

First Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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The Honourable Daryl Reid
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	NDP
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
ASHTON, Steve, Hon.	Thompson	NDP
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CROTHERS, Deanne	St. James	NDP
CULLEN, Cliff	Spruce Woods	PC
DEWAR, Gregory	Selkirk	NDP
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EICHLER, Ralph	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FRIESEN, Cameron	Morden-Winkler	PC
GAUDREAU, Dave	St. Norbert	NDP
GERRARD, Jon, Hon.	River Heights	Liberal
GOERTZEN, Kelvin	Steinbach	PC
GRAYDON, Cliff	Emerson	PC
HELWER, Reg	Brandon West	PC
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WISHART, Ian	Portage la Prairie	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 30, 2012

The House met at 1:30 p.m.

Mr. Speaker: O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom, know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Good afternoon, folks. Please be seated.

ROUTINE PROCEEDINGS

PETITIONS

Personal Care Homes and Long-Term Care—Steinbach

Mr. Kelvin Goertzen (Steinbach): Good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly.

And these are the reasons for the petition:

The city of Steinbach is one of the fastest growing communities in Manitoba and one of the largest cities in the province.

This growth has resulted in pressure on a number of important services, including personal care homes and long-term care space in the city.

Many long-time residents of the city of Steinbach have been forced to live out their final years outside of Steinbach because of the shortage of personal care homes and long-term care facilities.

Individuals who have lived in, worked in, and contributed to the city of Steinbach their entire lives should not be forced to spend their final years in a place far from friends and from family.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health to ensure additional personal care homes and long-term care spaces are made available in the city of Steinbach on a priority basis.

Mr. Speaker, this is signed by E. Friesen, G. Pylypjuk, I. Pylypjuk and thousands of other Manitobans.

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

TABLING OF REPORTS

Hon. Andrew Swan (Minister of Justice and Attorney General): I'm pleased to table the annual report for '09-10 for the Helen Betty Osborne Memorial Foundation.

Mr. Speaker: Any further tabling of reports?

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw honourable members' attention to the Speaker's Gallery where we have with us today from Gujraj, India, Swami Ashwini Prajnaa and Jain Samaj and also, from Winnipeg, Dr. Narindra Jain, who are the guests of the honourable member from Radisson.

On behalf of honourable members, we welcome you here this afternoon.

And also, in the public gallery this afternoon, we have with us from Elmdale high school 56 grade 4 students under the direction of Ms. Lyndsey Engel and Ms. Bethany Dueck. This group is located in the constituency of the honourable member for Steinbach (Mr. Goertzen).

On behalf of honourable members, we welcome you.

And also in the public gallery we have this afternoon from Country View School 14 grade 6 to 9 students under the direction of Ms. Jenee Penner. This group is also located in the constituency of the honourable member for Steinbach.

We also welcome you this afternoon.

ORAL QUESTIONS

New West Partnership Trade Agreement Manitoba Participation

Mr. Hugh McFadyen (Leader of the Official Opposition): At this time of economic challenge in Manitoba and throughout Canada, it's more

important than ever that Manitoba fully participate in both internal and international free trade agreements.

Saskatchewan, Alberta and British Columbia recognize this need and formed the New West Partnership. Manitoba, under this NDP government, has sat on the sidelines.

I want to ask the Premier: Why is he so opposed to participating in this job-creating trade agreement with our western neighbours?

Hon. Greg Selinger (Premier): Mr. Speaker, I appreciate the question from the member from Fort Whyte and Leader of the Opposition. I want to welcome him back belatedly. I know he was warmly received yesterday.

And I do want to say we had a very good meeting with the western premiers from the western provinces as well as the territories yesterday. We focused on the need for strategic infrastructure. There was a strong endorsement of the immigration program that's offered in Manitoba, including lifting the cap to have more newcomers come to all the provinces in Canada but especially western Canada where there are labour shortages. We talked about labour market agreements and training and skills development for Canadians and people in western Canada.

We talked about a Canadian energy strategy that would be led through western Canada but encompass all of the country, but particularly focusing on leveraging our clean energy assets in western Canada and taking all the assets we have for energy and making them even cleaner and more sustainable as we go forward.

So it was a very productive meeting that we had with western premiers yesterday.

Mr. McFadyen: We note the Premier's support for the federal changes to employment insurance and federal environmental reviews, and those are positive steps.

But there's a missed opportunity to participate fully in the New West Partnership as our three neighbouring provinces have done. Those provinces are attracting private investment, they're attracting jobs, and they're building their economies.

And I want to ask the Premier: Why is Manitoba outside of this free trade agreement? Is it because they don't want to be part of the agreement, or is it because our three western neighbours haven't welcomed them?

Mr. Selinger: As I was saying to the member—Leader of the Opposition, we had an excellent meeting yesterday in Edmonton where we did focus on things like how to ensure that the Labour Market Development Agreement, which is part of the Employment Insurance program, is more flexible so we can bring more people back into the labour market, offer them more training opportunities, provide bridges between unemployment and employment at a time when we need skilled workers in western Canada, Manitoba and all the provinces and territories to the north of us. And so that was very productive.

Environmental review, we definitely supported a process that simplified the review process to one review, one decision, but at the same time had a high standard for environmental sustainability for any project that we do.

So I thought it was a very productive meeting. We will be following up with further collaborations with our western partners on the Canadian energy strategy, on east-west transmission. There's a growing interest in strengthening our east-west transmission linkages for hydro, for other sources of energy, and I thought it was a very productive meeting, Mr. Speaker.

Mr. McFadyen: Again, Mr. Speaker, we are very happy to see western premiers stand up strongly against the antiwestern messages coming from Thomas Mulcair, the federal leader of the NDP, and we're happy to see recognition of the important role that energy and resources play in our economy. So we're happy to see them oppose Mr. Mulcair's antiwestern attitudes and antiresource development policies.

Why not go a step further and actually participate in a free trade agreement with our western neighbours to build Manitoba and build western Canada for the future?

Mr. Selinger: It was a pleasure to be in the province of Alberta to see the walls coming down and a reaching out by the leadership in Alberta to all of Canada, and we very much support that attitude that we all work together. And the better partnerships we have, the more we will prosper as a country and as a western region, and that was the attitude we saw yesterday.

* (13:40)

We saw a big emphasis on sustainable energy development, energy that has a clean and smaller

carbon footprint, the willingness to share resources among each other on best practices and how we develop energy, the opportunities for jobs and employment in western Canada as we develop our energy economy, which is why we focused on labour market agreements and the abundant opportunities to live in this great country, particularly the west, which is why we had very strong support from the western premiers on our immigration program and why we need to lift the cap and have better settlement programs run at the local level for the benefit of greater integration of people into our great country.

Government Departments Advertising Expenditures

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, in a memo from the secretary to the Treasury Board to the ministers and deputy ministers of this government dated December 16th, 2011, it says, and I quote: Departments are to maximize reductions in expenditures wherever possible, including, among a number of things, it says restricting advertising-related activity.

Mr. Speaker, I'm wondering if the Minister of Finance could indicate how much his government saved as a result of this initiative.

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, we've been very consistent in telling not just members across the way but Manitobans across the province that we are very serious about balancing the budget in the 2014 year and that we're very serious about protecting the services that Manitobans appreciate the most and value the most. And we've been clear with that, and we've been very clear through the budget in indicating to people that internally we are working towards goals and targets that I think are very aggressive and will produce the kind of results that bring us back into budget-balanced budget and at the same time protect those services that I know members opposite—and maybe despite the resolution they brought forward to this House, maybe they understand that and maybe they do actually understand that those are services worth fighting for.

Mrs. Stefanson: Mr. Speaker, after the memo went out, what we would expect is to see a reduction in overall advertising costs. But did we? No. As a matter of fact, through freedom of information response that we received, instead there was an increase of almost \$1.2 million.

Can the minister explain this, or is an increase the new decrease?

Mr. Struthers: Well, Mr. Speaker, we have been working very hard internally to make sure—

Some Honourable Members: Oh, oh.

Mr. Struthers: —working very hard. They may not like to work very hard, but we like to work very hard to make sure that we do come back into balance.

We have been very clear that spending in the 2012 budget will be reduced. We have departments on this side of the House who have reduced and are working to further reduce the spending that we do.

Mr. Speaker, we've been very clear. We will come back into balance and will not put at risk the health care and education, infrastructure, kids, for services kinds of commitments that we have to the people of Manitoba.

Mrs. Stefanson: Well, Mr. Speaker, a memo sent from the secretary of the Treasury Board to the ministers and deputy ministers specifically asked for restrictions to be placed on advertising expenditures, presumably to find some savings in this area. But what we have found through freedom of information response was that not only were there no savings, there was actually an increase in the cost of \$1.2 billion—million, sorry.

Can the minister explain why his policy has failed to yield a reduction in expenditures? Mr. Speaker, was it mismanagement, was it incompetent, or was it both?

Mr. Struthers: Well, Mr. Speaker, I think members opposite should do a little bit more homework maybe and take a look at what it is that we do spend money on.

Are they saying that we shouldn't be putting money into something like Manitoba in motion? Do they not think we should have a campaign to reduce the amount of tobacco that's smoked? Do you think that we should maybe not be putting money into promoting the Healthy Baby or the Green Team proposals? Mr. Speaker, we think it's valuable that we advertise, that we talk to Manitobans about booster seats.

These are all undertakings that I think are very worthwhile. I think it fits into our approach to protect the kind of services that Manitobans value the most and, at the same time, make sure that we reassure

Manitobans that we're going to spend smart and come back into balance.

**Military Affairs Special Envoy
Appointment of Bonnie Korzeniowski**

Mrs. Mavis Taillieu (Morris): What the government is spending money on is creating jobs for retired MLAs, Mr. Speaker. The NDP have an arrogant history of rewarding their friends with high-paying government jobs. Instead of working for Manitobans, they create new positions like associate deputy ministers and chief prevention officers and appoint their friends without competitive selection processes. Even the former member from Brandon West got a soft landing in E, T and T.

The same thing happened with the special envoy for military affairs. Instead of keeping this dignified position for elected representatives, they turned it into a civil service job to keep Bonnie Korzeniowski on the government payroll.

Will the minister admit today that Ms. Korzeniowski's position is not about relationships with the military, it's about keeping NDP insiders on the government payroll? And he's looking for savings; look no further, Mr. Speaker.

Hon. Peter Bjornson (Minister of Entrepreneurship, Training and Trade): I'd like to first thank the member for the question. It gives me an opportunity to again talk about the good work that Ms. Korzeniowski is doing on behalf of the military, the veterans, and the military families throughout Manitoba.

Members opposite might think they need part-time or token attention, but we think this needs full-time attention, especially in light of what's been happening with some of the federal changes that are being made with Veterans Affairs. And we feel it's money well invested to serve the needs of the military families throughout the province of Manitoba.

And for the member to suggest that it remain in this Chamber and be part of a political process, I believe it serves them better that it is outside of the Chamber. It is no longer a political appointment, and she will continue to do what she's done well and that's serve the military families of Manitoba.

Mrs. Taillieu: And we know that the special envoy does have a role to play in ensuring that Manitobans understand the issues of the military. But this is a position that is the job of an MLA, not a civil

servant. And that's why the Premier (Mr. Selinger) gave this job to an MLA in the first place.

Now Ms. Korzeniowski gets her former salary, she gets to retain her former constituency office, and she goes out on behalf of the Premier to bring greetings to special military events, and she's not an MLA, Mr. Speaker.

Why is the Premier dishonouring the role of the special envoy just to keep an NDP insider on the payroll? Again I'll ask, Mr. Speaker. If the Finance Minister is looking for savings, he can look in that department over there. Why isn't he?

Mr. Bjornson: Well, again, the member should listen to what Brian Koshul from the Fort Garry Horse Centennial Committee has said in the *Free Press*.

And what he said was that he's seen no difference since she, being Ms. Korzeniowski, decided not to seek re-election. She's been involved in many things on an ongoing basis. To me and others, the military affairs envoy's job is just as efficient and pertinent now as when she was a sitting member of the Legislature.

Mr. Speaker, they might feel that the military needs part-time attention. We believe they need full-time attention.

Mrs. Taillieu: Well, Mr. Speaker, the difference is it's \$200,000 more that is being spent right now, and a current MLA could be doing the job.

The government continues to say that they need an unelected 58th MLA to keep them apprised of the issues affecting military unit based in Manitoba. I find it very odd that this Premier does not have confidence in another MLA, perhaps the current member from St. James. Why does he not have faith in a current member to build relationships with the military, Mr. Speaker? Surely the Premier is not admitting that he trusts the work of a retired MLA over the work of a sitting MLA in his own caucus.

Will the Premier stand up today and return honour to the role of the special envoy for military affairs by appointing a sitting MLA? Because if he's looking for savings, he can look no further than that.

* (13:50)

Mr. Bjornson: Ms. Korzeniowski played a very significant role as the military envoy in creating legislation that protected the jobs of those military personnel who were serving in Afghanistan. She's

been involved in bringing the Yellow Ribbon Campaign to the Legislature. She'd been involved in veterans' licence plates, voting rights for troops serving overseas. That was a proven track record, Mr. Speaker.

And she continues to serve the troops in many ways by acting as a liaison with all the military units in Manitoba, by supporting military events throughout the province of Manitoba, by maintaining liaison with the formation commands throughout the province.

I'm really not sure why the members opposite would support the position of the military envoy when it was prudent to do so when she was here in the gallery supporting a private member's bill but clearly they don't support it today and try to play political football with it. They should be supporting the troops, Mr. Speaker.

Health Department

Administration Expenditures of Minister's Office

Mrs. Myrna Driedger (Charleswood): Yesterday in Estimates, the Minister of Health confirmed that executive support to her office remained unchanged from last year. It was \$1.2 million last year and it's \$1.2 million this year.

I'd like to ask the Minister of Health to explain why she made no attempt to cut administrative spending in her own office.

Hon. Theresa Oswald (Minister of Health): As I told the member in Estimates yesterday, there are two vacancies in my office.

Mrs. Driedger: Yesterday, she also indicated that she was trying hard to fill those positions.

So, Mr. Speaker, the Addictions Foundation of Manitoba is being forced to find up to \$1 million in savings this year. In fact, they are going to be forced to cut programming in order to save that money.

So can the Minister of Health tell us, and can she tell the people waiting on addiction treatment lists, why she feels so entitled and why she didn't even cut back on administrative spending in her own office?

Ms. Oswald: As I said previously, I put some facts on the record concerning current staffing, but the member opposite and I have had certain debates over the years about complements of staffing.

I would note, of course, that the level of staffing in my office hasn't changed since I arrived there.

And it certainly is our priority, Mr. Speaker, to work to be as responsive to the public as we can.

We know, without a doubt, that when members opposite were running the Health office, they actually didn't want anyone answering the phone that had spent a bunch of time in the hallway. They didn't want anyone answering the phone. Medical students 71 through 85, when they cut the medical school spaces, and they sure didn't want to answer those calls from those 1,000 nurses, Mr. Speaker.

Mrs. Driedger: Mr. Speaker, I would remind the minister that she's spending \$1.2 million on administrative spending for her own office. And AFM is being forced to slash spending, but the Minister of Health felt absolutely no responsibility to cut back on administrative expenses in her own office.

In fact, these expenses include a doubling of political staff since 1999. Yesterday, she said the \$1.2 million, unchanged from last year, was budgeted responsibly.

I'd like to ask the Minister of Health to please explain how she could possibly say she was budgeting responsibly when she made absolutely no effort to cut back administrative spending in her office while we're seeing program cuts right across all the departments, Mr. Speaker.

Ms. Oswald: Well, I would reiterate, and correct the member, Mr. Speaker, that, again, the number of people working in my office, the minister's office, remains unchanged since the time that I started. I would reiterate to the member, as I did in committee, that the number of people working in the deputy minister's office, in which some of this is captured, remains unchanged. We're holding two vacancies at the moment.

And I would hasten to add, Mr. Speaker, that when you look at the 1998-99 Estimates for the Department of Health and compare them to the Estimates from this year, you'll notice there are 167 fewer positions in the Department of Health today than when they were in office.

Manitoba Model Forest Funding Status

Mr. Wayne Ewasko (Lac du Bonnet): Mr. Speaker, we've seen many examples of this government's misdirected priorities, like excessive advertising costs, excessive administrative costs, a

former MLA appointed to a plum job with a hefty salary, and the list goes on.

On May 11th, during the Estimates for Conservation and Water Stewardship, we discussed the Manitoba Model Forest. This organization's role is to help sustain both our forests and the various communities that rely on them. This organization has been involved in important projects such as the Junior Ranger program, woodland caribou research, and the committee for moose management, among others.

Mr. Speaker, I would like to ask the Minister of Conservation again today: What is the status of the provincial funding to this organization?

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): The Manitoba Model Forest is indeed a model organization, Mr. Speaker, that's made great strides in creating partnerships dealing with many of the challenges affecting the moose population on the east side, engaging youth even, so that youth from Sagkeeng can learn many skills.

It's most unfortunate that the Manitoba Model Forest, though, has seen some reductions in its supports from the cousins of the members opposite, the federal government in Ottawa.

Mr. Ewasko: I appreciate the answer from the minister across the way in mentioning the youth.

Mr. Speaker, the annual Junior Rangers program run by the Manitoba Model Forest involves approximately 32 Aboriginal youth from Sagkeeng, Little Black River, Manigotagan, Hollow Water, and Powerview-Pine Falls. It is a worthy program whose provincial funding appears to be in jeopardy. This NDP has money for advertising, money for excessive administration costs, and money to appoint former MLAs to plum jobs, but no money for valuable programming that benefits Aboriginal youth programs.

Mr. Speaker, can the minister of child and youth opportunities shed some light on this and confirm that the organizers of the Junior Rangers program can move forward with certainty?

Mr. Mackintosh: It's also, I might add, unfortunate that with the demise of the paper mill that there was some loss of support for the Manitoba forest operation there. I have met with Dr. Kotak and we've explored the vision, the continuing vision for the Manitoba Model Forest. Our Minister of Education

(Ms. Allan) is also keenly aware of the opportunities that can be provided. So, despite the downward turn in funding from the member's cousins in Ottawa—he might want to speak to his MP about that—and, as well, from Tolko, this government remains committed to the Manitoba Model Forest.

And I will just add, as a footnote, we're going to continue to look to see if there are any opportunities that we can play to further enhance the work that they do on a project basis. But we care deeply about this organization, and we just wish that others would maintain their funding as we have.

Mr. Ewasko: In the 25th—May 25th edition of the Manitoba Model Forest E-News, it was reported that there is no provincial funding for this organization. This will affect important initiatives benefiting youth like the Junior Rangers program.

I wonder if the minister of child and youth opportunities sees the irony in wasting money on advertising, the military's envoy retirement fund, and administrative costs, all at the same time cutting funding to this Junior Rangers program which directly affects youth.

Mr. Speaker, when can I tell Dr. Brian Kotak of the Manitoba Model Forest that he will be receiving his core funding that the minister promised, or is it just another broken NDP promise?

Mr. Mackintosh: Well, Mr. Speaker, as we advised the member in Estimates, the Province of Manitoba is maintaining its commitment to the Manitoba Model Forest this year. That is our commitment, and while the federal government may not see this as an important organization, we are going to ensure that they're able to commit to doing what is necessary when it comes, for example, dealing with habitat and wildlife on the east side and, as well, continuing with the projects that they have shown some leadership on.

So we'll certainly do our best. We're going to be there. In fact, we are, and we said in committee there is no reduction in funding for the Manitoba Model Forest in this year's budget.

Community Works Loan Program Cancellation

Mr. Cliff Cullen (Spruce Woods): Mr. Speaker, members on this side of the House have been asking questions on the arbitrary slashing to the regional development corporation program. Not only has this government signalled the demise of the RDCs, they

have also set their sights on local community development corporations.

Mr. Speaker, I ask the minister responsible: Why has he cancelled the Community Works Loan Program?

Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Initiatives): And I would like to entertain the thank you to the member opposite for the question again, and I'll repeat the same answer.

*(14:00)

As we all know, the RDCs have been in existence since the 1960s, and we're always looking at innovative ideas, refocus, reshuffle and move forward in a positive manner to be held accountable.

And I want to ensure the member opposite that we're always told, much similar as the federal government, we have a partnership, but at times we have to refocus and do due diligence in our money accountability for the betterment of all taxpayers.

Mr. Cullen: I hope the minister will pay attention to the question. You know, already he's set his targets on the RDCs. Now he's set his target on the local development corporations.

This government has cut the budget for the Department of Rural Initiatives, and now they're clawing back cash used for business development loans. The government has sent letters to local community development corporations around the province asking for this seed money to be returned. These local CDCs were responsible for making loans and ensuring success of the Community Works Loan Program. Given the minister's action, it is hard to believe that he is sincere on rural development initiatives.

Mr. Speaker, why is this minister now taking this important tool away from rural communities?

Mr. Kostyshyn: On uncertain times, you know what? Our first line of defence is we look towards health care and education. That is the consent of the opposition party, and we're refocusing.

But I also want to ensure the opposite member is that we also have members that work in our—staff our GO offices. They're providing advice, suggestions how we can move forward on this. But also, you know what? Our government is committed to rural communities achieving their goals when it comes to providing economic development. Front-line staff in MAFRI offices provide valuable support, rural

communities on economic development, business development and rural leadership specialist. Canada-Manitoba business services, located across the province, also support rural development in rural Manitoba as well.

So I think the member opposite should investigate that.

Mr. Speaker: Order, please.

Mr. Cullen: And the minister better go back to his own letter of discontinuance which talks about the demise of the program being due to limited lending activity. In fact, nothing could be further from the truth. Many CDCs have these funds fully loaned out. And I will table for the minister just one response from one local CDC.

In that letter they talk about having eight active loans currently worth over \$48,000 on the books. In addition, since 1998 the Roblin-Cartwright Community Development Corporation has made 39 loans, representing a total of over \$390,000. Clearly, Mr. Speaker, a successful program.

I ask the minister: Is this government really serious about rural economic development? And if so, why are they so intent to cut the feet out from rural development corporations?

Mr. Kostyshyn: Thank you, Mr. Minister. Canadian works loans programs have been—Mr. Speaker, sorry about—my apologies, Mr. Speaker—were established in 1995 and they were repayable interest-free loans.

As we know that we always move forward in doing changes as we've indicated. Loan—provincial loan community development programs corporations provided numerous repayable organization. But also we have to remember there was a partnership that was developed with a number of municipal governments.

And now, you know what? The sad reality is that we tend to want to be picking on certain issues here. And I want to assure you that—

Some Honourable Members: Oh, oh.

Mr. Speaker: The honourable minister, to conclude his remarks.

Mr. Kostyshyn: Mr. Speaker, I guess, you know what? We tend to forget what happened to the Canadian Wheat Board. We have 2,000 people out of jobs. We've got community pastures, and they want to tell us about losing? Why should our federal cousins give us something that wasn't beneficial to

them? But they want to give it to the Province. And the opposition party is saying, we have to fix the problem and we have to be accountable.

I ask the member opposite, please, share in our discussion. Thank you.

Children In Care

Housing Allowance for Youth in Transition

Hon. Jon Gerrard (River Heights): Mr. Speaker, yesterday I asked the NDP government to look realistically at the woefully inadequate shelter allowance provided for people on welfare. This NDP government has had only minuscule increases in the welfare rates for over 10 years; they've not even been indexed to inflation.

Under this NDP government, the number of children apprehended in CFS, sometimes from loving but poverty-stricken families, has grown from 5,000 to almost 10,000 a year in 12 years. When these kids are turned out on the street when they turn 18, many are forced to temporarily go on welfare.

I ask the Premier: When is he going to raise the welfare rates to provide a realistic amount of rent money for vulnerable youth who need a safe place to live if they turn 18 and temporarily need to go on welfare?

Hon. Greg Selinger (Premier): There has been a program put in place to help people that age out of the child welfare system, over 18 years old, to receive additional support, not only for rent but opportunities for training and access to labour markets. That program was put in place by this government. The Ombudsman commented on that; the Children's Advocate commented on that.

We saw the value of having a program to stabilize the lives of people when they come out of the child welfare system. It has made a big difference. This is in addition to the National Child Benefit, which we added back to all people regardless of their source of income so they had additional support.

And as well, we have a program, over \$9 million, called RentAid, which is a portable benefit to assist people with rent that's available to all people, including people on social assistance and the people with low incomes that are working in the labour market.

Mr. Gerrard: The Premier's program hopes—helps a few, but leaves far too many without the help they need.

Mr. Speaker, under this NDP government, there now almost 10,000 kids in care. A news—as we know, there are far too many unhappy endings for kids growing up in state care. We know that the majority of these kids in care, 80 per cent, are Aboriginal youth, perhaps living hundreds of miles away from their communities. We also know that 75 per cent of individuals trapped in the sex trade grow up in self—straight care, without opportunities elsewhere.

Mr. Speaker, I ask the Premier: When will he realistically address this epidemic of kids in care, which has proven to be, far too often, unsafe and unloving care, and raise the welfare rates so that when they leave this so-called care at 18, they have a safe place to live and enough food to eat?

Mr. Selinger: Well, Mr. Speaker, as I said earlier, we've put benefits in place that are portable, that stay with people even if they go off social assistance into the labour market, such as RentAid, such as the National Child Benefit, such as a family support benefit.

All of these initiatives were intended to allow people more choices in their lives, so they could move off social assistance and still receive support, and support involving more training as well, which is why we've put a big emphasis on increased graduation from high school; it's gone up about 16 per cent.

With respect to people that are perhaps living on the street, we have Tracia's Trust, a program worth over \$10 million. We fund a number of outreach programs that work with young people on the street, or people of any age, for that matter, and help them come off the street.

And just last week, I was at a very special event with the Native Women's Transition Centre on Ellice Avenue where we opened up a major housing program to help people come off the street or coming out of jail relocate in the community for two to three years in this supported housing where they get additional education, additional life skills, help them stabilize their lives and move back into the community without going back to corrections or going back out on the streets.

So these are very significant investments we've made. I'm just glad the member's giving me the opportunity to inform him of that.

Mr. Gerrard: Mr. Speaker, I thank the Premier for what I already know, that there's programs which

help but few—but leave so many out on the street. Too many of the government programs that the NDP operate and brag about are just not working as well as they should be.

Since the NDP have been in power, there has been a 500 per cent increase in food 'pank' use by children. Half—or almost half of all those who go to food banks are receiving social assistance. It's not providing sufficient help.

There are almost 10,000 kids in care under the NDP government. The graduation rates of kids that grew up in care are 'aspallingly' low.

Mr. Speaker, I ask the Premier: Well—when will he at least index the welfare rates to inflation so the shelter net allowance will start to increase and help the scores of kids in care who will soon turn 18 to actually rent a decent, safe place to live?

* (14:10)

Mr. Selinger: Mr. Speaker, I just want the member to understand that we've had very good policy recommendations to suggest we need to put benefits in place that are not only available to people while they're on social assistance, but available to people when they move off social assistance, which is why we put the RentAid program in place, which is why we have more labour market programs available to people so they can get skills and training.

And I would like the member to know as well we've been building a record number of social housing units, and in those housing units the rent is geared to their income so they have a ceiling at how much they have to pay for rent regardless of their level of income so that they're not using all that money just for rent. They have money available for other—the necessities of life.

So these are the kinds of commitments we're making: more housing, more training, more opportunities to get into the labour market, more child care so their children can be looked after when they participate in the labour market, and more supportive housing such as the example I gave just in the previous question.

All of these initiatives are intended to allow people to have productive lives independent from the social assistance system, which is what we'd like.

We'd like more people to be able to have those kinds of independent lives.

And I do remind the member opposite, there used to be a 50 per cent contribution for social assistance—

Mr. Speaker: Order, please. Time.

Commuter Challenge Government Initiative

Mr. James Allum (Fort Garry-Riverview): Many of my constituents to—prefer to leave their cars at home and travel to work by bike or by bus or by walking because it's a cheaper, healthier and environmentally more sensitive way to commute.

Can the Minister of Healthy Living update this House on an announcement he made yesterday designed to promote healthy living, save people money and protect the environment?

Hon. Jim Rondeau (Minister of Healthy Living, Seniors and Consumer Affairs): Yesterday, the Minister of Conservation (Mr. Mackintosh), the member for Fort Rouge (Ms. Howard) and I announced that the Commuter Challenge will be held from June 3rd to 9th again this year. The Commuter Challenge gets people out of their car and takes a bus, walks, carpools, uses a bus or Rollerblades to get to work.

And, you know, it's really important because we need to continue to keep people more active. It's a major priority for the Ministry of Healthy Living. And just to make all members aware, more than 7,300 employees at 241 workplaces saved about 71,000 litres of fuel, but more importantly, they got healthy, they had more active lives and tried to be more—integrate active healthy living and transportation into their lifestyle.

And, you know, Mr. Speaker, we have been leaders in the country. We've won a number of times, and I encourage all members to use—

Mr. Speaker: Order, please. Minister's time expired.

Community Pastures Crown Land Agricultural Production

Mr. Blaine Pedersen (Midland): The patrons of Manitoba's community pastures are beginning the process of organizing to assume control of this vital pasture resource. The options include grazing clubs or forming co-ops to manage the operations of the pastures.

Mr. Speaker, will the Minister of Agriculture ensure that the provincial Crown lands located within these community pastures remain in agricultural production to ensure this valuable resource is maintained for Manitoba's cattle industry?

Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Initiatives): And as the member opposite has asked, been a cattle producer 35 years of my life and I truly understand what the member opposite is asking forward.

You've heard me say numerous times, family farms, young cattle producers, young farmer generations is what we need to be focused on for the betterment of the Manitoba economy.

I thank the member opposite to also acknowledge the fact is that when we talk about community pastures and their federal cousins chose to give us something that wasn't making money for them and they're asking us to be accountable for money to be spent wisely, why should we take on something that wasn't a money-making situation?

But you know what? Our government is going to work with the cattle producers and the cattle industry in the province of Manitoba.

Mr. Pedersen: Mr. Speaker, I guess we can go with the Minister of Agriculture year on year of experience in cattle industry as I also have, but that experience doesn't mean anything unless the Province maintains this land within agriculture and not allow it to slip away from agriculture.

Mr. Speaker, producers need to know what resources the Minister of Agriculture will make available to help these cattle producers assume control of these pasture lands.

Will the minister ensure that the Crown lands will remain in agricultural production and that these cattle producers will be able to access this great resort—resource on a continuing basis?

