

**Second Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MIHYCHUK, MaryAnn	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 18, 2004

**The House met at 1:30 p.m.**

*PRAYERS*

**MATTER OF PRIVILEGE**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I stand on a matter of privilege, if I may.

**Mr. Speaker:** The honourable Member for Inkster, on a matter of privilege.

**Mr. Lamoureux:** The Standing Committee on Social and Economic Development met this morning, and my matter of privilege is based on the answers to questions that I asked to the Minister of Immigration (Ms. Allan) on Bill 9, The Manitoba Immigration Council Act.

I would like to quote directly from the act, Mr. Speaker. In the explanatory notes it states that this bill "establishes the Manitoba Immigration Council to provide information and advice to the government about immigration to the province." There are two opposing arguments on how this council and membership to this council should be filled. The government says, in essence, they want to make the appointment themselves, a political appointment. We, on the other hand, believe that at least a minimum number should be appointed from organizations like the Manitoba Federation of Labour, the Manitoba Business Council, the Manitoba Law Society and other community-based groups. We believe that immigration is so vitally important to our province that it is incredibly important that this council be truly independent as much as possible.

This morning the minister gave very clear indication that she already has the names for this council, Mr. Speaker, very clear indication. Whether I had amendments or if 500 Manitobans had shown up this morning, nothing would have changed because, even though the minister did not have the bill passed, she had already decided on who it is she wants to be on the Immigration Council.

I question to what degree the minister is infringing on our rights when she makes decisions

like this before the act itself has even gone through committee stage following second reading.

I would look to the Government House Leader (Mr. Mackintosh). He quotes *Beauchesne's* on occasion, in dealing with matters of privilege, and the Government House Leader states right from *Beauchesne's* 27, privileges are about rights of members in Parliaments that are absolutely necessary for due execution of powers of this place and individual members.

I would argue that Manitobans and individual members do have and should have the opportunity through our process which has public hearings at the committee stage to have real input. After having the questions and answers this morning, it has become abundantly clear that any amendments I might have would not be welcome because she already knows who she wants, Mr. Speaker, that if Manitobans had an interest, if they wanted to express an interest, that it did not matter because she already has her appointments.

Mr. Speaker, there are more Manitobans than she thinks that would like to see this council not only put into being, into law, but put into law in a proper fashion so that it would be independent, it would not be a political appointment from a governing political party.

So, this minister, I truly believe, has infringed on all of our rights inside this Chamber by going as far as she has even before it has become law, Mr. Speaker. To that degree, I would move, seconded by the Member for River Heights (Mr. Gerrard), the leader of the Manitoba Liberal Party, that this issue be addressed by the Standing Committee on the Rules of the House.

\* (13:35)

**Mr. Speaker:** The honourable Government House Leader, on the same privilege.

**Hon. Gord Mackintosh (Government House Leader):** I am not going to take long, Mr. Speaker. I do not think I have ever heard a matter raised in this

House that is so far from a matter of privilege as what we have just heard.

This is a political debate, Mr. Speaker. This is properly a matter for discussion at third reading and, indeed, in committee where it was discussed. I also understand that, under the proposed legislation, there is a provision in there for the appointment of members of the council by the Lieutenant-Governor-in-Council.

Until that happens, there are no members, but the minister I think is entirely within her rights, if not as a matter of good planning, already considering who may be the kind of representatives on that council. That is entirely within the right of a minister to make plans and to think ahead.

Mr. Speaker, there is no matter of privilege. There are no rights being taken away. I know the member is opposed to this legislation. I suggest that he put his opposition on the record by way of debate and vote and not by using, unfortunately, a matter of privilege to take the time in this House.

**Mr. Speaker:** The honourable Official Opposition House Leader, on the same privilege.

**Mr. Leonard Derkach (Official Opposition House Leader):** Yes, Mr. Speaker, on the same matter. Although this is a rare occasion where a matter of privilege is raised of this fashion, when one considers the impact that a decision of a minister has before a piece of legislation is passed, where you are already moving ahead with activating the intended legislation, then I think there is a matter of privilege here.

Mr. Speaker, the Member for Inkster (Mr. Lamoureux) quite rightly puts it to this Legislature that we cannot presume that a piece of legislation is going to pass, then start the action or start the implementation of the legislation before it has Royal Assent and before the proclamation is done in this House and by this Province.

Otherwise, this would be simply an Order-in-Council type of regulation that could be passed by a government without having the due process of the Legislature that is afforded to all legislation and

where the opportunities are afforded to all legislators.

