dutchyshen, Chuck Gall, David Wiens, all of which are producers. They're farmers. They're forward-thinking people, I think. But unlike what I read in one of the media, they are farmers. They—from the dairy side, from the producer side—one's even a Parklander, so who could argue with that, right? Albert Todosichuk is on this enhancement council. He has a financial background which I think is very important to have on this council. And it's led by my very capable deputy minister, Barry Todd.

I think that—I think Deputy Minister Todd brings the kind of leadership to this council that it needs. I think it brings the kind of weight that it needs to be successful and to lend credibility to those who are contributing to the expansion of slaughter capacity in Manitoba.

I want this Manitoba Cattle Enhancement Council to be successful. I'm hoping that the member opposite does too. This is a very good vehicle by which we can expand slaughter capacity which is an absolute—in my view, an absolute essential in terms of Manitoba agriculture, in terms of support for farmers and the little communities that farmers support all over rural Manitoba.

I'm very confident in the group of people that we have here at the Manitoba Cattle Enhancement Council. I'm confident they'll make good decisions, not just for farmers but the broader public as well, who, I think, are very interested in this.

**Mr. Graydon:** I have no doubt that Barry Todd is well qualified to do that type of work. I'm just wondering if this is a trend that we're going to see in all boards that come under the purview of the Minister of Agriculture going forward, where there is a considerable amount of money and the expertise is available in the community, but is he going to appoint his deputies and assistant deputies to these boards?

**Mr. Struthers:** This is the only board that I have the deputy minister of Agriculture on. My commitment to—not just to the member across the way, but to all Manitobans, is that I will look for the best qualified, best talented people to have on key boards so that we

can move important projects along and make this a better province to farm.

**Mr. Graydon:** Mr. Minister, could you share with us the unclaimed portion of the farm school tax rebate?

**Mr. Struthers:** First of all, the one thing that I think we need to be clear is that there's not a whole lot of dollars left over when—at the end of the year when we deal with these. And people do have three years in which they can apply, so that factors into the amount of money that is left at the end of a fiscal year.

Specific to the member's question about how much is not paid or is not applied for, it's in and around 10 percent. And, you know, that number is dependent on—like I said, if you have three years to come back and make your application, then that number isn't—for last year isn't solid as of yet.

I do want to say that over the course of the last five or six years, there—this has been a real—I think, a real benefit for farmers. In 2004, the percentage of the rebate was 33 percent. That has grown steadily right through to '09 where it was a 75 percent rebate. And we went from, in '04, rebating \$11.5 million to the member's constituents and mine to \$26.6 million to the constituents of his and mine.

\* (11:40)

And I think that—I was really pleased that our government made this commitment and that we've steadily moved forward to that 80 percent number. I think it represents a real benefit for farmers. I think it represents a real benefit for little communities where that money gets recycled back into. I think we can safely say that it has contributed in a positive way to our provincial economy and, particularly, our rural provincial economy.

So we're going to continue to work towards the 80 percent and I'm very proud of the—of that initiative that our government took on.

**Mr. Graydon:** Could the minister share with me how long the current contribution rate to the MCEC will continue?

**Mr. Struthers:** Budget 2010 commits us through to the end of this fiscal year.

**Mr. Graydon:** Mr. Minister, after this fiscal year, there'll be no contributions?

*Ms. Bonnie Korzeniowski, Acting Chairperson, in the Chair*

**Mr. Struthers:** The commitment in Budget 2010 is to the end of the fiscal year. We totally remain committed to working with MCEC to make sure we improve slaughter capacity. We would be open to continuing that support.

I can't speak out, you know, further than what, you know, the budget Estimates in here allow us to, but we have no intention of taking our foot off the gas pedal. We need to improve slaughter capacity in this province and we're going to do that.

**Mr. Graydon:** Mr. Minister, are there any key staffing positions that are not filled in your department, and I'm thinking more specifically in—such as poultry specialists, beef specialists, these type of key positions in Agriculture?

**Mr. Struthers:** The other day we had a bit of a discussion about the vacancy rate across the department. I appreciate the member's looking more specifically at some key positions, but I appreciate the way the member's going at this because that—it indicates to me that he's thinking much like we are in terms of priorities and key positions.

And, you know, coming from the information that we get in the meetings I have with all of the different farm groups, we get information on what those key priorities are in all of those kind of meetings that we have. There are some specialists, as he's indicated, where there are vacancies at the moment. I want him to know that we work very hard to fill those vacancies as quickly as we can, especially in some of those key areas that he's querying us about.

I do want to say that, when somebody vacates a position, quite often, I noticed that's it due to the good work that they're doing and they are promoted to other positions within the department. So that talent isn't lost, that talent is utilized in another position and, quite often, it works well for the civil servant in the department that moves in many cases up to another position.

And we do have some positions that have become vacant through maternity leaves, and we—what we try to do as much as we can is with the existing staff, while the person's on the leave, use some other very talented people to cover those positions and make sure that farmers aren't left with no one in those positions while there's a leave that's taking place.

But I do want to assure the member that the department works very, very quickly and diligently to fill key positions that are vacant.

And, you know, I talk to people all the time about, you know, keeping their talents in the department and using their talents in other positions, promotions to other positions. I think it's—I think it makes for—builds it for a pretty good résumé. When you can look at a—somebody who has Ph.D.s and Master's degrees and post-secondary education, and all that experience to go along with it, running some cattle and seeding every spring along with it, and being able to point to a number of different positions you've held within the department, I think that builds for a strong organization, and I feel we do have a strong organization in MAFRI.

**Mr. Graydon:** Does—we know that there—from previous questioning, that there is some offices that are short farm production advisory staff, and the minister has indicated that—has just indicated and indicated before—that they would fill these positions as quickly as possible, and we appreciate that.

But does the department track producer on-site visits to GO offices?

**Mr. Struthers:** We—I'm really very impressed with the amount of interactions that I see happening between farmers and MAFRI staff. Now some of that is farmer visits to GO offices and GO centres and those sort of things. We don't particularly track the number of people that come through the door. They may be there for an agriculture reason, or otherwise. We do have, and whether it be over the phone or whether it be field interactions right out a producer's site, we do a lot of those.

\* (11:50)

We—what I will say and I'm going to try to drill down a little bit with the member for Emerson on this. What we try to do is outcome based, and I'll give him an example. We try to get some data in terms of specific programs. And we had a program with the Manitoba Cattle Producers on ration balancing and our staff provided 205 rations for 35,401 cows and 8,930 head of backgrounders.

So that kind of detail we like to keep track of because that actually can tell us how much good these programs are doing. It's based on an outcome, not so much based on the number of casual visits that we might have, but very specific to a program such as—of ration balancing.

We—yeah, you know, and then there's other programs where we keep track of the number of applications that we've had, and the member for Carman and us went through a whole number of those programs. We talked about the Manitoba Sustainable Ag Practices Program. This is a good example. We had over 1,400 applications that we've taken in and, you know, and processed, and served a whole number of farmers. We delivered \$1.367 million on 113 approved applications.

So the tracking we do, I need to stress, is more outcome based. It's how many applications, how many dollars were accessed, what was the actual good of that program. And then I think that can give us real good information on how to make these programs better. If they're not serving the farmer as well as it could we need to improve them, and so we're pretty diligent about taking—about getting those kind of—that kind of data available.

I hope that helps the member for Emerson.

**Mr. Graydon:** Madam Acting Chair, there has been some reference in the—to developing amendments to The Animal Care Act to include a wider range of animals. When does the minister expect this plan to do this and who is being consulted?

*Mr. Chairperson in the Chair*

**Mr. Struthers:** Mr. Chairperson, the amendments to The Animal Care Act passed last year in 2009. Right now, we're in the process of drafting the regulations that go along with those amendments, with that act. We have been, and continue to consult a whole number of groups, the MCPA, Manitoba Pork, pet retailers, Humane Society, groups representing chicken and turkey, KAP. I—in conjunction with the member's colleague from Minnedosa, I met with an interesting guy by the name of Dave Shelvey, who has the reptile gardens out near Brandon, and had some conversations with him specifically about the animals that he has some expertise in and snakes and other animals that he would have some specialized knowledge on.

We also met with the Manitoba Farm Animals Council. This is to help us draft the regulations. Once the regulations are in place, there will be further consultations to make sure that these regulations are what are needed.

**Mr. Graydon:** If I read the expected results properly, it would be to implement a surveillance for significant animal diseases that are reportable under The Animal Disease Act. So would that be an

indication that there will be some money in your budget, Mr. Minister, for more surveillance of some of these reportable diseases?

**Mr. Struthers:** Yes, this is—the questions that the member is asking under The Animal Disease Act. And we've—yes, we have put—through Growing Forward, we have assigned more money to the area having to do with surveillance. We've hired two epidemiologists to not just monitor but predict what we need to and anticipate where we're headed with animal diseases.

We also have an on-farm farm safety program that has elements of this as well. There's a number of different ways in which, I think, we can keep our eye on animal diseases and be ready to respond if we need to.

**Mr. Graydon:** Is the Province planning to update The Noxious Weed Act?

\* (12:00)

**Mr. Struthers:** Yes. We—we've been in some preliminary discussions at least with the—with groups like the Association of Manitoba Municipalities. They've come in and put this on the table for our consideration. A number of different municipalities separate to that have spoken with me about this.

We're opening to do a more of a comprehensive review of the act. There's another way we can go, as well. We can do this in tandem. We could adjust some of the regulations that are a little—they're more straightforward, let's say, than some of the bigger review of the act which could be a pretty complicated and, I think, a time-consuming undertaking.

So we're looking at ways in which we can be—the ways in which we can be helpful, both in the short term in a quicker way and—but also in taking a look at the whole act and understanding what could encompass that review.

**Mr. Graydon:** What are the Province's current targets for greenhouse gas emission reductions in the agricultural sector?

**Mr. Struthers:** As the member knows, the Province, as a whole, has committed itself to 6 percent below the 1990 levels by 2012. That's a well-documented number. Agriculture will play its role to get there. We think there are some—there have been some—quite a number of undertakings by our department in conjunction with farmers and other groups to reduce our footprint.

Like I said before, this doesn't have to be us running around trying to meet our targets at the expense of farmers. I think we can make this work in terms of lessening our agricultural footprint and increasing the—you know, increasing the bank account of a farmer. I think that's—those are both pretty good goals.

We made some announcements a couple weeks ago in terms of the Manitoba Sustainable Agricultural Practices Program. We want to work with farmers to improve crop-rotation decisions. We want to work with farmers in terms of developing wood lots. We want, too—we want people to understand that the challenges that some of these targets—the challenges that are posed in terms of agriculture.

And I'll give a good example. In '05, there was a number of acres in this province that went unseeded. In a perverse kind of way, that meant that our numbers, our emissions—greenhouse gas emissions numbers were favourable, and it looked really good for—from an environmental perspective. Oh, good, agriculture's numbers are down. But seeded acres were down. That means farmers' bank accounts were affected.

In '08, which was part of the number that was based—that we heard about in a report recently, and it was in question period—in '08, seeded acreage was up. It was a good year for farmers in terms of—on the grain side. But the numbers weren't, in terms of emissions, in terms of greenhouse gases, wasn't as impressive as '05.

But what we have to understand is what was that impact on the farm community. And I'm not willing to—as one, I'm not willing to say that, you know, that we should be balancing Kyoto numbers on the backs of farmers. I don't think that makes a lot of sense. I think what makes more sense is to understand the organic nature of farming practices and how that has an impact on greenhouse gas emissions.

I think we need to keep working with farmers, because there's a lot of good ideas out there, right from the farm community itself. We need to keep hooking farmers up with researchers, like we've been talking about here and there in these Estimates, so that they can come up with some good ideas that will work in terms of reducing our greenhouse gas emissions footprint but not have a negative impact on the farm community. And I think there's a way that we can move forward on that.

**Mr. Graydon:** The minister is correct in the assumption of—if the acres aren't seeded that this is good for the program. But, at the same time, I would suggest that the grain farmers have made significant contributions over the years, by switching from the plough to zero tillage and many other things. They have made very, very significant contributions to the environmental footprint that they leave.

The Province is now keeping carbon credits from producers who participate in certain BMP projects. Could the minister elaborate on how many carbon credits the Province is accumulating, and what they're planning to do with them?

**Mr. Struthers:** Yes, I think we have to be careful how we characterize what's happening out there. It's not that anyone is keeping farmers away from credits. We're not keeping the credits from them. The farmer always has a choice. He—the farmer could sell his credits to an aggregator and—if he chooses to.

\* (12:10)

The problem right now is that—is the low value of the credits, and maybe that will change some day, but right now, it—he—the farmer's probably better off working with us, in terms of—if there's incentives that we provide in terms of dollars, to actually get the environmental improvement done and maximize the benefit for himself on his on his farm site. The—yes, so I think the main point being is that the farmer does have that choice.

I want to also back up what the member for Emerson was saying about—he said grain farmers, and I know he didn't mean to just key in on grain farmers. I think it's farmers in general have always stepped up to the plate in—when there's been challenges to the environment.

I remember years and years ago, the number of fields that were being burnt off compared to the number of fields today, and it's a much less—fewer number now. And farmers are finding always more innovative ways to work back in their crops, sorry, to work back in the residue that's left. I think they should be given credit for that. In the 1930s, when there was wind blowing everywhere, farmers were out planting shelter belts thinking about water conservation. I think they should get credit for that, and I think, whether it's through a credit system or a cap-and-trade system of some sort, or incentives like our manageable sustainable agricultural practices program, we have to make sure that those benefit the farmer.

**Mr. Graydon:** Mr. Minister, the question was that you are accumulating credits from the BMP projects. There hasn't been, at this point, an announcement to say, although it has been alluded to by the former minister, that these credits that you are accumulating would be for the life of that particular program.

So, if the program is a four-year program, are you keeping these credits and accumulating these credits for four years, or are you accumulating them and keeping them forever? Are you taking them off the market totally, retiring the credits, that any money that you put forward—and you're only participating in these projects as a partner, not as a total investment on that project, so, is this for the life of this program, the BMP program, that you are keeping these credits, or are you retiring them forever?

**Mr. Struthers:** In terms of the BMPs we—our approach—first of all, it's not that we're holding all the credits. We would hold the—an equivalent amount to what—to the money that we put in, the funding that we provided. If that's 50 percent—I'll use that as an example, then 50 percent we would hold and 50 percent the farmer would do what the farmer wants to do with. He could sell to an aggregator, as we spoke of before. If it's 20, 80—whatever that amount is. Okay?

What we would do with it at BMP is we would retire the credit for the life of the program, and the program's set to run to 2013. The exception on that is lagoon coverage, which have a much—which have a longer life span.

**Mr. Graydon:** Is the Alternate Land Use Services strategy no longer on the government's radar?

**Mr. Struthers:** The Alternate Land Use Services concept is still very much on our radar screen. We funded that program in the R.M. of Blanshard. Every time I meet with the Keystone Agricultural Producers, they talk to us about an ecological goods and services approach. It might not be exactly what we saw on ALUS, but something along those lines.

We think we learned a lot from the pilot that took place in that R.M. We're going to use that information to develop an additional approach that we can move forward with. I appreciate the advice I get from KAP and from other—NFU, from other groups, in terms of the—the MCPA is very interested as well.

We have—just as a final point on this—we have an interdepartmental stakeholder group, a committee,

that is bringing together all of the different departments that could be part of a go-forward approach on this. We want to make sure that all departments have a chance to be involved with it. When we come forward, I think we—by doing that, when we come forward, we'll be much more sure-footed in our approach.

**Mr. Graydon:** Has the minister given some thought, or his department giving some thought, to a different formula funding for farm organizations in the province?

**Mr. Struthers:** Yes, a number of groups have approached us, in particular, Keystone Agricultural Producers and the National Farmers Union. There's frustrations that they feel in terms of—well, the NFU is frustrated that they're not listed as one of the provincial organizations. KAP is frustrated because of certain ways in which the checkoff doesn't work as efficiently as they believe it could.

So, I mean, we want to see if we can find ways of accommodating any of the concerns that have come forward, so that is actively under consideration as we speak.

\*(12:20)

**Mr. Graydon:** Can the minister give us some examples of what he's considering?

**Mr. Struthers:** Well I think—I mean I just outlined two of the main concerns that have come forward. Those are the ones that we're actively looking at and seeing if it makes sense to make some changes to accommodate what the farm groups want us to do, though we want to make it so that farm groups are in a good position to advocate on behalf of their members. And we want to make it so that they can lobby guys like the member from Emerson and myself. They—any of the ideas that they've come forward with we'll take a look at.

**Mr. Graydon:** The minister has indicated there are only two farm groups, but if my memory serves me right, there's a number of other farm groups that are funded by checkoffs. How are they going to be treated?

**Mr. Struthers:** The two groups that I mentioned were the ones who approached me, because they're the two general farm policy groups. They're the ones that are interested in it. Canola growers and pulse growers, they're commodity specific groups with a checkoff and, I think, for the most part, the money

they checkoff goes towards research and marketing and those sorts of things.

There will be no impact on the commodity specific groups. When I meet with those groups, my sense is that they're quite happy with the—generally, anyway—how that is working. It's the general farm policy groups that have specifically approached me to make changes.

**Mr. Graydon:** Is the minister considering making a checkoff compulsory and mandatory to these two groups?

**Mr. Struthers:** That—some of the groups have put that on the table. That is not something that I have agreed to. Our discussions have been quite, I think, broad ranging on these issues, but that's not something that we've made any commitments towards, unless the member opposite has some advice that he thinks we should go that route. It's not something that I've agreed to.

**Mr. Graydon:** I think that it—personally I think that it would be a mistake, but I'm not the Minister of Agriculture yet.

And so I would like to go on to an environmental farm action plan question and how the determination of acceptance or rejection—I understand that there's three sections that you can have 40 points, 40 points, and 20 points to decide who is accepted and who is rejected. However, what I'm not aware of, or who I'm not aware of, is who makes these determinations.

And when I see that the—some of the outcomes of applications that have been made two and, well, two years in a row, professionally written, I have some question whether the criteria is designed only for the benefit of a very few people.

And so I would ask the minister if he's had any correspondence from people who have been rejected, and also, who does make that determination of acceptance or rejection?

Mr. Chairperson, in consideration of the clock and the information that I've received, if we were going to wrap this up today, I would ask the minister if he could get back to me in writing on that, and we would proceed with wrapping up the committee today.

If we proceed now, we can finish by the time the clock is—

**Mr. Chairperson:** Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$136,678,000 for Agriculture, Food and Rural Initiatives, Risk Management, Credit and Income Support Programs, for the fiscal year ending March 31st, 2011.

*Resolution agreed to.*

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$27,660,000 for Agriculture, Food and Rural Initiatives, Agri-Industry Development and Innovation, for the fiscal year ending March 31st, 2011.

*Resolution agreed to.*

Resolution 3.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,393,000 for Agriculture, Food and Rural Initiatives, Agri-Food and Rural Development, for the fiscal year ending March 31st, 2011.

*Resolution agreed to.*

Resolution 3.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$497,000 for Agriculture, Food and Rural Initiatives, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2011.

*Resolution agreed to.*

Resolution 3.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$250,000 for Agriculture, Food and Rural Initiatives, Capital Assets, for the fiscal year ending March 31st, 2011.

*Resolution agreed to.*

The last item to be considered for the Estimates of the department is item 3.1.(a) the Minister's Salary, contained in resolution 3.1.

At this point, we request that the minister's staff leave the table for the consideration of this last item.

The floor is open for questions.

**Mr. Struthers:** I move that item 3.1.(a) Minister's Salary be reduced by 20 percent, or \$9,000, to \$37,000.

**Mr. Chairperson:** It has been moved by the honourable Minister for—of Agriculture, Food and Rural Initiatives that: I move that the item 3.1.(a) Minister's Salary be reduced by 20 percent, or \$9,000, to \$37,000.

The motion is in order. Are there any questions or comments on the motion?

**An Honourable Member:** The reason for such a motion?

**Mr. Struthers:** Yeah, I've put the motion forward to provide additional clarity. As members are aware, this reduction is already in effect, and legislation will be brought forward to make this reduction law.

**Mr. Chairperson:** Is the committee ready for the question? Shall the motion pass?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The motion is accordingly passed.

Resolution 3.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,281,000 for Agriculture, Food and Rural Initiatives, Policy and Management department, for the fiscal year ending March 31st, 2011.

***Revised resolution agreed to.***

This completes the Estimates for the Department of Agriculture, Food and Rural Initiatives.

Now time is 12:30. Committee rise.

**ADVANCED EDUCATION AND LITERACY**

\* (10:00)

**Mr. Chairperson (Rob Altemeyer):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates for the Department of Advanced Education and Literacy. Does the honourable minister have an opening statement?

**Hon. Diane McGifford (Minister of Advanced Education and Literacy):** No, I—in the interests of time, I've decided not to make an opening statement. I'm sure that information will emerge as we proceed with our discussions, but I do take this opportunity to welcome the critic to her position and I hope that we will work well together so I just take that opportunity. Thank you.