Mr. Kostyshyn: As you know, obviously the federal government didn't feel it was a priority, but I want to assure the member opposite our government does think it's a priority, although it's—as I indicated, we are here for the betterment of the economy of the province of Manitoba.

The beef industry is one of the best thing they've got going, and we've got international markets. We've got markets that we can develop a beef industry to no other—in other provinces of Manitoba. And maybe we have to focus more to provide beef

industry in our province, rather than have it transfer to other provinces in the west, to make our economy grow because of our raw resource that we grow in the province of Manitoba.

Mr. Pedersen: Mr. Speaker, what these cattle producers are looking for is for a serious commitment from this Minister of Agriculture and from the—MAFRI that they will indeed keep this land in agricultural production. That is the first step that needs to happen.

These producers are willing to form co-ops—form grazing co-ops, whatever's needed, but what they need first is the assurance that this land will remain in agricultural production.

Mr. Kostyshyn: Also, I just want to be repetitious, as I indicated. Our government is here for the cattle industry in the province of Manitoba.

Also, when we talk about PFRAs, we talk about the shelterbelt production; that was trees that were manufactured, produced for free delivery, about erosion. We could talk about the ecosystem in the province of Manitoba—across western Canada. But, no, they're talking about, let's give it away and let's not worry about these trees for the soil—the economic system of the province of Manitoba.

But I want to ensure the member opposite I do believe in the community pasture, I do believe in the ecosystem, and so do the cattle producers in the province of Manitoba. And we will work with the cattle producers, the cattlemen organization, and for the betterment of the province of Manitoba—the beef industry, No. 1.

Mr. Speaker: Time for oral questions has expired.

MEMBERS' STATEMENTS

Sustainable South Osborne Community Co-operative

Mr. James Allum (Fort Garry-Riverview): Mr. Speaker, I rise today to pay tribute to my constituents' impressive efforts to address global economic and environmental challenges by taking local action to build long-term sustainability and self-sufficiency in Fort Garry-Riverview.

The non-profit South Osborne Community Co-op was founded in 2009 to promote food security in Riverview and Lord Roberts, two neighbourhoods in my constituency. At their annual general meeting on May 29th, co-op members voted to expand their

mandate and change their name to the Sustainable South Osborne Community Co-op.

In addition to developing a number of food-security initiatives, the new co-op will also take responsibility for the fantastic Lord Roberts bike hub and other programs that grew out of the Province of Manitoba's innovative Community Led Emissions Reduction program.

The co-op is currently working on a number of flagship projects, including the new community orchard along Churchill Drive, which will bring beauty, fresh air and sustainable food to the neighbourhood. Likewise, the co-op's food-buying club, which is one of the largest in Winnipeg, encourages community residents to participate in a progressive food production system that is local, organic and sustainable. Co-op members are also spending their time at four intergenerational gardens, which encourage people of all ages to garden together in a spirit of friendship, mutual aid and neighbourhood development.

I'd like to thank the members of the Sustainable South Osborne Community Co-op for their dedication to our community, and congratulate them for promoting community development that is socially and ecologically responsible.

Those of us who attended the AGM were happy to see that this incredible group is not only continuing to contribute to local sustainability efforts, but they are growing in number and in strength. May they continue to make our community a stronger and safer and more sustainable place to live for generations to come.

Thank you, Mr. Speaker.

James Atkinson

Mr. Stuart Briese (Agassiz): Mr. Speaker, I rise today to recognize the incredible achievement of Mr. James Atkinson of Mountain Road, Manitoba, and his fellow teammates on the Canadian Eventing Team which won the silver medal at the 16th Pan-American Games in Guadalajara, Mexico, on October 23rd, 2011.

Mr. Atkinson rode Gustav, the 12-year-old Oldenburg/Thoroughbred gelding, owned by Carolyn Hoffos of Ramona, California, and scored a 65.7, which was one of the top three scores on the Canadian team.

* (14:20)

The Canadians earned a silver medal for their performance, while Mr. Atkinson rode to a seventh-place finish in the individual rankings. However, in his final round he jumped a clear round, which is a remarkable achievement in itself. Out of 49 entries in the tournament, only 31 completed their round. Throughout the competition, Mr. Atkinson was helped by his brother, Matthew, who served as Gustav's groom. James's parents, Tony and Sue Atkinson from Mountain Road, were also in attendance to watch the competition and offer their support to their son.

Mr. Atkinson was born in England and began the three-day eventing overseas. He moved to Manitoba at a young age and pursued his passion for eventing his whole life. He is now an expert Canadian rider and will hopefully be chosen to the Canadian equestrian team selection committee for the 2012 Olympic Games which is coming up in June.

I'm proud to rise today and honour Mr. Atkinson and Team Canada's accomplishments in horse jumping and eventing competitions which take place in Manitoba and across the world every year. I sincerely wish Mr. Atkinson and the Canadian eventing team the best of luck in the future.

Thank you, Mr. Speaker.

Mensheds Manitoba

Ms. Sharon Blady (Kirkfield Park): Mr. Speaker, working Canadians look forward to the day when they can retire in order to relax after a lifetime of contributing to society. Many retirees seek out new hobbies and friendships after their formal working life is over.

Mensheds Manitoba Inc. is a group that brings together men of all ages twice a week for fun and fellowship at the Woodhaven Park Community Club. The group was started by Doug Mackie in order to give men a space to work on projects together, learn new skills and, most of all, to share their life experiences in an atmosphere of friendship.

Mensheds Manitoba is based on the Australian community Men's Shed organizations that cater to older, retired men, offering social, emotional and other benefits to those who participate in them. Taking inspiration from the 90,000-member Australian Men's Shed association, Mackie has been joined by many, mostly retirees, since Mensheds Manitoba began in 2010.

In addition to meeting once a week at the Woodhaven Park Community Club to carve wood and create crafts from recycled materials, they also meet to practise culinary skills, go for breakfast, volunteer and go on walking tours of the city.

Mensheds Manitoba has recently begun to operate Men's Sheds Café, where group members learn new recipes and prepare a full meal in the kitchen of the Woodhaven Park Community Club. Members help each other in developing new culinary skills and in food preparation.

Mr. Speaker, many studies have demonstrated that social isolation among seniors is a significant concern. Community groups that support positive relationships are a great way of overcoming social isolation amongst older people. Mensheds Manitoba is a fantastic opportunity for men to contribute to shared and individual projects, forge new friendships and develop creative and health-based skills.

The scale of Mensheds Manitoba is impressive, and its rapid growth in terms of membership and regular events demonstrate the need for such positive communal initiatives.

Thank you, Mr. Speaker.

Andy Murray

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, I rise with pride to acknowledge one of Souris, Manitoba's, accomplished personalities, Andy Murray. On May 20th, 2012, in Finland, Andy was inducted into the International Ice Hockey Federation's Hall of Fame for his work promoting and developing the sport of hockey in Canada and abroad.

Andy Murray grew up playing hockey in his home town of Souris. After his playing days, he quickly turned his attention to coaching. Beginning in local Manitoba leagues, he soon made the jump to it—Canadian—the Canadian Inter-university Sport level as head coach of the Brandon University Bobcats, which was followed by stints with various European hockey clubs. Andy eventually returned to North America in 1988 to coach the Hershey Bears of the American Hockey League. His success led to assistant coaching positions with the Winnipeg Jets, Minnesota North Stars, and Philadelphia Flyers. After spending a year coaching at the famed Minnesota prep school, Shattuck St. Mary's, he became the head coach of the Los Angeles Kings in 1999 and later the St. Louis Blues in 2006. He is the Kings all-time leading coach in wins with 215, and

also one of only 39 head coaches in NHL history to achieve 300 career wins.

However, one of his greatest successes came as head coach of Team Canada. Andy and our Canadian teams captured gold in 1997, 2003, and 2007 leaving him as the only Canadian coach in history to win three gold medals at the World Hockey Championships. Currently, he is the head coach of the University of Western Michigan Broncos men's hockey team.

Andy's record speaks to his ability to motivate young athletes. Recently he delivered a pregame speech to the Souris-based Southwest Cougars AAA Midgets at the Telus Cup held in Virden. The team was excited to hear words of encouragement from such a highly accomplished coach.

On June 8th, in recognition of his accomplishments and his character, the town of Souris is holding a special day to honour Andy's induction into the IIHF Hall of Fame's Builder Category, followed by a charity golf tournament on June the 9th. Proceeds will go to community arena improvements and the flood recovery at the golf course.

As a tribute to his hometown, Andy once said that his greatest motivation was to make Souris and its residents proud. I stand here today to assure Andy that he has, indeed, impressed each and every local citizen and all Manitobans with his dedication, perseverance and commitment to hockey excellence on and off the ice.

Thank you, Mr. Speaker.

Justice System Concerns

Hon. Jon Gerrard (River Heights): Last night I received an excellent letter from Sel Burrows, co-coordinator of the North Point Douglas Citizens on Watch.

He writes: Recently two wonderful volunteers from North Point Douglas spent a total of 25 days in remand custody. One was acquitted and the other received one year probation. One of our volunteers who spent all these—those days in jail is a woman who suffers from the disability of FASD.

She has problems remembering to appear for her court dates. She is harmless and a kind, caring person. Her FASD is a serious disability which occasionally interferes with her functioning. Everyone in the community cares about her. I personally put up her bail last time so she wouldn't

spend another week in remand. What a waste of remand space.

The fact that a 70-year-old senior volunteer and a woman with FASD would spend a total of 25 days in remand, while two men who are charged with a horrendous number of firearms offences are released on a promise to appear shows how totally incompetent our justice system is. When will society intervene and say our Justice Department is totally insane. Sorry—that's a powerful word, but that's how it feels. The jailing of people who are minor annoyances and the release of serious criminals is beyond comprehension.

We will continue to maintain North Point Douglas as a relatively safe area. We would really like to see the MLA for Minto held accountable for the horrendously inefficient justice system. Signed, Sel Burrows.

I'd also like to mention Maureen Anderson, who came to visit me yesterday. She's on a crusade to improve the caring for people in hospitals and personal care homes. Her husband, a wonderful man, was in Deer Lodge Hospital, and, sadly, as a result of inattention or neglect by a staff person, he fell in the washroom, aspirated, became sick and died this past January. Maureen is on a crusade to change and improve the system.

Thank you.

ORDERS OF THE DAY GOVERNMENT BUSINESS

House Business

Hon. Jennifer Howard (Government House Leader): Yes, thank you, Mr. Speaker. On House business, I'd like to inform the House that it's the government's intention to continue with second readings tomorrow, and that, as a result, the House will not be considering Estimates on Thursday afternoon or Friday morning.

And I'd like to ask you to move us into Committee of Supply.

Mr. Speaker: It's been announced that the government will be calling—intention to call bills tomorrow afternoon and will not be sitting Friday morning for supply, and will now resolve into the Committee of Supply.

Mr. Deputy Speaker, please take the chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (14:40)

Mr. Chairperson (Mohinder Saran): Order. Will the Committee of Supply please come to order.

Before we begin, I would like to remind members to ensure their electronic devices are in a silent mode and to also speak more closely into the microphones.

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Health. As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions. The member for Charleswood want to continue her question?

Mrs. Myrna Driedger (Charleswood): I'll turn it over to the minister to provide an opportunity to give an answer to the last question that was asked yesterday.

Hon. Theresa Oswald (Minister of Health): Yes, and I thank the member. Just prior to continuing on with our discussion concerning the STARS helicopter program, I thought I would take this brief opportunity to fill in some of the answers that I committed to get to the member yesterday. Not all of the work has been compiled, but there is some, and so I thank the staff, the deputy minister and the CFO for helping us provide some of this information.

I'll start briefly, then, just by going over some information concerning flood expenses. Just to add to the context of that, certainly we know that all departments in government, when it comes to financing issues concerning the flood, are working directly with the Department of Finance to gather as much information as possible so that funds are provided appropriately. Government is continuing to work on making even more information available. Information to March the 31st, 2012, is not yet available. It's still being calculated, and there is a commitment to make that information available as soon as is possible.

All operating expenses for the 2011 flood are incurred by emergency expenditures, and I am informed that this helps ensure transparency in flood

costs and is, indeed, long-standing practice in government, including the flood of 1997.

Costs were above and beyond the operating budget for any one department. And I believe I stated yesterday, but will restate in case I neglected to, overtime costs for the government of Manitoba as of December 31, 2011, were close to \$1.6 million.

Further, Mr. Chair, I would add there were some questions yesterday concerning Dr. Kettner. I can tell the member that Dr. Kettner's severance was, indeed, in accordance with his contract. It will be reported publicly, like the compensation for any other provincial civil servant over \$50,000.

There was a question concerning an individual who left my office and moved into the department, Katarina Cvitko. Katarina came into my office, as I stated yesterday, in an admin position that she won through competition. She later became intake coordinator and then she made a lateral transfer into the department to serve in an administrative position. This was not a competition, which is common, I am informed, in the case of lateral transfers. We—as the member I'm sure would know, we require—usually require competitions for promotions.

The member asked a question yesterday about somebody else on my staff, and I would just confirm for her that Breigh Kusmack was appointed to the position of project manager in February of 2012.

I would also add for the member, concerning a minister's office staff wages—so for the purposes of remuneration and benefits political staff are subject to the provisions of the MGEU collective agreement. That means for the two years that there was a wage pause that was indeed the case for political staff. That's just expired. They've recently received a cost-of-living increase, just as the civil servants did in April 2012. During the wage pause some members of my office staff received merit-based increases, while others did not. This was based on where they were on their respective scales. I referenced steps on scale yesterday and, apparently, I was correct. Civil servants were subject to the same provisions, I am informed.

And there was a question concerning increases in minister's office or deputy minister's office: Why do the salaries go up for staff? Again, deputy minister's office staff is covered by the terms and conditions of the MGEU master agreement. The agreement runs from 2010 to 2014 and contains a two-year pause on cost of living in the same way that

most public sector unions were paused, like, for example, the MNU.

Normal HR practices would still occur, such as steps on scale, which is why you may indeed see changes in the overall total salaries in a cost centre. That's in any centre, not just my office.

And the last questions that were posed yesterday concerning the STARS contract, forgive me if I—I think there were three in a row. I might miss one. I believe they were of the nature about why did I have the information that it would take roughly 18 months to get the program up and running if we built our own here at home. Am I correct in recalling that's what the question was? If the member wants to pose them again, I'd be happy to roll forward.

Mrs. Driedger: In the regards to the 18 months, the minister had indicated that it would take 18 months for a made-in-Manitoba model, and she said some folks suggested that it would take that. My question to her was who were those folks that told her that.

Ms. Oswald: As I indicated yesterday, individuals in our EMS branch were tasked with the job of reviewing and doing analysis on how it is we might go forward to offer ambulance helicopter service in Manitoba, following 2009.

As I said yesterday, I think every Manitoban that was aware of what was happening with the helicopter ambulance, without a doubt, to have their hearts and minds captured by some of the very compelling stories, indeed, not the least of which, was that—the young boy that was rescued from the culvert.

And, in 2009, we asked the department, our EMS branch, to do this analysis to see how we might be able to proceed with a helicopter ambulance service. We had to get more information. We were pleased with STARS, but we committed to get more information.

It was during that analysis that a variety of times were brought forward, through doing a provincial scan, through looking at what kinds of infrastructure was available, and it was the branch that came forward and said that, roughly, 18 months would be the time that it would take to build a program from the ground up. There were individuals that I spoke to that said it might take a little less; there were individuals that I spoke to that said it might take a little more time. But, on average, the report that came back, at that time, was in the neighbourhood of 18 months that it would take.

And so, as I said yesterday, in 2011, when STARS came to assist in the—with the issue of doing emergency medical transport during a much larger flood than 2011, we had more information. We were also able to ask STARS more questions and get more information from them.

And, in the end, we based our decision on two primary criteria, as I stated yesterday. Most importantly, ensuring uninterrupted life-saving service and, indeed, looking at demonstrated experience in delivering safe, high-quality ambulance helicopter service.

No industry provider in Manitoba offers ambulance helicopter service. Some, of course, offer non-health-related helicopter services, others offer air ambulance services but in an airplane, but nobody offers helicopter ambulance service. So, we made the decision based on these criteria: uninterrupted service and demonstrated experience, to go forward and to commit to contracting with STARS. We believed very clearly then, as I believe today, it was in the public interest to make that decision, and I would do it again.

Mrs. Driedger: Can the minister indicate who in the branch did the actual review?

Ms. Oswald: Yes, it was a compilation of work that was being done in our EMS branch. There was teamwork going on. I'll commit to the member to go back and ascertain names of individuals that were involved in doing the work, but, broadly, I can say that it was a team effort within our EMS branch.

Mrs. Driedger: And can the minister just indicate who that team met with from the aviation industry in Manitoba?

*(14:50)

Ms. Oswald: Yes, I can go back and ask those questions.

But I would also state for the member, that our EMS branch have—has ongoing conversations with a variety of providers, land and air, in Manitoba. They have a very strong working knowledge of the kinds of technologies and the kinds of infrastructure held by different companies in Manitoba. They're, I believe, very skilled in knowing about capacity in Manitoba and so, certainly, whether or not individuals met with other individuals may or may not be a salient point.

Again, you know, I'll endeavour to get some of that information for the member as she's requesting

but, in the main, let's make sure that we understand that our EMS branch, you know, has an ongoing working relationship with a variety of providers.

I would also extend to the member the information that, in the—at the end of June in 2011, Manitoba Health announced that it had signed an MOU with STARS to make the helicopter ambulance service permanent in Manitoba which, of course, set the stage to finalize the permanent contract. There had been no other organizations expressing any interest before this date.

In February of 2012, I understand that there was an inquiry from a provider expressing interests in offering the service. There was review done of that inquiry. It was determined that the company did not possess the requisite experience in providing specialized ambulance helicopter service.

And, most importantly, when we look at the criteria that we used to make our decision, it absolutely could not ensure uninterrupted life-saving helicopter service.

So, I would just say to the member that, when we consider the fact that we wanted to ensure that we followed through with a highly skilled organization with demonstrated experience—I put the wrong information on the record yesterday, I said 25 years of experience; it's 26 years of experience, I am corrected—over 20,000 missions and an organization that was able to continue in an uninterrupted way, we went forward in using the information that we had in the best interests of Manitobans.

So I'll make these inquiries in the department about the whos and the whens and provide for the member, wherever possible, information that I'm able to share. But I would say, broadly, that we believe that we had good information, and that choosing the uninterrupted experts to deliver the service was, indeed, a good decision for Manitobans.

Mrs. Driedger: And just so that the minister's clear, my questions in no way are a reflection of the skills or abilities of STARS. That is not the intent of why I'm asking any of my questions. It is more about the process of—and the direction the government chose to go into on this. So my questions are more related to, you know, government decision making and not, in any way, do they reflect upon STARS itself. Certainly, I'm aware of their experience, and the number of activities that they're involved in, and the expertise that they have. So, it's not related to that at all.

I would note that at the time the minister was going out with this issue that, certainly, members from the Manitoba Aviation Council had expressed some concerns and they, particularly, had indicated that there were a number of provincially based operators who were well equipped to bid on this contract. And they are indicating that there are at least two that could have bid on this contract. And they're wondering why they were shut out of the bidding when they, in fact, said two of them could have bid on the contract.

Ms. Oswald: Yes, again, I would reiterate for the member that we looked very closely at what our opportunities were, and being able to continue the excellent service with STARS in an uninterrupted way was really important to us. We, certainly, saw that their ability to integrate smoothly with our EMS system was undeniable. We knew that they brought this wealth of experience with them and we knew that any individual company in Manitoba that might be interested would be doing it for the first time, never having done it before. And we, you know, respect various air providers in Manitoba, but it was our decision, our unapologetic decision, to go forward in providing this uninterrupted service. We had had experience with STARS; we had had conversations with STARS; we had done analysis, and we felt that making this choice in providing uninterrupted service was, even though without tender, in the public interest. And, clearly, others supported that decision. We know Saskatchewan also entered into an untendered contract with STARS. So we believe we've made a good decision here and I respect the member's right to be asking these questions, and I'll do my best to answer them, but I would say, once again, that in the public interest for all Manitobans, we made the decision to go with STARS.

Mrs. Driedger: Certainly, when there's a tendering process, there's a level—a very high level of scrutiny about contracts. Without having a tender process here and with sole sourcing the STARS helicopter, can the minister tell us where the level of scrutiny was in this contract because, basically, you know, none of that is then a well-known entity and certainly raises some questions about where was the level of scrutiny, then, in the project.

Ms. Oswald: Yes, and again, I want to be clear with the member that, you know, I have great respect for processes that are in place to ensure transparency and accountability and I have great respect for the office of the Auditor General who, of course, would fully

support tendering processes and business processes and the like, and—which is why the vast majority of arrangements that we enter into in the Department of Health, of course, fall in the category of using tendering and that process. We felt this situation was special. We felt that, in the public interest, it did merit going forward with an untendered contract, as did Saskatchewan, by the way. And we worked carefully and diligently through the deputy minister's office, with oversight, you know, specifically from him, with oversight from our financial team, with oversight from our EMS branch, and, indeed, with oversight from legal counsel to ensure that we were entering into an arrangement that was of the highest standards and above board. And I have great confidence that Manitobans have been beneficiaries of a very important decision in continuing to move forward with STARS. We know that we are in a position with Saskatchewan and Alberta now to seek all kinds of benefits, from sharing services and equipment and expertise across the provinces, and we believe that the negotiations and the contract was carefully monitored, and we believe that this is going to be a very good situation for Manitobans going forward, as it has been in the months that have passed, where the service was able to be provided in an uninterrupted way.

* (15:00)

Mrs. Driedger: Is the minister aware that since 2005 the aviation industry in Manitoba has lost significant ground, and is she aware that by sole-sourcing a \$100-million contract that it has really sent out some bad signals?

Does the minister not think that it would've been at least good for industry and good for, I guess, business in Manitoba if she would have at least gone through a tendering process? And perhaps STARS would have won that process, but does she not think that it would at least, for a \$100-million contract, not have been a good thing to do? Especially when I would say that on the government website on the procurement branch it says, and I quote, to ensure that all qualified and interested potential suppliers—suppliers are extended the opportunity to compete for provincial government business.

So, if the government was really sincere in that statement, it does beg the question, you know, why was it sole-sourced instead of at least allowing potential suppliers to bid on the contract?

Ms. Oswald: So, I would reiterate for the member, just going back to the question she asked previously,

that of course we feel very comfortable that the STARS contract was reviewed and scrutinized. We've—we know they've contracted with other provinces, and certainly that increased our comfort level with the financial aspects and, indeed, with operational aspects.

I said yesterday, of course, that we complied with all of our—all the directives from our Treasury Board regarding untendered contracts. We complied with all of those processes that they have in place for these occasions, as I said yesterday, albeit rare, where an untendered contract is indeed in the public interest.

I would also say to the member that we do a lot of work with the aviation industry through the Department of Health concerning the Northern Patient Transportation Program. We view them as very valuable partners. We believe we play a very significant role in what their industry has to offer.

I would say very clearly that when the member asks me about the things that I'm aware of, whether it's the business potential in the aviation industry or any other number of things, what I feel in this instance I'm most aware of is that the STARS helicopter, by offering uninterrupted service, has transformed the lives in that time of over a hundred people.

Certainly, many of those, I'm informed by the medical professionals, would be very simply not alive today but not for the interventions of the STARS helicopter, and for others, as the member in her medical training would well know, the outcomes have been improved substantially for those people, those just 100 people in that time that, had we chosen to go another route, would have meant interrupted service when it comes to an air ambulance.

And so, again, Manitoba Health works closely with the aviation industry in other capacities, but we believed strongly and passionately that we needed to make this decision in the best interest of Manitobans and in the best interest in the lives of their loved ones.

Mrs. Driedger: Now, I understand the contract with STARS is for 10 years. It's a \$100-million contract over 10 years. It is \$10 million a year. A number of people are a little bit surprised that the government would enter into a 10-year contract versus a five-year contract.

Can the minister give some indication as to why that decision was made?

Ms. Oswald: Yes, in discussions and negotiations with STARS, 10 years was the number that we landed on. I may stand to be corrected. I believe it is similar to what the other provinces have, but, again, I'll go back and double-check for the member.

I would note for the member that there is a clause in the agreement that enables review as appropriate.

Mrs. Driedger: Can the minister tell us what \$10 million a year gets for that amount of money? What does Manitoba get for the \$10 million a year? What is it spent on?

Ms. Oswald: Yes, as the member is probably aware, this is essentially a flying intensive care unit. It's, without a doubt, the most critical care that we provide. So, you know, everything that would go along with that kind of service being provided in the confines of a helicopter, staff and all of those amenities, would be included in that cost.

Mrs. Driedger: So for \$10 million a year, is it just buying service, or does it buy the helicopter as well?

Ms. Oswald: It does not buy the helicopter.

Mrs. Driedger: Who pays for the maintenance of the helicopter?

Ms. Oswald: Yes, we're going to go back and look at the details of what's in and what's out for the member.

But I neglected to add in my last answer, again, I'm—you know, certainly, by the line of questioning by the member, I'm again becoming, you know, clearer, at least in my mind—and I should stand to be corrected if I am misunderstanding in any way. But the line of questioning would suggest to me that the member certainly would believe that tendering for the helicopter would be the preferred option and that would be the route that the members opposite would have chosen to go, you know, should they had been in the position to go forward. Am I correct in that assumption, or am I reading into what—reading into the line of questioning from the member?

Mrs. Driedger: Certainly, what I am asking the minister about is the level of scrutiny by her government and herself in moving into this particular contract, and so the questions are related to how the government went about making the decision to move into a sole-sourced contract. And I think the questions are very fair. We are talking about taxpayers' money, and my questions are totally related to how the government scrutinized this whole

issue and by doing it in a sole-sourced way it tends to be less transparent to everybody.

* (15:10)

So all I am looking for is trying to fill in some holes in terms of how the government has actually made the decisions around this and, certainly, it's a big, big chunk of money. So I don't think the minister would, you know, think it was a bad idea to ask questions about it, because we are talking about a \$100 million and, you know, each province is setting this up in a certain way, so there are a lot of questions.

And, because it wasn't through a—you know, a tendering process, I have no other mechanism to look at this. So, my only mechanism is to ask questions right now, of the government, in terms of why they did what they did. So, I need to be clear, and I certainly don't have that sense right now, in terms of what do we get for \$10 million a year?

Ms. Oswald: And I thank the member for that answer. And, certainly, I believe that she is absolutely within her right and her role to ask questions about expenditures in the Department of Health. And an expenditure of \$10 million a year, is—as would any other expenditure, be a very legitimate one to ask questions about. So I don't want the member to think that I don't want her asking questions. I—I'm—I happily receive them and do my best to provide the best answers possible to her.

And, again, I would reiterate, on the point of scrutiny of contracts, that our department, our EMS branch, between '09 and 2011, did a lot of analysis and a lot of thoughtful reflection on the question of whether or not we would enter into a contract with STARS, whether we would grow our own helicopter program here in Manitoba, both having their pluses and minuses, without a doubt. And so, it was this kind of analysis that went on, in addition to the engagement with the STARS organization, that really, in my view, ended in a very, very important, forward-moving initiative when it comes to emergency care in Manitoba.

So, again, I would reiterate for the member, that when situations do arise, when it's in the public interest to enter into a—an untendered contract, there are processes that are in place at Treasury Board, and we complied with all of those processes and answered questions. And, believe me, the people at that level ask lots of questions—seem to never end in the asking of the questions—and they're good

questions. And, certainly, my department worked very closely with that level of government.

And, in addition, the deputy minister, our financial department—very competently led by Ms. Herd, our EMS branch and, indeed, legal counsel, all paid very close attention to the arrangement and the organization of the contract.

We know, also, that the STARS organization brings with it the STARS Foundation, which has done excellent work in Alberta in terms of fundraising, and that work—that—those resources, go directly back into the program for its enhancement. And, certainly, our contract with STARS takes into consideration that there will be monies contributed in—back into the operations of STARS.

We know that there already interested parties in Manitoba that have come forward expressing an interest. I'm probably not at liberty to say who they are because that's the business of the STARS Foundation. But I can inform the member that that work is already taking flight, if you will.

So all of these things together helped us in coming to the conclusion that the demonstrated excellent experience that STARS brings to emergency care and the uninterrupted nature of their being able to continue with the service is what made us come to that conclusion and that decision in the best interest of Manitobans. And we believe there was very intense scrutiny on the kinds of work. It may not be the same as the process that one goes through in a tendered situation, but this doesn't mean that scrutiny was not present at the time.

To just answer the question—the member's question concerning maintenance, and fuel, and so forth of the helicopter, this is included in that contract, as is everything that would be involved in providing an intensive care unit in the air. Like, the equivalent thereof. It's arguably among the highest level of emergency trauma care that can be provided. So that service, the maintenance, the fuel, all of those things comprise what we're paying for year over year.

Mrs. Driedger: And does that get Manitoba one helicopter?

Ms. Oswald: It does provide a helicopter, a helicopter for Manitoba, but it does also provide us access to the fleet where necessary and, again, as I said earlier, we're working now on building opportunities with the partnering provinces who have

also entered into agreements with STARS. But in Manitoba it's a helicopter at present.

Mrs. Driedger: And can the minister indicate who pays for the hangar and the office space and whatever infrastructure is needed to house this service?

Ms. Oswald: Yes, we'll go back and double-check. I'm assuming that it's within the context of that contract, but in the spirit of being fully accurate, I'll double-check to make sure about that.

Mrs. Driedger: So can the minister explain why, for one helicopter, Saskatchewan only paid \$5 million and why are we getting that same service and paying double the amount, at 10?

Ms. Oswald: Yes, it's my understanding that there was a private donor in Saskatchewan, and that would bring their actual full cost up to the same as Manitoba. Essentially, their money's for the foundation that they're building in Saskatchewan, as STARS has in Alberta, as well, would have kicked in earlier than it will kick in here. Again, I might stand to be corrected on that, but that's the information that I have, that they had, I believe, a \$5-million donor, I think, from industry, coming out of the gate. But I can double-check that for the member.

Mrs. Driedger: Now the—yesterday the minister was indicating, well, in Manitoba, you know, was able to get into this and they were happy in 2011 because it was important, and they wanted to do it, and that Saskatchewan was sort of dragging its heels. Is it maybe that Saskatchewan was doing their homework and instead of taxpayers there having to pay \$10 million, Saskatchewan had all their ducks in a row first, and taxpayers there are only paying \$5 million because they had their business plan and their business processes better in place?