Mr. Speaker, this is an issue because it presumes that, because we have the numbers in the House, we can drive this legislation through so we might as well go ahead and start implementing it because it is going to be implemented anyway.

That is very presumptuous, Mr. Speaker, but it is also very cavalier. It displays an attitude of unsurpassed arrogance because you cannot presume anything until this House has resolved the matter of that nature. The significance of that is not just for this bill, but the significance is to all legislation that comes before this Chamber and is passed in this province.

If we digress from those rules that have been laid down through generations for good reason, Mr. Speaker, then chaos is going to prevail in this province. I do not think we want to go down that road.

**Mr. Speaker:** Order. Before I hear any other arguments, it is normally the member that raises the matter of privilege and House leaders and if a member is directly involved in the privilege. That is normally who we hear because privileges are not to be turned into debates.

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, I just want to indicate that I was at the committee this morning, and just for clarification, the minister did state that basically she had decided who was going to be on that committee, who was going to be appointed to that committee. She identified that to the committee. Later she tried to backtrack and suggest maybe that other organizations were going to appoint people, but her statements were very inconsistent. She definitely, I think, has stepped over the line. I will leave it up to you to rule on this matter of privilege, but those facts as presented were what took place at committee.

\* (13:40)

**Mr. Speaker:** A matter of privilege is a serious concern. I am going to take this matter under advisement to consult the authorities and I will return to the House with a ruling.

## ROUTINE PROCEEDINGS

### PETITIONS

#### Minimum Sitting Days for Legislative Assembly

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

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the government accountable.

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by Jay Ramanand, Anthony Batson and Viola Batson.

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

#### Alzheimer's Disease

**Mrs. Myrna Driedger (Charleswood):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Alzheimer's is a debilitating disease.

Cholinesterase inhibitors are known to slow or even prevent the progression of Alzheimer's.

The provincial government asked for the development of an Alzheimer's strategy in 2000 and was presented with nine recommendations in 2002, none of which has yet been implemented.

In the absence of a provincial Alzheimer's strategy, the Winnipeg Regional Health Authority put in place a policy in November 2003 whereby Alzheimer's patients entering personal care homes are being weaned from certain Alzheimer medications in a move that the WRHA's vice-president of long-term care has referred to as a financial necessity.

The administrative costs of the Winnipeg Regional Health Authority have more than tripled since 1999, to a total of more than \$16 million a year.

In a move that amounts to two-tier medicine, the families of Alzheimer's sufferers in personal care homes may request that the drugs continue to be delivered at the family's expense.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Chomiak) to ensure that his attempts to balance his department's finances are not at the expense of the health and well-being of seniors and other vulnerable Manitobans suffering from this debilitating disease.

To urge the Minister of Health to consider reversing his decision to deny Alzheimer's patients in personal care homes access to certain medications.

To request the Minister of Health to consider implementing a provincial Alzheimer's strategy.

Signed by K. Manoyan, D. Graham, A. Adnum and others.

#### Proposed PLA-Floodway

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I wish to present the

following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

\* (13:45)

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed Pat Jamieson, Michael Jamieson, Scott Jamieson and others.

### **Highway 227**

**Mr. Ralph Eichler (Lakeside):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition.

It is unacceptable for the residents of Manitoba to travel the unsafe gravel roads of Highway 227 in the constituencies of Lakeside and Portage la Prairie.

Inclement weather can make Highway 227 treacherous to all drivers.

Allowing better access to Highway 227 would ease the flow of traffic on the Trans-Canada Highway.

Residences along Highway 227 are not as accessible to emergency services due to the nature of the current condition of the roadway.

The condition of these gravel roads can cause serious damage to all vehicles, which is unacceptable.

Residents of Manitoba deserve a better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request that the Minister of Transportation and Government Services to consider having

Highway 227 paved from the junction of highways 248 and 227 all the way to Highway 16, the Yellow-head route.

To request the Premier of Manitoba to consider supporting said initiatives to ensure the safety of all Manitobans and all Canadians who travel along Manitoba highways.

Signed by L. Lee, Marty Lee, Ed Campbell and others.

### **Proposed PLA–Floodway**

**Mr. Kelvin Goertzen (Steinbach):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated that major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays.

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian

Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway project.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his government's forced unionization plan of companies involved with the Red River Floodway expansion project.

To request the Premier of Manitoba to consider ending his government's forced unionization plan of companies involved with the Red River Floodway expansion project.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure that any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed by Irene Friesen, Erika Krahn, Trudy Turner and others.