**Mr. Chairperson:** Thank you very much for that. Does the opposition critic have an opening statement to make?

**Mrs. Mavis Taillieu (Morris):** Not an opening statement as such, but I thank the minister for that and I—this is a new area for me to delve into and I'm quite interested in the area of advanced education and literacy. So I also look forward to getting

through the Estimates and certainly looking at working as we can together.

**Mr. Chairperson:** Thank you very much for that as well.

Under Manitoba practice, debate under the Minister's Salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 44.1.(a) contained in resolution 44.1. At this time, we invite the minister's staff to come join us at the table and, minister, if you'd be so kind as to introduce them to the committee once they're settled.

**Ms. McGifford:** Sitting to my immediate left is Deputy Minister Heather Reichert. Next to Heather is the executive financial officer, Claude Fortier. Opposite Claude is Sid Rogers who's the secretary of the Council on Post-Secondary Education, and sitting to Sid's left is Tom Glenwright, executive director of Student Aid, and sitting along the side are Lynette Plett, executive director, Adult Learning and Literacy, and beside Lynette is Kim Huebner, whose title is operations director, Student Aid, and beside her is Elaine Phillips, who is the director of Policy and Planning, and my special assistant, Amelia LaTouche.

**Mr. Chairperson:** Thank you very much for that, minister. Now, question for the committee. Is there a wish to proceed chronologically or globally for the Estimates in this department?

**Mrs. Taillieu:** I think I'd like to do a global discussion, if that's all right.

**Ms. McGifford:** Global discussion is fine with me but I wonder if we could deal with, for example, Student Aid questions at one point so that the staff don't have to spend the entire morning or whatever, in whatever way the member opposite wishes to—in whatever order she wishes, but so that all staff aren't here all morning is my point.

**Mr. Chairperson:** With that said, it's understood that Estimates for this department will proceed in a global manner. Thank everyone for that and the floor's now open for questions.

**Mrs. Taillieu:** I will try to do that. I've kind of got my notes all over the place here, but I'll try and consolidate that. I'm not going to start there, but I will try and get to that right away. How's that?

Okay—

**Ms. McGifford:** That will be fine, but if the member feels she's completely exhausted her questions on Student Aid, for example, or adult learning, for example, maybe we could just indicate that to the staff so that they could leave.

**Mrs. Taillieu:** Yes, we'll attempt to categorize as best we can and finish each section as we can.

As we normally start out, we usually ask some staff-related questions, but I'm really just going to ask about the political staff in the minister's department and within the deputy minister's department, if there's been any changes with those staff. Are they the same staff as last year?

**Ms. McGifford:** There has been a change. Last year—well, this year's special assistant is Amelia LaTouche, and my executive assistant is Elizabeth Parsons. And those are the only political appointees within my department, and there are no political appointees in the deputy minister's department—office, I should say.

**Mrs. Taillieu:** And with the minister's constituency office, can she indicate if she has political staff at the constituency office?

**Ms. McGifford:** Yes, that was Elizabeth Parsons, who's my executive assistant and works in the constituency.

**Mrs. Taillieu:** And she is—is she paid through the members' allowance or is she paid through the Department of Advanced Ed?

**Ms. McGifford:** She's paid through the Department of Advanced Ed and Literacy.

**Mrs. Taillieu:** Were both these—was this new position, was it a tendered or—what I'm—I mean, a position that was advertised or was this an appointed position?

**Ms. McGifford:** Well, it's not a new position. My former special assistant left this position and he's been replaced by Amelia LaTouche, and the—now, I believe—my executive assistant isn't a new position. I think she's been there—like, my—if memory serves me rightly, for two years. At least two years, yes.

**Mrs. Taillieu:** Can the minister tell me what her annual advertising budget is within the Department of Advanced Education and Literacy?

**Ms. McGifford:** We don't have an advertising line, so we'll have to do some work, and we will do that and provide the member with that figure.

**Mrs. Taillieu:** Can the minister indicate—it appears to me in the Estimate books that the financials of the department are handled in a—within—there is a shared component. So is this advertising, then, would it be within another Estimates book, or where would you find the total advertising amount then?

**Ms. McGifford:** Now, I'm going to try and get this right. I understand there's a small amount allotted within each branch for advertising, but it's under a broader category called communications, which includes several other kinds of expenditures, so that's why we need to do some work to extract the figures that the member wishes.

But it—let me just add that it is—that our financial operations are a shared service with Education.

\*(10:10)

**Mrs. Taillieu:** Then, within the broader area called communications, would that be—I'm thinking print advertising, radio advertising, television advertising, any brochures that are put out, any—is that what—would that—that would be?

**Ms. McGifford:** Well, it isn't just advertising. There are other kinds of expenditures within communication. For example, Student Aid provides materials on a pretty broadly based—to high schools, et cetera, and so communications would include those costs.

Mr. Chairperson, I have—I can just give the member some information under communications. Communications include telephone, electronic communication services, postal services, advertising program and program promotion, radio systems, and then, other, and I suppose the other is there because—in case something else has to be expended from that particular line.

**Mrs. Taillieu:** Thank you very much. I'm primarily interested in if the Department of Advanced Education has any expenses that would fall under print advertising in newspapers, radio advertising or television advertising or if there's any other pamphlets that go out from the Department of Advanced Education to the public.

**Ms. McGifford:** I can cite Student Aid pamphlets. We haven't had television advertising or radio advertising. We get charged in that line, I understand, if there's a position that we need—that we're advertising, but there's been very, very little of that in our department. There's been very little changeover.

**Mrs. Taillieu:** Just to make sure I'm wording the questions properly, is there anything within the department, any advertising paid for by the Department of Education—Advanced Education and Literacy that would go to advertising in other departments?

**Ms. McGifford:** I'm told there isn't.

**Mrs. Taillieu:** Thanks very much. Can the minister indicate if she has a travel budget and any expenses that she may have incurred in travel in her role as minister?

**Ms. McGifford:** Yes, I understand that there's a travel budget and that the expenses that I incur are on the Web site, posted on the Web site at the end of every quarter, quarterly.

**Mrs. Taillieu:** Thanks very much. And does the Department of Advanced Education contribute in any way to any other ministers' or Premier's travel expenses?

**Ms. McGifford:** As far—we may, on occasion, if we—well, I'll give the member an example. Recently, we travelled to the north and made an announcement at University College of the North, and because of it being Holocaust Memorial Day, we needed to charter in order to get there and back to be back in time for Holocaust Memorial Day.

The Premier travelled with me that day. We may or may not cover the charges of the entire charter, but we're not aware of anything that we paid for for anybody in '09-10.

**Mrs. Taillieu:** Thanks for that. Can the minister indicate if there's any polling done from her department in terms of questions in regard to surveys or polls, opinion polls?

**Ms. McGifford:** The only thing, and I don't think this is really polling, but the Council on Post-Secondary Education did a study of graduations as grad—not graduate students in the sense that students who were in graduate school, but students who graduated, to get a sense of where they were, whether they were working in their profession, the profession or the area in which their training had taken place. And I think the Council does that—what—every couple of years, part of our understanding and directing our system.

**Mrs. Taillieu:** Is that surveying something that's done internally or is there a outside company hired to do that?

**Ms. McGifford:** We get a company to do that. We simply don't have the resources nor do we really understand the complexities of conducting surveys. We need somebody with a professional understanding of that work.

**Mrs. Taillieu:** Can you tell me what company was hired?

**Ms. McGifford:** Yeah, I can tell the member that the company was Prairie Research.

**Mrs. Taillieu:** Was this a tendered contract?

**Ms. McGifford:** Yes, apparently Prairie Research had done the previous survey and had done it very well so they were asked to do it again.

**Mrs. Taillieu:** How long has Prairie Research been doing this for the Council then?

**Ms. McGifford:** They've done it twice.

**Mrs. Taillieu:** The first time that they were employed, was it a tendered contract?

**Ms. McGifford:** It was before the time of the current secretary to the Council on Post-Secondary Education, but we can find out for the member and get back to her and I'm trusting that people are keeping track of the information that we need to get back to the member.

**Mrs. Taillieu:** Yes, I would appreciate if you could tell me if that was a tendered contract and if it was awarded to the lowest bidder. Can you tell me who are the principals in Prairie Research?

**Ms. McGifford:** I don't have that information. Yeah, we'll get the information.

**Mrs. Taillieu:** Thanks, if you could add that to the things that will be provided, that would be great. I notice, in Public Accounts, a Probe Research was paid \$62,120 from the Department of Advanced Education and Literacy. Could the minister indicate what that was for?

**Ms. McGifford:** Yes, as the member may know, The Council on Post-Secondary Education Act calls for the Council and its work to be reviewed every five years. And Probe Research did the five—the most recent five-year review of the Council on Post-Secondary Education. And it's quite complex—it's quite a complex review because the—it's necessary to work with the—with all the stakeholders, et cetera, et cetera, so.

\* (10:20)

**Mrs. Taillieu:** Well Probe Research, to my understanding, is a company that does polling as well and does surveys and the like. Is this a company that—is this an award, then, of a contract—for a tendered contract or is it something that was just given to Probe Research?

**Ms. McGifford:** My information is that it was a tendered contract and, apparently, Probe Research do more than political work and surveying, because, in this instance, they did interviews with all the stakeholders et cetera. In fact, I remember being interviewed.

**Mrs. Taillieu:** Thank you, and you indicated that the Council on Post-Secondary Education just underwent a review. Is this a—this is a requirement that they're reviewed in a certain time frame, I think?

**Ms. McGifford:** As I said, the legislation calls for a review every five years. I know—I remember I was doing one previously, and it was completed about a year ago. It's posted on the Web site of the Council on Post-Secondary Education.

**Mrs. Taillieu:** I just want to—there's one more thing I wanted. In conjunction with the Prairie Research information, would you be willing to provide the questions that were asked in those?

**Ms. McGifford:** Yes, certainly.

**An Honourable Member:** Thanks.

**Ms. McGifford:** I understand that the Probe—no, yes, the Prairie Research survey and the results are also on the Web site. So the member could look up—look them up if she wished or we could provide her with the questions, whichever she prefers.

**Mrs. Taillieu:** Is the minister saying the questions and the answers, then, are on—or the results of the answers are on the Web site?

**Ms. McGifford:** No. I understand that you have to infer the question from the answer. So we'll get the questions for the member.

**Mrs. Taillieu:** Thank you. I appreciate that.

I'm going to try and go to the bursaries section. Well, I think that the obvious one that stands right out here is the Canada Millennium Scholarship Fund, and I understand that's been wound down now as of last year. So that's significantly lower now. But I'm wondering what the minister's department is going to do to sort of fill in that gap that's there now. What plan has she had over the years for the eventuality of this winding down?

**Ms. McGifford:** Well, I think the member has to understand that the Canada Millennium Scholarship Fund was put in place by the former Liberal federal government, and then the—and the program actually worked extremely well for us. I think we were one of the provinces that were the most pleased with the program, and I had great respect for Norm Riddell, who was the executive director of that program, and every time he came to Winnipeg he brought good news. So we were really pleased with that program.

However, the current federal government made a decision to end that program. Having ended that program, they've started a different program which is not listed here because we don't administer the program. So the program is the Canada Student Grants and we expect they will deliver about between 10 and 10.5 million dollars.

So, as the member can see, the Canada Millennium Scholarship Fund will be replaced by the current Canada Student Grants that the current federal government has brought in to replace the Millennium Scholarship foundation—Fund.

**Mrs. Taillieu:** Okay, thanks to that. The Canada students grant is lower as well from last year. What—is there any plan, then, to backfill that one?

**Ms. McGifford:** I understand that the Canada Student Grants has a number of subgrants and we're only administering part of that, the grant for permanent disabilities, whereas previously the part of the Canada Student Grants that we'd administered had been broader. So I'm assuming, then, that those other parts of that grant are being taken over by the federal government—by the service provider, the federal government.

**Mrs. Taillieu:** Can the minister indicate what the transition bursary is? It was zero last year and now it's 4.3 million. So I'm wondering where that money came from? What is it intended for?

**Ms. McGifford:** Yes, this amount—transition bursary will—it reached its apex this year, if you want, and it'll—and in subsequent years it'll go down. It's because people who are receiving the Canadian Millennium Scholarship Fund were grandfathered and it's slowly going to—well, I should not suppose so slowly—every year that will decrease as those students graduate.

So it's a—I suppose a remnant of the previous—

**An Honourable Member:** Transition.

**Ms. McGifford:** Yeah, transition, as it says—yeah, transition bursary. Thank you.

**Mrs. Taillieu:** Can you—can the minister indicate how many students are receiving some form of student aid, whether full-time or part-time this year?

**Ms. McGifford:** Yeah, we—I can't tell the member with absolute finality because we don't have—the figures haven't been—they're not completely—*[interjection]* Yeah, we're still in the '09-10 program year, is the answer.

But I understand it's—oh, 7,698, and we project next year that 8,200 students will apply and receive student aid—apply for and receive—I guess more will apply for it. They don't all receive it.

\* (10:30)

**Mrs. Taillieu:** The minister has indicated seven—almost 7,700 have received student aid this year. Is that up or down from last year?

**Ms. McGifford:** It's—I'm told that it's almost exactly the same.

**Mrs. Taillieu:** Thanks. Well, this year there's some discussion, I know, about—well, obviously, we know that the tuition—there's going to be tuition increases, but there's also going to be significant increases in fees.

Well, sorry, maybe I'll just ask the question then, because there's been considerable reports in the media about various departments at the University of Manitoba, for example, that want to put—increase their fees that they're going to be charging for their postgraduates. So this is going to have an impact, I'm wondering, on student aid, or is student aid just for people entering the post-secondary system?

**Ms. McGifford:** There's a number of questions here, and I'll try and catch all the points, but the member can advise me if I haven't.

First of all, the figures that we gave, the 7,000 whatever, 7,700 number was for '09-10. The discussions that are ongoing—or the discussions at the University of Manitoba are with certain faculties: Medicine, Dentistry, Law. They're not postgraduate programs; they're mostly professional programs, although I think grad school is one that's also being considered.

So, but whether we don't—we have—we don't have information yet on these—on what's going to happen. This is under debate. So it's very—so I'm not sure what the question is, but I can assure the

member that there has been no—that no final decisions have been made on tuition fees.

There are, of course, for students certain fees and then there are tuition fees, and I have no information at all that the fees, apart from the tuition fees, are going up.

**Mrs. Taillieu:** Well, thank you, and I think there's been a certain amount in the media even today suggesting that there's going to be increases in fees in various departments at the University of Manitoba, or at least they'll be asking for it.

So I'm wondering, has there been a request, then, to the minister to meet in this regard for approval of increased fees with the various departments at the University of Manitoba?

**Ms. McGifford:** I think the member's referring to the article that was in this morning's *Free Press*. And, as I understand that, the University of Manitoba is proposing that the re-registration years for graduate students, that in those re-registration years a student pays an increased fee, so that when a student is finished all his or her course work for a Master's degree, then the student will register again, but not take course work. And in that year, I think, currently, the student was paying something like \$600, and I think that article suggests that the university is going to propose an increase to \$1,000.

Have I had that specific discussion? No, I haven't. Have I heard from the—have I had high-level general discussions with the president of the University of Manitoba who has indicated that he believes they need to increase fees in certain faculties? Yes, I've had that discussion.

The proposals from the University of Manitoba will be vetted by the Council on Post-Secondary Education. As the member knows, the Council on Post-Secondary Education is an arm's-length-from-government body that provides advice to government on academic decisions and also on college education. And so all proposals will go to that Council, and the Council will make decisions and then send the decisions or their proposals to me.

**Mrs. Taillieu:** Have meetings taken place, then, between officials at the University of Manitoba and the Council of Post-Secondary Education because it says that they are looking for a decision by May 18th?

**Ms. McGifford:** I understand that the proposals from the University of Manitoba were just received by the Council yesterday—pardon me, Wednesday.

**Mrs. Taillieu:** Can the minister indicate if there's been any other proposals from other universities or colleges in the same regard?

**Ms. McGifford:** No, there—not to date, no.

**Mrs. Taillieu:** In last year's Estimates, the minister indicated that, in terms of raising tuitions, that there won't be any sticker shock. That was what she said last year. And, you know, the tuition has been raised somewhat this year. It has raised some concerns with the student bodies.

But I'm wondering, in terms of future increases, is there a plan to gradually increase tuition fees over the next several years? Because I think we recognize that, having had a tuition freeze on for so long, it's come to a point now where the universities have got into a bit of a crisis situation and they just aren't able to operate with the money that they have. You know, there was a recommendation that the tuition freeze be lifted. It was lifted last year and—but is there any plan to go forward with similar increases in tuition? Or, what is the minister's long-range plan there?

**Ms. McGifford:** Well, last year, as the member knows, tuition was increased by 4.5 percent for university students, or \$125 for—\$100 for college students. And this year the increase is 5 percent for university students and \$150 for college students.

The member probably knows that we have the third lowest, by far, tuition in the country. I think there's about \$1,500 separating us from Saskatchewan, which is the fourth lowest. So we're certainly doing very well as far as affordable education—as far as affordable and accessible education goes.

I can tell the member that we don't intend to, or it certainly isn't part of our agenda, to reinstitute a freeze on tuition fees. We are in—I don't know whether to say turbulent economic times, but in uncertain economic times. And so we will be deciding tuition with each budget in the near future. But the guarantee from this government has always been affordable, accessible, quality education. We certainly won't enact or allow dramatic tuition increases. They will be modest and regular.

\* (10:40)

**Mrs. Taillieu:** I really should go back and just finish off on Student Aid. I kind of got sidetracked on that,

but— I just noticed on the bottom of page 55, there is a footnote, and it reflects the—decreases in the total reflect the termination of the Canada Millennium Scholarship Fund, reduction in Canada Student Grants and general reductions in Manitoba Bursaries and Funds, and a reduction in the funding requirement for Student Loan Administration.

So can the minister indicate what reductions there will be in the Manitoba Bursaries and Funds?

**Ms. McGifford:** I do have some answers for the member. First of all, access bursaries decreased by \$125,000 because there was less demand for the access bursary, and we attribute that largely to the Canada Student Grants for low-income students, which was—which is a federal pot of money.

Our communities—our community foundations went down by \$100,000 because we had a four-year agreement and we had finished that—we'd paid out for four years, so the agreement was met. We reallocated from the Prince of Wales and Princess Anne scholarship; we reallocated \$42,000 to Aboriginal medical bursaries.

The reason for the decrease in loan administration is because of the relative low cost of borrowing and also we've had a better experience in collecting debt. So it's because the people from Student Aid are doing such a good job.

Yes. As I understand it, we have been much more careful in loaning money and speaking to students up-front a lot more about, I suppose you would call it, financial literacy. And so I think that might also be reflected in the—in our better experience in collecting debt.

**Mrs. Taillieu:** I'm noting my time here, so I'm going to stop with any questions from Student Aid. So I'd like to move on.

Last year in Estimates, the minister was indicating, in response to a question from the former critic on setting targets for participation and graduation from post-secondary education, I guess, looking for—it was in response to the Levin report and asking about what the Province was going to do in terms of setting targets of participation and being able to identify graduation from post-secondary universities. And the minister said that they needed to pass a data management strategy. I'm wondering what a data management strategy—what that is.

**Ms. McGifford:** Well, it's a very timely question because, as the member knows, she's going to be

briefed on the newest legislation introduced by me last weekend. So we will be discussing that Tuesday morning. In fact, the data management strategy is the very bill that was introduced into the House this week.

**Mrs. Taillieu:** With this data management strategy, what kind of data is the minister looking for?

**Ms. McGifford:** Well, it's the data on students, but we will be—this will be the text of our discussion on Tuesday morning. If the member wishes to have the discussion then, when we have the official who knows most about that bill, it might make for a better—a more informed exchange.

**Mrs. Taillieu:** Can the minister indicate, when children begin school, do they have an education number that they carry through to the end of their educational career?

**Ms. McGifford:** Well, there's a number known as the MET number, Manitoba education training, and all students, as I understand it—and I'm not an expert on the Department of Education—but I understand that all students have that number.

And part of our desire with the new legislation would be to have that number stay with students as they enter college and university. And that's part of the new legislation that we're introducing, but right now, that number does not stay with the students because we don't have the legislative authority to have it work that way.

**Mrs. Taillieu:** So that's what the minister meant last year when she said there are legalities around collecting this data?

**Ms. McGifford:** That's exactly right. Not having the legislative authority to collect the data meant we can't do it, we can't keep the number with the student.

**Mrs. Taillieu:** Has there been consultation then with, I guess, parents in regard to collecting data on children?

**Ms. McGifford:** That's a question that the member will have to ask the Minister of Education (Ms. Allan). It's not part of my ministry.

**Mrs. Taillieu:** Does there not need to be a subamendment when the minister is bringing in this bill? Isn't there amendment into the education act?

**Ms. McGifford:** I'm informed that there will be, but it doesn't relate to the question the member is asking. And again, I think we might have a more informed

discussion on this piece of legislation when the official who knows most about it is present.

**Mrs. Taillieu:** Does the minister have any indication as to the cost of this data management strategy?

**Ms. McGifford:** Thank you for the question. Again, it might be best asked when we have the people who know most about it, but to date, we've been doing this work within existing resources, i.e. no more staff people to do the work.