* (15:20)

Ms. Oswald: Well, certainly, we can speak of ducks, you know, in a linear fashion, or not. I would suggest that, in Manitoba, we wanted STARS to continue saving lives and didn't want to wait for a corporate donor to come along to start the program. As I said before, in the time that would have been interrupted, it made a difference for a hundred families in Manitoba, and there is a foundation that accompanies the STARS organization in Manitoba and they will do their work and they will contribute to bring down that \$10-million amount in Manitoba. But, certainly, it was, without hesitation, our decision to have the program continue in an uninterrupted fashion. We, I

would say, had ducks aplenty, and they were very straight, and if you're not convinced of that, I'd ask any one of the members of those 100 families what they think about ducks.

Mrs. Driedger: Can the minister indicate who came up with the \$10 million? I understand that in 2011-12, Manitoba will have spent about \$8 million on the STARS program and, in a FIPPA, it indicated that it is difficult to provide an exact amount, as STARS has been operating under an interim agreement, and under that interim agreement during that time, STARS billed Manitoba Health based on actual operational costs for each given month.

So was the \$10 million a projection of what everybody thought this would cost, or is there an actual breakdown of what the \$10 million is made up of?

Ms. Oswald: I can inform the member that, indeed, the number would be a forecast of what it was anticipated the program would cost. I would also clarify for the member that the numbers that we were paying for during the times that STARS came to Manitoba in '09 and for a time in '11, they were here to provide an emergency service which would be a different kind of service than having a full program here in Manitoba, and all of those implications. So it wouldn't—those numbers wouldn't, I am informed—and it is also logical, I think—wouldn't be exactly the same as what a full program would cost versus what we were paying for a temporary emergency-type service. So, again, the \$10-million number was one that was entered into in negotiations with the organization and with our department's work and efforts to do that negotiation and, indeed, does appear to be consistent with the kind of arrangement that Saskatchewan has entered into as well.

Mrs. Driedger: Now, it appears that Saskatchewan is getting two helicopter ambulances for \$10 million, but Manitoba, this year, is still going to be at one helicopter for \$10 million.

Can the minister give some indication as to why that difference might be in place?

Ms. Oswald: I believe that the member is correct. They—I think the Saskatchewan information that we have is, indeed, that they have paid \$10.5 million for '12-13. The rest is, indeed, being covered by donors.

And, again, I want to reiterate, especially if anybody in the field that is coming forward with their donations is listening, we know you're out there. We know that these talks are going on. I don't

mean to imply that we don't have any; we do have them. That work has to be done by the STARS Foundation and organization and they will make their proclamations when they're ready to do so.

But, certainly, when we began our negotiations and discussion and entered into our agreement, we went in with the agreement that it would one helicopter. I think service in Saskatchewan began in April after 48 months of negotiations. So they may have made some different decisions at that time. We believe that making the decision to enter into our agreement more swiftly has been a good thing for Manitoba. We've always said we're not closing the door in adding to the program, but we're going to do our analysis. But for now that is what the arrangement is in Manitoba.

Mrs. Driedger: Knowing that, you know, in this instance, if the government had been a bit more on the ball here, taxpayers might not have had to pay \$5 million, but instead, now, taxpayers are bearing the full cost. If Saskatchewan could get all their ducks in a row and get their fundraising in order, why wasn't this government able to do the same thing?

Ms. Oswald: So to be clear, then, the Conservative Party of Manitoba would have chosen to wait 48 months before starting the helicopter program. Is that what the member is saying?

Mrs. Driedger: What the member is saying is that why did this government drag their heels if Saskatchewan's Saskatchewan Party could actually get their fundraising done and get a program in place. Why has this government, even now, a year after signing an interim agreement—they've had lots of time—why are the taxpayers bearing the full cost of this when, in fact, you know, the government is indicating that there will be fundraising? Why didn't they get their fundraising, then, in place quite some time ago? Saskatchewan was able to do it, and so my question to the minister is: Why couldn't she have done the same thing?

Ms. Oswald: As I said before, we felt saving lives was more important than corporate donations, and we made the decision, in partnership with STARS, to offer uninterrupted service. They were here in 2011 for the flood. We had an opportunity after we had done our analysis to enter into this agreement with them and not have them leave.

As I have said, this has meant the difference on outcomes and life and death for a hundred families in

Manitoba, and I believe that our department did excellent work in ensuring that STARS was able to offer continuous service. And I don't know which one of those families the member would go to and say, if it had been us, we really needed to wait for a corporate donor. We didn't want to save your loved one. I have a hard time imagining, frankly, the member doing that. I personally don't think she could.

But what I'm hearing is that waiting 48 months, which is what Saskatchewan did—they made an announcement about entering into an agreement with STARS, 48 months passed and then the helicopter took off in Saskatchewan.

* (15:30)

In Manitoba it came for the flood. They spoke to us about an opportunity. We had done our analysis since '09 in looking at the variety of issues that we would have to take care of and we made a decision, for which we do not apologize, that we would pay \$10 million for the helicopter. We would work with the STARS organization and the STARS Foundation to build fundraising, which is actively under way. We did not have a \$5-million independent donor, I concede that point. But we decided that the lives of Manitobans were more important, and that was the decision that we made.

But we're—we are clearly seeing a difference here. We're seeing that waiting 48 months would be, perhaps, the preference of Conservatives in Manitoba; it was not our preference.

Mrs. Driedger: I—you know, this is a serious issue, and I see the minister is going down the road, again, as she always does, of trying to twist words and twist questions. And this has nothing to do with, you know, the—what the Conservatives would or wouldn't do; I mean, that is just pure hypothesis. And the minister is trying to play her little games again, and finally—and frankly—I find them very offensive. The longer I'm in this job, having to deal with this minister, I find her political partisanship becoming more and more offensive all the time.

The questions are purely based—and I think it's great that we have an air ambulance here, and I think it's good that we're saving lives. And that isn't the issue at all, and the minister knows that, you know, even, you know, going back a year, it was something that we are totally supportive. It's about how a government does business, and whether they've got business smarts in terms of the direction that they've

chosen to go. So right now—and it's not even—you know, there's a bit of chirping on the other side: Well, the Conservatives would drag things out and wouldn't do anything. Well, maybe the Conservatives would've had their ducks in a row.

Why is it taking this government a year to—they've signed that interim agreement, which, actually, I have a copy of, and really surprised at the few inches of comment that there were—commentary that there were—in that agreement. The government was in such a rush to move forward with this that I don't understand why they didn't, say, take some time; they've had a year. I don't know why they wouldn't have taken some time right at the beginning, as they're putting this business case together, to go out and see if there's any sponsorship that would have been there. Saskatchewan can pick up the phone and make one phone call, and here we have a government—a year later, after signing an interim agreement that would move them into a bigger contract, we still don't hear anything.

So it's not about who values lives more; it's about who can get the job done and get it done well. And so, I wish the minister would just stop her game playing and just move into the issue of—yes, lives are important, but where's the government's, you know, skill in putting a business case together, and where's the fundraising for this? She's had a year to do it, so where is the fundraising on this?

This is part of the whole big STARS program. Here we are, you know, a year down this—they were so anxious to get this done before the election so that she could be standing six times with this red helicopter—where is the fundraising that is supposed to be a big part of that? Alberta has, what, five helicopters; 75 per cent of the costs of the STARS program in Alberta is done by fundraising. It looks like in Saskatchewan probably half of it. And here in Manitoba, with typical NDP, taxpayers are paying the full cost. I mean, can't this government get its act together? There's the question for the minister.

Ms. Oswald: We're exceedingly clear about we would and wouldn't do. No confusion whatsoever, we made a decision that lives were the most important thing, and we went forward with the contract. Absolutely clear—non-partisan—we did not tender, because we would not tolerate a delay and an interruption.

And what I'm offering the member here is an opportunity to be equally as clear. Would the

Conservatives have tendered and tolerated an interruption in service, yes or no?

Mrs. Driedger: If the minister would like to switch roles with me and take the opposition chair, she is definitely welcome to it. She knows the challenges, and if she's so anxious to have the ability to ask questions, certainly, she has the opportunity any time she wants to switch it up.

So, as the roles are reversed, I think she knows full well that it's her job right at the moment to be accountable and to be transparent and not to try to sneak things over the heads of the public, and I hope that she will move forward in an ethical way and in a genuine way and do her job as the Minister of Health and be forthcoming with information.

I asked the government, in a FIPPA, for information about the revenue that is coming from government, and the FIPPA refused me the information. It says, for the government portion of revenue information related to 2012-2013 fiscal year, please be advised that your request is refused, because it was information, I guess, discussed at Treasury Board. So I can't even find out, and so I'll ask the minister because, through FIPPA, I was trying to find out, you know, where's the revenue coming from, because we know in the news release—and the minister had her photo op or a few—she had her, you know, fame in front of the camera, and then, all of a sudden, you know, they're saying, well, this program is going to be funded through government funding, community fundraising, individual donors and corporate support.

So she's out there, numerous times before the election, letting everybody believe that this is where the funding is coming from. So I FIPPA'd the government and I asked for the breakdown for 2011-12 and '12-13: What percentage is coming from government? What percentage is coming from the community fundraising? What percentage is coming from individual donors, and what percentage is coming from corporate support? And the government refused to give me the information.

So that, to me, is stunning. You know, if everything is supposed to be so transparent—and that's why this sole-source contract is a little bit disconcerting is because the government is not coming clean and coming forward in a transparent way with where the \$10 million is coming from, from all of those partners in this that she had a great time standing in front of a camera telling everybody about before the election, and then, after the election,

I can't find out who's providing the funding for the helicopter.

So maybe the minister now—that was March 30th that I received this information—maybe the minister now could provide some information of the \$10 million that is funding the helicopter this year. What percentage is coming from government? What percentage is coming from fundraising? And perhaps she might want to indicate in there how many individual donors and corporate support they have in place, because that's the model of the STARS program. So maybe she'd like to provide this information now that her department refused to give me just a few weeks ago.

Ms. Oswald: And, really, where to begin? *[interjection]* The member gets very exuberant when I posed to her a simple question, and the standard operating procedure is to say, we'll let you know. I'll happily trade places with her.

But the fact of the matter is, Mr. Chair, that during the election campaign the Conservatives promised a helicopter, a couple of them, in fact, I think. And, you know, while we're on this subject, I believe, put a shiny picture of a helicopter on the front of their campaign materials. Really? Really, she's going to talk to me about pictures? The irony abounds.

* (15:40)

'Anyhoo'—so the member gets very excited and gets in a flap and uses the word "ethics" and, you know, questions my integrity and various and sundry other issues, when all I have done is provide her an opportunity for all Manitobans to see very clearly—indignation and arm flapping aside—to just tell Manitobans, we promised that we would provide a helicopter. Here she has an opportunity to say—and we would ensure that there wouldn't be an interruption in service. They can promise a helicopter but then be wholly secretive and closed about how it is they would have entered into an arrangement about a helicopter.

We're being completely open and saying we made a decision that people's lives would be so much more important than hanging around for 48 months waiting for a corporate donor. We knew, based on the analysis that we did, that Manitoba was ready, the STARS organization was ready—they had 26 years of experience, over 20,000 missions flown—and we knew that providing that service would mean

the difference for, at the time, what was an estimated 35 to 50 lives saved. That's what the medical experts told us. What we know to be true, however, is that in that intervening time we've seen transformative interventions, some of them life and death, some of them on outcomes, made all the difference for 100 Manitoba families.

So we made that decision, and we made it unapologetically, that we would engage with STARS and that we would offer that uninterrupted life-saving service. And no matter how I ask the question, flapping my arms myself, perhaps, or calmly, in subtle melodious tones, I can't get an answer from this member. And honestly, based on the line of questioning, I believe that I and anybody reading the text or listening must come to the conclusion that the Conservative Party of Manitoba would believe that going 48 months or more without the service that they had in the palm of their hands would be the decision that they would make.

And I, again, if I am incorrect in that assumption, which is becoming more and more clear to make as more information comes onto the record, then I implore the member to just clarify the record and let us know that, no, indeed, like the Saskatchewan Party we would enter into an untendered contract with STARS.

But, you know, I can't seem to get an answer out of the member, and, again, if she's going to use the—such language as ethics and morals and so forth, I believe it's incumbent on her and incumbent on every member of this House to not only dish it out but take it. I think that that's a reasonable thing to expect from grown-ups.

And so, when asking a question such as this, I would merely reflect on the fact that, for reasons that are unclear to me, we can't get an answer out of the Conservative Party. *[interjection]*

Mr. Chairperson: Order, please. Little bit—be calmed down, and I think that questioning going back and forth, we are not reaching at any conclusion on this point. I don't think this bickering will take us anywhere. Therefore, I would like to come back to the normal questioning and answering today. Thank you.

Ms. Oswald: Mr. Chair, it seems I've struck a nerve because the member has descended into name calling. Heaven forbid that I should quote some of the ones I've heard.

Moving on, I should say to the member, in reference to the question asked earlier, that the costs of the hangar for the—the costs of the hangar are, indeed, included in the \$10 million.

I would also say to the member, as evidenced by the books that are provided, that in start-up in Manitoba the STARS organization has, within the context of that \$10 million, a \$2-million fundraising target to come out of the gate, which would bring taxpayers' costs down substantially, by \$2 million. The STARS organization, as the member has rightly said, has done excellent work in other provinces. We don't have any doubt that their foundation, who will be responsible for the fundraising, as is the case with other health foundations—we don't have any doubt that they're going to do excellent work here in Manitoba, which will endeavour to offset the cost to taxpayers.

I also wanted to go back, Mr. Chair, to say that in some information and analysis that our people are doing on the fly, so to speak, right here, I can tell the member that, indeed, the operational costs for the helicopter in Alberta, in Saskatchewan and, indeed, in Manitoba—they are the same. Manitoba is not getting a comparatively rotten deal. We have not had—in fact, a \$25-million potash donor—we haven't had a donor of that magnitude for the STARS Foundation in Manitoba as of yet. But we have, from our perspective, made the decision that uninterrupted life-saving service was a priority for us. Full stop. Not a partisan molecule in sight, and we would make this decision again.

Mrs. Driedger: Can the minister indicate, and I think she just might have—she's indicated that—annually, that STARS is targeting \$2 million for fundraising. Did I understand her correctly in saying that? And, I guess, can she also indicate whether or not they're held to the \$2 million or whether they can fundraise to whatever degree they want, or is their fundraising held to the \$2 million a year, and how does she monitor that?

Ms. Oswald: Yes. I'm assuming when the member uses the expression "are they held to it," I just—I want to be clear, I—first of all, there's no limit to the amount that the STARS organization can fundraise. We encourage them to do that and, indeed, we know that they have had phone calls already from individuals and organizations in Manitoba who have, you know, a very personal reasons for wanting to contribute; they have been deeply touched by the work that has been done. I am of the understanding

that there's corporate interest as well, so certainly they can raise as much money as they want. We embrace that. If, indeed, they did not meet the \$2-million threshold, if you will, for lack of a better word—I don't know if that's the right word, and it was because they didn't make any effort at all and that was evident by our analysis, then government, of course, would have recourse under the existing agreement that allows for a review. But, no, they can raise as much money as they can.

Mrs. Driedger: And the minister has clarified it for me, that the \$2 million is the minimum expected as—in terms of fundraising in Manitoba. Am I accurate in understanding that?

* (15:50)

Ms. Oswald: Certainly, the \$2-million estimate and proposal that that's what the foundation will raise is for the first year, but it's not through the course of the agreement. We actually anticipate, of course, based on what has happened in other jurisdictions, that once they become more established, their foundation becomes more experienced here in Manitoba, that we'll actually see more fundraising happening. Our estimates will, indeed, reflect that. But as a starting point, that's what was agreed to, the \$2-million number.

Mrs. Driedger: And, if they were to raise \$5 million in a year, does that money then go back into Manitoba, and does that \$5 million in fundraising then mean that the government only has to pay \$5 million and the fundraising has paid \$5 million?

Ms. Oswald: I can—the short answer is, yes. Indeed, if the organization were to raise 5, then we can use that money to offset the cost of the program so that taxpayers, essentially, would only pay 5e and, indeed, monies raised by Manitoba donors stays in Manitoba.

Mrs. Driedger: And through what mechanism is the government informed about how much money has actually been raised here in Manitoba? Like, how does the government keep track of that fundraising? How much is actually raised here in the province?

Ms. Oswald: The—we have regular meetings scheduled with the STARS organization. As part of those meetings the department would receive updates concerning monies that had been raised in Manitoba and would track them that way.

Mrs. Driedger: Now, the minister indicates she would hope that STARS can come in and raise lots

of money. What happens if they raise \$12 million? Do they—does that \$10 million then go into fully funding the helicopter, and then does STARS Foundation get to keep the other \$2 million?

Ms. Oswald: We direct how the money would be used. So it could be used to build a new hanger, to enhance the program, but it doesn't go back into a STARS central pot. It would be directed to enhancing the program. I hope we have that problem.

Mrs. Driedger: And can the minister just confirm that all Manitoba money raised in Manitoba, stays in Manitoba?

Ms. Oswald: Yes it does.

Mrs. Driedger: We all know how difficult fundraising has become in Manitoba in some instances. I mean, we're seeing Osborne House, for instance, struggling. They've lost significant amount of fundraising dollars. I think there's a number of organizations that are actually feeling the pinch.

What kind of analysis has the government done in terms of how fundraising, generally, is going to be affected in Manitoba, whether it's for diabetes or for cancer care or for, you know, any number of organizations? If the government is going to open this wide and say that STARS can come in and raise \$10 million, what kind of analysis has been done to show how this is going to impact other organizations fundraising in this province?

Ms. Oswald: Yes, Mr. Chair, I'd make a couple of points about this. First of all, we know that Manitobans are consistently among the most, if not absolutely the most, generous people in the nation when it comes to making donations. And we don't anticipate that that's going to change. They donate money, they donate time, they donate blood, they donate organs; you name it, Manitobans are always answering the call.

And we, again, don't anticipate that changing anytime soon. We know that organizations that work very hard to raise funds do it for a reason. We believe that having this service in Manitoba, one that Manitoba has never had before, is something that, certainly, Manitobans are going to get their heads around and be enthusiastic to participate in. And we know that the fundraising environment can be a competitive one and, as has been the case in other jurisdictions, the STARS organization will become a responsible, a respected player in that environment.

And I would also add, again, that the \$10-million number that the member posed in her question is the number that she poses. We, certainly, have set our target with the organization, particularly in this first year, at this time, in the climate, at \$2 million. So that's really what we're looking at them endeavouring to do.

It will be something that Manitobans will make their choices about and, again, as the member says, there are all kinds of reasons why fundraising can be more or less challenging in an economic cycle. And we believe that STARS will be a very responsible foundation with which individuals will endeavour to make their donation, or not. But we believe that having this kind of organization among us is undoubtedly for the betterment of Manitoba families.

Mrs. Driedger: Can the minister indicate who from Manitoba has a seat on the board?

Ms. Oswald: Yes, there are some names that have been put forward but they've not yet officially been named to the board. I think that's coming June—next month.

Mrs. Driedger: Can the minister indicate how many seats are on the board?

Ms. Oswald: Yes, Manitoba will have one seat on the board, and I will let the member know—one on the—we'll have one member on the governance board, one member on the foundation board, and I'll have to let her know next time what the total number of seats are. We don't seem to have it at our fingertips.

Mrs. Driedger: One of the articles, it was actually in *The Minnedosa Tribune*, indicated that the—and this must have come from a government announcement, and I don't know if it was just an interpretation of the media—indicated that the province will spend \$5 million to purchase the helicopter, and that annual operations and staffing costs would come in between 1.5 and 2 million dollars.

* (16:00)

So is the minister indicating, then, that the \$10 million is strictly for service provision and that there is no infrastructure owned by Manitoba then?

Ms. Oswald: Yes. I'd reiterate for the member that the \$10 million is for the intensive care unit in the air. It is for the service. It's not for the helicopter. Manitoba has purchased the helicopter, but that is separate from the contract.

Mrs. Driedger: Can the minister repeat that last part? Is she indicating that the government has purchased the helicopter?

Ms. Oswald: Yes. To be clear, we'll get information on it—my verb tense. We may be in the process of paying for it or we have paid for it. I will let the member know. But the cost of the unit itself is separate from the contract.

Mrs. Driedger: Okay. Can the minister explain that when she's talking about the unit, what does she mean?

Ms. Oswald: I mean the helicopter.

Mrs. Driedger: Okay, now she's got me really confused, because earlier she said that Manitoba hasn't paid for the helicopter. Now she's saying Manitoba's buying a helicopter. Can she clarify, then, what she's talking about?

Ms. Oswald: Sorry. I'm not sure which portion of my answer the member's referring to. I said that the \$10 million pays for the service and the other elements of things that we talked about, like the hangar and the maintenance and the fuel and so forth. But that—those monies don't include the cost of the helicopter itself—the physical structure, the thing that goes up and down in the air, that's separate, and that Manitoba is paying for that separately.

And I know you're going to ask me the question, how much did that cost, and that's being looked for. Well, if we can tell you today, we will, otherwise, we will afterwards. But, no, I don't think that I've said that we didn't pay for the helicopter. I said we were paying for the service, just to be clear.

Mrs. Driedger: Well, that's all very interesting, because when we phoned the public relations people at STARS they said that no province owns their own helicopter, that STARS owns them all.

So why is Manitoba, then, also putting out—and is it \$3.5 million, I guess? And maybe the *Minnedosa Tribune* was accurate then—or \$5 million—what is the government paying on top of the \$10-million service to STARS and, then, how much more are they paying for the helicopter?

Ms. Oswald: So as I am informed, the—for a number of operational reasons, STARS is the owner of the helicopter. But if, indeed, we cease our contract with STARS, the helicopter becomes the property of Manitoba.

So we are paying for the helicopter, that is true, but there are operational details in terms of, you know, how the helicopter functions, who's responsible for the helicopter, the safety, the maintenance and so forth that would make what they said to you on the telephone quite correct. But we have paid for the use of that helicopter, and should they cease to do service in Manitoba, that would be an asset owned by Manitoba.

Mrs. Driedger: And as—the agreement indeed does say that Manitoba pays for the helicopter and yet, in discussion with STARS, they say in all cases STARS owns the helicopters and not the Province. So, if that's what STARS was telling us, why, in the agreement, is Manitoba paying for the helicopter when STARS is saying in all cases STARS owns the helicopter and not the Province?

I know that the agreement does say that if the agreement is terminated the government owns the helicopter and takes over the base, but in the agreement it also says that Manitoba pays for the helicopter and will guarantee funding of the Winnipeg base. So it sounds like we're paying for the helicopter, we're guaranteeing funding of the base and we're paying \$10 million on top of that for service. Is that accurate?

Ms. Oswald: Yes, just to be clear—I'm not sure that I remembered the list of things that the member just said, but I'll try to repeat back. We pay for the physical asset, yes. For operational reasons that I just explained, STARS is the owner of that vehicle. In the event that our relationship should end with STARS—and, of course, we do have that proviso in the agreement that that review can occur—the asset belongs to Manitoba.

And so, again, I, not having been privy to her conversation with individuals on the phone in Alberta, I can reiterate for the member: we have a \$10-million contract per year with the STARS organization. They have a \$2-million target for fundraising, which, indeed, they can exceed, of course; we'd be happy about that. And we—that includes maintenance, fuel, the hangar and so forth.

But the \$10 million concerns the ongoing operations of the unit, and the cost for paying for the helicopter is separate from that. Again, it is operationally required to be viewed as their helicopter, but it is Manitoba's asset if that relationship should be severed in any way.

Mrs. Driedger: Earlier, I asked the minister about fundraising and whether all of the fundraising money stayed in Manitoba. In fact, in the agreement with STARS, it does indicate that excess goes to a reserve fund that may or may not be applied to the Manitoba operation. So is the minister clear, then, what's in this contract or not, because there is indication that the STARS Foundation will fundraise for Manitoba. At least a portion of the donated funds can be applied to reduce the government's operating cost payments and excess goes to a reserve fund that may or may not be applied to the Manitoba operation.

So why would the minister indicate that all of it stays in Manitoba when, according to this contract with STARS, it's saying quite the opposite?

* (16:10)

Ms. Oswald: Just a couple of points. I guess I would make the comparison here to nonprofit personal care homes. You know, we technically don't own them; the faith-based, non-profit organizations that run them do, but we fund them. I think that it could be seen in an analogous way, just going back to a previous statement. And, again, I want to reiterate, it is our understanding, in conjunction with the STARS organization, that monies raised in Manitoba are for Manitobans and to be used for Manitoba. I'm going to have my officials double check that that reserve fund that is being spoken for, we believe also applies to Manitoba. But, I mean, we will, in abundance of clarity, get back to the member on that. But our agreement with STARS is such that Manitoba money is for Manitoba.

Mrs. Driedger: Oh, the minister may want to have a look at it because I did have a lawyer look at it, and that is one of the things that was interpreted through the contract. So the minister may want to have another look at that particular issue and—because what she's saying is not what's in that contract.

So, with a seat on the board, what is the reporting mechanism back and forth between those board members, one from each board, to Manitoba? How does that work?

Ms. Oswald: I'm informed by the member—two points. One, that the reporting relationship to government actually falls within the agreement, within the contract. So, you know, all of the accountabilities and transparencies, you know, would actually be happening from the organization to the department. The board itself would function as would any other board where that—those individuals

would report to the STARS organization, but our reporting mechanisms come through the agreement to—from the organization to the department.

Mrs. Driedger: So what, I guess, authority does Manitoba have to intervene in some issues if there were some problems that came up or there were some issues that came up because STARS is a separate entity? It's also a charitable organization. We saw what happened in Ontario with Ornge, where Deb Matthews, the minister in Ontario, said she didn't have any ability to intervene when there were issues going on with their air ambulance program. So what are the reporting mechanisms of back and forth between Manitoba Health and STARS, and does the minister have any authority in intervening if there were some issues of concern to her?

Ms. Oswald: Again, the nature of the agreement and the contract is such that there is ample opportunity to intervene and review. There's also a termination clause if that was deemed to be necessary. We certainly don't anticipate this, based on the stellar service that STARS has provided in Canada over 26 years and 20,000 exemplary missions.

We, of—we didn't enter into this agreement lightly, as I've said to the member a number of times. When we had our experience with STARS during the flood of 2009, we were able to see up close and personally the exceptional professionalism and, arguably, second-to-none care that was provided. All Manitobans were able to see how dramatic their interventions were, with the little boy who was trapped in the culvert, and lesser-known life-saving situations—during that time a mom and a baby out in the Steinbach areas. Lives were saved as a result of STARS.

So we certainly saw how excellent their work was, and in that intervening time between 2009 and 2011, when the department was doing its analysis and looking at all the component parts, that we would need to consider, everything from human resources, its—the helicopter's integration into our current EMS system, its integration into using MTCC from Brandon, all of these things were considered very carefully. And when the opportunity arose, because of the very difficult and challenging situations so many Manitobans faced in 2011 with the flood, if there was a silver lining to be had at all there, it was the return of STARS to Manitoba and the return of their excellent service at a time when we had done analysis and STARS had had an

opportunity to view their own capacity, and we had this opportunity to continue with this uninterrupted life-saving service.

But it wasn't entered into lightly. This agreement was crafted that would allow for this review, which would start at the departmental level. It can go to an independent individual for arbitration; there's an allowance for that. And, of course, you know, the ultimate dispute resolution mechanism and clause is the one-year cancellation clause.

We, of course, don't anticipate—we don't anticipate any such circumstances occurring. We haven't seen that occur in the 26 years that they've been operating. But the member, I think, asks a fair question that reminds us that one must remain ever vigilant in making sure that organizations are doing that which they have promised to do.

So the oversight would exist within that agreement to review, to go to independent arbitration, to cancel, if necessary, and we view these opportunities to, in addition to the continuous connection that STARS has with the deputy and with the department, we believe that very careful attention is being paid and will continue to be paid on the operations.

* (16:20)

Just a couple of points on other questions that she—the member opposite has asked me: \$3.2 million is the estimated cost for the helicopter. Indeed, Manitoba's helicopter is actually in the process of being fitted with a medical interior that is state-of-the-art and will be coming to us. We are using a helicopter right now that will be going back to STARS, but we have, indeed, already paid this \$3.2 million. So that, I can confirm that for the member.

Also, clause 4 sub 9 in the agreement, speaks to the issue of funds raised in Manitoba, staying in Manitoba. And again, while it's clear that the member opposite and I may have differing opinions about STARS and about the contractual agreements with STARS, I want to assure her for what it's worth, that every jurisdiction in the nation took a very close look at what happened with the Ornge organization in Ontario. And not only applicable, of course, to our STARS arrangements, but arrangements with other organizations. We absolutely see the need for vigilance and careful oversight. And I know that I am, and that the deputy is absolutely committed to ensuring that this kind of oversight takes place.

Mrs. Driedger: Can the minister tell us, as the government is guaranteeing the funding of the Winnipeg base facility, how much is that going to cost on an annual basis?

Ms. Oswald: Yes. We would have to go back to check on the number of what the specific cost for the hangar itself is. But I would reiterate for the member, it is included in the \$10-million number that I stated. That's part of what we're paying for STARS.

Mrs. Driedger: And can the minister indicate what—and I just want to—the minister just did make a comment that we have differing agreements—or we have differing opinions about STARS. And I'm not sure where she's getting that from, and that's a bit of a twist of words, because my comments aren't about STARS, as I indicated earlier. They are about the sole-sourced agreement that the government got into. So I hope she's not going to twist this around to indicate that, you know, there is some negativity here about STARS. It isn't about that at all.

It is about the agreement that the government got into with STARS, and because it was sole sourced, I have no other means of learning about anything other than to ask questions here, because nothing is out in the public realm. So, this isn't about, you know, an opinion one way or another about STARS; it's about what the government is doing in setting up this contract. So I hope the minister isn't twisting words related to that.

Related to the STARS staff and the paramedics and nurses that are working for STARS here in Manitoba, are they Manitoba Health staff or are they STARS staff that, you know, work for this Alberta organization?

Ms. Oswald: A few items to catch up on here. First of all, on the issue the member raises about information not being in the public domain, she's referenced, earlier, a FIPPA request that was denied, and either implied or said outright, I can't recall at this time, that we weren't giving information about STARS. I can tell you that I'm informed that the 2012–March thereof–FIPPA was denied because, indeed, the budget hadn't been released yet, and the budget was released in April of 2012. It shows expenditures concerning the helicopter on page 93 of our supplement which, of course, this is information in the public domain.