### **Highway 32**

**Mr. Peter Dyck (Pembina):** Mr. Speaker, I wish to present the following petition. These are the reasons for the petition:

Rural highways are part of the mandate of the Province of Manitoba.

\* (13:50)

Under a previous commitment, the Province of Manitoba would be covering the costs of four-laning that portion of Highway 32 that runs through Winkler, Manitoba.

The Department of Transportation and Government Services has altered its position and will now

undertake the project only if the City of Winkler will pay half of the total cost of construction. The provincial government's offloading of its previous commitment will cost the City of Winkler several million dollars.

The City of Winkler has now been informed that it will have to wait several years before the project could be undertaken.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Transportation and Government Services to consider honouring the previous commitment and complete the four-laning of Highway 32 through the city of Winkler, absorbing all costs related to the construction as previously agreed.

To request the Minister of Transportation and Government Services to consider the responsibility of the Department of Transportation and Government Services for the construction of rural highways.

To request the Minister of Transportation and Government Services to consider the significant and strategic importance of the completion of four-laning Highway 32 through the city of Winkler, especially as it relates to the economic growth and the development of the city of Winkler and its trading area.

To request the Minister of Transportation and Government Services to consider the valuable contribution of the city of Winkler and its trading area to the provincial economy and to reprioritize the four-laning of Highway 32 for the 2004 construction season.

Submitted by John Giesbrecht, Arlen Hildebrand, Cecil Freund, Gordon Suderman and others.

#### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery.

We have Cheryl and Terilyn Lavallee and also Del Schade, Florence Shirtliff and Anita Wold. They

are all from Morris and they are the family members of our page, Ashley Lavallee.

Also in the public gallery we have 45 students from Crystal City Early Years School under the direction of Mr. Larry Hamilton and Katie Harms. This school is located in the constituency of the honourable Member for Turtle Mountain (Mr. Tweed).

Also I would like to draw the attention of honourable members to the public gallery where we have with us today 29 participants in the Katimavik Program. These visitors are guests of the honourable Member for Interlake (Mr. Nevakshonoff).

Also in the public gallery we have from Concordia Hospital, the Auxiliary. These visitors are guests of the honourable First Minister (Mr. Doer) and the honourable Member for Rossmere (Mr. Schellenberg).

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

### ORAL QUESTIONS

#### Elections Finances Amendment Act Proclamation

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, this Premier's third-party gag law was introduced and passed but never proclaimed, as he was waiting the Supreme Court's decision on advertising limits during federal election campaigns. That decision came down today and, unfortunately, the Supreme Court ruled six to three to uphold these spending limits.

Mr. Speaker, can the Premier advise this House if he is now going to have his third-party gag law proclaimed?

**Hon. Gary Doer (Premier):** I recall the speeches from members opposite at the time we were dealing with the long-outstanding recommendation from the Chief Electoral Officer to bring in disclosure and limitations on third-party participation in the electoral process. Members opposite, to a person, stated that third-party limitations would be thrown out by the Supreme Court of Canada, flowing from the Alberta decision.



Obviously, we will look at the specific court decision in its entirety, but the principle of allowing for reasonable limits of third parties in a democracy is the principle the Supreme Court of Canada underlined with the decision today.

**Mr. Murray:** Mr. Speaker, please make no mistake that Bill 4 that was introduced by this Premier will be repealed when we are in government. That is a fact.

I would just simply like to ask this Premier. He brought in under his watch the fact that, limit the availability of individuals that had to be from Manitoba, put a gag law on how much they could spend. He put a gag law on disallowing corporations to donate to political parties in Manitoba.

Now I would just ask him very clearly: His law that was passed, not proclaimed, I am asking him very simply now, in light of the Supreme Court ruling that has come into Manitoba, will he advise the House that he is going to have his third-party gag law proclaimed. It is a yes or no, Mr. Speaker.

\* (13:55)

**Mr. Doer:** Mr. Speaker, the Member for River East (Mrs. Mitchelson) said, and I quote, "Quite frankly, we believe that this Premier and his government will be very embarrassed when this law is challenged, which it will be, and they find it is unconstitutional and it is tossed out by the courts. It will again prove that this government has not managed the legislative process in the first session of the Legislature well."

The only people that should be embarrassed are members opposite to a person, to a person said that our law and the limitations on third parties would not stand the test of time. The Chief Electoral Officer of Manitoba recommended year after year that third-party rules be established. I recall that the then-leader of the national—

**Some Honourable Members:** Oh, Oh.

**Mr. Speaker:** Order.

**Mr. Doer:** I remember the then-national leader of the National Citizens Coalition was going to appear before our legislative committee. I wanted to ask the former national leader of the National Citizens Coalition, "Who funds you?" Regrettably, he did not

appear before the committee. He had a press conference at the bottom of the steps, and we could not ask those questions. Members opposite were wrong in 2000. They should be embarrassed and they should apologize.