**Mrs. Taillieu:** So this data management strategy is being done in-house? It's not requiring any services contracted from outside?

\* (10:50)

**Ms. McGifford:** There has been a consultant involved, an expert in the area, who's helped us with this piece of—helped us devise the strategy, et cetera, but it was done with in-house resources.

**Mrs. Taillieu:** Is that a consultant that works for an outside firm, then, and, if so, who's the firm?

**Ms. McGifford:** An individual named Charles Ungerleider, who works for Sierra Systems worked with us, and Charles Ungerleider is a professor at the University of British Columbia. He helped with the development of the strategy and he's obviously got expertise in this area, and I think has worked on similar pieces of legislation for other jurisdictions.

**Mrs. Taillieu:** I note that in the Public Accounts, Sierra Systems Group Inc., of Vancouver, was paid \$12,000. So is this a tendered contract?

**Ms. McGifford:** No. It wasn't tendered. He was chosen for his expertise and experience. It's a very rare kind of expertise, as the member, I'm sure, understands.

No, I'm—I have been corrected and said—and apparently it was tendered. Now I'm informed there were two separate individuals who did work, and the Sierra System contract was tendered, as I corrected myself, and the person from Sierra Systems was a Tim Wildman, and then Charles Ungerleider from the CCL also did work—Canadian Council on Learning.

**Mrs. Taillieu:** Can the minister indicate what the \$17,670 paid to the American Council on Education in Washington, D.C., was for?

**Ms. McGifford:** The \$16,000 to the American Council on Education was for GED test batteries and fees. So that is to pay for the tests that our students

write to obtain their GED. It's related to Adult Learning and Literacy.

**Mrs. Taillieu:** Thank you. I'm just curious on this. Is this the only place you can get these is from the United States or—there's nothing similar in Canada?

**Ms. McGifford:** I'm told this is the place that—the only place, yes.

**Mrs. Taillieu:** Thanks. Can the minister indicate—there's a couple of things in the Public Accounts for travel, one was Travel Planners of \$14,483, and Continental Group, \$15,225. Can the minister indicate what that was for?

**Ms. McGifford:** Well, I can tell the member that as the—I'm the current chair of the Council of Ministers of Education, and so I did travel to Paris in October where I represented Canada at the UNESCO meeting, but the costs were first incurred by the Province and later reimbursed by the federal government, by DFAIT, so I—we don't know what year you're—the member is referring to. Do you have a year attached?

**Mrs. Taillieu:** Well, this is Public Accounts 2008-2009.

**Ms. McGifford:** Yes, in January, 2009—was it January? Yeah, I believe it was January, 2009, I travelled to Seoul, Korea, to represent Canada at—I'm going to get it—OECD conference on education, and the costs are first incurred by the Province and later reimbursed by DFAIT .

As the member knows, we don't have a federal minister of education so that when there's an international conference, provincial ministers are asked to attend to represent the country.

**Mrs. Taillieu:** Yes, and I hope this isn't going to be a question that I've dismissed the people that may need to answer this, but I just forgot about this one. But on page 65, costs related to capital assets, there's an interest expense, and it is increase in interest expense related to the student financial aid information system, and I'm not sure if this is in regard to Student Aid or not but—

**Ms. McGifford:** Yeah, it's fine.

**Mrs. Taillieu:** Okay.

**Ms. McGifford:** We're currently upgrading the systems and this is the capital cost related to the upgrading of the systems, student aid financial systems.

**Mrs. Taillieu:** I'm assuming from that this is an automated, computerized data base.

**Ms. McGifford:** Yeah, it's a data base and an entire system that does the student loans and I understand takes—monitors the collection, et cetera, of the whole student aid package.

**Mrs. Taillieu:** Can you explain the interest expense? I'm just not clear as to what you mean by interest expense.

**Ms. McGifford:** Well, I'm going—I understand that when an expense of this kind is incurred, government borrows the money and then the department pays the interest on the borrowed money, and that this is what is in our book here.

**Mrs. Taillieu:** Okay, then. The total cost here of \$589,000—is that correct, \$589,000?

**Ms. McGifford:** Yes, that's correct.

**Mrs. Taillieu:** That is the amount that will be paid once it's all paid back, so there's a lot of interest charges, carrying costs involved with that. Is that correct?

**Ms. McGifford:** Yes, the member understands correctly.

**Mrs. Taillieu:** So what is the actual dollar investment right now, that's the money—the actual dollars that are being put down on the table?

**Ms. McGifford:** So you mean—are you asking what the actual cost of the system was?

**Mrs. Taillieu:** Well, there'll be an amount that's being—that it's going to cost. It's like, if I have to borrow money over time, it's going to cost me more, but it's going to cost me this amount right now.

\* (11:00)

**Ms. McGifford:** I believe that the—I understand that the capital investment is on page 73, and it's \$6.1 million, or \$6,162,000 to be exact.

**Mrs. Taillieu:** Okay, so the total cost, then, as you said, is the 6 million-odd number, or I'll rephrase that, the six thousand—or \$6,162,000 to upgrade the system. Correct? Six million dollars?

**Ms. McGifford:** This is the cost estimated for '10-11. There's also an expectation that there'll be additional costs in '11-12, and they will be in that budget.

**Mrs. Taillieu:** I understand that, and then this interest expense is the interest on that money?

**Ms. McGifford:** That's correct.

**Mrs. Taillieu:** This is a significant, I would say, amount of money for a system, for a financial–student financial aid information system. Is this been a tendered contract then?

**Ms. McGifford:** Yes, it has been a tendered contract.

**Mrs. Taillieu:** And the contract was awarded to whom?

**Ms. McGifford:** The contract was awarded to Deloitte and Touche.

**Mrs. Taillieu:** Were they the lowest bidder?

**Ms. McGifford:** Yeah, our understanding, Mr. Chair, is that Deloitte and Touche were the lowest bidder.

**Mrs. Taillieu:** Can the minister indicate what contracts her department may have with EDS Canada?

**Ms. McGifford:** Yes, I understand that government has a contract with EDS, who was bought out by Hewlett-Packard.

**Mr. Chairperson:** Continue.

**Ms. McGifford:** I might point out to the member that the student financial assistant–student financial assistance information system is separate from this one. They're not related.

**Mrs. Taillieu:** I didn't say that they were related. I was just simply asking another question because it's an item in the Public Accounts listing for Advanced Education and Literacy, saying that there was an amount paid to EDS Canada of \$6,609. So I'm just curious what that was for.

**Ms. McGifford:** We'll have to locate that information for the member. It was \$6,000–

**Mrs. Taillieu:** Six thousand, six hundred and nine.

**Ms. McGifford:** Mr. Chairperson, \$6,609. Well, we'll locate that information and it'll be part of the information that we give to the member in due course as soon as we have it.

**Mrs. Taillieu:** Okay.

**Mr. Chairperson:** Continue.

**Ms. McGifford:** I was–if the member is looking at '08-09, of course she can ask us any question she wants, but we don't really have our '08-09 information here. We have our '09-10 financial

information here. *[interjection]* Oh, just now I'm told–*[interjection]*–'10-11 Estimates.

**Mrs. Taillieu:** Yeah, I realize that, but there's still some expenditures within the Public Accounts that fall within the department, and it just helps to understand what some of the expenses are within the department, because it really doesn't explain, it just–it's a line item.

**Ms. McGifford:** And I do welcome the member to ask these questions, and we will keep account of them and then we will get the information for her.

**Mrs. Taillieu:** There's just a couple more in here I'm curious about. And there's a number of banking institutions that have been paid through the Advanced Education and Literacy Department. I guess I'm assuming that this would be an ongoing thing; it wouldn't be just something that happens once.

But there's–to the Canadian Imperial Bank of Commerce in Mississauga, Ontario there's \$30,350 paid; Credit Union Central of Manitoba, \$234,774 paid; National Bank of Canada purchasing card, total \$9,117; Royal Bank of Canada, Regina, Saskatchewan, \$119,484.

I'm wondering what these payments to these various financial institutions are for.

**Ms. McGifford:** The Credit Union Central is definitely related to Student Aid. They administer the collection of the Student Aid dollars. We suspect that the other amounts that the–and the other institutions that the member has mentioned are also related to student loans because–or Student Aid because, at one point, they were administered through banks, the member might remember. Or I don't know whether they were administered–the loans were taken from banks, and students paid back the banks. So we think that's a remnant of those–of that era. But we've–you have read–the member has read all the information, all her questions into *Hansard*, so we will study *Hansard* and get the specific information back to the member.

**Mrs. Taillieu:** Thanks very much. I just wanted to talk a little bit about the funding to the universities and I know that the minister recently announced Project Domino at the University of Manitoba. I just wanted to confirm, then, I think that she indicated there was a \$47 million expended on that project. Is that for this year or is it for a number of years and how many years is the project ongoing?

**Ms. McGifford:** And—it is spread over a number of years, a little bit last year, some this year and some next year. It's—I'm understanding that it's as the project proceeds, and as the funds are required, then government provides the funds to the institution.

So that last Monday, for example, we, the Premier (Mr. Selinger) and I together, with officials at the university, announced Pembina Hall, which is the new student residence. And so the—so that would—so Pembina Hall is the first domino, if you wish, to go up as opposed to fall, so—but it's setting the motion—it's setting the whole process in motion.

**Mrs. Taillieu:** So was that the—was the \$47 million, then, for that particular building?

**Ms. McGifford:** No. The 47 million wasn't for that building. In fact, Advanced Education does not invest in student residences. The Premier and I were invited by the president of the university because Pembina Hall was the linchpin in starting the whole process and because government is so heavily involved in funding Project Domino, not because we're funding Pembina Hall. In fact, universities operate their residence—or at least we encourage them to, on a break-even process.

\* (11:10)

**Mrs. Taillieu:** Well, is the minister saying then that the—where exactly is the \$47 million coming from and where's it going to?

**Ms. McGifford:** Well, the \$47 million is part of—is government—is part of the government capital program, and it will be provided to various Domino projects—or various parts of the Domino project at University of Manitoba. I think I have a list here. For example, the renovation of Taché Residence to become the Faculty of Music, School of Art, and components of the CMAD project, that the total cost is 40—is \$54 million for that project, but government is providing a part of it. The renovation of the Fitzgerald Building to become the Faculty of Graduate Studies, the total cost is \$7 million and we're providing a part of it.

So I could go on, because the—University of Manitoba reports—but I think this has changed—that the total cost of Project Domino is \$109.3 million, of which 47 comes from government and 62.3 is—comes from other sources. So the university will look after the remainder. We're providing the 47 million. Anything above it, they pay, and I—and, of course, they're very successful fundraisers.

**Mrs. Taillieu:** I'm wondering again, then, is this the actual amount or is it include interest and carrying charges over a term period?

**Ms. McGifford:** This is the actual amount, the capital amount. Any interest that accrues as a result of the Project Domino will be the responsibility of the University of Manitoba.

**Mrs. Taillieu:** I believe that the minister indicated the total amount would—that would be contributed by the government was 109.3 million?

**Ms. McGifford:** No, the 109 million was what the university said was the total for Project Domino. The government's contribution is the 47 million.

**Mrs. Taillieu:** Thanks for that clarification.

I am somewhat concerned about the universities' plight right now, University of Manitoba, University of Winnipeg and some of their—they've indicated they have some shortfalls in their operating funds, and they feel that they're underfunded in terms of other similar colleges across Canada. In fact, I'm quite concerned when the Asper School of Business says that if they don't raise their fees they won't be competitive with other similar-like colleges in Canada, or universities in Canada, and that the devalue of their degrees could be perceived as less and they could have trouble renewing their accreditation.

I'm concerned about the situation at the universities because, of late, they appear to have some funding shortfalls, which is eating into what they can provide in terms of the best quality education to students, and some of them have even gone as far as to say that they may have to look at operating with less staff.

So what plans does the minister have to address this funding—shortfalls in the universities and colleges?

**Ms. McGifford:** Well, I thank the member for her question. You know, one of the things that has been my experience of—as the Minister of Advanced Education and in conversations with ministers over the years across the country, they tell me their experience has been similar, and that is: I've never met a university president yet who says, I have too much money, please take back some.

So I think the story is that we all manage with—it's the responsibility of the institution to manage their institution with the amount of—with the funding that government provides. Our increases to funding

at the University of Manitoba have been extremely generous over the years.

I know the member has heard me point out in the House when we've been—when I've been answering questions that the increase to post-secondary education during our term in government has been 80.4 percent, which is a pretty handsome increase. And the member's also heard me point out that during the '90s, the increase to post-secondary education was 16 percent. So I'm pretty pleased with what we've been able to do.

Could the universities and colleges do more with more? We can all do more with more. I mean, we all run households, which in some ways are analogous to running an institution. We all do it on the dollars we get or else end up in hot water, so to speak.

So, I'm very proud of the work we've been able to do. I do want to point out to the member that there—we are in a—there is a financial—I don't know whether to use their word "crisis"—but tempest? Maybe that's even worse than crisis, I don't know—and institutions across the country are dealing with serious issues. I know at the school of medicine in—at the University of Calgary, for example, they've made a decision to cut—is it 40?—medical spaces. So, you know, it isn't—so schools across the country are in difficulties.

The member may wish to tune in to a daily—I don't know what to call it—a daily newsletter by Ken Steele. I read it every morning and I think my staff do; it becomes kind of addictive. It's called Ken Steele's 10 education stories, and if the member reads Ken Steele, she'll find that any crisis that we're having in Manitoba is probably more severe in other areas across the country.

So I think that, as a former academic, as a person who's very interested in post-secondary education, we can always do more. We're doing what we can and I think we've done some extremely good work. The kinds of capital investments have been really, really significant. I was at University of Manitoba on Monday, as I told the member, making the announcement with the Premier (Mr. Selinger), took the opportunity to have a short tour to see some of the new buildings, and there's activity, there's building going on and the campus is being transformed, and I think it's pretty spectacular. So that's my answer.

**Mrs. Taillieu:** Well, I think if universities are told they must find what they can in their budgets and

live within their means, I mean, they don't have any recourse but to do that, unlike a government, I guess, who can change the legislation, but we'll see how that one goes.

Couple more questions. I noticed that Dr. Barnard has indicated they have a \$56-million shortfall at the University of Manitoba, so they're going to be hard pressed to come up with that money, but I suppose if the minister is telling them they have to do what they have to do, I guess that they will.

I just haven't asked my question yet because I haven't found the—what I'm looking for. I know it's right near the front.

\* (11:20)

I recently sent a FIPPA asking for a breakdown of travel and hospitality expenses for the 2008-2009 fiscal year at the University College of the North, because it appeared that it was a—quite a high amount, that their travel and hospitality budget for the one year was \$1,524,374, so we had asked for a breakdown. And the reply that came back is: No, we won't give you that breakdown because it was going to cost \$12,175 to provide that information.

I'm quite curious as to—you know, I would think that when you're taking a look at any kind of travel expenses or hospitality expenses in any expenditure in any university or college that that would be carefully monitored and there would be quite good documentation because, as we all know, if we have to get reimbursed for something, you have to submit bills and—to be reimbursed for travel or hospitality.

So to say that it's not available and if it is available it's going to cost \$12,175 to get the information really does not make a lot of sense to me, because I would think that this would be information that would be available. And I'm wondering if—why the minister wouldn't want to provide that information.

**Ms. McGifford:** Just to clarify, I believe the FIPPA was—came to our department originally, and then we referred the member to the University College of the North because, of course, we don't run the hospitality and travel budget for the University College of the North; they do that. They are an autonomous body that's legislated that way.

So I don't know if I—so perhaps the member could provide some clarification. Was it the University College of the North who responded?

**Mrs. Taillieu:** Well, the response was that it was denied. And I guess I'm asking the minister because she does oversee the funding for all of the universities and colleges, so I think it would be something that she would, herself, within her own department, be having an eye on where the money was flowing in and out of, so.

I'm just curious as to why it would cost \$12,175 to provide the information.

**Ms. McGifford:** I think, again, it's a question for the University College of the North. I understand that this response was from the University College of the North. I encourage the member to pursue this matter with the University College of the North.

We don't get to get monitor the funds. We're not the administrators of the University College of the North.

**Mrs. Taillieu:** Who provides the funding to university colleges, not just University College of the North. I'll ask: Who provides the funding to University College of the North and then, in general, to universities and colleges?

**Ms. McGifford:** The money to—from the university—to University College of the North comes from the Council on Post-Secondary Education. The institutions are audited. There's oversight. COPSE has oversight responsibilities for the institutions.

**Mrs. Taillieu:** Then there must be some accountability, then, for the money that flows out to the institutes, the post-secondary institutions, for the money that is spent. I would—maybe I'm assuming incorrectly that there would be some accounting for the money spent in various things.

And, you know, travel and hospitality, I mean, it's something that should be—it's fairly significant; it's \$1.5 million.

**Ms. McGifford:** As with other jurisdictions across Canada, there is monitoring. It's at a high level. There is an audit. There have been no irregularities in any of the audits that we've received for University College of the North. I do urge the member to understand that the travel budget at University College of the North does—may be high or appear to be high, but I think the member has to understand the costs of travelling to the north are quite staggering.

And the University College of the North, for example, has frequently to come down south for meetings. We have to go up north for meetings. So

it—their travel costs are probably proportionately—and this is just a guess—but they're proportionately—are probably more than they would be for University of Manitoba because they do travel so much more. And they have 12 regional centres in the far north that they do have to travel to, and travel is very complex in the north. So I—it is not surprising that the costs may be high because they are.

**Mrs. Taillieu:** Well, you know, I think that the minister's protesting a bit too much. I'm simply asking why we can't get the information and why it's going to cost \$12,000? Can't she just, you know, ask them to provide the information or can't COPSE provide—ask them to provide the information? Do we have to go to the Ombudsman?

**Ms. McGifford:** Yes, I am told that COPSE doesn't have that information, and the information that the member is requiring is third-party member—is third-party information that has to come directly from the source. So, once again, I do urge her to continue her communication with University College of the North.

**Mrs. Taillieu:** Okay, well, thank you. They've indicated that it's a \$12,000 cost and, you know, I don't have that kind of money to spend. So I'm going to have to ask the Ombudsman to—for a ruling on that but, anyway, I will pursue that.

I wanted to ask a few questions in regard to the income tax credit rebate because I know that income tax credit rebates haven't really had much of an uptake. And the minister indicated last year that it's not an access strategy; it's a retention strategy to keep people, I guess, within the province after they graduate. But first of all I'd like to just ask: How many students took advantage of the tax rebate last year?

**Ms. McGifford:** This program is run through the Department of Finance, not through our department, so these questions need to be asked of the Minister of Finance (Ms. Wowchuk). So we don't have the number. I—just anecdotally, I can tell the member that I know that there is an increased number of students this year over the year before, but for specific information I refer the member to the Minister of Finance.

**Mrs. Taillieu:** Well, is this something that's just moved this year, because this was explored in Estimates last year? And I note that the minister did say last year that students didn't particularly like tax

credits and then announced a more—amendments to tax credits this year.

So I'm just curious as to—if this is something that she doesn't think is working, I'm wondering if there isn't a better strategy here, if there's no uptake. But is this something that's just been moved, then, to the Department of Finance because she did answer questions on it last year.

**Ms. McGifford:** Well, I believe—no, it hasn't just been moved. It was—has always been with the Department of Finance. Last year I probably answered the same kind of high-level question that I'm asking now—that I'm answering now, that is, I didn't have highly specific information to give, or if I did, somebody from Finance had given it to me. But it has always been a program in Finance.

If students want to have the money in September—that's what students really want, but that's not the way we had made our—that's not the way the Minister of Finance made—it's not the way the Minister of Finance designed the program to run so—but for specific questions as to numbers, as to amounts paid out, I refer the member to the Minister of Finance. That's where the information is.

\* (11:30)

**Mrs. Taillieu:** Not specifically related to finance, then, is there any—can the minister indicate if there's been an increase in the number of students, of the retention, as she put it, because of this strategy? Has that been tracked?

**Ms. McGifford:** Yes. That would be tracked by Finance, and so I refer the member to the Minister of Finance. As I told the member, anecdotally, I understand that the numbers of students applying have increased. The number has increased. But I think for specific information the member will have to—well, I know will have to contact the Finance Minister.

**Mrs. Taillieu:** On page 27 of the Estimates book, I just was curious, at the bottom of the page there's a note, and it says: International Education was transferred from the Department of Entrepreneurship, Training and Trade as part of an in-year reorganization. Can you just explain that?

**Ms. McGifford:** Well, it's exactly what it says. The Premier transferred International Education to our department in, I believe, it was November, and it's in our department.

Even—I should point out to the member that when it was with the Department of Entrepreneurship, Training and Trade we worked very closely with International Education because of my being the Advanced Education Minister, and International Education when it was in Entrepreneurship, Training and Trade also worked very closely with the other Department of Education. So we've always worked very closely. The Premier made a decision to transfer it to our department.

**Mrs. Taillieu:** Yeah, there's two people employed here and the total budget for this area is \$506,000. What—well, total salaries and employee benefits and other expenditures totals \$506,000, and I'm wondering what increase in the number of international learners' projects, contracts and exchanges there have been.