And, again, we don't have any difficulty being very straight-up with Manitobans about the fact that we—we're paying \$10 million a year. We've entered

into an agreement with, arguably, the top-performing shock and trauma emergency experts in the land. We think Manitobans deserve this, and we're engaged with this organization of 26 years' experience, in a contract for 10 years. And we were able to do this by providing uninterrupted life-saving service.

So we're very open with Manitobans about this, about the \$10 million cost. It's on page 93. You know, all of that information does exist there, so I just, you know, wanted to clarify for the member that, indeed, we are being open and providing information to Manitobans about this never-before acquired service in Manitoba.

I'd also just go back to what the member said about my comments about her opinions about STARS, and I appreciate the member clarifying her perspective about the STARS organization. I would say, humbly, that I believe that I would be, at minimum, confused about whether or not the member was supportive of the STARS organization when, you know, the line of questioning is about such that, you know, they've given Manitoba a bad deal or they've given us less service than they're providing in other jurisdictions or saying that she had a lawyer look at the agreement. It all just implies to me a general sense of a lack of trust about the organization. That's certainly how I have felt about what her perspective is about STARS, and so I appreciate the member clarifying on the record that she harbours no ill will against this exemplary organization. And I accept her that—at her word, and, certainly, in accepting that, I would want to presume that the member wouldn't assume that the STARS organization would be out to take Manitoba for a ride or would be, in any way, inclined to behave in the way that Ornge behaved.

I know that they have felt that what happened in Ontario was truly a blight on organizations across the nation, and the mentioning of Ornge and STARS in the same sentence is certainly enough to make the STARS organization feel disrespected. And so I would say to the member that it's a sensitivity that they have, and I don't know whether or not it would be unreasonable for me to assume that her feelings were, at minimum, suspicious, and, at maximum, you know, quite negative about the STARS organization.

So the member taking this opportunity to clarify that, I think, is good. Because I think if we are united on the perspective that the STARS organization is, indeed, excellent and is, without a doubt, saving lives

or transforming lives virtually every day in Manitoba, I think that it's only good for Manitobans when we agree on that point.

* (16:30)

On the subject of the professionals that are working with STARS, the nurses or the paramedics and so forth, they are employees of the STARS organization. Right out of the gate, the STARS organization made a commitment to us in Manitoba that they would certainly prioritize and hire those individuals, ex-Manitobans, actually, that were living currently in Alberta that expressed an interest to come home should they be able to work with the organization. So we have Manitobans that have come back home; they've bought houses; they're living here. And, in addition, they had a very strong commitment to training existing Manitobans to bring up their levels so that they can be working in that environment—an entirely new environment.

So they are employees of STARS, but, indeed, the STARS is very committed to building capacity here in Manitoba to help join the STARS organization and run the emergency rescues.

Mrs. Driedger: I would indicate that—you know, when the minister was saying that she hoped that there was trust in STARS, I want to indicate that the lack of trust has—that I have is in this Minister of Health, when we saw her break an election law.

And so a lot of the questions are more around how far this Minister of Health is prepared to go and things she'll say just in order to make herself look good or her government look good or twist information. My lack of faith isn't in STARS; my lack of faith has really been affected by seeing a Minister of Health break an election law, and then not be held accountable for it, and doesn't seem to be at all sorry for the fact that she did. So my questions are largely based on being very discouraged at that behaviour of this Minister of Health. So my questions are all about, you know, how far this Minister of Health is prepared to go and whether or not she is providing accurate information and about, you know, her behaviour in looking at this contract with STARS.

It's not about STARS; the questions are related to how she's doing her job and whether or not the scrutiny was in place. And certainly, you know, when we are asking the questions, I have to be asking the questions on behalf of Manitoba taxpayers, and I have to, also, be very aware of what

the government is doing. I—you know, I—certainly, I'm not questioning the skills of this organization, but I think after we saw the breaking of an election law with no remorse at all from the government it just is unsettling.

So one of the things I'm hoping the minister can answer is—we know how many times STARS flew during the flood, because that information was out there. Since the agreement was signed with STARS, I wonder if the minister can tell us how many flights have taken place in Manitoba, basically, since the election.

Ms. Oswald: And, again, I appreciate the member clarifying that, while not necessarily evident in the line of questioning and comments made over the last couple of hours that, indeed, the member does have respect for those in the STARS organization. And I think that's going to serve all Manitobans well, to know that at the Manitoba Legislature, we do, indeed, respect the hard work that those individuals are doing every single day. We respect the fact that they're saving lives and that they were able to do this in a way that is—was uninterrupted and transformative. And so, I thank the member for clarifying that issue, because I think it may have been confusing to some.

And I'm glad that she's been able to put that point on the record and to also suggest, perhaps, unsurprisingly, that her real issues are with me, personally. Which I think, in the absence of any substantive questions, is where we find this individual member tending to go. And, you know, she's questioned, you know, for—I'd—I've lost count now, the number—or my integrity and my ethics over the course of this session.

And she suggests that, you know, I lack remorse and so forth, and in the name of putting facts on the record, I think the member, notwithstanding her efforts to smear, would have to acknowledge that immediately upon learning about the election's commissioner ruling, the first thing that I did was to make an apology. It was to make an apology to the people of Manitoba that, indeed, I had erred and—to offer this unreserved apology to Manitobans.

Now, we know that the commissioner, himself, did say, and I'll quote from the ruling: I should say before concluding that I have no reason to think that anyone breached section 56 intentionally. Our interviews on this and other complaints related to the section 56, have revealed that people within government understood that this section applied only

to new government programs, not ones that had been announced before the 90-day period.

So, he not only says that he believed that it was not done intentionally, he believes that it was an understandable misinterpretation. But, nonetheless, Mr. Chair, I stood and apologized for having erred in this way, and I would do it again today. Clearly, I didn't think that this was a breach, but I made a mistake for which I apologized repeatedly.

And you know, I—it harkens back, Mr. Speaker, to another ruling made by an independent officer of the Manitoba Legislature. And that was the office of the Auditor General, who did a report on the so-called value adds scheme in the Winnipeg Regional Health Authority.

And when that situation was swirling in the media, I can remember the member for Charleswood (Mrs. Driedger) and the Conservative Party, making what can only be described as vicious attacks of members of the Winnipeg personal—or Winnipeg Regional Health Authority, that were very hurtful and professionally damning.

And when the office of the Auditor General came back with a report fully and completely and unabashedly exonerating all of these individuals from accepting brown envelopes of money that the members opposite were talking about, I stood up—I felt bad for the member, because the things that had been said were so horrible and proven to be so outrageously untrue, that I stood in the House and I offered this member an opportunity to do the right thing, indeed, to do the decent thing, to apologize to those professionals who work hard every day in the Winnipeg Regional Health Authority and to just say, I'm sorry, I made a mistake when I attacked your professional integrity and your ethics and I suggested that you were taking bribes; I apologize for saying all of those things that the office of the Auditor General clearly and completely refuted and said were not true.

* (16:40)

And what did this member do? She said nothing. She offered no apology for the outrageous and vicious comments that were made during that time. And to this day, I have never seen the member publicly, privately or in anyway, on Twitter, even, I have never seen this member take the opportunity to avail herself of these really horrid things that were said.

And so, Mr. Chair, we may, indeed, get into a debate about—

Mr. Chairperson: Order, please. Yes, again, I'd request both sides, we should keep our comments to the Estimates and we are going away from the topic. Stick to the topic. Let us—we—because that is very valuable time and we need information and question answering should be both [*inaudible*] whatever could be discussed in the Chamber in the question period. Please stick to the Estimates. Thank you.

Ms. Oswald: Yes, thank you, Mr. Chair. And so, in summary, when we are speaking about why we're asking questions, and the motivation for asking questions, and speaking on the issue of what would motivate us to say what we say, I think we should be taking a look at the full picture.

I would add, Mr. Speaker, when we were talking about protection in the car—the STARS contract, that 9(3) also contains elements of capital and assets and funds raised in Manitoba, indeed, stay in Manitoba, and are returned to Manitoba if the contract is suspended or terminated.

So there are a number of sections within the context of this agreement that do offer the kinds of protections that the member was raising. We do have opportunities to ensure that monies that are raised by the STARS Foundation will, indeed, stay in Manitoba. And, indeed, we know that there are a variety of avenues by which we are able to ensure that that agreement is honoured.

On the subject, Mr. Speaker, of transports, I can inform the member that in total we have seen—I can't give her the number since October the 4th or 6th, but I can tell her that there have been 283 missions, resulting in 186 patient transports. We know sometimes, of course, STARS will begin a mission, a flight based on partial information that's provided, and as more patient assessment is done it's found not to be as critical as initially assessed and, indeed, the STARS helicopter will stand down and regular land EMS will continue on with the mission.

But, again, 283 missions, 186 patient transports.

Mrs. Driedger: And, can the minister just confirm, does this include the flood period as well?

Ms. Oswald: I'll have to double-check and get back to the member.

Mrs. Driedger: And can the minister indicate how many of these trips are interfacility transfers?

Ms. Oswald: Yes, we're going to double-check for the member. Certainly, it's my understanding, as I just described, that the ambulance is really for an emergency scenario, cardiac and the like. They may turn into a facility transfer as the situation is assessed, but I'll get back to the member to try to ascertain a more accurate number. But, certainly, their primary function, of course, has to do with trauma and really serious medical issues.

Mrs. Driedger: Considering the seriousness of, you know, how they would be used, why have they sometimes been stuck at the Health Sciences Centre ER, as in hallway medicine? It seems to me—and it's because they're waiting to offload a patient. Is that really the best use of these highly qualified people?

Ms. Oswald: Of course, as is the case with all of our EMS personnel, we work very hard, and the regional health authorities work very hard to deal with offload so that individuals can get back to work as swiftly as possible. Of course, we want the STARS crew to be back in action as swiftly as possible, and every effort is made to do so.

The STARS professionals—indeed, all of our EMS professionals—care very deeply about doing a safe and appropriate handoff of their patients to the facility to which they are delivering. That's a very important part of the care that they provide. So we want to make sure that our professionals have that capability, at the same time, that we're getting them back into action as swiftly as possible.

Mrs. Driedger: Does the government track, on a monthly basis, how many trips are taken and whether or not the pickups are from a direct site of injury, or if it's a critically ill patient, or how many are interfacility transfers? I'm also being told that there's been a number of occasions when STARS has brought in a non-critical patient. So how do you stay on top of this and monitor how this is working?

Ms. Oswald: Certainly, our EMS branch, in conjunction with our regional health authorities, are working to capture as much information as possible, not only about STARS, but, certainly, about our other land ambulance, Lifeflight, and so forth, keeping track of as much information as possible about the nature of the transfers, and so forth.

There—I am informed that there are occasions when STARS will be used for a critical and emergency interfacility transfers. STARS is also used to transport somewhat lower acuity IFTs if it means that, otherwise, a doctor from an emergency

room would have to accompany that patient, and, in doing so, would therefore—

Mr. Chairperson: Order. Order, please.

A recorded vote has been requested in another section of the Committee of Supply. I am, therefore, recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

If the bells continue past 5 p.m., this section will be considered to have risen for the day. Thank you.

CULTURE, HERITAGE AND TOURISM

* (14:40)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Culture, Heritage and Tourism.

For the benefits of the committee, prior to rising yesterday the minister had started her opening statement and she now has seven minutes left, which she may continue to use.

Hon. Flor Marcelino (Minister of Culture, Heritage and Tourism): Continuing, they also provide countless hours of instruction annually for young people, helping build healthy communities in every region of the province. In addition, 137 audience development and art skills development projects were supported across Manitoba, including 17 projects in remote communities. We also supported nine major arts festivals with an attendance of over 287,000 people, plus over 50 annual community festivals and events throughout the province.

My department also provides funding to Manitoba Film & Music, which allows our local music and screen-based media industries to flourish. Last year, Manitoba's thriving music industry released 152 albums; 12 were by Aboriginal artists and five by Francophone artists. Manitoba's musicians and industry professionals received 131 award nominations, with 20 of these winning regional, national, and international awards at various music industry award events. I'd be remiss if I did not also recognize Manitoba's vibrant publishing community. Fourteen book publishers contribute significantly to Manitoba's diverse economy with annual revenues exceeding \$7 million. In addition, 25 magazine publishers reach hundreds of thousands of readers annually.

These Estimates also provide support to Manitoba's major arts and cultural institutions in recognition of the enormous effort and professional expertise required to ensure that Manitobans receive world-class arts and cultural experiences from all our major organizations.

In the area of heritage conservation, my department participates in strategic partnerships with all levels of government, community organizations, and heritage property owners. Certainly, this is an important year as it marks the bicentennial of the arrival of the Selkirk settlers in 2012. We have dedicated more than \$100,000 to various groups that are developing activities to celebrate this important date in Manitoba's history. I'm also very pleased to confirm that these Estimates maintain our support to the public library system. Public libraries serve as a vital point of community life by promoting literacy and enjoyment of reading; encouraging life-long learning; supporting free and equitable access to information; and serving as community meeting places. In partnership with the Winnipeg Public Library, Manitoba has launched a very popular service that provides a downloadable collection of e-book and audio library resources; to date, eLibraries Manitoba has circulated over 395,000 titles to library patrons throughout the province.

I'm now pleased to note the success of another sector—tourism. In Manitoba, the industry has continued to set a strong pace for growth. In 2010, inbound tourism revenues hit a record of \$1.26 billion. This growth rate placed Manitoba in fourth place among all provinces—narrowly edged out by Newfoundland for third spot. Manitoba ranks second only to British Columbia in its return on its government's annual investments in tourism development and promotion. In addition to our ongoing support for Travel Manitoba, we are continuing to support the important work of Manitoba's regional tourism associations in developing and promoting tourism attractions and services throughout the province.

Significant new developments—significant new site development and interpretive materials have been undertaken under my department's Watchable Wildlife program. This spring, we are releasing our new wildlife viewing guide for the international Pine to Prairie Birding Trail we share with the state of Minnesota.

Last year, the Archives of Manitoba, which is part of our Provincial Services division, repatriated

13 HBC films from the British Film Institute, including the elements that made up the 1920 feature film, *Romance of the Far Fur Country*.

In 2012-13, the HBCA will continue to publicize this acquisitions through screening and presentations, including at the annual Inuit Studies Conference that will be held at the Smithsonian museum in Washington, DC, in October 2012.

Also, last year, our Information and Privacy Policy Secretariat undertook several initiatives related to the new Freedom of Information and Protection of Privacy Act. This included training sessions, resource materials and consultations on individual issues.

Another part of the division, Translation Services, continued to support departments in their implementation of the French Language Services policy by providing 18,171 pages of written translation. They also support the work of the courts by providing interpretation.

Another division in our department, Communications Services Manitoba, played an integral role in responding to the unprecedented flooding that occurred last year. The division worked collaboratively with other departments to provide public communications to Manitobans. Social media, including Twitter, Facebook and YouTube, were used during the flood and helped provide information to Manitobans and link them back to information on the Provincial website, which received 930,926 page views.

CSM also worked with Manitoba Infrastructure and Transportation to develop a helpful Twitter channel for road conditions and developed a social media strategy for consumer protection information. This year the division will continue to provide leadership in the development of government social media presence.

This outline has provided information about some of the diverse programming that is undertaken by our department.

I look forward to your questions related to the very important work of Culture, Heritage and Tourism. Thank you.

Mr. Chairperson: We thank the honourable minister for those opening remarks. Does the official opposition critic have an opening statement?

Mrs. Mavis Taillieu (Morris): I do not have an opening statement. In the interests of time, I'm prepared to move line by line.

Mr. Chairperson: Very good. Just for a clarification, does that mean the critic does not have any questions for this section and you're ready to proceed to resolutions?

Mrs. Taillieu: We're prepared to pass this Estimates.

Mr. Chairperson: Okay, thank you very much. We will now proceed with reading the resolutions.

I'll just mention something, which I get to mention on a regular basis, and that is that we will deal with the resolution containing the minister's salary last, but you've probably heard that all before. So, we shall proceed.

Resolution 14.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$46,907,000 for Culture, Heritage and Tourism, Culture, Heritage and Tourism Programs, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

Resolution 14.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,848,000 for Culture, Heritage and Tourism, Information Resources—that was Information Resources, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

Ms. Marcelino: That's better—that's better.

Mr. Chairperson: We're on a roll.

Resolution 14.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$155,000 for Culture, Heritage and Tourism, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

Resolution 14.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$110,000 for Culture, Heritage and Tourism, Capital Assets, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

Now, moving on to the last item, which is a consideration of the minister's salary, which is contained in resolution 14.1.

The floor is open for questions, if any. Seeing none, we will proceed to consideration of the resolution.

Resolution 14.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,440,000 for Culture, heritages and tour—Culture, Heritage and Tourism, Administration and Finance, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

This concludes the Estimates for the Department of Culture, Heritage and Tourism.

Next set of Estimates to be considered in this section of the Committee of Supply is for the Department of Immigration and Multiculturalism.

Is it the will of the committee to take a brief recess for the next department to arrive, say, five minutes, or as needed?

Mrs. Taillieu: I'd say five minutes should be adequate.

Mr. Chairperson: Okay, very good. Thank you all.

Committee in recess. Thank you.

The committee recessed at 2:45 p.m.

The committee resumed at 2:53 p.m.

IMMIGRATION AND MULTICULTURALISM

Mr. Chairperson (Rob Altemeyer): Now resuming consideration in the Committee of Supply, we welcome the minister to the table. We are now resuming the Estimates for the Department of Immigration and Multiculturalism and asking if the honourable minister has an opening statement?

Hon. Christine Melnick (Minister of Immigration and Multiculturalism): Yes, I do. Shall I begin?

Mr. Chairperson: Yes, please, yes.

Ms. Melnick: And I would like to take a few minutes to highlight some of the achievements of the Department of Immigration and Multiculturalism over the last year.

First, I'd like to take the opportunity to thank the staff of the department, who do incredible work, day in and day out, dealing with the wonderful multiculturalism that we have here in Manitoba and really making sure that every group is respected and worked with, and, certainly, on the immigration file,

it's a really big success story. So I'd like to thank staff who have dedicated so much of their professional life to this, and my predecessors who have really made these programs work so well.

This is, of course, a new department which was created in January, 2012 with the transfer of the immigration division and the office of the Manitoba Fairness Commissioner for the—from the former Department of Labour and Immigration and with the transfer of the Multiculturalism Secretariat from the Department of Culture, Heritage and Tourism. So it was a great honour to be appointed to this new department.

Manitoba is but one of three provinces and territories which has a stand-alone Department of Immigration. This reflects the importance of immigration to the province's economic growth strategy and the values of cultural diversity, and recognizes our commitment, as a government, to this file.

The department's overall goal is to advance Manitoba's economy and our multicultural society by promoting our province as an immigration destination for skilled workers who meet local market needs and help immigrants successfully settle in our province.

Since 1999, over a hundred thousand new immigrants have settled in Manitoba. Annual immigration levels to Manitoba have increased more than four times over the last decade, from 3,725 arrivals in 1999 to almost 16,000 in 2011. This represents the most immigrants received in a single year since the start of modern record keeping in 1946, and we also know that this means that our share of immigration to Canada has increased over time from less than 2 per cent in the 1990s to 6.4 per cent in 2011.

Our newest immigrants come from over 140 countries, and in 2011 the top source countries were the Philippines, India, China, and Germany.

As has been the case over the last decade, the Manitoba Provincial Nominee Program was the key driver in Manitoba's immigration growth. In 2011, 77 per cent of all of our newcomers arrived through this program. In July 2011, Manitoba launched its Provincial Nominee Program online electronic application system, and this makes it easier for applicants to submit complete—to submit and complete their eligible applications.

We've seen nominations through the PNP increase annually, and we're now at 5,000 in 2012. This is up from the 500 we nominated in 1999, so, of course, we continue to be very concerned about the federal government's decision to place a cap on those nominations at 5,000, and that concern is shared broadly by Manitobans. And so we continue to work to try to convince the federal government that we should let this program continue to grow and expand, as is appropriate, to the economic growth in Manitoba.

Manitoba also considers to welcome a large number of refugees and received about 1,200 privately sponsored and government-assisted refugees in 2011. Manitoba also received 461 French-speaking immigrants in 2011, a 7.2 per cent increase compared to 2010, and the highest level since modern record keeping.

Since 2000, we have also seen over 25,000 newcomers immigrate to rural Manitoba and contribute to the economic development of over a hundred and thirty communities.

In 2011, top rural destinations for immigrants included: Brandon—702; Steinbach—315; Winkler—226; Neepawa—2,006; Thompson—139; and Morden—138.

To support newcomers as they begin a new life in our province, Manitoba and local communities have worked together to establish settlement hubs and regional centres. Currently, there are 12 regional settlement services—pardon me—centres. By consolidating services in one easily acceptable central location, these hubs are able to offer new immigrants a single doorway to the services they need upon arrival in Manitoba. The hubs also provide services to surrounding areas.

In 2010, Steinbach and Winkler consolidated services into central hubs while continuing to offer programming to surrounding centres, joining similar hubs in Portage, Neepawa and Thompson.

In 2011, Westman immigration services consolidated its services at the historic Canadian Pacific rail building in downtown Brandon.

In 2010-11, a settlement office was opened in Virden to serve immigrants arriving and settling in and around Virden, Kola, Hamiota, and in 2011-12, new settlement services in Cartwright and Grandview were open for the first time.

Manitoba continues to support communities involved in the Provincial Nominee Program through strategic initiatives such as the Winkler-Stanley initiative and a new Morden initiative being considered now by the MPNP.

The department also assists employers who register under WRAPA, or The Worker Recruitment and Protection Act, to recruit immigrant workers already in Canada, as well as to recruit temporary foreign workers through established international partnership agreements. The WRAPA process is designed to protect temporary foreign workers from unscrupulous recruiters, illegal recruitment fees and abusive workplaces.

With our partners, Manitoba also provides high-quality settlement services in Winnipeg. The Manitoba model links the Manitoba PNP selection process to pre- and early arrival settlement and labour market supports to longer term language and integration services throughout the province.

*(15:00)

In 2010, Manitoba launched Manitoba START, an initiative to provide single-window early arrival immigrant intake referral, employment readiness and job-matching services. I'm pleased that Manitoba START has recently consolidated its operations at a new high-profile and highly visible location in the Avenue Building on Portage Avenue in Winnipeg.

This service hub will continue to provide high quality services at its new storefront locations for years to come. For Manitoba START, clients are welcomed, their needs are assessed and they're referred to start their service pathways into settlement, language training and employment, beginning with orientation services at entry.

The entry provides a four-week or one-week express orientation and language program for recently arrived newcomers. Entry also arranges language assessment at 'welc': W-E-L-A-R-C. Their role is to provide welcome service—is to provide welcome information to clients on EAL programs and to refer clients to language training according to their individual goals.

A variety of EAL programs are available including core programs to meet basic needs, advanced programs for professions, English online, communication for employment and community-based classes. The number of immigrants receiving adult EAL classes has grown from just over 3,000 in

'02-03 to approximately 16,000 in 2011-12. This is an increase of more than fivefold.

Manitoba's integration services help meet the initial and ongoing settlement needs of newcomers by providing ongoing information orientation and referral to community resources. They assist with tasks associated with the building of a new life in Manitoba, such as accessing health care, schooling, child care, banking, drivers' licences, community services, and the list goes on. Manitoba also offers educational, recreational, leadership and employment programming for immigrant and refugee youth—excuse me—as well as programs to address specific needs and/or target populations, such as counselling, adaptation supports, healthy relationships, sexual health and cultural awareness.

As part of Manitoba's commitment to provide better supports to refugees, a new program was launched in 2011 to provide case management, enhance settlement supports and service coordination for higher needs refugees soon after arrival. Manitoba has also invested in an interdepartmental growth strategy to deliver inclusive programming to support newcomer integration. One of our department's goals is to increase labour market success for immigrants, and the results have been impressive. Recent studies have shown that 85 per cent of provincial nominees were working after three months, and 76 per cent of nominees were homeowners within five years. The unemployment rate for Manitoba immigrants is also one of the lowest in Canada's, and our retention rate, at 84 per cent, is very strong.

With all the success we've achieved, we were deeply concerned when the federal government's unilateral decision to take over the administration of settlement services was made, and we're working to map out a future relationship with the federal government which includes strong provincial roles in designing, supporting and co-ordinating settlement services.

In 2011, the Manitoba Fairness Commissioner submitted her first report on the implementation and effectiveness of this act, and this outlines many activities and accomplishments of the office for the first two years of operation.

Manitoba has co-chaired the Pan-Canadian Foreign Qualification Recognition Working Group, which is working to improve the recognition of qualifications for internationally trained immigrants in 14 regulated occupations.

Mr. Chairperson: Order. The minister's time has expired. You can ask for leave if you want, but—

An Honourable Member: I just have a few more points.

Mr. Chairperson: Do you want to ask for leave?

An Honourable Member: Or I could make them during the discussion. Either way is fine with me.

Mr. Chairperson: Well, let's move on then.

We thank the minister for those opening comments.

I recognize the honourable member for Morris. Do you have an opening statement for the committee?

Mrs. Mavis Taillieu (Morris): Briefly, but if the minister wants to table her comments to be recorded in *Hansard*, that's fine.

Mr. Chairperson: Okay, very good. Thank you for that. The comments can be tabled in *Hansard*. Thanks very much.

So, honourable member for Morris, please proceed.

Mrs. Taillieu: And I certainly want to congratulate the member sitting beside me, Mrs.—or, the member from Brandon—the member from River East, who was a member of the Filmon Cabinet when the Provincial Nominee Program was envisioned and, in fact, it began, and certainly know that it is—has been successful and grown and we have welcomed a number of 'newcumbers', quite a number of 'newcumbers' into our province.

And, certainly, that is the way Manitoba has been built, and for many years, not just in the last several years, but for the entire history of the province of Manitoba, that's how Manitoba was founded and built, on newcomers coming to this province from many other places in the world. And it has certainly contributed to our multicultural mosaic here in Manitoba and the flavour of our province, and, certainly, we are very welcoming of newcomers in the province.

So, with that, I think we are—be ready for questions.

Mr. Chairperson: We thank the official opposition critic for those opening remarks.

Under Manitoba practice, debate on the minister's salary is the last item to be considered for

a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 11.1.(a) contained in resolution 11.1.

Also, at this time, we now invite the minister's staff to join us at the head table, and once all of them are settled, perhaps the minister could provide us with introductions.

Ms. Melnick: Are you settled? Yes, he's settled. Settlement services.

Yes, Hugh Eliasson is the deputy minister of Immigration and Multiculturalism.

Mr. Chairperson: Thank you for that. One last item before we proceed to questioning is how we want to do it. Does the committee wish to proceed through the Estimates of this department chronologically or to have a global discussion?

Mrs. Taillieu: I think in many years past and in many Estimates, it's become the custom to proceed in a global fashion.

Mr. Chairperson: Global has been suggested. Honourable Minister, is that acceptable?

Ms. Melnick: Sure.

Mr. Chairperson: All right, it—therefore decided that Estimates for this department shall proceed in a global manner, and floor is now open for questions.

Mrs. Taillieu: Yes, I will note that I did write to the minister back in March just asking about the reorganization of the Immigration and Multiculturalism Department, as a part of this was hived off from the Department of Labour and Immigration, and she did provide me with an organizational chart. So I would just—I'm looking at the organizational chart and I'm looking at Corporate Services, Adult Language Training, Integration Supports, et cetera.

I'm wondering—I'll start over in corporate services. If the minister could advise me as to what is the role of Glenda Segal in Finance and Administration?

Ms. Melnick: Yes, I'd like to introduce Glenda Segal, Corporate Services, Finance and Administration, to the table.

Mr. Chairperson: Thank you for that.

Ms. Melnick: Yes, Glenda Segal is the senior policy analyst. She is currently in the position of acting director of Finance and Administration in the

department. This is due to a—to covering a maternity leave—a maternity leave.

Mrs. Taillieu: And I'm just wondering: as part of her responsibilities, would she have received an email from Ben Rempel to attend a rally at the Legislature on April 19th?

Ms. Melnick: No, she did not.

* (15:10)

Mrs. Taillieu: Did Ms. Segal receive any email from Ben Rempel advising whether or not her attendance should or should not be occurring at the Legislature on April 19th?

Ms. Melnick: She was on the list of senior managers that Ben Rempel sent out saying not to attend.

Mrs. Taillieu: Was the assistant—was the deputy minister aware of this?

Ms. Melnick: Not at the time it was sent, no.

Mrs. Taillieu: Thank you very much. The second email sent from Ben Rempel says, I expect that some staff will be interested in attending the gallery tomorrow. So it—is—it implies that there was a knowledge of the event following that, because this was on April 18th. So, on April 18th the email was sent and it says, I expect that some staff will be interested in attending in the gallery tomorrow. So there clearly was a discussion about attending.

I would—and then you—he goes on to say that: I would strongly recommend against this, because if staff are recognized in the gallery, we would only be providing grounds for further—for more criticism of the government is wasting taxpayers' money. So, certainly, it appears that there is a recognition here that they could be caught in being there and it would be looked upon negatively.

I'm wondering, then, if Ms. Segal was actually asked, either by email or in person or by letter, or advised that her presence would be welcome at the Legislature on April 19th?

Ms. Melnick: Ms. Segal became aware of that upon receiving the email that we previously were discussing—to not attend.

Mrs. Taillieu: If the deputy minister was not aware of this email, who directed Ben email then—or Ben Rempel, then, to send the email?

Ms. Melnick: I'm not sure this really relates to the Estimates process, and we don't know—there was no direction to send this email.

Mrs. Taillieu: Okay, so the minister has said there was no direction to send this email. So, by admitting that, then, the minister is saying that the ADM actually did this on his own initiative. And the reasons I'm asking these questions is, I'm looking at the organizational chart, for the organization, and I'm quite curious to know if staff are being asked to do the political work of the minister, for her own political party, rather than being independent civil servants?

Ms. Melnick: This is a big issue, the cancelling of the settlement services annex—the unilateral cancelling of the settlement services annex by the federal government, via phone call, the Tuesday after the Easter long weekend. It was not a secret that the government was—has taken these steps.

The minister was here—I believe it was the following week, and I had asked him to reconsider. I had asked him to take a step back, to have a review of this decision. I had asked him, you know, were there problems with the delivery of the services? Were there any concerns that they had? Perhaps we could, like I say, instead of a unilateral action, do a joint review to see if there were concerns that we both needed to work on, to look at the areas that were working very well in the agreement, to look at the areas that were quite possibly under concern that we weren't aware of. I was told that there weren't concerns.

So the announcement of the unilateral withdrawal by the federal department—by the federal government, the Department of CIC, was of great concern to many, many people. It was in the news. It was not a secret, except the fact that it was announced less than 36 hours after I was made aware of it. I didn't receive a call from the minister; it was deputy to deputy.

We have over the last 15 years put together a very, very well-organized, well-presented settlement services system in the province of Manitoba. We have contracts with over 200 profit and—not-for-profit and institutional organizations in Manitoba. This announcement reverberated through not only the newcomer community but throughout the community of service providers. These are people who have dedicated their working careers to making sure that when people come to the province of Manitoba that they are welcomed in a way that is very, very positive, that they are provided services at a very grassroots level about issues such as finding housing, how do they go about finding work, how do

they find family doctors, how do they get their children enrolled in school. Many of these service provider organizations actually provide services in a number of different languages.

So this was not a secret that the unilateral decision had been made. It was not a secret that the government of Manitoba was very concerned. It was not a secret that I was going to be tabling the resolution on the 19th of April.

And understanding that it was of grave concern to many people, the ADM informed members of the department not to attend, realizing that people had high levels of anxiety; they were wondering what was going to be happening. This is a department that communicates internally and externally around many of the services. The fact that the ADM told staff it was better that they not go was one of those communication channels that is worked through. That's not a negative thing, to keep people informed, especially when it's an issue that is very near and dear to their hearts, and they've also worked with many newcomers whom they've seen many success with. They've worked with newcomers who have had specific challenges. There's a human dimension to this. There's a human connection. There's a human concern to this.

And I will remind the member that, ultimately, this is about the future economy of the province of Manitoba, and the province of Manitoba has been doing very well economically over the last 10 or 12 years. We've seen a rise in the GDP. We've seen a rise in housing values. We've seen over 100,000 newcomers choose Manitoba, 25,000 of whom have settled outside of the boundaries of the Perimeter Highway. Many of the areas that the members opposite represent in southern Manitoba have seen communities that were on the verge of collapse are now not just surviving but are thriving on the newcomers.

So the issue here is the economy of Manitoba. The issue here is people honouring us by choosing to come to the province of Manitoba. Last year, people came from 137 countries, and right now in Winnipeg, there are 120 languages being spoken.

So it's not a surprise—it shouldn't be a surprise—that people were feeling anxious, that an ADM, a very well-seasoned ADM, was recognizing that people's anxiety levels were high. I'm sure he was having many discussions with people on a regular basis after the unilateral decision was made by the feds and felt it was best to let people know that they

should in fact not attend, and that shouldn't be a surprise.

* (15:20)

Mrs. Taillieu: On April 18th, Ben Rempel sent an email entitled: invitation to witness resolution of federal cancellation on settlement services Thursday, April 19th at 2 p.m., Manitoba Legislature. And it says, I would like service agencies, especially, to feel free to release staff and clients to attend tomorrow's session in the gallery of the Legislature if they choose.

Did Ben Rempel send this email on his own initiative, yes or no?

Ms. Melnick: Well, this gets back to my previous answer in that the department was fielding many calls from service providers, and they were receiving many calls from service providers, and that email was sent out to clarify what was happening.

So, again, this is the continuum of communication. This is a response to the level of anxiety that the unilateral withdrawal of the—unilateral cancellation of the settlement services annex under the Canada-Manitoba Immigration Agreement was made. People were not sure what was going to be happening. They knew that there was going to be a resolution tabled in the House, and this was a point of clarification and a point of communication.

Mrs. Taillieu: Can the minister indicate if Ben Rempel sent this email on his own initiative, yes or no?

Ms. Melnick: He sent it in response to service providers calling in to the department and asking what was going on, what was going to be happening; there was a lot of anxiety, there was a lot of concern. So he sent it to respond to service providers who were worried about their jobs, who were worried about providing service to the newcomers who had come into Manitoba, and to clarify just exactly what was happening.

Mrs. Taillieu: Can the minister indicate which of her staff drafted the resolution?

Ms. Melnick: That resolution was drafted by political staff. I don't have the exact names of all eyes who were on it and every hand who touched it.

Mrs. Taillieu: Did the assistant deputy minister, Ben Rempel, approve it?

Ms. Melnick: That was handled at a political level.

Mrs. Taillieu: Can the minister indicate the role of Margot Morrish?

Ms. Melnick: Sure, Margot Morrish is the director of Policy, Research and Communications in the Corporate Services department of Immigration and Multiculturalism.

Mrs. Taillieu: Did she receive an email from Ben Rempel suggesting that if she went to the Legislature she might be recognized, so maybe not to go because she might get caught?

Ms. Melnick: In her position, it's likely that she received it; we're talking about the email that you have just referenced previously.

Mrs. Taillieu: Can the minister indicate the role of Liz Robinson?

Ms. Melnick: Liz Robinson is the director of Integration Supports in the Immigration Division of the Department of Immigration and Multiculturalism.

Mrs. Taillieu: Did Ms. Liz Robinson receive an email from Ben Rempel directing that perhaps she should not attend the Legislature because she'd be recognized and might get caught at a political rally organized by the minister?

Ms. Melnick: I don't believe that an email was sent out talking about a—an NDP political rally.

Mrs. Taillieu: The minister fairly well admitted that Ben Rempel was the one that initiated the email going out to suggest that people take some time away from their jobs that would be serving the immigrant community and come down to the Legislature to support an NDP resolution, which is politicizing the civil service, which is a big disservice to the people of Manitoba, because the civil service are to be neutral and not to serve any political master and do the political will of the particular government.

Then, subsequent to that, another email was sent out to staff telling them that, oh, oh, we better not go, because we might get recognized. And I'm curious as to who directed the sending of these emails and who actually received the emails, because, as noted in a media scrum, the minister kept saying that this was communication to community groups, in reference to a second email, and she kept referring to, well, we're communicating—the department communicates with community groups. Now, these are clearly not community groups; these are staff within the department that have become co-opted by this minister into doing political work, and I can—I am

just going to ask another question. Did Jo-Anne Schick receive this particular email, as well?

Ms. Melnick: Again, I just want to clarify—perhaps rectify is the word—the member from Morris' comments suggesting this was a political initiative. It was not. These are people who have worked in the service-provider industry for many years. These are long-standing organizations who have worked with newcomers from over 140 countries over the last 10 years, who have helped people settle, who have seen great successes, who have seen difficult situations, who were very concerned at the federal government's unilateral decision to, in less—with less than 36-hours' notice, say that they were cancelling the settlement services annex of the Canada-Manitoba Immigration Agreement, which, I will remind the member from Morris, was negotiated under the Filmon government, the Tory provincial government of the day, in partnership with the Manitoba Business Council, with the Liberal government of the day—I believe it was the Chrétien government.

So a Tory provincial government with a Liberal government, federally, and a member from that Cabinet is sitting beside the member from Morris right now, so she knows that this was a good agreement that was negotiated, that it took three years to negotiate and that the settlement—the Canada-Manitoba Immigration Agreement was designed because Manitoba was a have come new—was a have-not newcomer province, and that people were going from—were coming to Toronto, Montréal, skipping over the Prairies and going to Vancouver, as well. And so we were not faring well on the immigration side, and all credit where it's due, that the government of the day came up with a unique and very creative solution to bring newcomers to Manitoba, and it's been very successful.

And I'll bring up to date as of today, or in Edmonton as of yesterday, what was agreed upon by the rest—western premiers at the Western Premiers' Conference, Edmonton, 2012—this is their release, and it talks about immigration and it was the western premiers from British Columbia, Alberta, Saskatchewan and Manitoba, and this is what they've agreed to on the issue, specifically, of immigration.

* (15:30)

Immigration is one of Canada's key economic drivers and will be an increasingly important way to address western Canada's labour shortages. Immigration is an area of shared constitutional

responsibility. Premiers agreed, to be effective, Canada's immigration system must be managed jointly by the federal, provincial and territorial governments.

Provinces and territories understand that their local economies and communities—pardon me—provinces and territories understand their local economies and communities, and are essential to ensuring the immigration system is responsive to the economic and social needs of Canada, including the unique needs of provinces and territories.

Premiers noted the federal government's recent initiatives aimed at building a fast, flexible and labour-market-driven immigration system. As equal partners, premiers know—premiers believe that a reformed system must increase overall immigration levels, allow for meaningful increases in the number of immigrants under the provincial and territorial nominee programs, provide a greater role, and I'll read that again—provide a greater role for provinces and territories in the selection of all immigrants, and, maybe, I'll read this one twice—ensure a role for provinces and territories in managing successful integrated settlement services—so, ensure a role for provinces and territories in managing successful integrated settlement services.

This is not a political party—one political party; this is not one provincial government. These are the western premiers of Canada at the Western Premiers' Conference which happened on May 29th of this year, 2012.

This issue is about the economic growth of western Canada. It is about a healthy economic environment in Manitoba, and, again, I'll remind the member that people have come from over 140 countries to Manitoba since 1999. It is no wonder that when the federal government, from deputy to deputy, not even government to government, when the federal government unilaterally made the decision to cancel the settlement services annex of the Canada-Manitoba immigration agreement that service providers became very alarmed.

It is also no surprise that a department which has been very responsive in having built what is called the Manitoba model, the best model in Canada and beyond, and, in fact, the model that all of the premiers at the Council of the Federation, so all the premiers of every province and territory across Canada, said they wanted.

The issue here is the economy of the province of Manitoba. The issue here is making sure that we maintain the Manitoba model, which is the envy of all people across this country, that is the issue here.

Mrs. Taillieu: I think the issue here is politicizing the civil service, and that's what we're trying to explore. And I'm just looking at an article from the *Winnipeg Free Press* on April 25th, and it's entitled, "NDP using immigrants as a ploy." And I would just like to read this: On April 19th, 2012, the assistant deputy minister for Manitoba Immigration and Multiculturalism took it upon himself to send a call to action to a bunch of not-for-profit agencies in Winnipeg to come to, and in his words, witness a very important event.

The event was the tabling of the resolution by Minister Christine Melnick at the Legislative Assembly of Manitoba to call on the Government of Canada to immediately reverse its decision to cancel the settlement annex of the Canada-Manitoba Immigration Agreement with the provincial government. This, the ADM mentioned, was to maintain the successful Manitoba immigration model.

What the ADM did was to overstep his responsibility as a senior civil servant. It was a demonstration of the staff activist phenomena endemic to the NDP-dominated civil service in Manitoba. The staff-activists are a growing number of NDP loyalists whose job is to enforce party politics on the ground 'leven'-level. They often hold junior or senior positions in government departments, or occupy staff and board positions in the not-for-profit agencies and province funds.

The NDP government has been unapologetic about its 'politaburo' style of governance, where its ideologically charged policies are imposed through political commissars and/or enforced by the so-called community activists operating within the ranks of staff and board of the funded agencies.

The NDP's style of governance in Manitoba over the past 12 years has 'undermined' democracy. I'm, sorry, undermined democracy. Democratic governance requires a non-partisan civil service that provides objective advice to the government of the day, regardless of its political stripes. Injecting the ranks of the senior and mid-level civil servants as well as the staff and the boards of the funded agencies with party loyalists has more to do with building constituencies than with delivering objective and responsible public administration.

The summons issued by the Immigration and Multiculturalism ADM to mobilize opposition against the proposed changes to the Canada-Manitoba Immigration Agreement is a good example of the politically charged nature of the Manitoba civil service. What's more disappointing about this affair is the Manitoba government's perpetuation of the myth that the settlement annex of the Provincial Nominee Program annex of the Canada-Manitoba Immigration Agreement has been successful.

The NDP success—I'm sorry, the PNP success in skills recruitment is not true, and I am, again, quoting from an article in the *Winnipeg Free Press* written by Allan Wise. The—where was I? The program has been most successful in attracting and retaining applicants in family connections to the province, the family stream. When it comes to skills recruitment, the PNP has been described as a lure-and-abandon program. Qualified candidates to Manitoba often leave for employment elsewhere in Canada due to scarce jobs opportunity in the field of expertise. The PNP candidates' inability to secure gainful employment is further worsened by lack of adequate and affordable housing throughout the province. The NDP government's claim that 100,000 immigrants have come to Manitoba since 1999 maybe is a sign of a successful recruitment campaign, but is not proof of retention. The 25,000 new immigrants choosing to settle in rural Manitoba in Winkler, Morden or Steinbach are a result of a targeted recruitment by ethnic enclaves in rural settings, not a sign of thriving and inclusive model of immigration. As for the settlement services component of the agreement, the Manitoba model of service delivery has been inefficient and wasteful. There are many overlaps in services with the bulk of the financial resources sucked up by an overgrown Immigration and Multiculturalism branch, while the not-for-profit service providers are asked to deliver more and more with fewer resources.

The federal announcement to cancel the settlement annex and the PNP annex of the Canada-Manitoba Immigration Agreement is not the end of the PNP or the settlement services in Manitoba. It is simply transferring the responsibility back to Citizenship and Immigration Canada. The Manitoba government's reaction to the announcement is nothing but fearmongering by a group of entitled bureaucrats who aim to justify their own employment using the immigrants as a ploy.

And this is written by Allan Wise, and he has served with a number of settlement agencies in

Winnipeg, is a former executive director of Immigrant and Refugee Community Organization of Manitoba.

A further editorial in the *Winnipeg Free Press* says, after a week of dodging direct questions on the issue, Immigration Minister Christine Melnick, on Thursday, told reporters she was not behind an invitation from her department calling immigrants and settlement workers to rally at the Legislature earlier this month. That borders on the unbelievable. If true, it suggests the minister has ceded control to her department to the NDP government's political staff; otherwise, Manitobans would have to believe that Assistant Deputy Minister Ben Rempel was acting alone when he sent the email to staff of publicly funded settlement agencies in the community. But public servants don't make such decisions of less, of course, the civil service have become so politicized, the line between policy and politics has blurred; a claim the opposition has made repeatedly about the way the NDP operates. More likely, Mr. Rempel was following orders of NDP political staff to bring the maddening crowds into the Province's campaign against Ottawa's plan to take back control over the funding of settlement services.

* (15:40)

Ms. Melnick owes Manitoba a full answer. Did she know Mr. Rempel sent the email and who instructed him to do so? The answer strikes at the heart of ministerial responsibility, the convention of parliamentary democracy that holds a minister ultimately accountable for the actions of her department. Mr. Rempel's invitation was coercive. Ms. Melnick says she saw nothing wrong with the invitation. She is wrong there too. She should apologize to those who were invited and to all Manitobans for Mr. Rempel's evident abuse of her department's power.

I'm going to ask the minister again: Did she or did she not direct Mr. Rempel to send the email?

Ms. Melnick: I've answered that question many times, and what the member has just read is an op-ed piece from a private citizen and an editorial. She has not read a news story. But I do have one today that I can share with the committee.

Western counterparts support Selinger on immigration: this is on the website of the *Winnipeg Free Press*. It's written by a journalist, and I'll just share some of the pieces that are, I think, of most interest to the committee. Changing my—into my

reading glasses: Western premiers and territorial leaders agreed Tuesday on several key points that Manitoba has been making with Ottawa on immigration in recent weeks. In a communique at the conclusion of their meeting in Edmonton, the leaders called for an increase in immigration levels and demanded a greater role for provinces and territories in immigrant selection. The western leaders also sought assurances that they be given a prominent role in managing successful, integrated management services. Premier Selinger, whose government has been battling Ottawa on the issue, was pleased with the consensus on the key issue to Manitoba. We thought that having non-partisan support from all the premiers in western Canada on that was pretty positive, he said in an interview.

Now, I'm just waiting for the member from Morris to accuse us of politicizing the western premiers of Canada rather than dealing with the issue of continuing immigration in Manitoba, continuing the Manitoba model, continuing the positive development of this province. And I'll also note that it was the member of—from Morris who said, after the debate on the resolution on the 19th of April, she stood up in the House and proudly proclaimed she wanted to be the first to call for a standing vote. I believe that's a direct quote. And, in fact, she was the first and the only one to call for a standing vote. And all members of the government of Manitoba and the then-leader of the Liberal Party of Manitoba stood in support of the resolution, and all members of the opposition, the Tory Party of Manitoba, stood against this resolution.

So it's very clear what their position is. And I think that what they're really trying to do here is instead of saying, we're not wanting to support Manitoba, we're not wanting to support the growth in Manitoba, we're not wanting to have more newcomers come, we're not wanting to protect the best model for settlement services in the country of Canada and beyond, they're saying, look over here, look over here, instead of dealing with the serious issue of the economy of this province.

And I was just out in Brandon, and I see the member from Brandon West is here today, and I talked to the people from Maple Leaf, and they are very concerned about the decisions this government is making, particularly as it relates to the minimum language requirements. And they went—they just had come back from Honduras a few weeks ago, and they went to Honduras to interview. They are having trouble keeping their second shift going right now at

Maple Leaf because they don't have enough workers. And people are working overtime and you can only work overtime for so long and then—we know on this side of the House, because we care about the workers, we know that there can be worker fatigue which can lead to problems happening in the workplace.

So they're having trouble, right now, with their next shift, with the second shift, and they need between 200 and 400 people right now. So they went down to Honduras, and they started with 1,000 applicants; 1,000 people who wanted to come to Manitoba. And when they applied the level 4 language, which is about a grade 8 language skill, which when you live in a community where it's your mother tongue, grade 8 is a reasonable language skill. But, when you're learning a language that is second to your mother tongue, that's a very high level.

So, when they applied the lens of the level 4 of the Canadian language benchmark, that 1,000 application list went down to 295, and when they interviewed the 295 people, they found they had 97 maybes, and these people are graduates of post-secondary education.

So they're very concerned that if they bring people who are graduates of post-secondary education, they may not stay for their whole term, or they may stay for their minimum term, and then they have to come right back and start recruiting again.

So these are the real issues. This is one of the real issues around changes being made by the federal government that will negatively affect Manitoba. And there are people across the country who are very concerned about these.

So I would suggest to members opposite, focus on the real issues. Focus on the economic future of this province, and even focus on what their own people are telling them.

You know, the most successful turnabouts in communities that we've seen have been around the Steinbach area, Morden, Winkler. We know that Winkler was the very first pilot in the Provincial Nominee Program, that people were saying, we need an influx of newcomers and we need them fast. And that was the first influx, right—people came from a German background. They came to Winkler; 50 families came and that community has never looked back, and nor should it. And that is a tremendous success story.

Brandon is a huge success story, when we talk about real partnership between a community, between city council, between a major employer, between service provider organizations, between newcomers coming from—their source countries are the Philippines, the Ukraine, Central America, El Salvador, Honduras—coming—all these people coming together around the positive future of Brandon. That's the real issue.

And I also want to point out that the—that Maple Leaf is a model employer in that they bring people in as temporary foreign workers, and they worked with UFCW and the service providers, WIS and ACC, in that community to provide English as an acquired language, to help people apply for the Provincial Nominee Program and to bring more people and more families into Manitoba. And I saw—you know, I was looking at their recruiting figures, and the recruiting figure went down in 2010-11, and I said, why did your numbers go down in that year. And they said to me, that was the year that we started to hire family who had come through the PNP with original temporary foreign workers to work at Maple Leaf. So I said, well, this is like the PNP giving twice, because not only are—do you have the primary person who came to Manitoba, now you're employing the families. And they said, yes, that's exactly what it's like.

And that is what is really moving Brandon forward, and that's the way we all need to keep moving.

Mrs. Taillieu: The real issue here is the minister politicizing the civil service by co-opting her ADM, her deputies, her—and subsequently him sending emails to his staff within the department to come to a political rally to do the political bidding of this minister. And that is why—she should have to admit this—that that is why she even drafted the resolution and even brought it forward. I don't see any other reason why she would bring a resolution like that to the floor other than to make it political.

And, Mr. Chair, we could never vote for a resolution that put—that would be put forward which is untruthful, which is deceitful, which is fearmongering. People that come to Manitoba from other countries left other countries because of governments like that, and they deserve better when they come here. I couldn't vote for a minister that fearmongers with new immigrants.

She goes to meetings in Brandon and tries to suggest to people that if they might leave the

country, they might not get back in, even when they're Canadian citizens. She's just trying to fearmonger within the immigrant community. These people come here to escape bullies in government, where governments lied to them, and they deserve better here in Manitoba.

* (15:50)

Mr. Speaker—sorry—Mr. Chair, I'm going to revert back to it, a letter that was sent to his colleagues. It says: Dear colleagues—and this is a letter from Ben Rempel, and he's advising in this letter for people to feel free to go to the—he's advising them of this political rally at the Legislature on April 19th. And he also says: Arrangements have been made for people to meet you at the entrance of the Manitoba Legislative Building and to provide you with a pass to enter the House.

I'm going to ask the minister, which staff, who within her department, did she send to meet the people with the passes that she provided the day before and not through the normal channels?

Ms. Melnick: Well, if it wasn't so sad, that answer would be laughable.

I—it's just incredible how members opposite simply can't see the seriousness of this issue of an agreement that they themselves negotiated.

Again, the member of the Cabinet during the Filmon years is sitting right beside the member of Morris—sitting right beside her. She was part of the Cabinet who put that—*[interjection]*—exactly.

The fact is, that agreement was signed—and the member will get her chance to speak. The point I'm making is that this is a non-partisan issue, that this is about standing up for Manitoba—

Point of Order

Mr. Chairperson: Point of order, from the honourable member for River East.

Mrs. Bonnie Mitchelson (River East): Point of order, Mr. Chair. I just want to make it very clear to the minister, because she has referenced my being here at the table, that it was a proud day when we signed the immigration agreement with the federal government. And I want to assure her that I wouldn't stoop to the degree that she has to politicize the civil service in the manner that she has done and it needs to be made very clear with this minister.

Mr. Chairperson: A point of order has been raised at the table. Does anyone else wish to comment upon it?

Seeing none from the government side, I'll recognize the honourable member for Morris, on the point of order.

Mrs. Taillieu: Well, I think it's a very good point of order, Mr. Chair, because it's a very serious issue. When a government minister politicizes the civil service, as we've seen with this minister, I mean, it's just outrageous that she would actually ask people in her department to do her political build—bidding.

And we know that her ADM, who is not here today and usually would be here at Estimates, Mr. Ben Rempel, is not here at the table today. He has even told people that arrangements have been made for people to meet you at the entrance of the Manitoba Legislature and provide you with a pass. So we already know that this was already orchestrated the day before.

And, Mr. Speaker—Mr. Chair, so it's—it—the member has made a very, very good point of order that this is the government, this is a minister who was the one that has politicized the civil servants. It's been backed up in numerous editorials in the *Winnipeg Free Press* and it's also been backed up by a letter from Ms. Elizabeth Fleming. As the minister knows, she was in receipt of that letter, and she's waiting for a response back from the Ombudsman on that.

Mr. Chairperson: Anyone else want to comment on the point of order raised?

Seeing no further hands, just for the committee's benefit, and I appreciate the subject of debate is animated and that's fine, points of order are usually to raise something specifically procedural about how the discussion is being conducted.

Order, order.

So a point of order has not been raised, with all due respect. It is a dispute over the facts and we will revert back to our previous speaker, who was the honourable minister who has—had—who had just begun her remarks and has approximately nine minutes left, should she need them.

* * *

Ms. Melnick: So—member of that Cabinet is sitting at the table and they signed a very good agreement,

which we've all acknowledged—which we've all acknowledged—and it's a non-partisan agreement.

And I'd really appreciate if we could stick to the focus without points of orders to have good discussion here, because it is an important discussion and the discussion is on the future of the province of Manitoba.

And people have to know what is going on, and people are coming out and they are very interested in knowing what is going on. And it really makes me a little curious when the members of the opposition are continually trying to shut down open discussion in this province. They're trying to do it through points of order; they're trying to do it through, you know, not having people come into the Manitoba Legislature; they're trying to do it through all sorts of ways.

So it makes you wonder who really is for democracy in the province of Manitoba and who really is not for democracy in the province of Manitoba because we're very open to discussion. We're very open to what people's ideas are and what their thoughts are and what their suggestions are, and we're also very open, at any time, to have people come into the Manitoba Legislature to see debate in the House.

I know that a lot of people watch question period on a very regular basis, and a lot of people follow what is happening in the House through various medias, through various points of communication, and that is healthy communication, and that is healthy democracy, and that is what we're doing on this side of the House, and that is why we think it's good when people come into the Manitoba Legislature to see what is going down, instead of trying to keep them out, instead of trying to shut down the discussion with false points of order, et cetera.

These parts of our democracy are very important. We also know that the economy is extremely important. A healthy economy very much aids a healthy democracy and, again, I'll bring the members back to the real issue. This is about the future economy of Manitoba, and these members, a lot of these members opposite, represent the very—the rural communities, the very rural communities who have received over 25 per cent, over 25,000 people, choosing their communities since 1999 and are helping these communities not just survive but thrive.

And we have quotes from the mayor of Steinbach, and we have quotes from various other people in these communities, in a non-political way, who are simply saying, this is good for the economy. This is good for our environment. This is good for our community. These are good for our families. This is how we move ahead. And, again, I'll get back to, if it ain't broke, don't fix it.

This was a unilateral decision made by the federal government by a phone call from the deputy at CIC to the deputy in Immigration and Multiculturalism. This has concerned people. This has concerned service providers. This has concerned newcomers. We also know this is a federal government that is cutting down family streams. There's a two-year freeze on application for bringing parents and grandparents. The language requirements, I've already displayed how seriously they can negatively affect the economy, particularly in Brandon.

This is the real issue. This is why we need to stand together as Manitobans, and I honestly and openly invite members opposite to stand with us, to fight for Manitoba, to fight for the best model of settlement acknowledged by the premiers of the Council of the Federation, acknowledged by the western premiers as of yesterday. Stand with us. Stand up for Manitoba and let's keep moving forward.

Mrs. Taillieu: Yes, Mr. Speaker, or Mr. Chair, I don't know why the minister has become so angry. She just got \$6 million more this year from the federal government for immigration settlement services.

The real issue here, Mr. Chair, though, is the politicization of the civil service and, yes, we are concerned about that. People are concerned when you politicize the civil service, that's what gets people concerned.

I'd like to read a letter from Ms. Elizabeth Fleming.

Dear Minister: There is good reason for government to maintain a professional, non-partisan civil service. Civil servants must perform and be perceived to perform their duties in an impartial manner in order to keep the public's trust. That line was crossed when a deputy minister of Immigration and Multiculturalism emailed immigrant service agencies—agencies which the government may fund and regulate—to invite staff to take time off from their

work to come to the Manitoba Legislature, 19th of April, to witness his minister table a resolution against a federal Conservative decision on federal immigration policy. No matter how heartfelt the minister's support for keeping the current Provincial Nominee Program, such an invitation was clearly partisan. In continuing to fend and condone, the minister responsible and her government are encouraging partisanship in the Manitoba civil service. This does us all a disservice. I urge the minister to clarify her and her government's position on partisanship in the Manitoba civil service at the earliest opportunity.

And as we know, Elizabeth Fleming is a non-partisan person. She's an advocate and has no political affiliation, as far as I know.

Mr. Chair, I would, again, like to remind the minister that she—her deputy minister, by her own admission, I think here today, that it was he who acted alone. *[interjection]* No, I have the floor. I have the floor, Mr. Chair.

* (16:00)

Mr. Chairperson: Order. Order.

It will help the proceedings of the committee if we have one person speaking at a time.

So, the honourable member for Morris is still speaking.

Mrs. Taillieu: Thank you, Mr. Chair.

And the letter was sent from Ben Rempel and to his colleagues to come to the Manitoba Legislature this—to witness a resolution put forward by the NDP government. Subsequent to that, another email was issued saying, I would like service agencies, especially, to feel free to release staff and clients to attend tomorrow's session in the gallery of the legislature if they—Legislature if they true—choose. And then, oh, it was about two weeks later that another email surfaced, but it, also, indicates that there was, certainly, discussion with the staff within his department, because he said, I expect some staff will be interested in attending the gallery tomorrow—so, certainly, he had discussed it with them, otherwise they wouldn't have known what he was talking about—and I would strongly recommend against this, because staff will be recognized.

Not because we shouldn't leave our jobs, we're serving Manitobans in immigrant services or whatever we're doing, we're paid for by the taxpayers of Manitoba, and we're serving the immigrants of

this province. Not because we shouldn't do that, but because we might be recognized and we might get caught. That just speaks to the political atmosphere within the civil service perpetrated by the NDP—substantiated by other people that have written articles about it in the press.

I'd like to know which of her staff she directed to go to the Speaker's office and get all the passes to the gallery and then have these people meet people at the door to provide them passes to the House. In doing so, she's co-opted her staff into a political, partisan event, and I'd like to know who she sent to do her bidding.

Ms. Melnick: I want to clarify something. In the member's discussion, she said, the email—I believe—sent by the DM—in your comments.

Mrs. Taillieu: If I said that, I was—I will correct; the emails were sent, both, by Ben Rempel.

Ms. Melnick: Okay. Thank you. That's important.

The—well, where do I start in responding to that? Now, you know, the member seems concerned that staff are talking to each other. And again, it's important to recognize that this is a department that communicates very well internally and externally, and that's what happened here. I hope the member isn't seriously suggesting that staff should not talk to each other about issues as important as a unilateral withdrawal of the settlement services annex by the federal government with less than 36 hours' notice. I—you know, I—the member's very concerned that people came to the Manitoba Legislature. She's very concerned that this department, having received many calls and inquiries of concern from service providers outside of the government, were giving clarification as to what was happening. She now appears concerned that staff might have been talking to each other about something that may affect them directly in their professional lives. So, again, it's important that we have discussion; it's important that we have open discussion about what is happening.

It was political staff who worked with the passes. We recognized that this was a big issue; we recognized that people may be coming. And that to have an orderly procedure in the House that day, we made sure that people would be able to come in.

And I want to reference another letter, or another article from Dan Lett which said it was in fact the NDP political staff that saved the MP from St. Boniface from a possible negative situation. So I think staff did a good job that day. There were far

more people than were expected to come in. They dealt with people in a courteous, efficient way. They dealt with everyone who came in. And I know members have tried to suggest that we were only dealing with people who supported one position and not another position, and we had no idea. We weren't taking a call at the door, you know, and, who are you, sir? What are you supporting? What side are you on here? We weren't doing that. We were recognizing this is democracy in action and I don't think democracy gets any finer than if we could get a hundred per cent turnout at—on voting day. But I don't think that you can see a better display of democracy than seeing hundreds of people coming in to their legislative building or their parliament building or their city hall to see democracy in action. And that's exactly what happened on the 19th of April, 2012, when people came to the Manitoba Legislature in record numbers because they were so concerned about this unilateral decision by the federal government. That's what happened that day.