**Ms. McGifford:** I'm—I just want to correct the record. The total salaries and employee benefits for the International branch is \$174,000, and the total other expenditures are 158 for a total of 332. The member will notice that there is a slight decrease from the previous year in expenditures.

**Mrs. Taillieu:** Yes. You're right, that's correct.

I'm just curious as to, I guess, what the—you know, when you look at the expected results, increase in the number of international learners, if this has been accomplished?

**Ms. McGifford:** We don't have the numbers for '10-11, but I can assure the member that we are increasing the numbers of international students in Manitoba, and we're also increasing the numbers of students from K to 12, as well as the numbers in universities and colleges. At the K to 12 level, and I shouldn't really—I'll just say this very quickly. At the K to 12 level we also have run schools using the Manitoba curriculum at various locations globally. I think recently a school has opened in Egypt, for example. I know there's one or two in China and one—I really don't have the exact locations, but I'm just saying that we deliver programs from the K to 12 both away and here. And, indeed, many professors and college professionals do go away and work internationally. Some—there's a very famous project in India where officials from the—not officials—where professors from the University of Manitoba are doing research on HIV/AIDS, for example.

I just have—I've just been given some information on international students. So in 1999 at

the—and I'm only speaking of universities, that is, University of Manitoba, University of Winnipeg, Brandon University and St. Boniface College, there was a total of 726 undergraduate international students, and in '08-09, there were 2,307. So that's an increase of 217.8 percent. So the international branch is certainly doing its work.

While I am speaking, I think there was an estimate, and I believe this was from Stats Canada—I know my deputy will correct me if I am misspeaking—that the contribution to the GDP from international education in Manitoba was over 90 million. And I think the figure was 93 million or 90–93 million, but it might have—it was in the mid-'90s. So it's—international students are valuable for a whole host of reasons. One of them is the contribution they make to the economy; another is the contribution they make culturally, the contribution they make educationally. And the member probably knows that international students sometimes choose to stay in Manitoba and live here and raise their families. So it's not only a contribution, an economic contribution, at—during the time of their education, but one of great longevity.

**Mrs. Taillieu:** Thanks very much. I'm looking at my time, and, gosh, still a lot of questions. So I'm going to have to try and move on a bit here, but I'm just interested in the capital supports that are being made at the Assiniboine Community College in Brandon. And there's been some controversy over the relocation and whether the building that they're going to be moving into is going to be large enough and is going to be able to be equipped with the state-of-the-art equipment that will be needed in the heavy-industry department there.

Can the minister indicate if—is there a plan to relocate the whole college to the new site, or is some of it going to stay on the present site?

**Ms. McGifford:** Well, as the member knows, there's three phases. Phase 1 was the opening of the Culinary Arts centre which was, oh, a couple of years ago; and phase 2 is the Len Evans Centre, which the member has made reference to; and then phase 3 is a future phase.

But to answer the question, the overarching plan is eventually the entire ACC will be moved to the site.

**Mrs. Taillieu:** Can the minister indicate if the Len Evans Centre was—has been scaled back from the original project?

\* (11:40)

**Ms. McGifford:** Well, Len Evans is bigger than what currently exists—or was the member saying, was the Len Evans supposed to be a certain size, and it's smaller than it was originally designed to be?

**Mrs. Taillieu:** Yes, my question is, is it smaller, has it been built smaller than it was intended originally to be built?

**Ms. McGifford:** The Len Evans Centre will be the size that it was agreed upon when it was planned. So, no, it hasn't. There wasn't an original plan that was revised.

**Mrs. Taillieu:** Has there been a decrease or an increase in the funding now for that centre as opposed to the original proposed funding?

**Ms. McGifford:** I'm told that the Len Evans Centre is—will be approximately 45 million.

**Mrs. Taillieu:** Can the minister indicate, was that the original amount announced for the project?

**Ms. McGifford:** I understand that, several years ago, there was a notional number of 25, about—was it 25? [*interjection*] In mid-20s. And that, of course, once it—once the planning, et cetera, was completed, the building is considerably more than that notional figure.

**Mrs. Taillieu:** And what constituted that increase in funding? What was that the result of?

**Ms. McGifford:** Well, the main reason for the increase was the increased construction cost. But I do want to emphasize that the original number was not a refined number, and the current one is, obviously, refined, because it's right there in bricks and mortar.

**Mrs. Taillieu:** Yes, I've got still a few questions. Can the minister tell me—the University College of the North, are they—do they grant their own degrees or are those degrees granted from another university?

**Ms. McGifford:** The University College of the North does grant its own degrees. If—the member may be thinking of the fact that the University of Manitoba, for example, runs a social work program in the—in Thompson. And so students who are enrolled in that program at present would get their degree from the University of Manitoba, because it's a University of Manitoba degree.

**Mrs. Taillieu:** So, just to clarify then, there'd be some programs run at the University College of the North that would be University of Manitoba

programs, and they would have degrees granted there. Are there any other accrediting bodies associated with the University College of the North then?

**Ms. McGifford:** Mr. Chairperson, there may be programs that take place in the University College of the North, but they're run by the University of Manitoba. Campus Manitoba also has a presence there, and Campus Manitoba degrees are—can be any of the institutions that comprise Campus Manitoba.

So I imagine if the University College of the North is housing—well, is housing Manitoba degrees, then the University of Manitoba is paying rent for their—for the course.

Mr. Chair, I just—I do want to add that there are, in Manitoba, as in other jurisdictions, there are agreements between institutions and—for example, there's—I think of an agreement between the University of Manitoba and Red River College, where a student can get a degree in engineering at Red River and then transfer those credits to the University of Manitoba.

So we do—the Council on Post-Secondary Education does encourage co-operative relationships and articulations and ladderings because it's, obviously, productive for the system and good for students.

**Mrs. Taillieu:** Is the University College of the North accredited then?

**Ms. McGifford:** There is no accreditation for universities. Now, what is that—*[interjection]* Yes, there's the AUCC, Association of Universities and Colleges of Canada to which institutions may seek membership. It's not an accrediting body, although I think institutions like to become members. It's—see it as a feather in their cap to become members of the AUCC.

Originally—recently the Canadian Mennonite University, for example, received AUCC membership.

There's a number of criteria to be met. One of them is to have—is size. One of them is the number of years that you've been in the business, so to speak. They like you to be bicameral, that is, have senate. They like—there's some consideration as to library holdings.

I'm sure that the University College of the North will be very interested in applying for membership in

AUCC and that that will come probably in the not-too-distant future.

But that isn't accreditation. It's the legislation from government that allows the University College of the North to grant degrees, obviously to students who've completed the requirements for degrees.

**Mrs. Taillieu:** I take it from that answer, then, that they are not part of this—I'm not sure exactly the acronym you used there, but they're not part of that body?

**Ms. McGifford:** It's AUCC or the Association of Universities and Colleges of Canada.

No, they don't—they haven't sought—they're not members because they haven't sought membership in the AUCC, as of yet.

Our understanding is that they're very interested in membership, and they will be going forward on seeking membership.

**Mrs. Taillieu:** Are the other colleges, like Red River College and Assiniboine Community College, are they members of AUCC?

**Ms. McGifford:** No, the AUCC is only universities. The college board—the college membership is ACCC, Association of Canadian Community Colleges. So, Red River, ACC, are members of the ACCC.

**Mrs. Taillieu:** I just want to ask a few questions on adult learning centres.

Last year, the minister indicated that there would be a review conducted of adult learning centres, and I'm just wondering if that's been done.

\* (11:50)

**Ms. McGifford:** The review of adult learning centres is in process. The member might remember, it was a result of a recommendation from the Levin Commission, so it's in process as we—it's in process right now.

**Mrs. Taillieu:** Can the minister indicate when she expects to get that report and whether it will be made public?

**Ms. McGifford:** It's internal to the department review and it's not expected to be made public.

**Mrs. Taillieu:** Well, I'm intrigued by that. I'm wondering why it wouldn't be just public, if there's a review done. You know, it seems that it would be public information, publicly funded learning centres. Why wouldn't it be public?

**Ms. McGifford:** At this time, it's a review of the branch and its internal processes. It isn't really a review of the adult learning centres themselves. We do, of course, share information on the results of adult learning. I think we have numbers of graduates, numbers of course registrants and there's an annual report. I believe the report is tabled. I'm sure the member has one.

**Mrs. Taillieu:** I'm just wondering about enrolments, the enrolment numbers at adult learning centres. Are the enrolment numbers based on intake at a certain date or based on enrolment for the year, or how do those numbers get determined?

**Ms. McGifford:** I'm informed that we report enrolment for the year.

**Mrs. Taillieu:** So, then, if there was a number of—say there was 10 students enrolled in September, and they'd all dropped out by the end of the year, would the enrolment be 10 or zero?

**Ms. McGifford:** It would be 10 because it's not completion. It's numbers enrolled, but we also, I believe, collect information on completions, and I have it right here. So for—would the member like me to give her—point out some information or is the member going to—? Yes.

**Mrs. Taillieu:** If you have that information, sure.

**Ms. McGifford:** Well, for example, the number of learners enrolled in '08-09 was 8,056. The number of post-diploma course registrations was 2,886, and, let's see, what—the number of graduates was 1,231, and the number of Aboriginal graduates, which we're very proud of, was 435, so about a third of the total number of graduates. Credits completed: 10,703 courses and 9,616.5 credits so—yes, so we have various kinds of statistical information, and it is in the annual report.

**Mrs. Taillieu:** I'm curious, then, what is the funding model? Is the funding for each adult learning centre, then, based on the enrolment or the graduates or how does that—what is the funding based on?

**Ms. McGifford:** Well, there are a number of criteria and we're just—Lynette Plett from adult education and learning is composing a list that I can share with the member.

But the primary considerations are neither numbers enrolled, nor numbers graduate. They may be considerations, but there are a number of other considerations which we are—would the member like

them now or would the member like—prefer that we forward them to her at a later date?

**Mrs. Taillieu:** Yes, I don't mind if you want to forward that information if it's lengthy.

I am—I'm really just trying to determine—when you've got approximately 8,000 students enrolled at a centre and then, at the end of that, you see about 1,200 graduating, then I'm just wondering, just trying to equate the amount of money expended in a program or in an adult learning centre; the expectation is that there'd be more graduates. And if there aren't, if the money is sort of flowing with the number of students that are enrolled and those are decreased and then, over time, there's—I'm just trying to follow the flow of the money in terms of the students.

**Ms. McGifford:** Well, there's a number of considerations. First of all, a student may take more than one year to graduate. Secondly, not all students attend an adult learning centre to graduate. They may only want some specific courses that are necessary for employment. So the connection between the numbers enrolled and the numbers who graduate in that year need—there isn't a—necessarily a logical connection between the two.

**Mrs. Taillieu:** Does each adult learning centre have to be associated with another—or affiliated with another accrediting body like a school division or a school or—?

**Ms. McGifford:** Adult learning centres are required to be affiliated with another learning—with a school division or a college. However, after five years, an adult learning centre can apply for stand-alone status, and there are a very few that have stand-alone status.

I believe—if the member would like the numbers, we can find them. Peguis, I think, is one of them, and I know there's one other reserve community with a stand-alone status. But they're very few.

**Mrs. Taillieu:** What criteria, then, would be necessary to acquire a stand-alone status?

**Ms. McGifford:** Well, it really boils down to their being able to sustain themselves financially and being able to deliver a quality program.

**Mrs. Taillieu:** Do the adult learning centres then sustain themselves financially or do they get operating money through the department of adult education—or, I'm sorry, Advanced Education?

\* (12:00)

**Ms. McGifford:** We're just doing some checking on it, but the First Nations ones, basically, are responsible. I think there's one on-reserve adult learning centre that we fund and that has been historical. *[interjection]* Oh, it's on reserve land in Portage. It's an anomaly.

**Mrs. Taillieu:** I'm sorry, I didn't hear where that one was.

**Ms. McGifford:** In—it's in Portage la Prairie, on reserve land in Portage la Prairie, Long Plains.

**Mrs. Taillieu:** The funding, then, that flows to adult learning centres—and I believe there's something like 46 in the province—does that—now, if—my understanding is that these adult learning centres, to grant a high school diploma, would need to be associated with a high school or a school division.

So I'm wondering, then, does the funding flow through the school division or the school that they're associated with, or does it flow directly to the adult learning centre?

**Ms. McGifford:** It depends on the nature of the partnership. Indeed, it can go either directly to the adult learning centre, or it can go through the institution which—with which the adult learning centre is affiliated.

So it depends on the partnership agreement between the adult learning centre and the institution with which it's affiliated.

**Mrs. Taillieu:** What department within the Department of Advanced Education, then, would allocate the funding to the adult learning centres?

**Ms. McGifford:** It's Adult Learning and Literacy that allocates the funding.

**Mrs. Taillieu:** And is there a standard across the province, then, to—that's in place that would be the standard that students would have to meet to get their high school diploma?

**Ms. McGifford:** I understood—I understand that the standards are set by the Department of Education and that they're the same as those for a high school student who graduates.

Perhaps I could just tell the member that we have done some checking and that there are three stand-alones in the province.

**Mrs. Taillieu:** And just to clarify, did the minister say that those three stand-alones don't receive money from Advanced Learning and Literacy and that they

fund their own adult learning centres? Is that what she said?

**Ms. McGifford:** I just want to correct the record. There's four in—stand-alones. They're the Peguis, Yellowquill—the Yellowquill—there's only—oh, Peguis is one. Yellowquill Aboriginal Community Campus is one and JobWORKS. There's only three. *[interjection]*

Oh, I'm sorry, I thought it was the Yellowquill Aboriginal Community Campus. It's Yellowquill is one, and then the Aboriginal Community Campus is another one, and then there's JobWORKS.

And the question—the member asked a question about do these centres receive funding from adult learning, and the answer is—and except for Peguis, the other three receive funding; Peguis does not.

But we recognize Peguis; we have a relationship with Peguis. They're a registered adult learning centre.

**Mrs. Taillieu:** I know I'm jumping around a little bit here, but, actually, I thought I had till 12 and then I realized I have till 12:30. I was trying to rush, and now I can go back to some other questions.

Last year the minister indicated that there was a \$40 million in deferred maintenance. It was going to be spread over two years. So I'm thinking that that means this year as well. So what is a deferred maintenance—what amount is there in deferred maintenance for universities this year? Deferred maintenance costs.

**Ms. McGifford:** Yes, I understand the \$40 million is being spread over three years: last year, this year and next year. And we are looking for further information, if the member wishes, as to exactly how much is being expended this year.

**Mrs. Taillieu:** Maybe we can have some clarification on that because I—it's sort of unclear to me because last year it said it was going to be spread over two years, and so—then it was said that it was spread over four years.

And so it was going to be spread over two years, and then it was already spread over two years. So now she's saying it's spread—now you're saying it's spread over three years?

**Ms. McGifford:** It's being spread over a third year. Decision was made to spread it over a third so that we can work in conjunction with the institutions.

**Mrs. Taillieu:** Does that mean that they're going to be getting less each year then? Forty million was going to go over two years; now it's going to have to go over three years. So there's going to be less money for them. Is that how that works?

**Ms. McGifford:** No. No, that's not how it works. It was a \$40-million agreement and it remains a \$40-million agreement for these particular projects that the \$40 million is directed to.

**Mrs. Taillieu:** Can the minister indicate, then what projects the \$40 million is directed to?

**Ms. McGifford:** It's a very long list of projects. We could certainly send it to the member.

If I might add—it's a long list because some of them are smaller and some of them are larger. I can see it's pages long and you probably don't want to take the time right now for me to read it into the record.

Perhaps I could just provide an—I'll provide a couple of examples. For example, the Brodie caulking of building exteriors, and I'm rather—there's \$180,000 for that, so. The Education building air conditioner compressor; there's \$141.6 thousand for that. So I'm sure you don't want me to read this.

**Mrs. Taillieu:** No, that's fine, if she'd just provide that, that's fine. I can just look it over later.

I just have another question then. Just going back in the Estimates book again, on page 37 and page 36, I guess, for the Post-Secondary Strategic Initiatives Fund. I know that there's been no change in this fund but I'm just curious as to what this fund is for and what it does and what the results of this fund are.

\* (12:10)

**Ms. McGifford:** Mr. Chair, the Strategic Initiatives Fund is for new programs, as I understand it, and I know that the secretary will correct me if I report inaccurately. Institutions come to the Council on Post-Secondary Education with their priority list for programs, and then the Council is charged with the responsibility of deciding which programs to fund. And so you can see the objectives under the post-secondary education strategic fund. The objectives indicate the kinds of things that are—some of the things that are considered—the things that are considered when making decisions on—as to which programs to fund.

**Mrs. Taillieu:** Is there somewhere where these projects or initiatives are listed so that it's more transparent as to who receives what money?

**Ms. McGifford:** Yes, we can certainly provide a list for the member.

**Mrs. Taillieu:** I'm just curious on the Council—the Council on Post-Secondary Education has the responsibility of allocating financial resources. University operating grants looks like they have the same kind of—there's a number of departments that seem to oversee similar—*[interjection]* Sorry. I'm looking at page 32, Council on Post-Secondary Education—and the university operating grants, Post-Secondary Strategic Initiative Funds, College Grants—it's all that has to do with the flow of money to the post-secondary education.

So I'm just wondering, how come there's so many different people that are in charge of doling out the money to different organizations? Like, I'm wondering why it sort of wouldn't be under one department.

**Ms. McGifford:** It is all under the Council on Post-Secondary Education. It's just that there is different appropriations so that the university operating grants is part of the work of the Council on Post-Secondary Education and the Post-Secondary Education Strategic Initiative Funds and the college grants. They're all subappropriations, and the College Expansion Initiative—it would be perhaps clearer for the member if she looked at page 31 and that chunk beginning with the Council on Post-Secondary Education. That's all part of the responsibility of the Council on Post-Secondary Education.

**Mrs. Taillieu:** Okay, then, just to clarify, then. All of the—it is condensed, then, with the staff and expenditures all within that area.

So there's not separate departments that have separate staff or offices or anything like that. It's all the same?

**Ms. McGifford:** That's exactly right, and the numbers of staff are under appropriation 42-2(a). You can see there's—if you look at page 33, the member will see that there's 14 staff persons.

Mr. Chair if the member would like, I do have the criteria for funding adult learning centres. Would the member like me to read these into the record?

**Mrs. Taillieu:** Is it lengthy? Because we're just about out of time. So—

**Ms. McGifford:** It's not terribly lengthy.

**Mrs. Taillieu:** Okay. Go ahead.

**Ms. McGifford:** The funding criteria ALCs are determined—is determined annually. It's based on compliance with the ALC legislation, accountability reports, applications for renewal of funding and registration, and formal site visits. And it includes also—the criteria include also analysis of accountability reports, statistics, enrolments, course completions and financial statements, analysis of program plan and effectiveness of program, adherence to adult education principles, and the geographic and local factors. So that would be whether there is one next door kind of, eh?

**Mrs. Taillieu:** And I just have a few more questions and they are from the Public Accounts, so the member—the minister may want to just take it under advisement. But I do want to—I am curious as to what the expenditures are with her—in her department for some of these things.

And I notice that there's an expenditure here for Victor Mager adult literacy program of \$111,000. I didn't see in the Public Accounts any other specific—and I think that sounds like a community to me or a community club or a community, so I'm just wondering what that is. I didn't see any other similar one, so.

**Ms. McGifford:** Well, Victor Mager, it's an adult learning and literacy centre funded by our department, and so the funds that the member mentioned are funding.

**Mrs. Taillieu:** Okay, thanks. I didn't recognize that as an adult learning centre.

**Ms. McGifford:** I believe it's in St. Vital. *[interjection]* Oh, sorry, it's an adult literacy program; it's not an adult learning program—centre.

**Mrs. Taillieu:** So who runs the adult literacy program, then, at Victor Mager?

**Ms. McGifford:** I don't believe we have the name of the individual who runs the—we don't have it here. I remember meeting with the person and her name eludes me.

But I think we have the official title of this program. It is the Victor Mager Adult Education and Training Centre.

**Mrs. Taillieu:** Are there similar learning and training centres, then, in other communities throughout the province?

**Ms. McGifford:** Yes.

**Mrs. Taillieu:** Could you provide me with a number and perhaps at a later time give me the names of them? I just want to clarify that, the literacy programs that are funded through adult education.

**Ms. McGifford:** We can find you the number—we can provide you with a list and I think we can provide you with the number, probably right now almost. Thirty-eight agencies receive funding for adult literacy.

**Mrs. Taillieu:** Is there criteria, then, for these agencies to receive funding, and do any of them receive funding for any—from any other departments?

**Ms. McGifford:** There is criteria. It's very similar to that of ALCs, adult learning centres, because, as the member knows, we haven't—we now have an adult literacy act. I'm assuming that some of them might receive funding from other sources. *[interjection]* Yes, I'm advised that's correct.

\* (12:20)

The member may be interested in knowing that some of the adult literacy centres and this may be—some of the adult literacy centres receive funding from granting agencies like the Winnipeg Foundation, for example, and I mention the foundation because I know that Rick Frost, the executive director, is particularly interested in literacy.