And why are they so concerned? Newcomers want to bring their families. They want to come and live the dream of the province of Manitoba as so many of our foreparents have done. My parents on the Melnick side came from Ukraine. They never learned to speak English, but they started a small business. They raised nine children and they moved the work ethic down through the generations—I hope a little rubbed off on one of their granddaughters named Chris—but they came to live the dream of Manitoba. In the Ukraine they were serfs; they were slaves. They had no hope of a better life there. They came here for a better life.

People have come from 140 countries to Manitoba, and it's an honour that they've come here and it's wonderful to hear all the languages and it's wonderful to see the family reunification, and it's wonderful to see the intergenerational connection as people come here and are successful and settle and stay and buy homes and put their kids in school and then have the next generation. That is what this is about, because together we are building the economy of this province. We have, since coming to power, been in the top two or three when you look at unemployment. We have been working hard with all of our citizens. We've been growing this province. We're building projects. You know, the Winnipeg Jets are back. It may sound like a joke, but it does show how Manitoba, how Winnipeg has grown up over the last 15 years. That is the issue here, not who greeted who at the door, not who made sure who had

a seat in this very room, not who made sure who had a pass for the gallery, but rather the fact that people were so moved by this that they came in record numbers to see democracy in action and to see the members of the Manitoba Legislature debate this very important resolution not just to themselves, but to their families and to their future generations. That's what's important.

Mrs. Taillieu: And, certainly, people were moved to come here because there was a lot of fear mongering going on with the resolution put forward by this minister. When she said that, you know, that she made it sound like there was going to be no more money coming for immigration settlement services, when, in fact, the truth of the matter is, there's no changes. It's simply a change in administration. The administration of the Canadian government will be taking over the administration and simply using the same people and the same jobs will still be there. It has nothing to do with the PNP program and—but this minister wanted to politicize the whole issue and she fearmongered which—that's what caused some issues and some question among people because she put those questions in their head, and it's simply just not true, Mr., Mr.—Chair.

* (16:10)

Again, Mr. Sp—Mr. Chair—I'm sorry, I keep calling you Mr. Speaker for some reason—it's very curious to me. I put in a freedom of information request to the Department of Immigration and I got a response back. I'm very curious as to why Ben Rempel is the privacy—access and privacy officer, when he is the ADM of the department and is been politicized by this minister, and, in fact, if it's true that she denies she has anything to do with the email that was sent further, then she is throwing Mr. Rempel under the bus and saying it was him that did it. And, yes, I can see it also says here Glenda Segal, access and privacy co-ordinator, but, in fact, this is signed by Ben Rempel, access and privacy officer.

How are we to have faith when a minister that's been politicized—an ADM that's been politicized by the minister, signs freedom of information requests?

Ms. Melnick: I'll just respond. There's actually about three or four questions in what the member's just stated.

First, she's saying this is simply an administrative change to settlement services. When Minister Kenney was here, he said that the federal government would do a unilateral review of

settlement services in Manitoba and would continue to fund those that the federal government has determined to provide good service.

So that doesn't sound like business as usual; that doesn't sound like no changes. And the reason that the federal government is providing from \$32 million last year to \$36 million this year, is because we have such a successful PNP program. There is a formula in the CMIA that determines payment by the federal government, depending on newcomers and services provided. So that's another sign of success in Manitoba.

The politicization of this issue has happened at the hands of members opposite. They are the ones who, rather than deal with the issue, have tried to make this a partisan issue. We have been very, very clear: This is a non-partisan issue; this is a Manitoba issue. And again, I open the door to members opposite to stand with us and stand for Manitobans and make sure that we consider—that we continue moving ahead in this way.

And I'll just confer with staff—I don't have the document that the member's referred to. I don't know if the member could table that document so we could have some clarity with what exactly she's referring to.

Mrs. Taillieu: It's a freedom of request sent back to me from your department. I'm sure you have it.

Ms. Melnick: Would it be possible to get a copy to have a look at before responding?

Mrs. Taillieu: The question I'm asking is, it's signed by Mr. Ben Rempel, access and privacy officer, coming from the Department of Immigration. And I am questioning why an ADM, who's been politicized by this minister into doing political work for the NDP, is signing freedom of information access. How are we to believe that he would be a non-partisan in this issue?

Ms. Melnick: Would the member object to us getting a copy of what she has? I'm sure the Clerk's office could bring one in.

Mrs. Taillieu: You have a copy of it.

Ms. Melnick: Okay. I actually don't have a copy of it.

Mr. Chairperson: Just for the interest of the committee, we—any document that anyone on any side wants to make available can be provided to the

Clerk and we can go get it photocopied now. I just mention that as a point of information.

Mrs. Taillieu: This is a freedom of information request that came forward back from the department. They have a copy of it, and the issue is it's been signed by Ben Rempel as access and privacy and co-ordinator. Is he the access and privacy co-ordinator for the department?

Ms. Melnick: Again, the time that we've taken to discuss this, I could have had a copy in front of me. Is the member—I'd like to see a copy of the document. I don't think that's an unreasonable request.

Mrs. Taillieu: The minister never answers any questions in here no matter how many times we ask a question. So I don't see why I should—she has the—she has it within her department.

Ms. Melnick: Well, so the member is denying tabling the document. She refuses to table the document. She refuses for copies to be made. So I can just give a general response.

But it may be a consideration in the future, if you're going to be speaking to a document that it, in fact, be tabled so it can be seen. I'm not speaking to the specifics of the document. I'm speaking to general policy, and under FIPPA, each department must delegate individuals to act as access and privacy officers.

These people have to be at a senior level position, and there is also an access and privacy co-ordinator. The access privacy officer in Immigration and Multiculturalism is, in fact, ADM Ben Rempel. And the access and privacy co-ordinator is Glenda Segal.

But I can't answer any more questions or be any more specific about a document that I don't have in front of me, a document that I haven't seen. So if the member wants to have more discussion about this particular document, then I ask her again to table the document, to allow the Clerk's office to make a copy, and perhaps we can have more discussion.

Mrs. Taillieu: Yes, you know, the issue here is the politicization of the civil service by this minister who has co-opted some of her department staff into doing her political bidding for her.

She sent, or had someone sent—Mr. Ben Rempel, the assistant deputy minister, send a letter to his colleagues suggesting that they may want to come to the Legislature and listen to the NDP resolution. He followed that up with an email. And in that email he

said, I would like service agencies especially to feel free to release staff and clients to attend tomorrow's session in the gallery of the Legislature if they choose.

So he's suggesting that people that work providing settlement services and whoever else the email went to, we're not sure, to leave their jobs, leave their civil service jobs, taxpayer-funded jobs, come down to the Legislature, because the NDP minister wants them to be there to listen to her resolution.

That prompted another email to materialize a couple of weeks later. And in that email it says, I expect that some staff will be interested in attending in the gallery tomorrow. I would strongly recommend against this because if staff are recognized in the gallery, we would only be providing grounds for more criticism of the government.

* (16:20)

So the second email is saying, we've been talking about this. Yes, but you know what, better not go there, they'll see us. Not because they might be showing partisanship should that—they not go. It was because they might get recognized and provide more criticism for the government. And they wouldn't want that to happen, Mr. Speaker—Mr. Chair.

So, this whole thing prompted a number of articles in the newspapers all across the country, as a matter of fact, on the politicization of the civil service, which does such a disservice to the people of Manitoba. The civil service in this province are to remain neutral and non-partisan. They are here to provide guidance to any government that they serve and not to do the political bidding of the government of the day.

And that's what we've seen with this government, Mr. Chair. They have politicized the civil service and, really, to a level which is unbelievable, even going down into Corporate Services, and unprecedented involvement of the civil service.

So, Mr. Speaker—or Mr. Chair, we would like to know what—let's go back to the original question. Yes, let's go back to the original question. Did Ben Rempel act on his own in sending these emails, yes or no?

Ms. Melnick: Ben Rempel was aware that there was a lot of concern, that there was a lot of confusion, that there was fear. If you want to talk about fear, unilaterally made decisions announced less than 36 hours after informing the minister to cancel key components of the immigration success in Manitoba puts fear in people. And this is what happened. People were very, very worried.

And, again, the member is insinuating that people in the department shouldn't talk to each other. Well, the success of the Manitoba model is people talking to each other within the department, people talking to service providers, service providers talking to service providers, and even talking to the newcomers themselves, bringing them into the equation. What a revolutionary thought that is.

So, when this announcement was made with less than 36 hours' notice to the provincial government that the federal government was unilaterally withdrawing, "unilaterally cancelling" is their language, is the language of the federal government—and I know the member from Morris will try to twist that around—unilaterally cancelling the settlement services annex of the Canada-Manitoba Immigration Agreement, the very model that the members of the Council of the Federation said they wanted all to have—and by the way, when the federal government became a majority government, the jurisdictions of Ontario, Alberta and Saskatchewan went to them and said, we want the Manitoba model.

So I think the member simply doesn't understand the severity of this decision. She simply doesn't understand how this has contributed to the economy of Manitoba.

And I'll reiterate again, it's the *Free Press* online story, "Western counterparts support Selinger on immigration." Western premiers and territorial leaders agreed Tuesday—that's yesterday—on several key points that Manitoba has been making with Ottawa on immigration in recent weeks. In a communiqué at the conclusion of their meeting in Edmonton—and I can reread that communiqué again—the western leaders called for an increase in immigration levels and demanded a greater role for provinces and territories in immigration selection. The western leaders also sought assurances that they'd be given a prominent role in managing successful, integrated settlement services. And the quote from the Premier of this province, who I'm sure the member will accuse of politicizing all the premiers across western Canada, is: We thought that

having non-partisan support for—from all premiers in western Canada on that was pretty positive.

Now, you know, it's—there's still time for members opposite to become pretty positive, to become pretty supportive of Manitoba, to become pretty supportive of immigration, to become pretty supportive of the rural communities that newcomers help to survive and thrive, or they continue to act in a way of denial, saying nothing's going to change again.

Minister Kenney has announced he wants a cookie-cutter model across Canada. This means that our services will have to be downgraded. Because everyone wants to achieve our model, everyone wants to come up to our model.

When the members across Canada heard about this—there's concern across Canada, which is—certainly, western Canada—which is reflected from the premiers themselves. So, the issue here is the economy, now, with the western premiers' statement, of western Canada, and continuing to build western Canada.

And we have premiers from different political stripes, and that's great, when people from different political stripes agree, as what happened when this CMIA was originally negotiated. Again, it was the Tory government, the province of Manitoba of the day, and the federal Liberal—government of Canada of the day, who said, yes, let's give this a try, let's try this, let's go for it.

And, we've never looked back as a province. And, we don't want to look back as a province; we want to look forward and we want to look forward all standing together as Manitobans, to build this incredible place. And the western premiers are agreeing, that, as westerners in western Canada, we also want to look forward.

So, I ask the member—I know she has two emails, I know she's very upset about two emails, I know she's very concerned about two emails, but, please, show some concern for the future of this province and, again, consider coming on board with supporting the settlement services, maintaining the Manitoba model. And, members are on the other side are laughing; members on the other side are laughing and giggling. They think that this is a political partisan issue. It is not a political partisan. You have made it political by the way you've been behaving in this. We have said it is not a political partisan issue.

There are people across this province who are very, very concerned. This is not how you mark a ballot in Manitoba, this is not the candidate you support; this is standing up for Manitoba. And again, I ask members opposite, to listen to what is being said, to look at the seriousness.

You know, this will affect a lot of the communities that they represent. I've talked about Maple Leaf in Brandon. This will have a direct result—a negative result—on the economy of Brandon, if the Maple Leaf plant is not able to perform at full throttle. They're already having trouble with their second shift. They're already having people work a lot of overtime. Again, with the minimum language requirements, they went from a thousand applicants in Honduras, down to a possible 97. They're concerned, and I think that the members opposite should join with—if they don't want to join with us, then join with Maple Leaf, about protecting Manitoba and protecting this economy.

Mrs. Taillieu: And, throughout all of that rant, I certainly am concerned about the future of the province of Manitoba, specifically when this government, and this minister, politicizes the civil service to an unprecedented level that we've seen over the last little while, what gives us all pause for concern as to what the future of this province may be.

Mr. Speaker, Mr. Chair, if the minister says it's just communication, emails go out all the time, will she provide a list of all of the people that received the email, both emails, from Ben Rempel?

Ms. Melnick: The emails get forwarded and we can't trace all of that.

But, you know, if the member really feels that they can't—you know, that we can't stand together in the Manitoba Legislature for the future of Manitoba, then—the Winnipeg real estate people are concerned. They had an article about the concerns around any changes to the Manitoba model to immigration. They understand how fragile this is, and that's why they put on the front page of their publication, a couple of weeks ago: don't mess with immigration. So Winnipeg real estate understand. They know who's there selling—who they're selling homes to. They know who they're selling starter homes to. They know who is upgrading into the family home and who's moving into the retirement home. They understand the need to protect this model.

* (16:30)

If members opposite don't feel that they can work with us the government on this issue, then work with the realtors and, like I said, work with Maple Leaf, work with any number of other groups who are also concerned about this, but let's all work for Manitoba.

Hon. Jon Gerrard (River Heights): On—let me refer to page 22 of the Estimates book. Now, it's my understanding, as a result of changes that have occurred since the budget was prepared that—

Mr. Chairperson: Order. There's been a request to speak a little bit louder, and perhaps if other committee members could keep their side conversations to a minimum. Honourable member on, is it mike 16?

Mr. Gerrard: Okay. On page 22 we have a budget, right? Estimates—[*interjection*] Pardon?

An Honourable Member: Page 22 or 27?

Mr. Gerrard: Mr. Chair, 22, right. But my understanding is that events since this was prepared may have changed that budget significantly. Is that correct?

Ms. Melnick: Page 22 of the Supplementary Information for Legislative Review 2012-2013, Departmental Expenditure Estimates, Manitoba Immigration and Multiculturalism: as it stands now this is current, but with the unilateral canceling of the settlement services annex of the CMIA this may change substantially. In fact, it will change substantially. So we're waiting to see how things are going to play out here. But as to the funding for this year this is current.

Mr. Gerrard: When will the minister have updated information since we're already partway into the year?

Ms. Melnick: I can't give you an exact date, it's a major, major shift. It's the withdrawal of \$36 million. So we're having discussions. I can't give you bottom line, the member for River Heights, and I also can't give you a date when everything will be absolutely settled.

Mr. Gerrard: If there's a withdrawal of \$36 million that would leave \$2,405,000. Is that correct?

Ms. Melnick: I can't give you definite numbers right now.

Mr. Gerrard: We have, also, a list of the—on page 15 there's a list of department personnel, or full-time equivalents. And I'm just wondering, with the

changes which may come, what is the impact on the department personnel here?

Mr. James Allum, Acting Chairperson, in the Chair

Ms. Melnick: Well, again, we don't have exact figures right now. It's something that is really under consideration, you know. People are very, very concerned about their careers and what's happening. We do have a no-layoff clause in the collective agreement, which would—you know, which covers the whole civil service. That's the MGEU collective agreement, yes. But to give you exact numbers of changes in staff, et cetera, we simply don't have that right now.

Mr. Gerrard: Yes. If the minister is correct and that there's a loss of \$36 million in—out of \$38.4 million in the budget, then there's going to have to be very substantial reductions in the number of staff. Is that not correct?

Ms. Melnick: Well, I think it's a fair assumption that this is a huge challenge. This is an absolutely huge challenge, and people are very, very concerned. So I don't want to suggest anything that might happen, that is not going to happen. I want to be very, very careful here, because I know there are people in the department who have dedicated their careers to working with newcomers who have all been part of this system, who all have worked very, very hard here. And I don't want to get people unduly upset, get people unduly nervous, surmise, make projections. I think we have to be very, very careful here, because we're not just dealing with funding; we're dealing with human beings; we're dealing with people who work in the civil service as well as their families. So I think we need to be cautious and careful and respectful and understand the difficult situation that these people are in.

Mr. Gerrard: Yes, you know, with a potential loss of what looks like about 95 per cent of the budget in the department, and you're already almost two months into the year, I don't understand how you can be managing under these circumstances. I mean, perhaps you can explain.

Ms. Melnick: I want to very much credit the staff who come in every day and work very hard under what has now become a very serious, personal situation for them.

And so, I think this discussion has to be dealt with very, very carefully, that there will be many, many discussions on an individual basis and on a group basis.

And I want to commend and recognize the dedication of staff who, having heard about this, you know, the unilateral withdrawal, less than 36 hours' notice, have been doing commendable work, dedicated work and work that I know is very difficult under this situation.

Mr. Gerrard: Do you have a timeline for knowing precisely, and will the minister provide the details of the new budget as soon as possible?

Ms. Melnick: There's a one-year notice period under the CMIA, which is what the federal government are going on. So, I can't share specifics of discussions. I'm not privy to the specific discussions that are going on in that way, but I think we all have to be very respectful that this is a very, very difficult time.

And so, I don't want to say anything that may build an anticipation, or break an anticipation, and I'm sure that you recognize this. I'm sure that you recognize that when you're dealing with people who've been given an absolute shake through this unilateral decision, that it's a very tough time for a lot of people.

And again, I want to commend staff for the work that they're doing, for their dedication, for their coming in every day. And I also know that their families are going through a hard time too.

So again, we do have a no-layoff clause in the collective agreement, which we will honour, and let's be very careful here on making sure that we're not creating a more negative situation than already people are under stress for.

Mrs. Taillieu: We're prepared to go line by line.

* (16:40)

The Acting Chairperson (James Allum): Hearing no further questions, we will now proceed to consideration of the resolutions relevant to this department. I will now call:

Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$38,405,000 for Immigration and Multiculturalism, Immigration and Multiculturalism, for the fiscal year ending March 31st, 2013.

Resolution agreed to.

Mr. Chairperson in the Chair

Mr. Chairperson: Last item to be considered for the Estimates in this department, it's 11.1.(a) Minister's Salary, contained in resolution 11.1.

We'll wait for a brief moment as the minister's staff leave the head table for consideration of the last item. We thank them for their time here with us today.

The floor is now open for questions.

Mrs. Taillieu: Yes, Mr. Chair, I move, seconded by the member for Tuxedo (Mrs. Stefanson),

THAT the minister's salary be reduced to \$1,110, which is 3 per cent or the equivalent of Manitoba's contribution to Immigrant Settlement Services.

Mr. Chairperson: Does the honourable member have a copy of the motion?

Order. It has been moved by the honourable member for Morris, and seconded by the honourable member for Tuxedo,

THAT the minister's salary be reduced to \$1,110, which is 3 per cent of—is that what that says—of the—

An Honourable Member: Three per cent, which is equivalent to.

Mr. Chairperson: —which is the equivalent of Manitoba's contribution to Immigrant Settlement Services. Sorry, that was just a handwriting issue.

The motion is in order.

Are there any questions or comments on the motion?

Seeing none, is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is: Shall the minister's salary be reduced to \$1,110, being 3 per cent of the equivalent of Manitoba's contribution to Immigrant Settlement Services?

Shall the motion pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: I heard a couple of different answers, so we'll go through this with the next step.

Voice Vote

Mr. Chairperson: If I could please ask all those in favour of the motion passing, to please indicate so by saying aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to the motion, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Formal Vote

Mrs. Taillieu: Yes, Mr. Chair, we'd like a recorded vote, please.

Mr. Chairperson: A record vote—a formal vote has been requested.

This section of the Committee of Supply will now proceed to the Chamber of—the Chamber for a vote, and the bells will ring.

And just as a reminder for the committee, if we do not pass before 5 o'clock, then we are done for the day.

INNOVATION, ENERGY AND MINES

* (14:30)

Mr. Chairperson (Tom Nevakshonoff): 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?

An Honourable Member: No, Mr. Chairperson.

Mr. Chairperson: Okay, I have to recognize you.

Hon. Dave Chomiak (Minister of Innovation, Energy and Mines): No, Mr. Chairperson.

Mr. Chairperson: Does the member for the opposition, the opposition critic, the member for Spruce Woods, have any opening remarks?

Mr. Cliff Cullen (Spruce Woods): I'm quite impressed the minister didn't have an opening statement—usually an opportunity to say something good about the industry—but I guess we'll just get right into the questions.

Mr. Chairperson: Thank you. 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 18.1.

At this time, we invite the minister's staff and staff from the official opposition to join us in the Chamber, and, once they are seated, we'll ask that the staff in attendance be introduced.

The honourable minister, to introduce his staff.

Mr. Chomiak: Just prior to that, I just want to indicate to the member opposite, if I wanted to talk about the accomplishments of the department, it would take probably the rest of Estimates time. And in the—I've actually traditionally tried to not give a statement, or keep it short, in order to allow members to ask more fulsome questions, but if the member would like me to, I could go on the rest of the afternoon, easily, with some of the accomplishments that have been in the department.

Having said that, I just want to introduce the staff that's joining us here—a really dedicated crew. And I should tell you that, you know, out there in the public, people have often come to me and said what terrific people they are that are working in this department. I've heard that a lot.

We're joined by: the deputy minister, Grant Doak; the assistant deputy minister, and head of mining and petroleum stuff, John Fox; the head of the Energy section, Jim Crone; and the financial guru, Peter Moreira.

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

Mr. Cullen: I do thank the minister for his comments and allowing us the time to get into the questions right off the top, and, hopefully, we could go in a global fashion in terms of our discussions today.

Mr. Chairperson: We will proceed in a global manner. The floor is now open for questions.

Mr. Cullen: Just some questions just to have some clarification on some items. First of all, would the minister be able to list all of the Cabinet committees that he's serving on?

Mr. Chomiak: You know, I may have to use an earplug. I am having trouble hearing, so—but I'll do my best under these circumstances.

The member asked what Cabinet committees I'm on. I'm on planning and priorities, and on Northern and Aboriginal Affairs. I think that's the extent of it at this point.

Mr. Cullen: I wonder if the minister could provide a list of all political staff in his office, and what their positions are, and whether they are full-time or not.

Mr. Chomiak: I don't know if I'd necessarily refer to them as political staff, but I suspect the two—the people that the member's referring to are my executive assistant, Amity Sagness, S-a-g-n-e-s-s, and my special assistant, Robert Ferguson, who are both full-time working in the office.

* (14:40)

Mr. Cullen: If the minister could supply the staff in the deputy minister's office as well.

Mr. Chomiak: Yes. The two people working in the deputy minister's office are the appointment secretary and the correspondence secretary, Leah Cole and Lorelei Curtis, respectively.

Mr. Cullen: Could the minister say how many staff are currently employed in the department and how many vacancies there currently are in the department?

Mr. Chomiak: Our FTE count is as noted in the Estimates book on page 12 of the supplementary Estimates book, the total FTEs are the 361.82 and a vacancy rate of 5.01 per cent.

Mr. Cullen: The minister be able to indicate if that—those vacancies will be filled in the near term?

Mr. Chomiak: The vacancy rate generally reflects a historical natural turnover rate. We've obviously been very, very careful this budget, in—as we are in all budgets, but the—we've been very careful to go through expenditures and staff positions to ensure that we're maximizing the effect, and that on both hiring and vacancies, that we maximize the effort of those really superb people who are working in this public service.

And it's—if you talk to industry, for example, and we use the—I'll use the example of the oil and petroleum industry. They have nothing but good things to say about the efforts made by department officials, or talk to people in the R & D sector.

So the—it's a—the rate has been fairly consistent. It's a natural rate. It'll likely continue along those lines. Clearly, it's a challenge for people in the department to maintain the good services that are provided in a situation where both our mining revenue—our mining explorations and mining revenues are on the upswing, and that—where the petroleum industry is in a very hot position and

where our R & D and our—some of our bio-initiatives are continuing to be a—world-class, and where our energy initiatives, despite small number of people, are both world-class and developing. So, it—a lot of people doing a lot of good work, and still trying to economize and maximize the public dollar in the interest of all Manitobans.

Mr. Cullen: Would the minister be able to indicate which branch these vacancies are in?

Mr. Chomiak: There's nothing that stands out as an anomaly or anything that would suggest one branch or one area is understaffed or in difficulty. The—it's generally across the branches. If the member wants some specifics on it, we can get back to him on specifics because we don't have it here. But I think, generally, the information provided to me is that it's across the board. It's mostly technical staff, frankly, and there's a natural attrition and turnover there, and hiring and moving in and out of industry, government, and back and forth.

Mr. Cullen: Thank you. Actually, I would appreciate that if the minister would endeavour to get back to me. And that looks, you know, like there could be approximately 18 positions there, according to the numbers. So if the minister could endeavour to get back to me in terms of which positions are vacant within which respective branch, I would appreciate that.

Is there any staff seconded to the department from other departments?

Mr. Chomiak: Yes, Mr. Chair, I'm advised there wouldn't be more than a couple, which we can endeavour to get back to the member on.

It—the—because of the technology area, there sometimes is secondments back and forth but I'll endeavour to provide the member with specifics as it stands on a regular basis around today, or around today's date.

Mr. Cullen: Mr. Chair, and I would appreciate that, if the minister would do that, both in terms of secondments from other departments, and if there's any staff within his department that have been seconded to other departments as well.

And if he would endeavour to it, would he be able to provide the names of staff that have been hired over the past year, and whether they were hired through competition or appointment?

Mr. Chomiak: Yes, Mr. Chair, it's a fairly lengthy list.

And I can indicate that there's a competition at the Bus. Transformation; a competition at Petroleum; a competition, the 'manicopo' geological service; a competition, the Manitoba transformation—a temporary placement at Manitoba Bus. Transformation Technology; a temporary placement at the bus.—as an administrative assistant at Bus. Transformation Technology; a temporary placement at Bus. Transformation Technology, a co-op security analyst; a temporary placement at Bus. Transformation Technology, a co-op infrastructure support analyst; a co-op junior developer at the Bus. Transformation Technology; a petroleum technician at the Petroleum branch; another co-op journey infrastructure analyst at the Bus. Transformation Technology; and an engineering aid in the Petroleum branch; an ICT procurement special at the Bus. Transformation Technology; Manitoba Geological Survey, a lab assistant; another lab assistant, Geological Survey; a junior geological assistant at the survey; another lab assistant at the survey; a database programmer at the survey; a Precambrian geologist at the survey. All of those are either open competitions or temporary placements.

A junior geologist at the Geological Survey; an infrastructure analyst at the Bus. Transformation Technologist; an executive assistant in the—oh, that, we already dealt with, that's my executive assistant. A Bus. Transformation Technologist at the—a finance configuration analyst at the Bus. Transformation Technology; administrative assistant at the Bus. Transformation Technology; also, all temporary placements.

A field assistant at the Manitoba Geological Survey; a geological field assistant at the Manitoba Geological Survey; another geological field assistant at the Manitoba Geological Survey; a geologist at the Manitoba Geological Survey; an ICT procurement, a specialist, at the Bus. Transformation Technology; a SAP TRG and communications person at the Bus. Transformation Technology; a clerical assistant at Mines; an 'administrativist' in the Bus. Transformation Technology; a co-op education security analyst at the Bus. Transformation Technology.

And the next of these are all bus. transformation technologies, some are temporary placements some are open competitions: two administrative assistants, a co-op ed security analyst, a co-op ed junior developer, and another co-op infrastructure.

At the Manitoba Geological Survey, a geological assistant; at the Bus. Transformation Technology, in—a director of applications; at the Geological Survey, a chief geologist for minerals; Bus. Transformation Technology, admin assistant; Mines, a part-time quarrying clerk; a Bus. Transformation Technology and infrastructure analyst—that's a competition; Bus. Transformation Technology, ed admin assistant.

* (14:50)

Again, at Bus. Transformation Technology, I think some of these are continuing placements of individuals who are—who have continued on, on a temporary baseness—basis as the program continues. So that's two more again. Continuing: security analysts; a developer; a solutions architect and application developer and co-op junior programmer; a co-op junior application and co-op network supporter; all of the Bus. Transformation Technology. These are continuing, temporary employments. Manitoba Geological Survey and outreach special projects person, it's a competition; Bus. Transformation Technology and application developer; the administrative secretary and executive support; again, a administrative assistant for Petroleum; a Bus. Transformation Technologist at—pardon me, an infrastructure analyst at the Bus. Transformation Technology. So that's a total of 62 new appointments, including 32 students.

Mr. Cullen: Mr. Chair, does the department have any employees on a hire—on a contractual basis?

Mr. Chomiak: I'm advised that we do not.

Mr. Cullen: As a result of the vacancy rate, has that caused the department to have to pay any overtime?

Mr. Chomiak: The—this is a very well-managed department. There's—there is—there's probably not a direct relationship between the vacancy rate and overtime. But it's managed fairly well, although it should be noted that this is a technological department that provides 24-7 technological services. And that may come into play, but there's no direct correlation. We've managed with this rate of vacancy without a significant overtime spike and we'll continue to do that in the future.

Mr. Cullen: I wonder if the minister could provide me any contracts or anything that's been awarded in terms of contracts that have been on a value of over \$25,000 over the past year and, say, maybe the nature of some of those contracts. It's not something

I need today, but maybe if the minister could just review that and supply that into the future.

Mr. Chomiak: The list of untendered contracts is available. The list of contracts over \$25,000 is fairly significant and I don't think we have a general standing list. It's hundreds and hundreds of contracts because of the technical nature of the work that's provided, et cetera. So it's a significant undertaking.

Mr. Cullen: Well, maybe if the minister could just undertake to provide me the untendered contracts then?

Mr. Chomiak: Yes, Mr. Chair, that's online, available any time.

Mr. Cullen: Could the minister provide his out-of-province travel over the last year?

Mr. Chomiak: Yes, Mr. Chair, that's also on the web, but, just for purposes of—May 6th to 8th in 2011, attended the funeral of Allan Blakeney on behalf of the Province; June 18th to 21st, 2011, meeting with Alberta ministers Leipert and Weadick, who I consider friends; June 26th to 30th, participated in BIO 2011; July 15th to 21st, energy and mines conference; December 6th, 2011, a reception hosted by Canadian ambassador to the US in partnership with Canadian Hydropower, that was one night in Washington; December 7th to 8th, various industry meetings, energy and mining organization, as well as the Alberta Minister of Innovation; and December 9th, meeting with the Minister of Energy and Resources, Saskatchewan, Minister of Innovation also, someone who's been helpful in the past. Those were all the—I think that covers it all.

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

Did the Premier travel with the minister at any of those out-of-province trips?

Mr. Chomiak: No.

Mr. Cullen: Has the minister's department ever paid for any trips on behalf or for the Premier?

Mr. Chomiak: No.

Mr. Cullen: In terms of the positions, I realize the—it looks like there was two and a half positions—new positions added to the Petroleum branch. Are those the only two new positions that—within the department—that have been budgeted for within the department?

Mr. Chomiak: Going from memory, the two and a half were added and one was transferred in from Finance. That's the only augmentation. So it's 3.5 total.

Mr. Cullen: So there's been no other changes within the department from branch to branch in terms of positions there?

Mr. Chomiak: We manage—the department manages it as a team approach. There's been no official transfers other than those that I indicated to the member.

Mr. Cullen: And having a look at the book here, clearly, the Business Transformation and Technology branch or division is the largest within the ministry. And I'm just trying to get a sense of what's all involved in that particular department. I know it—there's probably a lot of things going on, but if, you know, if the minister could kind of just provide me what he feels is the priorities and the mandate for that particular division.

Mr. Chomiak: Well, as the member has indicated, it's a fairly significant aspect of the work of government. That's because it's essentially the lead technology provider in the government, and it's also responsible for a number of transformations and the SAP implementation across the—right across the departments of government.

It also consists of a separate division that's—that provides information to the Legislative Building user, so there's a separate part of that branch that's specifically adapted towards providing information technology to the Legislature.

* (15:00)

It's—it provides for security. It provides for innovation. It provides for platforms. It divides for governance risk management right across the board for ICT for government, including the SAP system and the 14,000 or so desktops across government, and the procurement processes and virtually, not completely, but virtually, most of the IT implementation, planning, skills and applications across the government system.

Mr. Cullen: Yes, as a result, I'm, you know, does the department clearly lay out a set of priorities for that particular branch, and can the expected results of that branch is going to provide—and then how do—how does the department evaluate the activities within that branch?

Mr. Chomiak: They go through annual planning cycles and gauge the performance and success of the department against particular—against those yearly plans and priorities. And I might add that we've recently had a significant review by the auditor of the systems in place, and the co-operation and the assistance of the auditor in developing and maintaining the system and its various attributes was 'mothe'—was most helpful.

And we were able to successfully complete virtually all of the recommendations of the auditor in terms of the recommendations that came forward and are still working on two of them, but are almost completely up to date and secure across government.

So to—we do have a planning exercise. It would be, you know, it would be probably trite for me to give you a couple of priorities. It's clear that modern—the modern approach to government and the modern approach to communications in general is dependent upon a skilled, high level, adaptable, secure IT system. And between providing services to the public and some platforms to the public and internally making sure the government is more efficient and more effective and that systems are in place, it's a fairly significant—well, it's the majority of our budget.

And it's a fairly significant undertaking across all of government, which is one of the reasons why it was brought under one particular department in order to maximize the value of the various systems. I mean, there's no question, when we came into office in '99 that the system was broke and we had to do a lot of work in order to provide the platforms and the training, the systems in place that we have today and maintain that.

So, across the board it's a fairly significant endeavour. The, as I recall, last year, the—it's surprising. I don't know if it was in Estimates or the PAC committee where we discussed security, and it was quite surprising how many hits or how many hits were on the government system, thousands and thousands of hits, security hits alone, on the government system. I think a million a year, actually. And it just—it's suggestive of how complex and how significant IT has become and how actually fortunate we are to have the desktop system we have in place and the backbone of the system we have in place moving forward.

Mr. Cullen: I just reference page 35 in terms of the—there's a recovery line indicated there. Obviously, the department is generating revenue on behalf of—for

the Province. I'm assuming that that is probably within the department or, pardon me, within transfers within government. Is there anything outside of government transfers there? Is there any private companies involved there in terms of revenue and, if so, what would they be in? And I wonder if the minister could provide a list of whatever departments are—could be shown on that revenue line.

Mr. Chomiak: The items indicated on that recovery system are all chargebacks strictly to government, with no business, on a user-pay system. And each—and I know this from my years in other departments—each department is—has within their supplementary Estimates—a charge within their supplementary Estimates that comes back to us that reflects the totality of this number. So it's a user-pay system throughout government, mostly for desktop. And there's no non-government entities that utilize—that are part of this.

Mr. Cullen: Okay, I thank the minister for that. Page 33, there's an expenditure to the Manitoba Education, Research and Learning Information Network, or MERLIN. What is that expense for, and what does the department expect to get in return for that \$396,000?

Mr. Chomiak: MERLIN is a special operating agency that was established, I think, by the previous government, that we've maintained as a separate operating agency that provides services—online services to government, schools, universities, et cetera, as part of their overall special operating agency mandate.

Mr. Cullen: I thank the minister for that. I'm going to kind of transition a little bit away from the Estimates book here in a couple of minutes, but maybe just—might be a good time for the minister for River Heights, who had a few questions of the minister, and I might just allow him that time now.

Mr. Chomiak: Yes, that's fine. I—the special operating agency's mandates are at the back of the—so—of the book, in sections. And there's a more effusive description of MERLIN at the back of the book.

Hon. Jon Gerrard (River Heights): Yes, let me start with a question about the Manitoba Research and Innovation Fund. On page 9, schedule 5, it's listed as having a budget of \$12.55 million and, on page 30, it is listed as having a budget of \$13.3 million. I wonder if the minister could clarify which is the real budget.

Mr. Chomiak: The expenditure—not on MRIF is \$13,300,000 and will recover \$750,000 from the Urban Development Initiative.

Mr. Gerrard: Okay, so that the—13,300 minus 750 is 12,550. Is—that's correct?

Mr. Chomiak: Yes, that is correct.

Mr. Gerrard: I wonder if the minister could provide a brief general breakdown of expenditures under the Manitoba Research and Innovation Fund, and how they're allocated.

* (15:10)

Mr. Chomiak: Two million of that goes to the innovation commercialization support program at ETT. The balance is for research at our major institutions that—and we can provide the member with the list of most of those significant funds. It's actually provided publicly and on an annual basis we announce it, and it's listed in public accounts, but we'll gather those main research grants and provide them to the minister—to the member.

Mr. Gerrard: I thank the minister for his assistance.

Now, one of the things that I've been very concerned about is what is happening with the institute of biodiagnostics. Basically, as I understand it, closing it down and selling off the buildings, and I just wondered what the minister's response to this action is.

Mr. Chomiak: It is a significant issue for the research and the business community of Manitoba, and we are engaged in efforts and discussions to ensure that the capacity and the benefits of the institute of biodiagnostics and the NRC will continue in Manitoba.

Mr. Gerrard: I wonder if the minister can give any additional details in terms of what he would hope the outcome might be.

Mr. Chomiak: I don't think I can put it much better than I just put it and I'll—if the member wants, I'll repeat it. The National Research Council and the Institute for Biodiagnostics has been a significant—has had a significant impact on research and development in Manitoba, and we hope to have it continue in the future having a significant development in Manitoba.

Mr. Gerrard: I know that the provincial government has contributed to the incubator activity starting up, well, businesses out of basically science and research efforts.

What is the minister's plans in terms of that incubator activity and the funds that were designated there?

Mr. Chomiak: We'd be—we support two incubators: eureka at Smartpark and the BCC development at the building, and we continue to support those activities.

Mr. Gerrard: If the building which houses—most of the incubator is sold off, what will happen?

Mr. Chomiak: We hope that into the future we will continue to support the incubators and the—and those developments, and we will continue to work towards that goal.

Mr. Gerrard: Yes. I note that the Manitoba Health Research Council there was an increasing funding quite a number of years ago, but it's been fairly level for the last several years. I wonder what the future plans of the minister are with regard to the Manitoba Health Research Council.

Mr. Chomiak: We're actually very big fans of the Manitoba Health Research Council. We think it's a significant organization and, together with the innovation council, we think it has a very bright future in Manitoba.

The member's correct; we significantly increased the budget to the MHRC and, in fact, the additional funding—so, we will continue to develop and, I think, there's a significant role that will continue to be played, and we may very well see an enhanced role played by the Manitoba Health Research Council as we go forward.

Mr. Gerrard: I thank the minister and I will turn it back to the MLA for Spruce Woods. Thank you.

Mr. Cullen: Mr. Chair, I want to talk a little bit about the Province's new tax on coal. And I wonder if the minister knows how many tonnes of coal are being burnt in the province each year, and what percentage of that total will fall under the tax, and the potential ban that is being implemented in the near future.

Mr. Chomiak: Mr. Chair, I regret I don't have that information. Actually, I had it in my head at one time, but like a lot of things, as I move along, it seems to slip my mind. I don't have it in these—it's not under my responsibility, specifically; it's administered by Finance, it's directed by Conservation. So, although I have an interest in it and, actually, I wish I could remember the specifics of it, but—I did at one time, actually; I could answer that offhand at one time. Not today, though.

Mr. Cullen: Appreciate the minister's position on that.

What role, then, does your department play in this? I know it appears as there may be a few different departments involved in this particular tax, but I think the changes are going to be—could be somewhat difficult going forward. Certainly, there'd be a lot of industry and a lot of people impacted by this potential ban and, I guess, the big thing is going to be a transition to another form of fuel. And, I'm wondering what role your department is playing in this.

Mr. Chomiak: Yes, Mr. Chair, the member will know that the vast majority of energy produced in Manitoba is green, renewable hydro. We also have significant biodiesel production, as well as ethanol production in the province of Manitoba, of which we're very proud, because we brought in those mandates and—as well as the significant wind that we have in Manitoba. And, that's just the segue into responding to the member's question.

The significant—I suspect the most significant users of coal in the Manitoba are a business called Greystone, I believe, is the main industrial user—Graymont is the correct name. Then there's a significant number of rural communities, particularly Hutterite colonies, that utilize that source of energy. And then, finally, there's some coal generation fired through the Manitoba Hydro in Brandon. Although we've closed the coal fire plant in Selkirk and we've downsized the operation in Brandon, those are three major ones.

Our efforts in this department is to work on alternatives to those forms of energy. I've already illustrated several examples in the form of the ethanol and the biofuel mandate. We are—there's a number of projects that MAFRI's working on, with respect to biomass initiatives, as is Hydro, to look at alternatives.

* (15:20)

And I'd also suggest that, that would be one of the reasons for members to support our legislation that's before this House that provides for investment and usage in alternative forms of energy that can and would assist in alternatives. But I think the three major areas of the industrial, largely agree—amount—Manitoba Hydro in Brandon and then the Hutterite colonies. We're aware of that and we're working with the other departments, MAFRI, E, T and T and Conservation, and Finance, through it's role as

administering the tax, to ensure that alternatives—that reasonable alternatives are in place, as—so as to not be a prohibitive burden on those entities.

Mr. Cullen: As part of the announcement a little while ago there was, I guess, part of this tax will be used for a couple of different programs and one will be used to offset some of the expenses in terms of the transition of—to different products. Can the minister indicate whether there's been any uptake in terms of that particular program and if that program is administered through his department?

Mr. Chomiak: The—that portion of the program is administered by MAFRI. So it's not before us here today.

Mr. Cullen: So the applications for that grant, for the offset program and the—I guess the other side is really a capital investment for those who are looking at doing some research in terms of new products—those, both of those programs, then, are being operated through MAFRI?

Mr. Chomiak: No, I think what I was answering to the member—the member asked where the funding for the—where the resources for those programs was being cached, and that's at MAFRI. I think MAFRI is utilizing those funds. With respect to research and related activities, I—some work's 'hampling' in MAFRI, some work's happening in Hydro, some work's happening through our department through the various programs that we have.

Mr. Cullen: So the actual capital grant of those up to \$50,000 to help biomass users and processors to develop high quality removal biomass products, if someone's interested in that they should be talking to MAFRI about that particular program?

Mr. Chomiak: Without complicating it, I think, yes, through ag energy would be the best way to probably approach it, just through MAFRI.

Mr. Cullen: Well, does the minister know if we have viable alternatives here in the province? And I'm thinking—I—when I say viable alternatives, you know, if we're looking at a coal ban here in the next, about 18 months, do we have commercially available feed stock to replace coal?

Mr. Chomiak: I—the—I wonder if it was the member's counterpart that asked these same questions in Hydro Crown corporations committee, because I'm having a déjà vu on this. But the—aside from biomass we obviously have geothermal as an alternative, and because of the cost, the lower than

production cost, actually, of a natural gas is also natural gas alternatives. Hydro, MAFRI are working on alternative energy uses for isolated communities and communities that utilize coal. And there's some working models that are in process right now, and the other alternatives, of course, are the—as I've outlined, potential for geothermal, and I wouldn't rule out the potential for natural gas in some instances.

Mr. Cullen: Well, the minister's right. This issue was raised in Hydro committee some time ago. And I guess some of the feedback that we're getting as rural members—and a lot of it comes from Hutterite colonies who are predominant users and do use a fair amount of the product to not just heat their homes, but also their businesses, and I guess they're looking for some direction from government if they're going to be caught in this all-encompassing ban as well.

And I think they were looking for some answers, and the challenge, I guess, for us is to go and find out which department is going to be responsible for those types of those regulations.

And the challenge that they're facing is looking at a replacement. There doesn't seem to be a commercially available product out there that will fill the void that's going to be there when the coal ban hits, and they're looking at possibly bringing in natural gas. And as you—the minister will know, natural gas is not available in all communities, and we've heard quotes as high as \$50,000 a mile to bring in natural gas lines, so, you know, the capital investment there is going to be very substantial, and I'm wondering if the government is looking at, you know, some options here moving forward.

We're—I think it's almost to a point where we're getting the cart before the horse here without providing alternatives to a lot of these individuals, and just want to make sure that the government has a sense of some of the real issues that are out there in those communities.

Mr. Chomiak: I think, as I indicated in Crown Corporations Committee, we're quite conscious of the implications of the impact that it can have on communities. On the other hand, the significance of being coal-free is not—is a laudable goal as well.

But, as the member indicated, one should not put the coal cart before the coal horse, and so I think that we're flexible enough and we're conscious of the need for both demonstration projects and real projects regarding commercialization. And we're

looking at that going forward into the future. The target for non-use of coal and the coal tax is still in place, so coal itself, specifically, hasn't been banned. I've—I'm aware of a significant project with one of the Hutterite colonies that's very close to actual demonstration in the next little while and has some potential and other projects, I know, that MAFRI has going on.

So, to make a long story short, we are conscious of the timelines with respect to the coal tax, and we are conscious of the need to be flexible and provide viable alternatives, and we will work with communities to do so.

Mr. Cullen: When the minister talks about these projects that are almost up and running, are those projects specifically replacing coal with a type of a biomass product?

Mr. Chomiak: I've actually gone to—I mean, I'm particularly interested in one project on a personal level that I've been following. The details on that project—on all those projects are available from MAFRI, so I don't have them in front of me. The one—I've been following one particularly because of the technology that's in place from Finland, and I've been actually following that one just as a—out of personal interest. But that—the specific information on those biomass projects, and that's what the majority of them are, are available in MAFRI.

Mr. Cullen: Okay, I thank the minister for those comments. Hopefully, he will take to heart that there are going to be some challenges out in a number of areas on this particular issue.

Switching gears a little bit, I want to talk a little bit about the mining industry here in the province, maybe some of the issues that they are facing.

The federal government made an announcement not too long ago about trying to streamline some of the assessments—environmental assessments and programs and whatnot. And I'm just wondering, you know, what kind of a bearing that announcement is going to have on the province in terms of, you know, their regulations going forward in terms of their assessments of projects and licensing of projects and so forth.

* (15:30)

Mr. Chomiak: The—we've had a very good working relationship with the federal government with respect to dealing with joint reviews and streamlining processes with an agreement between Manitoba and

Ottawa, with respect to reviews of projects. The announcements that have been made by the federal government with respect to some of the streamlining processes, we think, will result in more attention paid to specific projects without the timelines of duplication and other potential delays.

Mr. Dave Gaudreau, Acting Chairperson, in the Chair

So, in that respect, and as the Premier (Mr. Selinger) indicated today in question period, we're quite supportive of those ventures, and I've had discussions with the federal government on numerous occasions in regard to this—various federal ministers, and their—I think we're generally supportive.

And to further—I think to further put a point on it, at the last year when we attended the—the FPT meeting of all of the Energy ministers, one of the supports from all jurisdictions, provinces and territories, was support for streamlined environmental relations—pardon me—regulations, that it would see significant, obviously, very sustainable practices put in place, but trying to remedy the duplication and some of the timeline issues for both proponents and individual and others who are contrary to the process.

So, in short, the—from a mining perspective, the—I think we welcome the—some of the regs. From a sustainability perspective, I think there's some work that needs to be done on some of the recommendations, but we certainly welcome the streamline process and have utilized it to the extent that—with the federal government. We've been in positions where, on some projects, instead of doing two reviews, we've done one review that satisfies both the requirements of the federal government and the provincial government in this area.

Mr. Cullen: I guess at the same time that Mr. Oliver was in town making those announcements, there was some feedback within the community as well, in terms of some things that could be done to better facilitate development within the mining industry here in the province. And I know the First Nations were quite outspoken that—they felt the government needed to take a more proactive role on some of the areas here in terms of the consultation process.

I wonder if the minister and his department are looking at anything new in terms of, you know, providing a new or a better consultation framework within the province.

Mr. Chomiak: I almost hesitate to go down this road because it's a—this is a very long discussion. It's—I think that as recently as this week, we've made some progress with respect to a mining table with the—with First Nations and industry, as well as a look at some of the issues regarding consultation. In fact, the proclamation of federal environmental regulations may have impact with respect to section 35 reviews.

Having said that, I think we've—there's been some significant—just before the meltdown in 2008, probably our largest mineral exploration expenditures ever in the province, we were impacted by the 2008 recession. We're coming back up with a \$115 million in exploration this year and we're projecting more next year.

The—with that increased exploration has come increased knowledge and awareness on the part of First Nations, and an increased need to refine some of our processes. So we do have a consultation processes on our website. We've had some successes; we've had some protracted discussions; we're learning. I noted that just today there was a significant presentation made by First Nations in Ontario about their new, much vaunted consultation processes that were causing difficulty. I noted—when I went to British Columbia and talked to the minister about their announced revenue sharing on mine project with First Nations, quite frankly, I asked them if it made any difference in terms of the going forward in mining and I was told no. And that was the last time I was in British Columbia talking with the minister of mines.

So we're trying to get it right and trying to get advancement with First Nations. I think we've seen some progress, but I—you know, it's pretty obvious there's been some hiccups in the system. There's been some non-movement; it hasn't moved as quickly as we'd like. There's been some issues where both government, industry and First Nations have learned lessons. And—but as—fortunately, as I indicated earlier in my answer, the—as of this week we're working on a mining table with industry, First Nations and the industry itself to try to work together to bring prosperity to all the communities.

The thing we really have to get right, I think, and I think the mining industry understands this, and I've said this publicly before, we kind of have a once-in-a-generation, perhaps, opportunity to bring significant economic development to a lot of communities through mining. And the best example,

and I've used this publicly, is the fact that if you look at San Gold up in Bissett, well over 50 per cent of their workforce is First Nation, and that's been deliberate, through a deliberate hiring strategy, and I give the company credit for doing that.

Well, we have some significant mines under development in Manitoba now: Waller, Reed Lake—the names change, I'm just kind of—Mega, Monument Bay. All of these projects have the potential of transforming—not only increasing the value of minerals significantly in Manitoba, but providing employment and opportunities for First Nations in and around, all across Manitoba.

So we are working with First Nations and the industry to guide our consultation and our processes into the future in order to achieve both maximum development of the natural resources and to achieve significant economic development for all Manitobans, particularly First Nation communities that are—that have been left behind, as it were, with respect to the economy for a long period of time, and we're trying to achieve that.

I've often stated one of my most memorable experiences was being able—was to attend at a ceremony in Wabowden where six hard rock miners, First Nations, who lived in the area, were trained as hard rock miners by the northern sector mining council, which is funded by the industry and the government and with the co-operation of University College of the North.

And the whole community of Wabowden came out. The whole community came out to this ceremony where six—in this case it was men. The graduation before—not—was five men, I think, and one woman who was promptly snatched to another province. But so indicates the skill shortages across the country.

One of my most memorable occasions was to attend that ceremony in Wabowden where the entire community came out to celebrate the graduation of six individuals in the community who were going hard rock mining, and, you know, that industry is high paying, long lasting and it—it's a tremendous opportunity for Manitobans. I digressed a bit, eh?

Mr. Cullen: I appreciate the minister's response, and I really do believe there is opportunity out there. Yes, I guess that the challenge for us is to challenge you to try to get this thing right as well, and, you know, we see some of the results coming back from some reports and surveys in the mining industry that

we're—it appears we're kind of headed in the wrong direction and looks, maybe, like some other jurisdictions are moving ahead, you know, in terms of developing framework.

Is there a province here in Canada that the minister's looking to, to follow their lead in terms of putting this framework together?

* (15:40)

Mr. Chomiak: A very interesting question, because I think there's some strengths and some weaknesses in processes across the country. The BC initiative, I've already spoken of the—some of the projects that I've seen—the programs in northern Saskatchewan are worth looking at. The—people often refer to the nord Québec planning in Québec, but that's yet to be seen, and certainly the Ontario process is often discussed. But I'm not sure if they've had actual significant progress on their consultations in their mining development.

Having said that, I think we have to admit that the last year we did drop in the Fraser Institute ratings, which are self-reported, self-reporting and, you know, I've never been a big fan of the self-reporting Fraser Institute ratings. But, be as it is, I'm very happy to report that I think I got it wrong when I said we're looking into—I think we're getting—looking at \$125 million this year in exploration, which is—which would be the second highest in Manitoba history.

Yes, so we may have taken a dip in exploration, but you have to remember that exploration is one thing, development of a mine is another thing and, right now, we're in the process of developing probably the largest—the Lalor mine is a three-quarters-of-a-billion-dollar investment, and that's going on as we speak.

Mr. Cullen: Yes, I'm glad that the minister mentioned exploration, and I think the industry is a little concerned that some of the numbers they're seeing here in terms of the value invested in Manitoba in exploration. You know, when you look at what's being invested in Manitoba versus what's being invested in the rest of the country, we're certainly falling way behind where we used to be.

You know, we're probably about half in terms of percentage of where we should be, when you look at the exploration dollars being spent across the rest of the country. I'm just wondering if, you know, if the minister has an explanation for that—why companies are refusing—I should say, they may not refusing, but,

certainly, not as eager to invest in Manitoba and invest in exploration in Manitoba.

Mr. Chomiak: The—I think the highest we ever achieved in terms of exploration dollars was 2008. We dropped below that. This year will be the second highest we've ever had in Manitoba history. So that downward trend has been reversed.

The two largest—we have two large mining companies in Manitoba: Vale and HudBay. And there—they do the bulk of the mining in Manitoba. And then there's a number of juniors. It's the juniors in exploration that has fallen off. I think we have pretty robust exploration for HudBay and pretty significant, I think, exploration from Vale, particularly work around 1-D.

We did drop the MEAP process for a year or two, and I think that had an impact on mining exploration. I think some of the issues we encountered with First Nation consultation, which we're getting over now, I think, and working on, may have contributed to some of it. And we think we can do better, and we're going to do better going forward.

Mr. Cullen: Yes, back in 2008, I think the minister was—we did about \$150 million, and that was about 5 per cent of the total expenditures on exploration across the country. You know, now we're looking at, well, less than 3 per cent. So, certainly, as a percentage, we're dropping off. And I think, in my view and, I think, the industry's view, the exploration is really about the future of the province.

So, if we can—the more we can do to attract exploration dollars here and make it easier for companies to do business, I think the better off we're going to be into the future. And I hope that the minister would share that view.

Mr. Chomiak: Mr. Acting Chairperson, I share that view, but it's also an equation. The—I agree with that view and support that view and have long been supportive of the—and that's one of the reasons why the government has done so much on the apprenticeship side and on the training side, to complement the development and the skills needs and the skill training that we have and we require. And I think what we'll see is, as we ramp up our exploration, just as, you know, commodities right now are taking a bit of a downturn, I think we'll see the benefits of both our work that we're now doing with the industry and First Nations, as well as a significant—the significant emphasis that we've put on training and education.

Mr. Cullen: I thank the minister for that.

Sticking with the mining industry, Bill 50—this was The Thompson Nickel Belt Sustainability Act—was passed in the Legislature some time ago, and I wonder if the minister could advise us if that particular legislation has ever been proclaimed.

Mr. Chomiak: Mr. Acting Chairperson, the member will be aware of the circumstances surrounding that particular bill, and I can indicate for the record that it is our intention to proclaim it.

Mr. Cullen: Well, I'm probably not up to speed on this particular legislation as I should be, and I'm just wondering, maybe if the minister could explain what his intentions are and, you know, some kind of the intentions of the bill. Obviously, there appears to be a fund going to be set up there, and maybe the Province will be also participating in that fund.

So maybe if the minister could just clear the record here, what his government is intending to do once they do proclaim this particular legislation.

Mr. Chomiak: Mr. Acting Chairperson, the intention of the act is to preserve and expand economic development in Thompson as a result of the decision of Vale to suspend smelter refinery operations in Thompson. And we are in discussions with Vale, with the community, with First Nations, other partners, as we speak, regarding resolution of this issue and ensuring that value-added jobs that could be lost with the closure of the smelter and refinery are either maintained or replaced in some fashion or another through the implementation of the fund.

I've often said that it's difficult to go much further when negotiating issues of this magnitude with participants, so I—other than those specific details, I can't provide the member with much more information other than the bill will be proclaimed. And it's our intention to set up a fund, as stated in the act, with the participants in the act, in order to achieve the goals as outlined in the act.

Mr. Cullen: Mr. Acting Chair, there does seem to be a reference here to the Legislature in terms of funding. Is it the intention that the Province will be putting money into this particular fund?

* (15:50)

Mr. Chomiak: Mr. Acting Chairperson, I think that's—it was put in the act. The act was specifically set up to indicate that the Province would be making a contribution to the fund, yes.

Mr. Cullen: I certainly look forward to watching what the government does with that particular bill. As a result of the Western Premiers' Conference, there was a communique just released, I guess maybe today, in fact, and certainly there was talk there about the western Canada and certainly the energy resources that we have here, and there was discussion about a Canadian energy strategy. And I wonder if the minister's been part of the discussions on what this Canadian energy strategy might look like.

Mr. Chomiak: This is a goal that was set some years ago of a pan-Canadian energy strategy. If the member wants to get specifics on participants, he need only look on the internet to the Winnipeg Consensus documents that was discussions undertaken here under the auspices of the Canada West Foundation and other industry groups and governments to try to achieve some kind of a consensus on how you develop an energy policy when you have a country that has on the one hand, significant amounts, you know, 2,100, 2,000, 2 million barrels a day out of Alberta, 800,000, eight thousand hundred barrels a day out of Saskatchewan and pretty soon, mighty Manitoba and its 50,000 barrels a day.

So, when you have the significant resource on the one part of the country, significant now resources in fossil fuel with respect to another part of the country, and then you have an interior of the country, some of which is a manufacturing centre where you have an imbalance, and the whole Canadian social and economic structure is impacted.

The Canadian energy policy is an attempt by all groups, organizations, and governments to come to some kind of, I won't even say consensus, some kind of understanding of an appropriate energy policy for this country. The—we've been active participants. At last year's federal—at last year's FPT conference in Kananaskis, Alberta, we signed on to a version, a first cut, of a Canadian energy policy that all provinces and territories agreed to that it was going to look at the future.

From a Manitoba perspective, I think it's important to note that we're a significant player on the green energy side, and we can contribute to any energy policy in the country. And it's notable that we're both—we're in the centre of the country, the geographic centre, and that we're also in a place where we not—you know, 98 per cent of our power is hydroelectric produced here, but we have a small but

significant oil patch. So we're—and we're also, you know, very advanced in terms of energy efficiency and green energy models. So we can be a player in the national perspective, albeit, with our small population.

But we've always over—we've always been a significant factor in national issues, and on the energy policy we can take a regional role in the sense that we have the capacity to both join east and west with a grid that could utilize green energy and could be a—could help to offset some of the impacts, some of the carbon impacts of developments in other parts of the country. So I think we're looked at as a significant voice, and the Premier (Mr. Selinger) reflected that in his meetings with western premiers.

And I should note, just as I close, that the—that my staff who were there, too, when I was there, but I couldn't remember the specifics. My staff very ably did, of the specifics of the energy strategy, include 'regatory' streamlining, international markets, energy public awareness, energy efficiency, electricity reliability and, you know, innovative new uses of technology. That was part of the consensus in Kananaskis. That was the consent part of the process in Kananaskis. We're meeting again in Charlottetown in September to move forward on this project.

I think the overtures made by the Premier of Alberta to recognize a different approach to energy in the country, I think, is very welcome and fits in well with the movement towards some kind of a national energy strategy that would be of interest to all Canadians, and won't see—it doesn't necessarily mean that jurisdictions in the federation are antagonistic with respect to other jurisdictions in the federation.

So I hope that helps the member to get an understanding of where we're going in terms of an energy strategy for the country.

Mr. Cullen: I thank the minister for that—those comments.

In there you reference the east-west grid. Taking part in a conference in Ontario a couple of months ago, there was certainly a real demand for power in Ontario. I'm just wondering what kind of conversations we are having as a Province with the Province of Ontario, and what your view is of potential for a grid into Ontario?

Mr. Chomiak: Well, we've been to the altar twice with Ontario and we haven't been wedded. The—but I

think it's becoming fairly obvious that both east and west of us, there's need for energy.

Mr. Chairperson in the Chair

Saskatchewan, 60 per cent of their energy is coal fired. They're going to be in the same position as other jurisdictions with respect to federal legislation coming down for 2015. They have to renew 60 per cent of their capacity. Ontario has some significant shortages, particularly in industrial and some of the mining regions of Ontario.

It is in our interest—it would be in our interest and the Canadian interest, not just from a economic standpoint, but, frankly, from a security standpoint, in my opinion, to have east and west linkages.

We are open to discussions on all fronts. The member will know we've signed the memorandum of understanding with Saskatchewan, and we have had several meetings with Saskatchewan. There's ongoing discussions with Saskatchewan.