**Mrs. Taillieu:** That's interesting. I just note that the Winnipeg Foundation received \$202,938 from the Department of Adult—I'm sorry, Advanced Education and Literacy. What would that be for?

**Ms. McGifford:** Yes, 100,000 was the commitment towards the rural bursary. The member asked me a question about why there was the decrease in student aid and I cited \$100,000 had been—had decreased by \$100,000 because we had reached a commitment and that \$100,000 that the member is now citing is part of that 100,000. And the other 100,000? It might be two years in a row. It might be—you may have two years' worth of—I think we did it for four years—five years—so, altogether, they would have received \$500,000 from us.

I'm not aware that the Department of Advanced Education—it must be part of that particular bursary allotment because—commitment—because we—I'm quite sure we haven't given anything else to the Winnipeg Foundation.

**Mrs. Taillieu:** Yeah—no, I was just noting that that's the amount that was designated in the Public Accounts book. Anyway, I guess, at this point, we're about ready to pass the Estimates, go line by line.

**Mr. Chairperson:** Hearing no further questions, we'll now proceed to consideration of the resolutions relevant to this department.

The first resolution we will now call is 44.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$555,602,000 for Advanced Education and Literacy, Support for Universities and Colleges, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Resolution 44.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$34,149,000 for Advanced Education and Literacy, Manitoba Student Aid, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Resolution 44.4: RESOLVED that there be granted to Her Majesty a sum not exceeding 1—no, sorry—\$21,284,000 for Advanced Education and Literacy, Adult Learning and Literacy, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Resolution 44.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,196,000 for Advanced Education and Literacy, Capital Grants, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Resolution 44.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$589,000 for Advanced Education and Literacy, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Resolution 44.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,162,000 for Advanced Education and Literacy, Capital Assets, for the fiscal year ending March 31st, 2011.

**Resolution agreed to.**

Last item to be considered for the Estimates for this department is item 44.1.(a) the Minister's Salary, contained in resolution 44.1.

We will pause briefly while the hardworking minister's staff vacate the head table. Thanks to you all.

The floor is open to questions, if any, comments on Minister's Salary.

**Ms. McGifford:** I move that item 44.1.(a) Minister's Salary be reduced by 20 percent, or \$9,000, to \$37,000.

**Mr. Chairperson:** It has been moved by the honourable minister that item 44.1.(a) Minister's Salary be reduced by 20 percent, or \$9,000, to \$37,000. The motion is in order. Any comments on the motion, any questions?

**Ms. McGifford:** Yes, I just want to say that I've put forward this motion to provide additional clarity. As members are aware, there is—this reduction is already in effect and legislation will be brought forward to make this reduction law.

**Mr. Chairperson:** Thank you for that comment.

Is the committee ready for the question?

**An Honourable Member:** Question.

**Mr. Chairperson:** All in favour of the motion as proposed, say aye.

**Some Honourable Members:** Aye.

**Mr. Chairperson:** Motion carried.

The—we will now read the revised resolution 44.1.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,176,000 for Advanced Education and Literacy, Administration and Finance, for the fiscal year ending March 31st, 2011.

**Revised resolution agreed to.**

This completes the Estimates for the Department of Advanced Education and Literacy.

What is the will of the committee?

**An Honourable Member:** Committee rise.

**Mr. Chairperson:** It sounds like we have unanimous agreement to call—have the committee rise.

The time being 12:26, committee rise. Thank you very much.

### INNOVATION, ENERGY AND MINES

\* (10:00)

**Madam Chairperson (Marilyn Brick):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Innovation, Energy and Mines. Does the honourable minister have an opening statement?

**Hon. Dave Chomiak (Minister of Innovation, Energy and Mines):** Just very briefly, Madam Chair, just want to indicate three things. I want to thank my critic for being co-operative in leading up to this, and I'm sure that regardless of what happened during this session, it'll be an informative session.

Secondly—and I know the critic agrees that the staff that we have in the department have—are considered out there in the community to be incredibly dedicated and active public servants. If you travel around the technological or the mines or the innovative area, private sector and others will just tell you how talented and how co-operative those public officials are, and they've been there for some time, and it's been well recognized.

And just the third thing that I wanted to indicate is that while it's apparent that this department took a significant lowering of our expenditures this year, it was clearly thought out and, in particular critical areas, in fact, in all critical areas, such as research and development and innovation, the intention is—because of the particular financial circumstances we're in this year, the intention was to accept some of the pressure this year, but that we're going to roll out in a more three—on a three-year plan, additional expenditures in that area so that we can continue to be a leader in a number of fields.

So that concludes my remarks.

**Madam Chairperson:** We thank the honourable minister for those comments. Does the official opposition critic, the honourable member for Brandon West, have any opening comments?

**Mr. Rick Borotsik (Brandon West):** Yes, Madam Chairman, thank you very much for that opportunity, and I do thank the minister. I have to say at the very onset that the member from Burrows obviously was a little concerned about what my comments were going to be. At the very onset, I would simply like to say that I do thank the minister for his opening

comments and certainly his explanation of the reduction—substantial reduction in his budget.

I would like to say that I haven't seen the minister quite as relaxed and as happy as I've seen him in a long time, so it's obvious that his portfolio agrees with him, and I'm glad to see that because in my opinion it's an extremely important portfolio, and I know that the minister has brought an awful lot of ability and certainly knowledge, not only political knowledge, but certainly knowledge of the industry. So I do thank him for that, and I mean that sincerely.

I also would like to agree with his comments with respect to the staff of the department. I do know the deputy minister is extremely competent, is extremely well respected in the industries in which he is available to and for. The staffing, I'm not quite that familiar with, but I take the minister's word for it that they are in fact knowledgeable and competent, but certainly the deputy minister is well received in the industry.

I am a little disappointed and a little sorry that the minister didn't have more influence at the Cabinet table with respect to the budgetary reductions that they've seen in their department, and I know that's very difficult for the minister to understand, coming from a fiscal conservative such as myself. However, the budget did—was reduced from 82 million to 72 million this fiscal year, a 12 percent decrease.

And the reason why I say, as a fiscal conservative, I am disappointed in that particular happening with the department because I see this department as the future for the province of Manitoba. We have so many—so much potential and so many opportunities in this department and certainly in this province, particularly how they relate to, first of all, innovation; secondly, the energy sector; and thirdly, the mine sector. But innovation itself is something that we cannot allow other competing factors to get ahead of us.

Innovation in itself is more now than it's been, in my opinion, ever before in the history of the province. We have intellectual properties. We have knowledge-based industries. We have an IT industry that should be growing in this province. We have competition, not only throughout Canada but throughout the globe at the present time, and I would like to see those innovations and those industries have a base here in Manitoba, and the only way you do that is to make sure that we have the resources in place to be able to encourage those industries.

As for energy, alternate sources of energy, we do know—and we will get into the debate during the two and a half hours that I have with the minister—but alternative sources of energy are absolutely vital, and again, I believe that other jurisdictions, not only within this country but also within the globe right now, are perhaps ahead of us on that. And not to have the ability to compete is, in fact, I think, making sure that our future isn't quite as glowing as it could be.

As for mines, we'll get into that. There are some areas in the mining sector that there have been some difficult happenings over the past year. We'll talk about how Manitoba has dropped in the Fraser report with respect to Manitoba being a—one of, if not the best, at one point in time, area for mining exploration and development.

So, I am disappointed, and as I said, we'll get into that discussion further. I'm sure the minister has some comments that would certainly refute some of my statements, but, in saying that, I would just like to congratulate the minister on his new portfolio.

And Madam Chairman, certainly, I would like to proceed with the Estimates.

**Madam Chairperson:** We thank the member for those comments.

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 ask the minister to introduce the staff in attendance.

**Mr. Chomiak:** I just—I don't know if the staff heard the glowing comments made about them and about the deputy minister, but you ought to note that everyone in this Legislature is quite impressed with the work of the deputy minister and the staff, and you should know that.

We're joined by John Clarkson, the deputy minister; Leigh Anne Lumbard, the chief financial officer; John Fox, the assistant deputy minister, Mineral Resources; Jim Crone, the director of Energy Development Initiatives; and when appropriate, we'll be joined by Gisela Rempel, the assistant deputy minister of Business Transformation and Technology; and Doug McCartney, executive

director, Science, Innovation and Business Development.

I'm wondering how the member feels we should expedite—proceed in most efficient manner. I'm open to any suggestion the member might want to do in order to get through what he'd like to get through.

\* (10:10)

**Madam Chairperson:** At this time, I was wondering if the committee could give me some information whether you wish to proceed through these Estimates in a chronological manner or have a global discussion.

**Mr. Borotsik:** I would like to proceed in a global fashion, but I would for the minister's and the staff's time give them some sort of an outline as to how it will be debated.

I hope—I wish to open certainly with some general Estimate questions, if the minister is prepared to go with global with respect to staffing levels in the department. Then I would like to deal with Mines if I could first. From there we would then go to Energy, which will deal with everything from geothermal to wind and Kyoto targets, and, then, finally I would do the science, innovations and technology, if I could.

So that may give the minister some opportunity of looking at the time lines for his staffing.

**Mr. Chomiak:** I thank the member for those comments, and I think the way we're established and set up right now we can proceed and then add the appropriate staff for the science and Innovation portion later on.

So that—the way we're set up now is appropriate.

**Madam Chairperson:** The member for Brandon West, and is it your wish to go on a global discussion?

**Mr. Borotsik:** Yeah, and that was my next comment, Madam Chairperson. I take it from the minister's comments that he's prepared to look at—on a global basis at the present time, and then we can do the line-by-line Estimates at the end of the session.

**Madam Chairperson:** Honourable minister?

**Mr. Chomiak:** Agreed.

**Madam Chairperson:** Honourable member for Brandon West, the floor is now open for questions.

**Mr. Borotsik:** And I echo the minister's comments. I suspect that the staff do hear the comments, the glowing comments, about the abilities within the department, and certainly I do welcome the staff members that are here at the table today. I know that the deputy minister, as I said earlier, has some—has a wonderful reputation, and I'm sure he has all the answers that he can whisper into the minister's ear so the minister can—*[interjection]*

This is why it's so much better to have it in a smaller venue. Let the record show that the minister is having some difficulty hearing my comments and it's usually unusual because I'm fairly loud. However, I, too, have had some difficulty hearing the minister's comments in response. So whether they can turn it up or whether we have to use our earpieces is yet to be made—or to discover.

If I can, Mr. Minister, on the general Estimates questions, I wonder if the minister could just outline the political staff that he has in his office? We've talked about the bureaucrats. Can he tell me how many FTEs there are currently in political staff, their names and their positions?

**Mr. Chomiak:** The—I'll use the word "political." I'm not necessarily comfortable with that, political, but there's my office and then there's a—my secretary is Shirley Heppner and then I have the special assistant, Kurt Penner, and then I have an executive assistant, who works with me, Jill Stockwell.

**Mr. Borotsik:** Thank you. Did the minister bring the EA and the special assistant with him from other departments or were they in the department at the time?

**Mr. Chomiak:** The special assistant was in the department—or had switched over from Aboriginal and Northern Affairs, and the executive assistant, I brought with me from the Justice portfolio.

**Mr. Borotsik:** How many, and I do have it in the Estimates, but can you just confirm how many staff there are currently employed in the department?

**Mr. Chomiak:** Madam Chairperson, 367.32 FTEs.

**Mr. Borotsik:** Thank you. I'm looking at the staff categories on page schedule 9 of the Estimates book, and I show the total FTEs at 355.32.

You had indicated 367. Could you explain the discrepancy?

**Mr. Chomiak:** Madam Chairperson, the numbers I gave was the end of the fiscal year and the 355.32 is going into the next fiscal year.

**Mr. Borotsik:** So the 367.32 FTEs was as year end March 31st, 2010. This is the Estimates as I have identified in these—in the Estimates booklet for 2010-2011, a reduction of some 12 staff members.

Can the minister tell me where those reductions came from?

**Mr. Chomiak:** Yes, I can and we'll just pull that information. To the most extent that I am aware of as we seek them out, I believe most of it is going to be vacancy management.

I stand somewhat corrected. Most of the changes are the fact that the climate change staff have shifted over to the department of—the climate change—and the part of those initiatives have shifted over to Conservation. And so there was nine staff FTEs moved through Conservation, and one staff member to Local Government, and one to the Civil Service Commission, one transfer to the—from Petroleum to ICT, and then another internal transfer.

**Mr. Borotsik:** Thank you. Nine staff members have been transferred from this department to Conservation, and those being with climate change. Does that mean that the climate change mandate that's identified in the Estimates books no longer is a mandate for your department?

**Mr. Chomiak:** No, Madam Chairperson. What essentially has happened is that we're responsible for the energy initiatives and a number of other green initiatives, et cetera. The overall climate change initiative has been—is being led by Conservation and it's—there's a co-ordination between the energy initiative and the climate change initiative between the two departments. And one of the reasons and the rationale behind that is to try to have an initiative that reflects a number of activities in government and not have it confined to one department.

So you'll find that there's a number of initiatives around the province and around different departments dealing with climate change, the lead being in Conservation. But a lot of the efforts in energy and—on the energy side is from this department, and part of the reason for that is to—is a recognition that our initiatives on climate change are—require a significant input on the energy side, and not just from the issue of reduction of greenhouse gases, but from the innovative aspects of energy that can be applied within our department. So

there's some services that are shared and there's some services that are more exclusively handled by Conservation.

\* (10:20)

**Mr. Borotsik:** Have the nine staff members physically been removed for a—from your department and now allocated physically to the Conservation Department. Because, as the minister has indicated, I agree, there are climate change issues that have to be dealt with energy. There are climate change issues can well be developed with alternate energy sources, which we talked—we will talk about, they're with climate change issues that can be dealt with innovation. To have lost control or contact with that portion of the climate change initiative, I think, would be, and the minister can correct me, but I would think would be a bit of detriment to the minister's own Department of Innovation, Energy and Mines.

**Mr. Chomiak:** I actually don't feel that I—at one point, when I was formerly the minister of Energy, Science and Technology, all of those initiatives, and Hydro, all of those initiatives fell under my bailiwick. I think that the structure that's in place now, with the sort of co-operative effort between our department and some of our people, the Conservation Department and some of their people, Hydro and some of their people, in a co-ordinated fashion, actually is functionally a better structure than the structure that I was involved with previously. I've—it's an interesting question because this is a reincarnation of something that I was involved with before.

And the—sometimes the goals are a little bit competitive, and that's healthy. And then having them in one department isn't necessarily as healthy and as functional as it could be the way it's now structured. So I work quite—we work quite closely with the Conservation people, and we work quite closely with the Hydro people and, from that general collaboration, I think we've developed a better approach to dealing with some of the initiatives.

**Mr. Borotsik:** Is there a line reporting to the deputy minister in your department from these nine climate change staff members? Is there a reporting function to the deputy minister? Or, is it a reporting function directly to Conservation now?

**Mr. Chomiak:** The staff were moved only from a responsibility perspective. They are maintained physically in the same place. That ensures

collaboration takes place with interaction between the deputy minister of my department and the deputy minister of Conservation.

**Mr. Borotsik:** But, again, the question is: The nine staff members would report directly to the deputy minister of Conservation, not to the deputy minister of Innovation, Energy And Mines?

**Mr. Chomiak:** Yes, administratively yes. In terms of actual structure, the—one of the strong attributes of the department and the way it's evolved over the past several years, with the expertise of the deputy minister, is we have as a collaborative a model as I've ever seen in government in terms of interaction and development. So, though the administrative structure is—as the member indicated, the collaborative efforts are probably as effective as I've ever seen on—in any portfolio that I've been involved in.

**Mr. Borotsik:** I've also noticed that the human resources services that were provided within the department have been reallocated to the Civil Service Commission. Would the minister confirm that there was one individual in the department that has now been allocated to the Civil Service Commission? And, again, the same kind of reporting process, that HR function would now fall out of the department's purview and now with the Civil Service Commission. Is that correct?

**Mr. Chomiak:** One of the functions that we've determined because of the budgetary situation we're in, and because of the way we're approaching a number of matters in government, there's a lot of collaboration in a number of areas. And the FTE that was moved came from a shared service from—we did have one human resource position. They were—the human resource function were also provided by shared service with Entrepreneurship, Training and Trade and it's been moved to the Civil Service Commission.

The—one of the functions and one of the changes that's taken place in the current Cabinet configuration is a—and the member will know that there's some interesting 'differentiation' of activities, but there's a very collaborative number of intercommittees that have been established with deputy ministers and with ministers to work in a variety of areas based on the principle that you can't isolate your training initiatives, for example—or your trading initiatives from your innovation and your energy initiatives. So the attempt has been to try to collaborate—well, two things actually—to try to better utilize resources

through the Civil Service Commission but also to collaborate on a number of functions that—and I'll give you example if—yesterday in question period, when the question was asked about the Premier (Mr. Selinger) involved in the initiative taking place in Regina today, the Premier answered about a number of initiatives that's taking place between Saskatchewan and Manitoba.

At the same time, there's a number of initiatives taking place between the entrepreneurship trading section and there's a number of initiatives taking place in my department, both interprovincially and nationally that are all part of a larger package that's co-ordinated through the Premier's office. So we're trying to structure the initiatives to be lean and functional in a very interdepartmental sense. And because of the experience of some of the players that we have, it seems to be working quite well.

**Mr. Borotsik:** Well, I do also have ET and T, the Entrepreneurship, Training and Trade, and I will be discussing with that minister the inability to be at the trade mission or the trade meeting of Alberta, B.C. and Saskatchewan, so I won't deal with it at this point in time. But it seems the collaboration hasn't worked all that well since the—we have been left out of that particular debate.

But back to the HR function, do I understand that there was a half an FTE that was identified as HR for the department or there was one full FTE that was identified as an HR person for the Department of Innovation, Energy and Mines?

**Mr. Chomiak:** The HR function was provided by ETT. We supplemented it by one FTE and all of those functions were then transferred to the Civil Service Commission.

**Mr. Borotsik:** Okay. Up until the transfer, which takes place in this fiscal year, there was a job function and certainly a requirement for an HR person in your department. There are 355 people—or 367, at that time, people in the department—so the HR function includes a number of mandates, as the minister has indicated. Training, promotion, reclassification, upward mobility within the department, transfers within departments, that function I assume was being performed by the HR person up until this fiscal year.

Now, as I assume, and correct me if I'm wrong, that function has now been taken out of the department's hands and put into the Civil Service Commission. Does the department and does the staff

feel that they're going to receive the necessary service, if you will, provided by HR in that faction, and I understand collaboration? I've made a note here that says collaboration eliminates duplication.

Does the department believe that they can get the same service provided by HR that's necessary for the 355 people remaining in the department?

\* (10:30)

**Mr. Chomiak:** The people providing the service haven't changed. The structure of, by virtue of the movement, is to provide a consistent approach across government. We are confident that the needs, insofar as the people providing a service, will still be the same—can be met.

And, as the member indicated, we have looked very hard and long, at how to better provide service in the leanest possible fashion and still, at the same time, function effectively. And we think that this will—we're confident that this work.

**Mr. Borotsik:** The minister initially had suggested that the reduction from 367 to 355 was because of vacancies and that, obviously, has been corrected. It's because of some transfers of functions from the department.

Can the minister tell me what the vacancy rate of the 355.32 is currently?

**Mr. Chomiak:** Well, it was just a shot in the dark while I waited for the information to come but the vacancy rate at the end of the fiscal year was 5.54.

**Mr. Borotsik:** Is there an anticipation of that vacancy—those vacancies, of 5.54 percent, will remain throughout the full fiscal year?

**Mr. Chomiak:** We've—as part of the overall five-year plan that we've adopted, economically, we're trying very hard to maintain those vacancy rates and those services. We recognize that it will be more onerous for our staff, but we're trying very hard to function in an as lean and effective a fashion as possible.

As I indicated earlier, notwithstanding that there were budget reductions in my department, having been through 10 previous budgets, mostly as the Minister of Health and as Minister of Justice, we all, around the Cabinet table, have to make a determination as to where best and how to deal with the significant financial situation we were presented with. And, as the member knows, our determination was to keep our front-line services available. At the

same time, when it comes to innovation and research and related matters, we are also aware that that is a key growth sector and maybe the most significant growth sector in the province. And when we get into that later, there—it will be illustrated that that's the case.

So, in terms of a structure and a department, we're trying to do more and we're trying to do it as lean as possible. We are also aware that this is not a permanent situation. We don't expect to be in this kind of a situation, once we work our way out of the significant economic pressures that we face. And, we have planned strategically, quite literally, in the next several years, to move in some directions, in order to keep our lead in some areas of innovation and energy and, at the same time, respect the fact that we do not want to dismantle or lose the impetus that we—and the—and some of the significant developments that we've been able to maintain.

**Mr. Borotsik:** Again, I go back to my question. Does the minister, and I appreciate his answer but, on the budget side of it, does the minister anticipate the 5.54 vacancy rate to be in effect for the full fiscal year?

That amounts to 17 FYEs. If you look at the total salary requirements for those FTEs, at \$28 million for the full staffing complement, that would mean a \$1.4 million has been budgeted for 17 positions that either will or will not be filled for this fiscal year.