There's certainly a potential for an eastern transmission and, effectively, the—I think the ministers at the western ministers' meetings suggested that all the western provinces—and, perhaps, the north, who also don't have access to electricity in some of the territories—are open to transmission possibilities.

Mr. Cullen: Well, I hear the minister saying that, you know, we're open for discussion. I mean, as my question may be a little more pointed, is the Province or Manitoba Hydro taking an active role in discussions with Ontario?

Mr. Chomiak: The Province of Manitoba and Manitoba Hydro are 'actly' involved in discussions regarding east-west transmission.

Mr. Cullen: Yes, and the minister could correct me if I'm wrong here, but I think there was some federal money made available to the Province of Manitoba through a ecoTrust fund for a east-west power grid. Do we still have access to that funding?

*(16:00)

Mr. Chomiak: I stand to be corrected, and I'm getting a note as we speak on—I don't believe that Manitoba specifically had any funding from the ecoTrust with respect to transmission. I know Ontario had some funding for—I've been advised by certain federal members of parliament that Ontario had access to funding through the ecoTrust for transmission. But I'm not familiar with Manitoba,

per se, having funding for transmission through the ecoTrust.

Mr. Cullen: Okay, well I thank the minister for those comments. Wind energy—I wonder if the Province is looking at any further expansion of the wind energy here in the province of Manitoba.

Mr. Chomiak: I think it's an ongoing process. The member will know that, effectively, the bottom has dropped out of wind energy in North America. Projects have been abandoned right across North America, you know, particularly North Dakota, although North Dakota now has its share of the oil through the Bakken Belt. I—the largest wind farm in Canada opened in the last couple of years has been in Manitoba. There's also been an expansion at St. Leon that's coming on stream. That's in addition to the St. Joseph wind farm that was announced about a year and a half ago.

So, notwithstanding that we have very efficient and cheap hydro-electrical power, we've been able to probably expand our megawatts of wind more than—certainly, than more than most jurisdictions. The US subsidy, I think, at both the state and federal level on wind power, has been eliminated, as has the federal government subsidy that was in place on wind power before. So wind power has to compete without subsidy, or largely without subsidy on a price and a cost basis.

Notwithstanding that, we've—we did St. Joseph's, we are—we expanded 16 megawatts at St. Leon and it's possible that there could be—likely there will be some further wind farm development in Manitoba. But I—it's pretty—it's right now pretty dicey for wind in the absence of subsidies from the US state and federal governments, and the absence of a subsidy at all, with respect to competition in wind farms. What's effectively happened, is the introduction of shale gas into the market at below—production costs for natural gas has impacted the market to such an extent that the alternatives and the subsidies put in place, previously, particularly by the US governments, have been eliminated.

There will be more wind in Manitoba, and I can almost guarantee that. And we have put in place probably the largest expansion in the country in the last few years with respect to actually nameplate wind farms.

Mr. Cullen: I appreciate the minister's comments. It may be a little premature to ask this question, given his response, but does the minister have a—an idea of

what a framework might look like going forward in terms of future development? What kind of a proposal—request for proposal mechanism might be put in place in regard to wind energy?

Mr. Chomiak: I think we learnt some processes from the last RFP that we did in the last process. Clearly, it was a widely-engaged process that was undertaken by Manitoba Hydro. The good news was there was lots of proponents. The bad news was, when you have that many proponents you have lots of people putting time and energy in and—but only one or two people actually getting the bids.

So I might have some information for the member shortly on that, specifically, but right off the top I don't have an answer for the member.

Mr. Cullen: Well, hopefully, we do learn some lessons from the last process we had. I know the—talking to the companies, they were certainly disappointed, to say the least, in terms of how that was handled. And, you know, it seemed to be a bit of a moving target as they went through that process and, at the end of the day, I don't think they were comfortable that there was a level playing field through that entire process.

So, as a result, you know, we had a lot of companies that, quite frankly, are refusing to do business here in Manitoba and have gone to other jurisdictions to do business.

So I hope the minister and Manitoba Hydro will be taking those words of caution under advisement.

Mr. Chomiak: Yes, I'll accept the member's comments, but I'd like to know where those companies went, because I don't see a lot of wind development going on right now. And I know that, in fact, you know, wind turbines are at an all-time—not at all—wind turbines are at a—it's a buyer's market now.

So there were lessons to be learned from the RFP process; there's no question. But I'm not sure those companies have gone anywhere, because I don't know of anywhere that's had significant wind development in the last little while because of the onslaught of the shale gas as well as the removal of subsidies on wind.

We're very happy with our 200-plus megawatts of wind and we're moving forward and, I think, we'll go forward as well. And I—you know what? There's no question there's lessons to be learned from the RFP process.

Mr. Cullen: I think there—well, there has been developments in North Dakota and Saskatchewan. I'm not sure where it is just recently. The minister, I'm sure, is up-to-date on that, but I know there has been some developments over the last year there.

We have discussed this in the past, and the government keeps saying that they're onside with the concept, but nothing seems to happen, and that's in regard to the community development for wind farms—and I'm thinking here, small developments, small community developments for wind farms. So, you know, we're talking and—very few megawatts production. Has the minister had any more discussion on community ownership for those small developments?

Mr. Chomiak: Yes, I probably don't have much more to report to the member than we discussed last time, other than that the market for wind has dropped—has dropped out, and the cost of producing it has gone up as a result of the lack of subsidies. And so the difficulty with community-based—as much as we support community-based wind farms—that is small wind—it's become even more expensive and more difficult to develop without subsidies than it was before, and so the advantages—the disadvantages outweigh the advantages. The advantages are, of course, value-added and economic development and opportunity outside—you know, in rural and northern areas, which is really very significant.

But I don't have anything new to add to the discussion than was, in fact, the situation vis-à-vis community wind has probably gotten worse as a result of the—of developments in the wind industry since we last talked.

Mr. Cullen: I know some of the larger farms around are looking at anaerobic digesters and, you know, obviously, they're looking at creating their own energy for their own on-farm use, but some of them, I think, would like to have the ability to feed back into the system.

Does the minister, you know, open to that type of development around Manitoba where, you know, we have—we'll call them independent producers of electricity and have—would have the ability to sell back to—sell back into the grid?

Mr. Chomiak: There presently is a non-utility generation provision with Manitoba Hydro for feedback into the grid.

* (16:10)

Mr. Cullen: Sticking with electricity, obviously, there's seems to be a movement towards more electric vehicles, hybrids, and maybe even straight electric vehicles. I know the Province has certainly been promoting the use of electric vehicles. Does the Province provide any funding for use of electric vehicles?

Mr. Chomiak: The—we've been involved in testing a lot of—and, electric vehicles as well as hybrids. We think, in the long term, the development of electrical—the electrical vehicles will be very much advantageous, both environmentally and economically, to the province of Manitoba.

We presently do not offer any subsidies to a purchase of electric—either hybrids or straight electric vehicles.

Mr. Cullen: I had, actually, a conversation with one of my local school divisions over the last week or two, and they're looking at tendering for new school buses. And, apparently, there is some manufacturers of hybrid school buses out there as well now. And I guess his question to me was: Is there anything the Province could do to assist in maybe running a pilot project here in Manitoba, or you know, in terms of the, maybe, the capital cost of that particular bus?

Mr. Chomiak: The largest manufacturer of hybrid buses in North America is located right in Winnipeg in the form of New Flyer. The school bus manufacturer, I guess, is different—a different manufacturer. Although MCI—I don't know if MCI does—no, MCI does only intercity buses, and New Flyer does intracity buses, New Flyer being the largest manufacturer.

We're presently working with Mitsubishi industries and Hydro on the development of an electric bus. There's some significant value in that insofar the Japanese are very interested in Manitoba, and Manitoba technology and electricity. So that's quite exciting.

The—I think it's a laudable idea to talk about the use of hybrid buses, or hybrids for school divisions. I'd have to take that under advisement as to—I'd have to take a look at what the state of that is. I—the buses that I'm familiar with, certainly manufactured by New Flyer, are for city routes. And, I'd have to check into the viability in the school bus.

But it's one of the reasons we went into the electrical bus concept, was because there's a lot of people chasing the electric vehicle. Different concepts, be it the Israeli concept in conjunction with

Renault, or the concept in California, or the Japanese developments. But the larger public transport had been largely neglected. So that's a long way of saying, it's something that we would look at as a viable option.

Mr. Blaine Pedersen (Midland): Mr. Chair, just through you to the minister, there was talk of a pilot project for electric vehicles, and this is not cars. This is smaller vehicles, but they're fully safety certified.

Northland Machinery in Carman was one of those companies that was very much interested in having a pilot project. The Town of Carman was interested. I believe I talked—spoke with you a year ago in Estimates about this, and that project hasn't gone anywhere.

Can the minister update me as to, if there is a pilot project out there, what the status of any pilot project would be?

Mr. Chomiak: While I'm getting a note on this, I will indicate to the member that the pilot that I'm aware of is we're doing a pilot with the University of Winnipeg, I believe, with respect to utilization of small electric vehicles. The viability of that and the safety of it has been—you know, it's compelling. It's a very compelling argument because I'm aware of American jurisdictions and other jurisdictions that allow, particularly retirement communities and communities like that, that allow for the utilization of these small electric vehicles. And not only is there the Carman manufacturer, but there was another manufacturer of small vehicles in Manitoba that—that at one time we were trying to team up with—with actually with Mitsubishi and their technology to work on that. Unfortunately, that went for naught. But I know that MIT is co-ordinating a committee looking at non-conforming vehicles, and we have a rep from our department on that committee, and AMM is involved as well.

I wish I could say to the member that—that—because I think we'd really—I think in principle, we'd love to utilize electric vehicles in a smaller community, and with all of the advantages, the testing, and the safety concerns, and some of the regulations have been—it's been a difficult row to hoe on this one, even though, in theory, it looks relatively easy. It's been, because of federal regulations, because the ever-presence of Bombardier and regulations respecting ATVs and those issues, it hasn't been as simple a path as I had hoped. Anyway, we have an interdepartmental committee. That's the best I can report to the member.

Mr. Pedersen: So the project at the University of Winnipeg: What is—is there insurance on those vehicles that are being used at the University of Winnipeg?

Mr. Chomiak: It's an MIT project, so I don't have the specifics, but I think, because of the closed nature and the private nature of the university campus, et cetera, I think, for safety reasons, and I think that's one of the reasons why we're utilizing—that's why the project's going ahead at the university. That's what I believe. I don't know that to be—

An Honourable Member: It's very constrained.

Mr. Chomiak: Yes, it's very constrained. So I think that's the—What I could undertake is to find out more information for the member from MIT because I don't have it in front of me.

Mr. Pedersen: Well I would appreciate that because one of the—the vehicles that Northland Machinery is doing in particular, because that's the ones I'm familiar with, are CSA certified. They've got the certification qualities necessary. The holdup was where does MPI, in terms of insuring these, because they're crossing public roads and all the rest of it, but there's still public liability on these vehicles used in the University of Winnipeg because obviously it's open to the public. So I would appreciate any information the minister can get me back on that insurance and see if we can work to get this. Carman is still there; there's still a large seniors population which would love to get these vehicles going, and Northland would certainly appreciate any input—giving any input to this if there is a project that could happen out there.

Mr. Chomiak: Certainly, I will get him information on that, and if there was a way around this that we could achieve this, I'd certainly like to. I was visiting in southern Manitoba at a community and talked in depth with community members, and it would sure be nice to do that. But, at this point, we're constrained. I'll get information back to the member.

Mr. Cullen: Just getting back to the Flyer and the hybrid buses, I know I was at a presentation they were at a couple of years ago, and I thought those were just research projects at the time. Are they actually operating buses now?

Mr. Chomiak: Forty per cent of New Flyer's sales are hybrid buses.

Mr. Cullen: Are they using those buses in Manitoba?

* (16:20)

Mr. Chomiak: We have 'demoed' both hydrogen and we've 'demoed'—the City 'demoed' hydrogen and the hybrid, yes. We're going to be 'demoing' an electric bus, and I'm hopeful—again, this is going to be a City decision—I'm hopeful that, in the future, we will see electric buses operating in Winnipeg.

Mr. Cullen: Well, yes, I guess a lot of that depends on the technology that's going to be available there in terms of the storage. That seems to be the big challenge for electric vehicles. So, well, we'll wait and see how that turns out.

I had an inquiry from a constituent wondering about—if there was funding for solar heating, either for personal use or to sell. I wonder if the minister could comment on solar heating.

Mr. Chomiak: Yes, Mr. Chairperson. There's a solar-thermal program through Power Smart at Manitoba Hydro.

Mr. Cullen: So, just to clarify, I should send them over to Manitoba Hydro for details on that particular plan then?

Mr. Chomiak: Mr. Chairperson, it's on the website.

Mr. Cullen: Okay. Thank you very much.

Back in an article here a couple of weeks ago, there was talk about the Province working on its first ever environmental strategy, covering everything from climate change to recycling, and some say it's about time.

Is that something that the minister and his department is working on or is that in Conservation?

Mr. Chomiak: Yes, that's, in fact, under the auspices of the Minister of Conservation (Mr. Mackintosh), but, obviously, any comprehensive environmental sustainability plan will have input and impacts from Innovation, Energy and Mines.

Mr. Cullen: Yes, the minister talked about hydrogen buses, and I'm interesting in his view on that. You know, there's been some articles appear lately in the paper that say that might be a great opportunity for us here in the province of Manitoba. What work is his department doing on hydrogen production, and do you think there's merit in that here in Manitoba?

Mr. Chomiak: Yes, that's an interesting question. The age of hydrogen is not upon us and probably isn't upon us in the near future.

The—we actually had developed in Manitoba the hydrogen centre here, which has now been converted into both—into the centre for alternative energy utilization, and that's probably indicative of where the energy use is going. The—it was probably—in fact, it's known by everyone that it was premature to suggest that hydrogen would be the be-all and the end-all.

It's still cost prohibitive, notwithstanding the low price of hydro, for example, in Manitoba. It's still cost prohibitive. Whether it's commercially viable in the future is—theoretically, it should be. It's still in question. But, at the end of the day, the present circumstance with respect to the low price of natural gas has changed a lot of the dynamics in the short term, not in the long term.

We're advised that the short term is just bridging into the—we're bridging into a fossil-free environment. But hydrogen has not lived up to the lofty expectations that we anticipated several years ago. And that—it's still on the radar, but, certainly, we're looking at other options now, in terms of alternative fuels, probably more vigorously than before.

Mr. Cullen: I appreciate the minister's comments on that. There has been some talk about methane capture from landfills. I know Brandon had a pilot project going there a little while ago. And I know the City of Winnipeg, at Brady, had took a stab at it sometime. Does the minister know where things are at in terms of the methane capture project out at Brady landfill?

Mr. Chomiak: That's unfortunately in the—within the ambit of the Minister of Conservation (Mr. Mackintosh). I think I could've given the member an answer about six months ago, but it's escaped my brain as well.

Mr. Cullen: Well, I can appreciate that for sure. It does happen to all of us from time to time.

But I think there was some concern about the—some of the regulatory framework around some of the capture there, and I think it's maybe something that the minister should have a look at. You know, with some of the carbon credits that other provinces are—have implemented, and I think there were some jurisdictional issues maybe in terms of having private industry come in there and put some money, investment into methane capture and use the carbon credits.

Is the minister doing any work in terms of the regulatory 'framerack'—framework around carbon credits with the eye to try to enhance some of the projects that may become available on the carbon credit side of things, such as things like methane capture?

Mr. Chomiak: Mr. Chairperson, I think the—if you talk to industry, industry will say that where government has let—has dropped the ball is on the carbon market and the use of credits and/or alternatives. So I think it—clearly, if we're going to move into a fossil-free or reduced fossil environment, there's going to have to be attention paid to credits and offsets. For example, had, I think, had some kind of offsets been in play, we would've had at a—I think we would've already had a transmission line into Ontario from Manitoba Hydro because that had always been the original intention. The—and I think it would be the intention going forward on east or west or both, that part of the advantage of going to green energy from Manitoba would be the offset that it could have on fossil fuel and carbon—or carbon footprint.

The specifics on methane, I don't have. I'll see what I can find out from Conservation to provide to the member, but I don't—I'm not familiar, even from my vague memory on the issue, of the regulations and the private companies vis-à-vis the Brady landfill site.

Mr. Larry Maguire (Arthur-Virden): Just welcome the opportunity to ask the minister a few questions around the oil and gas industry out in my southwest corner. And one of the key issues there that I'm finding right now falls under the area of hydro as well.

Wonder if the minister—well, first of all, I just—I'm being approached by a number of people, and I just raised it in question period one day in regards to the timing of permits for hydro operations in southwest Manitoba. It seems that there's a huge delay in getting permits to go ahead with projects. I know one individual that tells me he's got about 60 projects that he'd like to move forward with. Hasn't had a reply on any of them in over two months. Some industries are telling me that it's six to eight months before they can get a permit to go ahead and get their hydro connected to their facilities that they need.

And so, without my personal knowledge of that, I wanted to ask the minister if that's the same all over the province. It's the indication I'm getting is that it's

a little longer in the southwest. Now, I know there's tremendous amount of hydro poles have had to go in there and there's an awful lot of poles that are needed for the oil industry getting out to some of the locations for some of the wells and that sort of things—a lot of them are run from hydroelectric power, but—and that there probably is a—probably there is a lot more—or a lot more building and a lot more construction taking place in the southwest than there's been in a number of years because of the oil industry and on some of the farms with air fans, and that sort of thing, that are required for grain industries.

With the grain prices up, farmers are taking the opportunity to build new storage facilities and machine sheds, that sort of thing. And I wondered if I could just get an update on what—if there's something that the government could do to shorten that time frame.

* (16:30)

I don't know if it will require putting more people in the Brandon office or just if it's there or if they can provide me with an update on this situation.

Mr. Chomiak: I want to indicate to the member, I did follow up on his question and did a review with Manitoba Hydro and was advised that, in fact, additional resources had been put into the southwest in order to deal with the—clearly, the unprecedented growth in that area.

I would appreciate if the member could—some of the stats that had come out in question period did not jive with the information I received from Manitoba Hydro. So, maybe, if the member could give me some specifics, I will go to Hydro and see what the situation is.

I do know that they've put in additional resources, and they've sped up the process significantly since this matter, you know, in the last, say, two years. Certainly, in the last year, I think they've increased it.

It is a great irony—it is a great irony—that the oil and natural gas industry relies so heavily on Manitoba Hydro in order to transport and convey their product. It's—so it's a great irony, but I—if the member could give me specifics, I will follow up on all of them with Hydro and see where it's at, because I don't think it's as bad as it sounds, and I know they've put in resources. But there might be a little bit more they can do, and if the member could get me specifics, I'll follow up.

Mr. Maguire: The specifics are that I'm told that there's—it seems to be a bit of a hang-up in the Brandon office in regards to moving product out into the southwest, whereas, you know, a little bit further north of No. 1, they're getting permits in a week, 10 days.

So I don't know if it's an overwhelming number for a particular area or what, but I've raised this as a situation. I think I did raise the name of Arleigh Gibson was the one in Melita with a repair shop there, autobody—auto electric shop, that sort of thing. He is now connected, but it did take six, seven months to get him connected.

The other individual indicated to me that, you know, when he approached me in mid-April, I said, well, he'd been since Christmas, and I said, well, just write a letter to the minister and myself. Copy me on it, and we'll try to follow it up. I would follow it up with the minister. And when the fellow finally came out from Hydro, and he told him that, he said, well, we don't need to do that now. He said, you know, you don't need to do that. He said, we'll get you hooked up here right away. So he did. I guess he got power in two weeks. He didn't even have to write the letter. So I—that's a specific case of an autobody shop in Melita that's right beside Arleigh's electric and—or Gibson's auto electric. So those are two cases, but I do know that there's been a lot of three-phase power lines and go into that area.

The other ones are situations in the Virden area. There's a lot of expansion going on there with a lot of the trucking companies, oil companies coming in trying to get built as quickly as they can, but this one electrician tells me he's got \$300,000-worth of equipment sitting in his lot that he's paying interest on and all of the customers are wondering where he's at with it.

Part of his job is to get the permits in and get them turned around and get them back out so he can do the work. And he's sitting on this \$300,000-worth of parts in his yard that he had to pay for to get them for the projects and he can't—he hasn't even got acknowledgement that they've received the permit that he sent in and it's been two months for a whole host of these.

So—and he said that, you know, he said I don't want to make life difficult for anybody out here or anything else, but he said, it's a matter of doing business, and he says, we'd really like to be able to proceed. He just hired another young electrician out of Yorkton the other day to come into Manitoba, and

they've expanded to meet some of the demands of this industry there as have other electrical shops in southwest.

And so I just raise that with the minister, and if he needs more than that, I can certainly get it for him. But those are some of the cases that I've had brought forward to me.

Mr. Chomiak: I will undertake to do follow up on that. The reference the member just made to a Virden electrician with \$300,000-worth of inventory, do I have that right? Is that someone in Virden who has an electrical operation and is seeking permits? Just—the member's indicating the affirmative. Okay.

If there's any more specifics the member can get to me, I will follow up specifically.

Mr. Maguire: Okay. Thank you.

One of the companies there, one of the oil companies, directly said, we've waited so long now, why don't you just go and buy a hundred horsepower generator, bring it out here, and we'll rent it from you. And, you know, that's a situation that he will probably do, I guess, but I can provide the minister with more information on that. It's a circumstance that certainly is—you know, I guess he could keep the hundred horsepower generator and use it somewhere else when he's done with this particular job—but I certainly will.

I wonder if the minister can just indicate to me as well some of the numbers of permits. I know we've got—now there's a list of wells posted in the Virden paper at least every week in regards to—and I think that's very good information to have out there in regards to new sites that are being drilled by all the companies. It's a very transparent way of doing it, I think, and—but one of the circumstances that I'm just wanted to ask him with is if he could give me an update on regards to where Penn West is with their pipeline and the settlement with the farmers in that area in order that—for the portion around Melita in order to bring oil from the Penn West sites at Waskada to Cromer.

Mr. Chomiak: Mr. Chairperson, I don't believe we received an application yet for that pipeline that the member is referencing. Secondly, the—for 2012 we're estimating 640 wells to be licensed, 590 to be drilled, 4,450 active oil and service wells. Yes, that pretty well covers it.

Mr. Maguire: I appreciated the question that day in the House. The minister answered there's about

46,000 barrels of oil a day, and I think I indicated—or no, he indicated 50. I indicated about 40, which is the number I got from the Petroleum branch in February, but I think the other day I read that there's about 46,000 or so in Manitoba. And that's a huge increase from the 29,000 we had a few years ago, and so I appreciate the—and I think—I know the minister does appreciate the activity that's taking place in that corner, even from the 1st of December to the end of February when his colleague from Brandon East and I were at a public meeting in Waskada to deal with the bridge that's over the Souris River there that's washed out.

You know, there was a huge difference in activity in that region from the 1st of December till the 1st of March, and I think, you know, it's going to continue to grow now that the road restrictions are off. I understand that they're back in drilling in the last few weeks again and so right up to Foxwarren pretty much, from the US border, and that's about, you know, we're looking at pretty close to 100 miles off the US border. And so there's quite a bit of activity north of Elkhorn. I don't have to tell the department to give you [*inaudible*] on the department as to where these wells are being drilled, but it certainly is a plus for the region.

And I wonder if in that case the minister has had anyone for the Minister of Transportation (Mr. Ashton) approach him in regards to his thoughts on the need to have the—a bypass on the Coulter Bridge over 251 Highway because it's a tremendous—it would be a tremendous plus for the local citizens.

The oil companies look like they'll put the private money into it. They just want the right to be able to bypass the bridge somewhat. The bridge is completely gone. It was taken out in January, and it's not going to go in until November of '13. They're kind of desperate for the safety of the region to have a bypass go around—over the Souris River. Bring a Bailey bridge in from Alberta. It could be there in three days, as I mentioned to the minister of transport, and I know that he has been working with this. There's liability concerns there and that sort of thing, but I wonder if he's had anyone approach him in regards to this issue as well, both from the oil companies or from his colleagues.

Mr. Chomiak: Those concerns have been raised, and we'll continue to work with MIT on solving those problems.

Mr. Maguire: I thank the minister for that and for his continuous indulgence in that. It's a very

important issue to those folks and to that region. And can the minister indicate to me just what kind of drilling programs might, you know, that are available to companies coming into Manitoba?

* (16:40)

Mr. Chomiak: I presume the member is referring to the Manitoba Drilling Incentive Program, which provides a royalty holiday based on the production.

Mr. Maguire: Yes, if he could just clarify that program or indicate how it operates.

Mr. Chomiak: Rather than interpreting it to the member, I can—and it's—it is on the website. It's a pretty complex program. It's for every well drilled, and it'd probably be best to take the information right off the website that would have the specifics on the program rather than have me interpret it. It's there on the website.

Mr. Maguire: Yes, I'm aware of that, and so I will endeavour to go through it again. If I have any other specifics, I'll get back to the minister.

The pipeline that I was referring to earlier was one by Penn West. It's a small—it's an oil line with a small gas line to go beside it. There's—they're looking at trying to get leases from—or right-of-ways, clearances, and sign contracts with local farmers for this particular line. I know there was an EOG one put in a few years ago. This is a similar situation for—that I know the minister dealt with at that time.

And there's a group of farmers in that area—I think there's farmers near the Waskada area that have okayed it and some, maybe, perhaps, up by Cromer, but there's adjoining—in between where there are no oil wells.

These individuals don't have any oil. They may have oil rights, some of them, but they don't have wells, they're not benefiting from it as directly and they're being asked to sign, you know, a 50-year agreement for a one-time payment, again.

And some of them are certainly looking at—well, they think it would be more relevant today to look at a—at an annual payment of having—rather than having caveats on their land for both lines and the cross lines that may be already there in some cases.

And I'm a bit surprised that, perhaps, I guess, they have to go through that whole process before they can apply to the minister or to the department for the line. But I—I'm—I just want to ask, again, that—was the minister correct in saying that he wasn't

aware that this line was being proposed out there? Which I find hard to believe. There may be a technical issue there that I'm missing.

Mr. Chomiak: I'm aware of the line, but the application hasn't been received by the department specifically.

Mr. Maguire: Has he been approached by Penn West, then, in regards to trying to—or by the farmers in regards to looking for some kind of a settlement on this similar to what—and maybe not—I don't mean—and when I say similar to what happened in—a few years ago, not in financial means, but in—mechanism-wise?

Mr. Chomiak: I—the government as the regulator is in a bit of an awkward position with respect to the—to this matter, in the sense of the company will discuss it with the landowners. The landowners and company will achieve some kind of a resolution, and if it can't be achieved it'll go to the surface rights arbitration board, which is put in place specifically for that—for those solutions to be achieved.

One would—like all negotiations, one would hope that they could agree. If they can't, they have the mechanism of the surface rights arbitration board.

Mr. Maguire: Yes, I just wanted to ask the minister if he was aware that the Surface Rights Association was looking at a request to have a lawyer as one of the positions on the Surface Rights Board. And I wonder if the minister—I know he made some appointments—are—is it the case now, that there is a lawyer on the Surface Rights Board, as a member?

Mr. Chomiak: Yes, there is a lawyer on the board.

Mr. Maguire: Yes, could I just get that person's name then?

Mr. Chomiak: I'm sorry. I believe it's Jeff Shypit, S-h-y-p-i-t who's been appointed recently, but, you know what? I better confirm that.

Mr. Maguire: Yes, okay and thank you.

And so the minister will confirm that this particular individual is one of the ones that is appointed by the government on the committee—that had two or three replacements, I think, or three or four, this spring.

And appreciate the service done by the previous members on the board—myself, I wanted to acknowledge their willingness to sit and work in this industry—for a number of years.

And the Surface Rights Association is certainly re-establishing themselves, I think, too, with—in their membership.

So look forward to being able to look at some of the claims that they've had in a more judicial manner, and perhaps, turn them over a little faster. And, I guess, I'm just wondering if the minister sees that as a—and I know the association felt that having a lawyer on the board would help them turn some of the cases over a little faster, instead of having them referred back and forth, with only so many meetings.

And so does the minister see this as something that might accrue, as a result of having a lawyer on the board, to shorter times?

Mr. Chomiak: It's refreshing to have a member of this House recommend a lawyer. Could be advantageous and shorten the time frames on a—so I take that recommendation with a good deal of—put a good deal of faith in that, yes.

Mr. Maguire: Yes, what kind of—do we have any—or does the minister—or is it all through MIT, have any—or discussions with his cohorts or counterparts in Saskatchewan, in relation to the traffic. Some of the—there's a new pipeline, of course, being proposed to bring oil out of southeast Saskatchewan, up to Cromer.

It's a very short distance in Manitoba to get to Cromer from where it crosses the border. There's one already that—I know Tundra Oil has, from the Alida country, or Kola.

I wonder if the minister can indicate to me—not so much I'm questioning about the oil lines themselves, the buried ones, but I'm wondering about the ones that are, you know, the truck traffic, I guess, that's hauling oil into Manitoba to Cromer.

Mr. Chairperson: Order.

Mr. Rob Altemeyer (Chairperson of the section of the Committee of Supply meeting in Room 255): Mr. Chairperson, in the section of the Committee of Supply meeting in room 255, we were considering the Estimates of the Department for Immigration and Multiculturalism.

The honourable member from Morris moved the following motion. It was seconded by the honourable member for Tuxedo (Mrs. Stefanson),

THAT the minister's salary be reduced to \$1,110, which is 3 per cent, or the equivalent of Manitoba's contribution to Immigrant Settlement Services.

Mr. Chairperson, this motion was defeated on a voice vote and, subsequently, two members requested that a counted vote be taken on this matter.

* (16:50)

Formal Vote

Mr. Chairperson: A recorded vote has been requested, call in the members.

All sections in Chamber for formal vote.

Order. In the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Immigration and Multiculturalism, the honourable member for Morris (Mrs. Taillieu) moved the following motion:

I move, seconded by Tuxedo,

THAT the minister's salary be reduced to \$1,110, which is 3 per cent or the equivalent of Manitoba's contribution to Immigrant Settlement Services.

The motion was defeated on a voice vote and, subsequently, two members requested a formal vote on this matter.

The question before the committee, then, is the motion for the honourable member for Morris.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 20, Nays 32.

Mr. Chairperson: The motion is accordingly defeated.

Mr. Chairperson: Is it the will of the committee to call it 5 o'clock? *[Agreed]*

The sections of the Committee of Supply will now rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being past 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 30, 2012

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