Will the minister answer as to whether those positions are anticipated to be filled in this fiscal year and has, in fact, the budget been—include the vacancy of 5.54 percent?

**Mr. Chomiak:** It is our goal to maintain those—it is our goal to maintain that vacancy level throughout the year. However, pragmatically, and I'm going off a little bit philosophically here, we, as a Cabinet and as a government, have agreed that we are not going to let critical services or significant services suffer as a result of the non-fulfilment of positions. So, it is our goal and our intent to maintain those vacancies but if events occur, circumstances occur, and we have weigh a position or two in one department versus a position or two in another department, we'll collaboratively really look at that and then try to solve that problem.

**Mr. Borotsik:** Okay, and I appreciate the comment, the candid answer with respect to having the 17 vacant positions be vacant for a full fiscal year. But my question goes back to the budgeting process.

Have—has the department included the salary costs for those 17 vacant positions for the fiscal year?

**Mr. Chomiak:** No.

**Mr. Borotsik:** So the—on page—schedule 9, of the Estimates book, where it shows a salary cost of \$28,550,000, that is for 355 employees less 17. So when the department was doing their budget, they actually reduced the budget by 17 FTE staff year salary. Is that correct?

**Mr. Chomiak:** We reduced the budget to reflect the 5.54 vacancy rate across the department.

**Mr. Borotsik:** Last question with respect to the staffing.

You had already indicated your desire to maintain the projects and maintain the services that are provided by the department over the next fiscal year. We've already identified their 17 vacancies. There's been somewhere in the neighbourhood of 12 FTEs or staff members transferred out of the department.

Can the minister assure me that, in fact, there haven't been any projects nor will there be any projects within your department that will be delayed because of not only the vacancies but the staff re-allocation?

**Mr. Chomiak:** I can't make that promise outright but I can tell the member that our priorities will remain and the projects and the goals that we intend to pursue will remain. And this department, as the member has indicated, is a priority for this government, as it is for governments across the country. And we will achieve our goals and we will—there will be some very significant developments in this area over the next year. A number of them we're working on at this point that I'm not in a position to disclose, but some I can disclose to the member as we go through the Estimates process. I don't want to be in a position where I promise and then can't deliver, but you will see some significant movement in all of our sectors: energy, ICT and the research and development area as we go through the year, and there will be significant developments.

\* (10:40)

**Mr. Borotsik:** That's a great segue into the mining sector of the department. I've pulled off the Web site the procedures as outlined for the duty to consult with respect to exploration permits. Procedures are one thing, process is totally another.

Can the minister just walk me through the process of an exploration permit? If I, on behalf of a corporation or a corporation—or I was a corporation that wanted to do an exploration permit within the province of Manitoba and I made application to the department, can you walk me through the whole process of that exploration permit, particularly identifying the duty to consult, and how the department would go through that whole process?

**Mr. Chomiak:** Yes, I can, Madam Chairperson, but I do—as the staff are just preparing the process, I will tell—indicate to the member that this is a work in process, and one of the—clearly, one of the critical issues that we are all coming to grips with and have not—no one in the country has resolved, is the various aspects of duty to consult, and duty to consult is a evolving process. But we intend to take a variety of approaches and a variety of different approaches in order to achieve some success in the—in this area. And we're trying to be quite collaborative and quite innovative, and in some areas we're using some different and novel approaches, in some areas we're experimenting and, of course, we also have developed a consultative structure from—it's just being finalized from the Department of Aboriginal and Northern Affairs in terms of the various issues.

But, in general, this is the future of mining in the north. We have significant mining developments that are on the books and that are under development in this province. We have significant work force issues related to that, and we have significant First Nations populations that ought to be a significant part of these developments. So we're approaching this in a very open-minded fashion.

And so, even though we have a process, which I'll outline to the member, I can guarantee him that there's variations on those themes. I've already done—we've already done several different variations in some negotiations with First Nations on the consultation process that are a little bit contrary to what might be noted as the normal procedures in order to try to find a way that is inclusive and may differ in approach from one particular instance to another.

The good news is the mining association, the northern mining council, the First Nation communities and the First Nation organizations, at this point, are quite open to different approaches and want to collaborate and want to get this done.

Now, having said that, I will outline to the member the process that he asked for.

The application for an exploration permit requires a work permit from Conservation. Mineral Resources is the lead agency for the consultation process. We provide notice to First Nation of issues and concerns with respect to the potential impact. The objective of the procedures are to provide for a consultation process of a nature and scope that is commensurate with the potential level of effect on the exercise of treaty and Aboriginal rights, to clarify the roles of the department of mineral industries in consultation and to establish a clear, certain, timely and effective process with communication information sharing and meaningful consultation with respect to mineral exploration development. And we set a time frame of 30 to 60 days on this.

Now, having said that, in a lot of cases we have met the 30-to-60-day time frame. In a number of cases we haven't, and in those cases we are trying to—we've sat down with mining companies, we've sat down with First Nations and said, how can we achieve our goals—maybe, perhaps trying this or perhaps trying this.

And it's by being open and by being flexible—we've had some wins in this area, and there's still some areas of—where there's still some logjams in terms of process. But the general process that I just outlined to the member is the procedures we follow.

**Mr. Borotsik:** Minister—and by the way, I have heard that the minister and the department have implemented some more flexibility into the process recently than there had been in the past, and that's very positive. But I'm also told that in some cases, it isn't a 30-to-90-day process; it, in fact, could be upwards of years in order to get that exploration permit.

Can you tell me please what the backlog is currently with exploration permits that being applied for in the province of Manitoba? And could the minister please expand a bit on his comment that they are now trying different and novel approaches. Can he just expand on that and tell me what some of those different and novel approaches might well be, other than you just simply delay—that there has been in the past?

**Mr. Chomiak:** Yeah, I'll do that, as long as the member understands that we're trying to be creative and I'm not—when I say some of these issues, I'm not a hundred percent certain it's all going to work and we have—trying very hard to be creative to try to make things work.

There were—in the year '09-10, there were 111 applications. There's 10 still outstanding. The majority of the 111 applications were issued within 60 days.

Okay, so having said that, there are instances when some communities are challenging—one community is challenging the issuance of a permit and is talking about various legal methods to challenge the permit and we've had many, many meetings with that community, and we're trying to put in place a specific process to regain their trust and try to get them to understand that.

There's another group of communities where we put the—a number of the First Nations in that area together, gave them the responsibility of trying to put together a consortium to meet with the mining companies and the mining companies have met with them and successfully developed—and that had been on hold for about six months. They successfully developed a process for the building of the road and for the construction of a gravel pit to put that particular process, in its first instance, on the go.

There are some First Nations communities who have said they do not want—they are not accepting our consultation process, even though we've met with them and carried out consultations. And they feel that the consultation process has not met their needs. So we've met with them and tried to establish a means of communication.

There's some communities where they've contacted the mining companies and wanted them to come in to develop a mine and in the same time have told us they don't want to develop a mine. So it's a—one of the—and I don't want to get into this in too much detail because it's not totally established yet, but we are going to have a mining table with First Nations and the government in order to try to resolve some of the outstanding issues, on a broad sense of the word.

\*(10:50)

And the reason we're doing that is because we did that at the gaming table to resolve gaming issues, and we were able to resolve a number of them. And, when I was minister of Justice, we also had a First Nations table with respect to the police act and we were able to, despite almost universal belief that we could not pass a police act, we were successful in getting a police act through the Legislature by virtue of having a table with First Nations to resolve, on a sort of issue-by-issue point, some of their concerns

with the police act. And through that, we were able to get a police act through.

So coming to this portfolio, I've determined that we're going to have at least—we'll have several but we'll have at least one mining table with First Nations where we're going to, at least in general, go through some of the overall issues, agree with what we can agree with, disagree on issues and perhaps not proceed but try to—I mean the end goal is, of First Nations and of mining companies and of the Province, is to maximize our economic development and maximize the employment and the economic problems that occur in so many rural, northern and First Nation communities. So, in that sense, those are some of the issues that we're—some of the ways that we're approaching the issues.

**Mr. Borotsik:** Has the First Nations table been developed at the present time or is it just a work in progress, and if it's a work in progress, what's the time line for this type of consultative process? As I said, I know the procedures. Now we're talking process—this consultative process—and the minister was successful in other areas developing the same model. I congratulate him on that because, quite frankly, I will, in a not-too-distant future, indicate some very negative impacts on mining that's happened in Manitoba over the last four years. So anything new and innovative is very refreshing and certainly is going to be refreshing to the mining industry as well as to the ability of Manitoba to develop that sector.

Has that table been developed? What's the time line? When can the mining industry—or is the mining industry now a part of those discussions?

**Mr. Chomiak:** The mining industry is aware of it and are part of the discussions. It's not my intention to bring the mining industry to that particular table. They will be involved. The table's going to have subsets around it, and that's how we were able to do it both in gaming and in the police act. And the purpose of—the table's actually been structured in form and is just going through the—I anticipate the table to be up and running in a month or two.

Now, how it'll work or whether it'll work is another question, but we're going to give it a shot. The mining industry is aware of it. It's not—at the same time that we have the First Nations mining table, we have obviously very close contact with the mining industry, and they will be brought into that table when necessary, but it's been my experience that, if in working with First Nations, the

government and the First Nations can agree on particular issues, then we can sit down with industry and proceed on those that work. Where we have disagreement, we can then bring all three parties together and try to work on the disagreements to go forward or not go forward.

What we don't want to happen is to have issues coming up that stop everything or have everyone—have the—have all of the progress stop because we can't resolve a, b, and c issue. If we can resolve a and b and agree to disagree and continue working on c, that's how we'd like to proceed. So very close collaboration with the mining community, a table with First Nations, and we'll see how that works.

The—we've already determined the structure. We've already determined how it'll function. We've already determined the objectives and we're just waiting for the—some of the appointments and the first meeting within the next month or two.

**Mr. Borotsik:** Again, and I—if something's not working then it has to be fixed. And it's nice to see that the minister and his department is attempting to try to fix it.

And it's not working. The latest statistics that came out of Natural Resources Canada had indicated that Saskatchewan, in this fiscal year, will spend, on exploration and deposit appraisals, almost \$300 million—\$292.9 million. Manitoba has reduced its exploration and deposit appraisal from \$83 million, previously, a year, to \$72 million. So the mining industry has obviously gone to other jurisdictions.

The minister is probably also aware that in the latest Fraser report on mining, Manitoba has dropped to the ninth spot. Used to have No. 1 spot. Actually, was first spot in 2007-2008, has since dropped to No. 9. That, I am told, is because of the inability to achieve the necessary permits and approvals to go forward.

Can the minister explain to me why there's been such a dramatic drop in appraisal expenditure in the province of Manitoba and exploration expenditure in the province of Manitoba?

**Mr. Chomiak:** The member would be wrong to—it would be a mistake to say that the regime in Saskatchewan is more favourable and, therefore, mining activity has shifted from Manitoba to Saskatchewan. That is, in fact, not true.

When I was at the Canadian prospectors' conference in Toronto several weeks ago, in one day I met with 28 mining interests and 27 indicated a significant interest in mining in Manitoba in a number of areas.

Two things about Saskatchewan that the member ought to know is potash and uranium. I mean, the two big sectors in Saskatchewan are potash and uranium. They dwarf—both of them dwarf, literally, everything in the world. So in some senses, it's not an actually—a fair comparison.

If one looks at that Lalor Lake expansion and Chisel North, HudBay is planning to spend something like \$145 million in the development of that process. HudBay has expanded its initiatives, its exploration initiatives, in Manitoba this year. The—Vale Inco has done likewise.

I'm not a big fan—I've never been a fan of the Fraser Institute. I don't use the Fraser Institute as a—because of their methodology and approach and I'm not that I'm being ideological here; I've never used the Fraser Institute as an example.

Our—when I attended the Canadian prospectors, I explained that the particular fiscal situation that we were in, in Manitoba, and indicated that the—the—the reduction—the MEAP and the Prospectors fund. And, almost universally, there was a recognition that they understood our financial circumstances, and recognized, that because of that, there weren't be as many incentives. But, in fact, the early indications of some of the deposits and some of the activity in Manitoba, is quite exciting, and I'd be very wary of making a comparison that we've fallen behind Saskatchewan because of a movement.

I've—you know, if one were to flip over to Ontario, where there's significant activity, you'd find the mining association being furious that, you know, half of Ontario has been now precluded from mining and, in the northern parts, large swaths are precluded from mining. Yet, there's significant mining activity in Ontario.

We will see the same thing here. I'm not distressed. The applications that came in on MEAP and our most recent awarding of MEAP were significant. We'll see what will happen in the fall. We will look to see if our, you know, our pause or our withdrawal of some of our incentives is having a negative effect.

\* (11:00)

On the other hand, we're the No. 1 jurisdiction in petroleum exploration and development in the country. Even, you know, I mean, it's obviously relative, and it's the same point. I mean, I could say, well, geez, you know, on a per capita or on a relative basis, we're beyond—we're exceeding Alberta and Saskatchewan in terms of petroleum development production. That wouldn't be quite fair to Alberta and Saskatchewan, obviously, because we're not even in the same league. At the same time, our incentives in the petroleum industry and our activity in the petroleum industry is at a historical high.

So these kind of comparisons—generally, I think the mining industry, certainly they've reflected to me that they're quite enthusiastic. They recognize our fiscal difficulties. They're anxious to work with us on the consultation-first development issues. And I would be quite disappointed if, when we go to the mining conference in November, that there's—if there's a lot of negative feedback. I think we'll see a fairly significant response. And that's based on the fact that of the 28 companies that I met with, 27 were pumped. I met with the presidents of both Hudson Bay Mining & Smelting—we had a significant conversation—and Vale, and both of them were very enthusiastic about their future developments in Manitoba, and it was a chance for them to give me feedback on any problems they—and they know they have an open-door approach, and neither of them felt anything but bullish going forward.

**Mr. Borotsik:** Thank you. I don't very often make mistakes, but I made a mistake just recently. So I'd like to correct the record.

The quote from the Fraser report is: Québec has been in the top 10 since 2001 and in first spot for 2007, 2008 and 2009. I had indicated that Manitoba had been in the first spot. They have been in the past. But it goes on to say that Manitoba has been typically in the upper half of the top 10, holding top spot in 2006-2007, but in the bottom half of the top 10 for the last three years.

I appreciate the minister doesn't put much emphasis or stock in the Fraser report, and I'm sure the minister appreciates that I have had other reports provided to me from other organizations, and I don't put much emphasis or stock in them either. So it depends on which report you're looking at and which data and which model and which way that data has been prepared. So I did want to correct that record.

Can the minister tell me, of the FTEs that we just talked about recently, how many FTEs are there allocated specifically to the exploration permits?

**Mr. Chomiak:** I—while the staff is pulling that specific information, I've got a note that says: Although Manitoba's ranking dropped slightly from eighth to ninth in the world this year, we have, for over a decade, since 1999, ranked as one of the top 10 jurisdictions worldwide for our mineral policies. This remarkable record can only be claimed by one other Canadian jurisdiction, Alberta.

So on a worldwide basis or on any kind of comparative basis, we're still considered a—I actually—one of the problems I think across the entire country is that we've forgotten in the country about the significance of mining. It's sort of become a—become a forgotten entity of our economy. Mining is 6 percent of the GDP in Manitoba and it's very significant. And because in Manitoba most of our mining is in the north, people in the south have no idea of the employment, the economic—and it's the same right across the country.

And the mining industry is aware of that and there's been discussions about trying to educate the public about the significance of the mining resource sector in Canada. And you only have to look to the fact that China is now investing in—across the country in mining including in Manitoba, to understand that people actually recognize that and the TSX is actually the leading mining investment place in the world.

With respect to the numbers, most people in that branch have some involvement in the process, 13 FTEs of the 26 FTEs are directly involved in the process.

**Mr. Borotsik:** And how—would that also include—those FTEs, would they also be included in the duty to consult or is there an individual or individuals that are identified specifically for that function?

**Mr. Chomiak:** We do have one person dedicated to that exclusively, but most of those people would be involved in that as well.

**Mr. Borotsik:** So if there's a requirement for duty to consult at the present time and as part of the process, that duty to consult takes place, in a lot of cases, up north on site. There's only one person that's been allocated to that particular function. Would it be that individual's responsibility to look after all of the exploration permits and duty to consult?

**Mr. Chomiak:** I know that's not how it works, but I'll just get the department to give me a note on that so I provide accurate information. We also engage the services, of course, of Aboriginal and Northern Affairs and of Civil Legal on our duty to consult as well, so we actually utilize the resources of central government, as well, in the entire process.

*Mr. Doug Martindale, Acting Chairperson, in the Chair*

The one individual is responsible for co-ordination. All of the senior management team including myself and poor John Fox and poor John Clarkson are involved, depending upon the nature and matters relating to the consultation process. So it takes—there is a fair amount of senior staff activity as well.

**Mr. Borotsik:** And even with the involvement of all of these senior management personnel, we're suggesting that exploration permits are going to be issued within a 30-to-90-day time frame. Is that correct?

**Mr. Chomiak:** Yes, we continue to—the majority of them will be the 60- and 90-day period. That's as it has been in the past. That's how it will be in the future. I think what we will see is that we'll see hived off some of the more difficult ones that we'll work on with our new kind of flexible approach in order to try to expedite it.

I know it's a concern of the mining industry. I think, in general, the processes work fine. In this new era of multiconsultations, because the member should—you just don't consult, you know, you consult on the exploration and you consult on the feedback and then you consult on the actual mine construction, so there's various levels of consultation that have been introduced into the processes that make it more difficult to meet that target. But we as a department have publicly stated that goal and we will achieve that in the majority of cases. But I will be the first to admit that we can't guarantee it. We won't guarantee it. It won't happen in all cases.

\* (11:10)

**Mr. Borotsik:** The minister had indicated that perhaps some of us have forgotten about the importance of mining, not only in Manitoba, but as Canadians. I don't know who it has been that's forgot about the importance; 6 percent of GDP in the province of Manitoba is extremely important, very important. We talked about how the department certainly should be using the proper resources with

respect to mining. We talked about that with the budget being reduced by some 12 percent, I believe it was.

On page 51 of the Estimates book, when we talk about how it's important that we encourage mining and that we put the resources in place, on page 51, there's Mineral Exploration—its assistance programs. They've been reduced from \$2.5 million down to \$1 million. That's a substantial decrease in an area that we just identified as extremely important in the province of Manitoba.

Can the minister tell me why, on that particular budget item, that there's been that substantial decrease?

**Mr. Chomiak:** The funding for the MEAP is as a result of the Mining Community Reserve Fund which is funded by the mining companies from taxes. And because some of the developments in the economic downturn have been down, our revenue is down in terms of the funds available from the Mining Reserve Fund which is used for the MEAP grants.

The member will know that, coming through the recession, across the country, there was a dramatic decline in commodity prices and dramatic decline in mineral development exploration in the last couple of years. That impacted on the Mining Reserve Fund.

It was a very tough decision to decide where and how we would be able to 'priorize' our resources. This, you know—this is an incentive that comes from the mining companies and goes back to the mining companies to provide them with some payback on some of the risk that they take. In this instance, the feedback that I got from the mining industry was that they understood that, in difficult economic times, some funding would have to be decreased, and, overall, there wasn't the kickback from, actually, the people in the mining industry, who do the work, as strongly negative. In fact, they—the general feeling—and I spoke to them of it, and had feedback from the industry, and they understood and recognized. Their point to me is that they hoped, and I think it's a fair hope that, in the future, when the economy is doing a little bit better, that we can go back to more significant incentive grants.

**Mr. Borotsik:** Well, there are efficiencies in areas, and I appreciate that. But there are certain areas that, perhaps, one shouldn't look at efficiencies during a downturn. It's the old adage: when you're in a recession and if you're in retail, normally the first

thing that you cut off is the advertising. And that's the worst area that you can cut, because you've got to advertise to make sure that you still have customers coming to your front door.

The same is true with the mining industry. To cut off the incentives in a downturn, in my opinion, is probably one of the areas that you should be looking at increasing as opposed to decreasing. But that's just a personal view that I have. And I suspect the minister will, in fact, not agree with that. But it seems to be false economies. You should be encouraging during a recession, not discouraging with respect to the lack of incentives.

*Madam Chairperson in the Chair*

The next question I have on page 12, back to page 12. If you look at the Mineral Resources, the staff allocation is 101.60 FTEs. Can the minister tell me the breakout of that with respect to the Mines branch and geologists? What's the breakout? And of the 101, if we have a 5 percent vacancy, does that also include—so does that 101 actually fall down to around 95 full-time equivalents? And, if so, what's the breakout of those staffing levels?

**Mr. Chomiak:** Just while staff provide that information for me specifically, the member should be aware that we have a graduating mining tax that has been very well received by the industry, and it's made us probably the most competitive in Canada.

We've also increased the Mineral Exploration Tax Credit. This is significant. We have increased the Mineral Exploration Tax Credit to 20 percent from 10 percent, and 30 percent next year, so that there's a significant tax credit on mining exploration.

We have the training work first retention program, the Northern Essential Skills initiative, and, of course, the establishment of the mining academy in Flin Flon; then a partnership with the feds to do other exploration.

So, in a economic climate where you have to make—where you have a number of priorities, and they're all priorities, you have to make some determination. So, in an ideal world, you know, that would have not been a change we would have liked to have done, but, given the circumstances, it was the least hurtful in light of the other initiatives we have.

Am just trying to get that breakdown for the member.

There's 55.10 FTEs in the Geological Survey, 26 in Mines, and 20.5 in Petroleum. There are no

vacancies in Mines, but two in Petroleum, and one in geology.

**Mr. Borotsik:** Thank you for that information.

On the geology side of it, dealing with the regional geological mapping, what mapping has been done on the east side and west side of the lake recently? Do you have a program in place for geological mapping, or is it kind of hit and miss throughout the department?

**Mr. Chomiak:** I apologize a little bit for the slowness in response. I just want to get it right. It's better they find the pages for me than I find them myself.

We've had some very good co-operation from the federal government in terms of mapping on a—I think, there's been recognition that how significant the mapping is.

Manitoba's new surveys contributions are being matched by the Geological Survey of Canada through its Geo-Mapping for Energy and Minerals program: funded radiometric and aeromagnetic surveys in the far north, in 2008-09, in the amount of \$800,000.

\* (11:20)

Bedrock mapping is being conducted by the Manitoba Geological Survey. Surficial geological glacial deposits is being studied by a Ph candidate at the University of Waterloo, co-funded by the Canada and Manitoba Geological Survey. Field work to date has been focussed on the Great Island area on the Seal River, 130 mile—kilometres west of Churchill.

In 2010, mapping will be conducted on the Seal River areas and in northwest Manitoba north of Lac Brochet. In 2010, MGS—that is the Manitoba Geological Survey and the Geological Survey of Canada—will be collaborating on an energy project mapping to document the hydrocarbon potential of rocks in Hudson Bay Basin. Some of these rocks occur in the Hudson Bay lowland between Churchill and a—the Ontario border.

On a parallel initiative, the MGS is delivering community mapping programs with communities on geological and minerals. On the east side, we're working with First Nation to gather existing geological maps into a package for community reference. We're preparing compilation of geological maps of traditional use areas for community use. We've prepared a short report on the geology and mineral potential of traditional use areas for use in

land-use planning and co-ordinating an assembly of digital materials for the geological sections of the land-use map.

We've met with community leadership and community members to discuss the area's geology and mineral potential, participated in field trips led by the community to explain geology and land forms, and we've proposed to the geological survey areas that they would benefit from new geological mapping.

**Mr. Borotsik:** Well, thank you for that information. You'd said on the east side that they're going to be using, as I understand it, existing geological mapping with respect to the First Nations. I'm told that, on the east side, there has not been any new mapping since the '60s and '70s.

Rather than just simply look to the federal government as a partner in this, has the provincial government got any desire to look at bringing the east-side map up to today's standards, not just using existing maps, but doing new geological surveys?

**Mr. Chomiak:** Yes, Madam Chairperson, it's a—this is a two-stage answer. On the east side, we're concentrating our efforts with First Nations to deal with existing geological mapping in order to provide for them their land-use planning processes that they're going through now.

With respect to our overall mapping, we're concentrating in the province on the highest potential mining areas across the province.

**Mr. Borotsik:** Thank you, so there's no intentions to do any type of geological mapping. The provincial government doesn't have any indication of doing geological mapping itself on the east side, but just simply looking at the existing mapping that's there at the present time, tied into land use with respect to First Nations.

**Mr. Chomiak:** Yes, Madam Chairperson, that would be correct at this point. And it's a process that we're going through, and we're trying to focus on the highest potential mining areas right now around the province, and it's a process.

That's not to say that there will not be future updating or higher level surveying in that area. But the demands right now are to try to understand the—and provide the communities with the information so in their land-use development planning, as part of the overall process, they can be brought up to snuff as soon as possible.

**Mr. Borotsik:** Away from mapping, now to Manitoba land-use policy. Manitoba land-use policy No. 9—and I'm somewhat familiar with this—indicates that mining takes precedence as land use with respect to metals and aggregate.

Does the Mines branch follow the land-use policy that's outlined by the provincial regulation?

**Mr. Chomiak:** Yes.

**Mr. Borotsik:** Has the Mines branch looked at the impact of the west-side Bipole III on that land-use policy with respect to aggregate deposits and mineral deposits?

**Mr. Chomiak:** Yes, and they're in discussions with Hydro on that.

**Mr. Borotsik:** There's been some serious concerns put forward by the mining industry itself with respect to the impact—impact—of Bipole III and the land-use policy—the minerals deposits and the aggregate deposits.

When the minister says he's working with Manitoba Hydro at the present time, does the minister and the department have the necessary information with respect to geological surveys, geological information that they can put forward to Manitoba Hydro? Have they been—have they put that information forward to Manitoba Hydro when Hydro has been developing their route for Bipole III?

**Mr. Chomiak:** In fact, we're doing better. Actually, the mining industry, I probably—the mining industry is directly working with Manitoba Hydro and has brought that information to their attention, and has worked collaboratively with Manitoba Hydro to develop and to offer to them the—their advice. Our involvement has to—has been to ensure that the mining community and all the participants are aware of the significance of the mineral potential in the Thompson and the other greenbelt area, or the greenstone area, and ensuring that we both maximize our mineral and exploration possibilities, and are able to provide for a bipole to provide security for the transmission of electricity to the south and possibly to the west.

**Mr. Borotsik:** Those concerns have been put forward to Manitoba Hydro. I guess my question is to the department, your department, Mr. Minister: Have you identified—or have you certainly put forward your concerns that any impact of the Bipole III, that any impact that it has on mining activities is just not acceptable? Has your department gone that

far to suggest that what the land-use policy in place at the present time mining and minerals takes precedent? How have you put that message forward to Manitoba Hydro?

**Mr. Chomiak:** That wouldn't be my style to say—to be sort of—my style, or our style has been to work really hard with the industry. And I think they understand and appreciate their concerns and bring those concerns to Manitoba Hydro and propose alternate routes to Manitoba Hydro. But I don't generally operate in a fashion of a—you don't actually get, in my experience, you don't generally succeed if you take a totally obstinate position that you can't move off of. The—we are aware of the concerns. We are aware of the land-use policies. I think the mining industry has been very appreciative of the support we've given to them and the collaboration we've had with them as well as our work with Manitoba Hydro.

So these concerns have been seriously brought forward. Alternatives and suggestions have been seriously considered and looked at. And I think we've taken a very appropriate—and plays a very appropriate and important role in arriving at a conclusion that will best serve all Manitobans.

\* (11:30)

**Mr. Borotsik:** And please, Mr. Minister, don't think that I expect your department to be obstinate. I just expect your department to be fairly forceful when identifying opportunities with respect to the minerals and mining.

As you're well aware, a bipole line going through a major opportunity, or an area of potential would then stop any of that potential going forward for a number of years—too long, quite frankly.

We recognize that Flin Flon-Snow Lake greenstone belt and the Thompson Nickel Belt are areas of high mineral potential, as identified in the land-use policy. And we know that running a 500 kVA line through those areas would certainly be in conflict with mineral exploration and mineral development, as it was with Wuskwatim.

Wuskwatim, when it was developed, had an impact on the potential and the future opportunity for mining. I don't want to be obstinate and I don't expect the minister does either, but is there a forceful position put forward by your department to Manitoba Hydro identifying that, in fact, the priority is minerals and aggregate and mining? Has that position been put forward fairly forcefully?

**Mr. Chomiak:** Madam Chairperson, as the minister responsible for mining and as the Minister responsible for Innovation and Energy activities, I can indicate that I fulfil my role in the most forceful fashion possible. And it is interesting because, if we get into potash and oil exploration, later on you'll see that there's issues with relation to oil production and potash production. And the two aren't necessarily—the two are incompatible in some ways, and you have to make decisions sometime as to what is in the best economic interest of the province, and so it's usually not a—it's never a cut-and-dried situation.

But I certainly take my—our department takes its role very seriously with respect to the significance of mining and mineral potential. It's been a bedrock, no pun intended, of this province for a—since its founding and will continue to be into the future, and we are cognizant of that.

**Mr. Borotsik:** Well, what a wonderful segue.

Let's talk about potash, and I do appreciate the fact that there are some conflicts, certainly, in land-use policy with respect to oil exploration, potash, minerals and mines. I don't think we have too much to worry about with respect to potash. Can the minister tell me when the last potash mine was developed in Manitoba?

**Mr. Chomiak:** We ought to watch how much we talk about potash because I can go on forever about potash. So there has not been a mine developed in Manitoba. The most probable source of development of a potash mine in Manitoba would be BHP if it's in partnership with the province with respect to potash development.

There's also two other projects going on with respect to potash development. There's some land consolidation issues that may affect it, but, quite frankly, I read the comments of the CEO of the Potash Corporation of Saskatchewan recently, the highest paid executive in Canada, who maintains an office in both Saskatoon and Chicago, and he made it very clear what I've always indicated, that PCS is not going to let anyone compete with them.

And I don't care what that might have in terms of legal ramifications, but BHP has indicated that they are more interested now. They were quite interested in developing their portion, but their plans—and they're a big Australian company, and they want to get into a potash in a big way—their now No. 1 priority is looking at a much larger deposit in a much easier-to-access higher volume deposit in

Saskatchewan, which doesn't surprise me. They're a world player and the potential deposit in Saskatchewan dwarfs our deposit.

So I could say I'm a little bit disappointed that BHP hasn't shown as much interest, but they've indicated that they're more interested—and I think I have that correctly—they're more interested in developing their potash mine—their potash reserves in Saskatchewan than they are in Manitoba. They were, I think, the leading candidate because of their deposits and the location of their deposits to develop a mine in Manitoba, but truth—we've always known that—we've always—well, frankly—well, I'll stop because, as I said, when I go into potash—

**An Honourable Member:** Don't stop.

**Mr. Chomiak:** Okay, well in terms of potash and potash development, I watch the reserves and I watch the development of the industry and the supply-demand. When potash was going at \$900 a tonne, a thousand dollar—they—obviously, it was the biggest—one of the biggest contributors to the economy of Saskatchewan. They've got the world-class deposits. I also noted that, every time a competitor wants to come into the potash industry, the 70 percent or 80 percent production levels in each of the Saskatchewan potash mines, all of a sudden get expanded or rise to 80 or 90 percent or they announce an expansion of one of their mines to bring down capacity.

Right now potash is 300, 400 dollars a tonne. There's—they're anticipating an increase because of Indian and China demand, but PCS has a stranglehold on the market and the capabilities. And certainly the CEO indicated just this month that they weren't going to let anyone come in and undercut—they have capacity that they could develop quickly and cheaper than a new potash mine, and that's why the development of BHP in Saskatchewan versus PCS should be a very interesting development to see whether or not if the commodity comes back in terms of price, whether or not BHP will proceed. And I think that project is something like 2.5 billion, whether or not they will invest 2.5 billion and take on PCS in terms of its reserves.

And it's very interesting: the government of Saskatchewan had to pay back \$1.9 billion in revenue to PCS last year, which affected the Saskatchewan budget quite dramatically in anticipated revenues and royalties from potash because of the—and potash is, you know, from the 1960s on, has always been such an up-and-down

commodity. In the 1960s, Ross Thatcher brought in pro-rationing, which limited the capacity of all the potash mines to produce—lowered it to something like 40, 30 percent. The industry challenged it.

It's always been a—because it's centrally located and because of production problems in Russia and the diminishing reserves in France and in the United States, it's now reverted to a commodity that Saskatchewan virtually has the power to dictate what will happen to potash in the future.

So that's a long-winded way of saying that BHP, who, I anticipated, were most likely to produce a potash mine in Manitoba, have indicated their first interest is their deposit in Saskatchewan.

**Mr. Borotsik:** The minister's taught me more about potash than I knew before I came into this Chamber. I do know about BHP and the partnership with the Province of Manitoba with BHP, and I do know that—I do know that those potash reserves do extend into the province of Manitoba. They don't stop at the border up at Russell.

They do have potential into our province, and, certainly, it would be beneficial for our province to get into that particular commodity with BHP, and BHP is the largest company of its kind anywhere in the globe. So I was kind of hoping that we could have encouraged them to develop a potash mine. As the minister knows, there's another mine being developed by the Potash Corporation of Saskatchewan in Saskatchewan.

I find it rather interesting and perhaps a little bit ironic that the minister doesn't particularly like PCS's handle or stranglehold on the marketplace. I suspect he would look at a similar situation as a monopoly but, on the other hand, does appreciate monopolies here in Manitoba. So there's a bit of a contradiction there, obviously. However, the question I do have—and, again, I just have to comment whether the fact that the CEO of PCS is the highest paid CEO in Manitoba, I don't think really matters all that much. That doesn't really matter all that much for the simple fact that PCS does provide a substantial amount of revenue to the Province of Saskatchewan, which I had hoped that some of that revenue could have been diverted to the Province of Manitoba.

\* (11:40)

In hearing the minister's response—and I appreciate it, and I do understand the economies of the potash and certainly the ability of PCS to shut others out of the marketplace—disappointed to hear

that BHP isn't looking at Manitoba mines. Does that mean the minister has simply thrown up his hands and suggests that we shouldn't compete into the potash marketplace?

Other initiatives that are in place right now that perhaps could, effectively, develop some of our resources, and I do appreciate the fact that marketplaces dictates the kind of investment into those areas, but are there not other initiatives that the minister and his department are looking at to try to develop potash—a potash industry here in Manitoba?

**Mr. Chomiak:** Most certainly, and I always joke with the member for Russell (Mr. Derkach) that every four years, regardless of political stripe, the Manitoba government announces a potash mine in the Russell area and that's gone back to, oh, in the 1980s. It seems to be almost every four years at around certain periods of time that we hear all kinds of activity, and I've often joked with the member from Russell.

But, of course, we'd love to have a potash mine. You know that's why we took—went into partnership with someone of the stature of BHP. Agrium has also a—they've asked for a mineral application lease and the department's requested a mine development plan. And I also know Western Potash has been doing work south of that, talking about a solution mining technique which—because I know a little bit about potash, I—they're, you know, they're pretty pumped about it. I—people around me who advise me think it's not—it's more of a difficulty. They've got exploration permits and they've carried out a \$5-million exploration program.

We would be ecstatic if we could develop that—the quality is fairly good. The nature of the deposit makes it a little bit more difficult than, say, over the border in Rocanville and it's not as easy to mine in a—in the same fashion. And because it's the edge of a—if only the border had been a few miles—if the border was a few miles west, we'd have considerably more potash. *[interjection]* Well, we thought of that, but Saskatchewan's also indicated the same to us. And it would be the same on oil. We just—we would just need a few miles and you'd have some significant revenues.

I—we would do anything that would be practical and legitimate to get a potash mine in Manitoba, but I don't like going out and going into western Manitoba and saying to people, well, you know we're going to develop a potash mine, when I know that the economics right now and the reality, from my

understanding of potash, is such that it's, you know, you can make the promise and you can commit to try to do it, but right now it's not looking—events could change.

But, right now, there are other, you know, there are other things that I think—that are possible, which I am not at liberty to talk about, but the long and the short of it is we would like a potash mine in Manitoba. It would be significant for both employment and economic development as well as helping in the world's food supply. But circumstances being what they are today, I'm not that hopeful.

**Mr. Borotsik:** I'm effectively finished on my mining and mineral side of it, but my colleague, the member from Carman would like a couple of questions, and I need a bit of a break, and I shall return in the not too distant future.

**Madam Chairperson:** Prior to recognizing the honourable member for Carman, is it agreed that the honourable member for Carman can ask questions from the seat he's currently sitting in? *[Agreed]*

**Mr. Blaine Pedersen (Carman):** I am asking some questions about low-speed vehicles, and Northland Machinery in Carman has a low-speed vehicle brought in at—they're currently importing them—American Custom Golf Cars, Incorporated, out of California.

We've been at this for—I've been trying to help Kyrke Nussey and his Northland Machinery for the last couple of years here, and the Town of Carman is very interested, the mayor and the Town of Carman are very interested in setting up a pilot project with low-speed vehicles within town. We recognize there's two provincial highways coming through Carman, so there's issues about crossing the highways and all the rest of it.

We met with a previous minister about this some time last year and he assured us that there were a number of communities interested in pilot projects, and, at that time, there was insurance issues about the pilot project, and that involved MPI and how would you insure these vehicles, and that he was working diligently on that.

I have the letter from the current minister here, dated March 19th. The Town of Carman has the authority to permit low-speed, non-conforming vehicles for test purposes, et cetera, et cetera. It goes on to mention something about Transport Canada National Safety Mark. Northland Machinery has—

these cars that they're bringing in from California have been registered with Transport Canada since February of 2009, so we're in a bit of a bind here on two ways.

First of all, I guess, to start with, I'd like to know where the current minister is in terms of pilot projects for low-speed vehicles.

**Mr. Chomiak:** As far as we are aware, the vehicles that the member referenced—and we'll double-check—do not meet Canadian safety standards. MIT is co-ordinating a potential low-speed vehicle pilot project. We are endeavouring to help and to try, but I think some of the information the member is providing may not be accurate, and we'll double-check. But we're not aware that they're—that they meet Canadian safety standards. But, still, over at MIT, they're looking at a potential low-speed vehicle project.

And I can indicate the previous minister has, you know, worked very hard and has been on my case about this and has kept pushing me and pushing us on this, and we've talked to MIT and—to the extent that we can continue to work on it. I think MIT will. And, if it means a meeting with yourself and Carman officials and people from perhaps my department and perhaps people from MIT to talk about it, we'd be willing to do that, so that there's not—so we're not talking about—so we're not getting factual information wrong.

**Mr. Pedersen:** Well, this has been sort of an ongoing issue all the time, and, also, it's not only MIT. But, if MPI now, Manitoba Public Insurance is involved in this in terms of the pilot project, that's what the former minister indicated that there was some insurance issues because, if the government was—the Manitoba government was the one sponsoring the pilot project; then they had to have insurance regulations. So we need to know whether that has been solved too before we get—that particular issue needs to be addressed prior to any further meetings because we know all this stuff and we're not getting anywhere here.

**Mr. Chomiak:** MIT is considering several different low-speed vehicles that meet crash-test standards, and I think that's the issue. With the question of liability, we can include MPI in terms of the meeting. I—they're part of the low-speed vehicle working group, and just—I think it's a significant liability issue in terms of cost of liability for an insurer on a—with respect to liability of this. From my former understanding of MPI and liability-related issues, it's

a difficulty. There's no doubt that we would like to encourage any kind of manufacturing in this province that would be viable and doable.

So I think the best solution would be what I suggested earlier, that the working group meet with the member and perhaps some of the people from the company and perhaps some town officials and sort of just, you know, have a real good, factual meeting to sort out where the—where everyone's understanding of issues are, and then go away and try to solve those issues, and then come back and see if that—see if it's doable.

\* (11:50)

**Mr. Pedersen:** Well, we can do this, and I will talk again to Kyrke Nussey at Northland Machinery and the mayor of Carman because Carman is very interested in this. As you're probably aware, Carman has a very large seniors population and this is actually a good—Carman would be a very good fit for a project like this.

Notwithstanding the issue that—we've got, you know, two provincial highways coming through. But I also have a picture of a local resident driving down No. 13 Highway in his mobility cart, you know, those little electric mobility carts with his flag up on the back, and, when you talk about liability and that—and this stuff is happening out there and we don't even want to talk about what kind of liabilities if that person happened to get run over. If I remember right from traffic reports, we have something like 3,500 vehicles a day coming just on Highway 13 north, coming through Carman, and a lot of those are transport trucks, so we need to—the sooner we get this going on—and it looks like—

I should say too, just to let you know here, Northland Machinery is actually—they're bringing in these cars and they're—I can provide you with the brochures; I've provided the previous minister with the brochures. But they're actually bringing these cars in somewhat stripped down right now and they're making some of the trunk lids and parts for them here in Carman. And, if he can get this project going, there is huge potential, and he says he can actually manufacture them. Because they're assembled in California, he could actually do the assembly work here. You buy—it's the same as any other vehicle. You buy components all over the world and then you assemble them here.

And this is rural economic development and this is important to us, so the one side of it is, yes, the

safety side and to get the test project going, but there's a much larger component to this, so I would appreciate it if we could sit down, and I will talk to them too about—I'm sure he has a crash test standards from Transport Canada. I know that they're registered with Transport Canada, and I will talk to my MP about getting some response back from Transport Canada on this too, but we will try to set up a meeting here, coming.

**Mr. Chomiak:** I thank the member for his understanding. And Carman's not the only community that has a low-speed vehicle that's looking for a—so it's an exciting—I mean, it is an exciting development and there's a number of competing issues that are in an evolving technology and evolving move towards a different form of transportation.

There's a lot of opportunities and why couldn't we go back to the—you know, there was a time in Canadian history when cars were developed, you know—every province had car manufacturing et cetera. I mean, it would be really exciting to have a niche manufacturing of some form and maybe a larger potential in Manitoba, and we would not discourage that. I mean, it is true. We need more opportunities in rural Manitoba for economic development, so there's—I agree with the member, and we will endeavour to—we will follow up.

**Mr. Borotsik:** I'd like to head into another alternate energy source, if I could, Mr. Minister, that of geothermal. It seems the government of the day has embraced geothermal. It seems they have. We'll talk about whether there's a reality there or not.

On April 22 of this year, the Premier (Mr. Selinger), and I quote, "Mr. Speaker, Manitoba has 25 percent of all the geothermal installations in Canada . . . Manitoba is the geothermal leader in Canada, and likely North America, for the proportion of installations in homes, institutions and commercial operations which use geothermal as a source of heating."

Can the minister please provide me with the data from his department that shows that, in fact, Manitoba has 25 percent of all of the geothermal installations in Canada?

**Mr. Chomiak:** Yes, my memory serves, in 6,800 to 7,000, pardon? *[interjection]* 8,000 installs right now. Geothermal's—the history of geothermal is also interesting. There was a significant move in Ontario several years ago to go geothermal, and we learnt

from their failure. The industry got into a lot of difficulty by not having proficient and adequate companies to provide geothermal—and got in all kinds of difficulty.

So our—we've encouraged the new formation of the geothermal association. We've worked with companies. We have significant incentives on geothermal. We'd like to see—we would very much like to see, as the member knows, most government building and establishments have to meet Silver LEED standards across Manitoba. We want to encourage as much geothermal as possible. There's—and—but on a comparative basis, we're at 8,000, and I don't have the figures—and we'll get him the detailed figures for each province, we'll undertake take to provide that.

**Mr. Borotsik:** Yeah, and that actually was my question.

When one makes the claim of having 25 percent of the geothermal installations in Canada, one must have the total installations in the country in order to make that claim.

Is the minister saying that we don't have that information now? The Premier (Mr. Selinger), obviously, had the information because he indicated 25 percent of the total geothermal installations are here in Manitoba.

**Mr. Chomiak:** We don't have the detailed breakdown by province but we'll get it to the member.

I know that there's a—I'm aware of geothermal installations in British Columbia and I'm aware of geothermal installations in Alberta. I personally don't know of anywhere that has the volume that we have, but, we will get the member that specific provincial breakdown.

**Mr. Borotsik:** Actually, I would like to quote a news release actually. In fact, back in April of 2006, the minister that I'm dealing with right now was, at that point in time, the minister of Energy, Science and Technology. How things go around. And that particular minister was, along with another minister, the minister of Housing, talking about the geothermal program that they were going to have in Waverley West. At that point in time, there was suggestion that there would be some 4,000, I believe, housing units that were going to have geothermal. But it's been identified, just recently, that out of 400 units, there's only four that have been constructed currently with geothermal.

Can the minister tell me why that that's been so ineffective with geothermal development in that particular development?

**Mr. Chomiak:** There's a number of reasons that it hasn't occurred. First off, at the time, we had great difficulty getting the technological equipment, actually, the drilling equipment, to do the drilling on geothermal. The main Manitoba drilling company, as I recall, was quite active in the oil fields, and—that was one of the technical issues.

Also the salinity—the ground portion wasn't as efficient as had been earlier anticipated. There was a need to actually make neighbourhood loops rather than individual loops, and we had some trouble with the zoning. And, quite frankly, the developers simply would not embrace the concept of geothermal because of the front-end costs, despite the incentives we are putting in place.

There's an initiative going on right now, across Canada, called QUEST, which is headed up by a number of companies across the country, and, has been embraced by the federal government, and most provincial governments, to make communities, like Waverley West, in a fashion that we had anticipated initially, to make Waverley West.

\* (12:00)

Frankly, we ran into more difficulties than we had anticipated. The model for developing geothermal that we had put in place, was not effective. We're going to another model for geothermal.

We're going to try to go towards a utility model, which means the utility owns the—how shall I put it?—the hardware, and the price of the installation of geothermal, then, becomes a cost that's amortized over a long period of time and doesn't have as much as a front-end cost.

I think there's 20 houses with geothermal in Waverly West and only two have been sold. So, right now, 14 of 46 potential lots for geothermal have been sold in Waverly West, nowhere near what we anticipated. We had always known that it's always difficult to change a fundamental technology.

I don't want to make excuses, but I don't think anyone anticipated, for example, the cost of natural gas would hit the levels it's hit, and the shale gas implications that have come in have meant that capacity and supply of natural gas is so much

greater, which makes the economics of natural gas—we had always anticipated that natural gas would be increasing at a higher cost, which would make geothermal much more competitive economically. That's a long way of saying we didn't—we ran into difficulties in Waverly West for all of the reasons I cited.

We're still very high on geothermal. We're going to change our approach by going to a different model that we're working on now, which is a utility model which makes a lot of sense. And we hope to be able to develop more geothermal, but the technology has not been embraced by developers nearly as much as we anticipated.

**Mr. Borotsik:** Well, I thank the minister for identifying the issues and the problems. There are a number of them that, perhaps, he hasn't identified just yet, that the tenor of the news release back in April of 2006 is an awful lot different than what the message is that's being given right now. At that point in time, everything was very positive. We talked about gas prices changing and that obviously has an effect. We talked about soil consistencies and that has an effect.

But I'd just like to have one quote here. This is in the minister's press release: "Geothermal is a well-proven heating alternative and Waverly West would be the largest concentration of cold climate heat pumps," said Bob Brennan, President and CEO of Manitoba Hydro. "The studies under way will provide the economic and technical answers as to the use of geothermal technology on a large scale and we're excited by the possibilities of such a unique opportunity."

Now, if I could, just make one more quote, and this comes as of about four or five days ago, when a gentleman by the name of Mr. Tim Sale was being interviewed by CBC, and the question was: Is why the geothermal wasn't being developed the way it should be in Waverly West? And the one, Mr. Sale's comments was, and I'll quote: Well, I think the major reason, frankly, is a policy of Manitoba Hydro.

What does Manitoba Hydro have to do with it, was the question. Well, Manitoba Hydro is involved in the planning of any subdivision from the very beginning. Planning the electrical services, obviously. So Manitoba Hydro has a policy which has only become clear, I think, to so—to many of us in the past couple of years, and that is that they don't want to put geothermal in any place where natural gas is available because it's cheaper for them to have

homeowners use natural gas at higher cost to the homeowner. It saves electricity that they can then export and make more money because of geothermal requires a little more electricity.

Now, I guess, there's a contradiction here. I have a quote in a press release that the minister put together from the CEO of Manitoba Hydro saying that they're extremely excited to develop geothermal in that particular land development. And now I have a contradicting comment with respect—it says Manitoba Hydro has been throwing a substantial number of roadblocks in the place of geothermal development.

Has the minister had discussions with Manitoba Hydro with respect to their policy, and are there any resolutions to that policy to, in fact, encourage geothermal, as the minister and the department would like to do?

**Mr. Chomiak:** Yes, there's some practical difficulties that maybe will help the member clarify the situation. For example, in a new subdivision, if—quite clearly, if you're going to lay down natural gas pipelines and pipes natural gas to the homes, you're also—and you are going to give an option of geothermal, you also have to provide the infrastructure for that as well.

Any large energy corporation, BC Hydro, Québec Hydro, Ontario Hydro, Manitoba Hydro, SaskPower, are all going to generally want to satisfy the customer and go with the conventional systems. And one way, for example, of developing a community would be to not put in natural gas and just mandate that it's going to be geothermal for the entire community. But that would be a significant policy change and I'm not sure that, right now, the economy is what will allow that and be—whether the developers would show any interest—and this is mostly private developers we're talking about—would show any interest in experimenting with trying to sell homes that had no natural gas.

So there are some practical issues involved in that. If you're Manitoba Hydro, you're going to go with the conventional, particularly the way that gas prices are going, and you'll be cautious about moving in the geothermal area. And there's an upfront cost that's significant to a homeowner. So the—you know, the—your Crown corporation—we've talked about this many times in the House—is publicly owned, is—wants to minimize risk and there are risk factors that they have to take in order to develop that kind of industry.

So, having been responsible for Manitoba Hydro for some time, and having been involved in the energy industry for some time, we think we're—that we're not going to put the bulk of the policy issues on Manitoba Hydro. Instead, we'll develop different models that we hope will be more effective for homeowners. You know, when you're—so—well, suffice for now.

**Mr. Borotsik:** Well, I guess the answer doesn't quite suffice. It is a policy of the department that they are going to—in fact, it says quite emphatically here in the Estimates book, develop and implement programs to expand the adoption of geothermal technologies and help expand the geothermal industry in Manitoba. That's one of the mandates of the department as identified in their own Estimates book.

We now have another monopoly in the province of Manitoba, a Crown corporation that seems to be not assisting in that particular mandate that's been outlined quite specifically in their book. Yet the minister doesn't seem to give me any confidence that Manitoba Hydro is going to change its policy anytime soon and assist in the development of geothermal. So if that's the case, then why not just simply say that geothermal isn't going to be available in any areas that Manitoba Hydro don't want it available as was identified by Mr. Sale?

Mr. Sale said that where there's gas right now, Manitoba Hydro are—or is not going to be competitive nor are they going to be co-operative in having geothermal developed. And one other comment here that I'd just like to quote, and he says, Mr. Sale does, is that: Unfortunately, what that means in this case is Manitoba businesses and homeowners and schools don't get to save the money.

So it seems two policies are at odds with each other; they're counter-productive. We have a Manitoba Hydro policy that's saying if there's gas available, we're not going to allow development of geothermal there, and the other is the department's philosophy that's counter—is counter-productive, where they're saying we are going to promote geothermal. So, perhaps the minister could explain to me how these two policies match, if, in fact, they do match?

**Mr. Chomiak:** The member has brought me exactly to where I've indicated, in other areas of policy, that we're trying to develop. Manitoba Hydro provides

loans, low-interest loans and significant incentives to commercial industry in order to develop geothermal.

\*(12:10)

Manitoba Hydro provides loans, low interest loans, and significant incentives to commercial industry in order to develop geothermal. Manitoba Hydro's new building is geothermal. It's actually the most advanced energy building in the world, right—*[interjection]*—of tall buildings. But what we've decided to do as a department, I've already indicated to the member. We're not saying we've not giving up our quest for a significant geothermal development, but what we are saying is we're going to use a different model to develop geothermal, which is a—more of a utility model that has worked in some other locations in terms of providing it.

But just think about it for a second. If you, as a homeowner, are going in—and then you're going into a new development and the developer of the home, the builders say, well, you know, you're, you know, going to get some incentives for your geothermal, but it's going to cost you \$15,000 up front to put in geothermal; you'll save the money in the next 20 years. You know, it don't work that way in terms of dealing with the public.

So, what we want to do is: Manitoba Hydro is going to continue to offer incentives and to continue to offer support, particularly in the commercial side, and we're going to try to build in a cost—more cost-efficient model for the public to develop geothermal. So it's not a either/or, it's more of a working with the utility to try to forward it, in light of the fact that the price of natural gas has defied all of the predictions and—but we're going to try to work with Manitoba Hydro and with the public to develop that different model in order to have more residential geothermal.

**Mr. Borotsik:** And the minister just made a statement where the Manitoba Hydro building is the most advanced energy efficient building in the world, I think was the comment. Can he please provide with me information from his department, which, in fact, would make comparisons to any other energy efficient building in the world, that, in fact, will give us the detail and the data about that energy efficiency? And perhaps, now that the building is up and operating, he could also provide information from his department as to the actual energy consumption and the energy requirements for that particular facility.

**Mr. Chomiak:** The building—it just won the worldwide award for tall buildings, and it's—North American award for tall buildings—and it's applying for Platinum LEED status, which is the top end, and I don't—is there—for sustainability and energy efficiency and is there any other building that is Platinum LEED? Smith Carter in Winnipeg, which is geothermal, et cetera, has achieved Platinum LEED status, and not many buildings in the world are Platinum LEED, and Manitoba Hydro has applied for that on sustainability and energy efficiency.

So I think we can say, at least as well, so I'll drop back, but I think we're probably correct and say that it's—in terms of tall buildings—it's the most efficient tall energy building in North America, because it's won the award for that.

**Mr. Borotsik:** Then, if that's the case, then it shouldn't be that difficult to provide the data that was put forward for the application. And that data obviously would have energy consumption. It would have the detail as to what the requirements are to operate the building of that nature.

So can you provide me through the department, that information as to the energy consumption of the Manitoba Hydro building?

**Mr. Chomiak:** Yes.

**Mr. Borotsik:** Thank you so very much, Mr. Minister. See, that was an easy answer. Thank you. Thank you.

Going back to the geothermal, you had talked about and you had indicated that your department has put in place a number of incentive programs with respect to the installation of geothermal, and that's laudable. In fact, it's a good way to be able to encourage individuals. As the minister has said, the capital costs, that the upfront is substantially more than what it would be for normal energy consumption such as gas or electricity, but the payback is over a period of time. So it seems to make a lot of sense that when you're putting in programs, that if there's an incentive built into the initial capital cost, that it would encourage people to put in geothermal.

In fact, I will quote, and it says, and this is another—a lot of news releases, December the 10th, 2008, "Geothermal program in full effect January 1. For geothermal installations in new homes, Manitobans can receive up to 3,000 in incentives including a refundable Green Energy Equipment Tax Credit worth about \$2,000 and a \$1,000 grant for

homes in natural gas serviced areas of the province." So, if you do have natural gas, you can still, in fact, receive a grant by putting in the geothermal installation.

Bear with me, Mr. Minister, please. I have a letter that came from an individual in the Neepawa area and they installed a geothermal installation. Their question is, that in December of 2009, we moved in and started to apply for the geothermal rebates. I filled out the form and sent it in. I just got a call back on February of 2010 saying our rebate has been denied due to Birch's Plumbing and Heating wasn't a member of the MGEA, which is the Manitoba Geothermal Energy Association. She then phoned the plumber about this and he took his training with MGEA and he is a member of the Canadian geothermal exchange coalition and also a member of the International Ground Source Heat Pump Association.

When this individual phoned MGEA and was asked why the installer needs to be a member in order to qualify for the rebate, they told me that I, the customer, would be covered if the instalment was put in wrong. I thought the Manitoba government was going in the right direction with the tax rebates, yada, yada, yada, but—how does *Hansard* do yada, yada, yada? That would be an interesting one.

Basically, the question from this individual, she's been turned down for her \$1,000 rebate because the installer was not certified by the Manitoba Geothermal Energy Association but, in fact, has got accreditation from a number of other associations. Mr. Minister, why is it that your department and your government, with this particular grant program, will not allow installers who are very well trained—in fact, we'll get into the installers a little later—why will they not allow that installation to be covered under the grant process?

**Madam Chairperson:** Just while the minister consults, my understanding is that *Hansard* puts information in word for word, so I imagine that's what will be in *Hansard*, so you could use et cetera if you wish instead, but—just for the information of the member.

**Mr. Chomiak:** It is very unfortunate that these circumstances occurred. I'd said earlier that one of the things we wanted to do when we were developing a geothermal program was not to go the way of Ontario, who had, several years ago, established geothermal installations, et cetera, and had tremendous quality difficulties—was it Minnesota

or Ontario? Ontario. So the program collapsed and they lost all credibility. So, when we established our geothermal program, we made it very clear that a requirement of the loan—and it's on the application, and I know this is unfortunate—that the installer had to be accredited by the Manitoba geothermal association in order to be eligible for the grant, and that's to ensure that we would not find ourselves in a situation where—now this becomes, I understand it, and almost like a catch-22 bureaucratic exercise, but this does happen often in government programs. We try to make it as clear as possible.

\*(12:20)

The policy intent is to ensure that the geothermal that's put in is effective and, if something goes wrong, that we can go back to the company and have the matter fixed. But that was a program requirement. That was made very clear. The nuances and the obviously points the member makes are worth looking at, but I have seen this in several areas of government programming where, unless you meet the specific criteria, you can't qualify, and sometimes it does result in a perceived unfairness.

But, from a policy prospective, we very much wanted to have an industry that had complete accreditation and the ability of us to ensure that we wouldn't find ourselves in a position where the industry would be hurt and the program would be hurt by inappropriate installations. I'm not suggesting that happened in this instance, but that was the program requirement.

**Mr. Borotsik:** Madam Chair, just at the beginning of our discussions with respect to the mining industry and exploration permits, the minister took a great deal of pride in the fact that his department had flexibility, that they were now changing that particular process, that they were going to put in some new models, they were going to put in a new opportunity for consultation, and I congratulated him on that. I said, what a wonderful thing to have flexibility in government to—if something's not working, to fix it.

Here, at the end of our discussions, we have a situation where there's an individual who has gone and invested in geothermal, which the department wants individuals to invest in, yet, now have the—they're inflexible and don't have the flexibility to be able to change the policy that was put in by their department in the first place.

Just to clarify, this individual, who installed the geothermal, is trained in the province of Manitoba, has an association with the—what they call the Canadian Geothermal Exchange Coalition. He has an association with the IGSPHPA, which is the International Ground Source Heat Pump Association. He is very competent to install these types of geothermal installations. Yet, I asked the minister, is his department so inflexible that they can't change the policy and the rules to include other recognized organizations that installers have association with?

**Mr. Chomiak:** Madam Chairperson, I recognize the difficulty. We want to ensure—we want to be flexible, but we want to ensure as a department that accredited—and that we're assured that the accredited individuals and companies that are accredited provide this service. The member could probably appreciate on this issue how difficult it must be to be an immigrant doctor in Manitoba or any other province and coming in and being trained and then trying to get your—being able to practise in a field where certain accreditation standards apply.

It does get to be a very difficult area, but, in this instance, our department has wanted to be as flexible as possible. I am aware of the geothermal association. They're not all necessarily accredited. That is, the exchange groups, they're not all accredited, are they? Almost all of them are accredited.

At this point, I don't see us changing the policy or the form. We can have further discussions on that, but today I can't tell you that we're going to change that policy.

**Mr. Borotsik:** Well, Madam Chairperson, it seems two and a half hours goes very quickly when you're having fun. One last question, and I've got three other areas I'd like to deal with detail, but I suppose we'll wait for the next opportunity to meet with the minister.

Just very quickly, you don't need any other staff for it, Mr. Minister, just simply your own thoughts on the subject. One of the areas of your mandate is science, innovations and technology. Can you just, in 30 seconds or more, kind of give me your basic, broad vision as to where you see the province of Manitoba heading with developing what I consider to be probably one of the most interesting areas of opportunity going forward, the information technology and knowledge sector? What is your department going to do? What policy do you plan on putting into place, and how supportive are you going

to be for developing that information technology and knowledge-based systems going forward in Manitoba?

**Mr. Chomiak:** Very. I met with ICTAM last week. We're doing some extraordinary stuff. We're in some relationships with Minnesota, Wisconsin. The big areas, food and agri—food and nutraceuticals are—we're a world best in. Infectious diseases, we're a world best in. IT application, we are in some areas a world best. We're actually testing some world-class IT technology today as we speak. In terms of IT, we're known as a very effective—we have some real pockets of expertise here. We've just signed an arrangement with Sysco, who's a world leader in technology. It's one of our big three areas. I don't know if that answers it, but that is the fact.

**Mr. Chairperson:** Is the committee ready for the resolutions? *[Agreed]*

Resolution 18.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,695,000 for Innovation, Energy and Mines, Energy Development Initiatives, for the fiscal year ending March 31, 2011.

**Resolution agreed to.**

Resolution 18.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,261,000 for Innovation, Energy and Mines, Science, Innovation and Business Development, for the fiscal year ending March 31, 2011.

**Resolution agreed to.**

Resolution 18.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$29,359,000 for Innovation, Energy and Mines, Business Transformation and Technology, for the fiscal year ending March 31, 2011.

**Resolution agreed to.**

Resolution 18.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,271,000 for Innovation, Energy and Mines, Mineral Resources, for the fiscal year ending March 31, 2011.

**Resolution agreed to.**

Resolution 18.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,446,000 for Innovation, Energy and Mines, Costs Related to Capital Assets, for the fiscal year ending March 31, 2011.

***Resolution agreed to.***

Resolution 18.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,146,000 for Innovation, Energy and Mines, Capital Assets, for the fiscal year ending March 31, 2011.

***Resolution agreed to.***

At this time, the last item to be considered for Estimates of the department is item 1.(a) the Minister's Salary, contained in 18.1.

We now request the minister's staff leave the Chamber for consideration of the last item.

**Mr. Chomiak:** Madam Chairperson, I move that item 18.1.(a) Minister's Salary be reduced by 20 percent, or \$9,000, to \$37,000.

***Motion agreed to.***

**Madam Chairperson:** Resolution 18.1: BE IT RESOLVED that there be granted to Her Majesty a sum not exceeding \$752,000 for Innovation, Energy and Mines, Administration and Finance, for the fiscal year ending March 31st, 2011.

***Revised resolution agreed to.***

The hour being 12:30, committee rise. Call—oops. This concludes the Estimates for the department.

The hour being 12:30, committee rise. Call in the Speaker.

**IN SESSION**

**Madam Deputy Speaker (Marilyn Brick):** Order, please.

The hour being after 12:30, this House is adjourned and stands adjourned until 1:30 p.m. on Monday. Thank you.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, April 30, 2010**

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