**Mr. Murray:** Mr. Speaker, the only person that has to be embarrassed in this House is the Premier. It was his idea to bring in a law to gag citizens on how much money they could donate to political parties. It was this Premier's idea that was passed in this Legislature to bring in a gag law disallowing corporations to support political parties, and it was this Premier that brought in a gag law against third parties during an election campaign. The Premier does not have to rant and rave and talk about anybody being embarrassed. It was his bill. It was brought into this Legislature under his leadership. It was not proclaimed.

I simply ask him today: Is he going to proclaim the third-party gag law as was recommended by the Supreme Court? Yes or no.

**Mr. Doer:** Members opposite, when they had an opportunity being government, had no rules of disclosure. They had no rules of participation. They had no rules dealing with the implementation of the Chief Electoral Officer's report. The Chief Electoral Officer of Manitoba made recommendations year after year on third parties, and members opposite did not implement it when they had a chance in government.

The Supreme Court has ruled: "In promoting the equal dissemination of points of view by limiting the election advertising of third parties who are influential participants in the electoral process, the overarching objective of spending limits is electoral fairness." I know members opposite do not believe in electoral fairness. We do on this side. Members opposite have proven their electoral fairness in the past. We all remember the Monnin inquiry.  
[interjection]

**Mr. Speaker:** Order. I would remind all honourable members when the Speaker is standing all members should be seated and the Speaker should be heard in silence.

**Mr. Doer:** If members opposite want to campaign in the next election against the Supreme Court decision, if they want to reinstate corporate and union

donations in Manitoba, we welcome that democratic fight.

### **Winnipeg Regional Health Authority Surgery Program**

**Mrs. Myrna Driedger (Charleswood):** A WRHA source has indicated that the surgery program ran a deficit last year and will also be in deficit again this year unless changes are made. In order to avoid these deficits, two options were presented. One was to cut 100 beds and the other was to significantly cut the number of surgeries done. I would like to ask the Minister of Health if he has accepted any of these options.

\* (14:00)

**Hon. Dave Chomiak (Minister of Health):** As I understand it, there is an ongoing planning process that is going on at the WRHA in draft form with respect to ongoing reconfigurations of surgery. I do not know if the member appreciates it, but when you take a significant program like cardiac surgery and consolidate it at one of the two tertiary care sites in Winnipeg, that has ramifications across the entire system.

In addition, when you have the added capacity of a Pan Am Clinic and you move orthopedics outside of St. Boniface Hospital, there are reconfigurations around the city. In addition, we are also bringing in minimally invasive surgery. We hope to be one of the pre-eminent sites in the entire country, perhaps in North America with regard to minimally invasive, which will necessitate a movement right around the entire system. That is being looked at now.

**Mrs. Driedger:** The minister did not answer the question at all. A WRHA source has indicated that the surgery program deficits cannot be eliminated without bed reductions or significant surgical volume cuts.

Can the Minister of Health tell us what the WRHA is doing? Are they cutting beds? Are they cutting the number of surgeries done, or are they running a deficit?

**Mr. Chomiak:** Mr. Speaker, the WRHA is presently looking at a configuration all around the city of Winnipeg with respect to surgical programs and all of the surgeries, which is what we would expect

them to do. We would expect them to look at how we can best configure all of our resources. The only thing I can tell the member is that since we, for example, consolidated cardiac surgery and started it at St. Boniface Hospital, our elective cardiac surgery waiting list is down 72 percent. We intend to enhance and improve that as we move around the system.

I want to remind members that the system will change, but we intend to do more right across the entire system in order to meet the needs of a demographic and a growing population that requires those needs.

**Mrs. Driedger:** Mr. Speaker, the WRHA is looking at cutting 100 beds, or if they cannot do that, they are looking at significant cuts to the number of surgeries done every year. This minister has been in charge for five years. The WRHA is under his watch. He is accountable, and what did he approve? Did he approve the WRHA running a deficit, closing 100 beds in the city or cutting the number of surgeries done? What has he approved?

**Mr. Chomiak:** First off, Mr. Speaker, I have not approved that. The member asked me to get with the nineties and to get with the thousands and to close beds during the Estimates process. The member asked me to do that, and I said we were going to reconfigure beds. That is our position.

In addition, Mr. Speaker, members opposite about two weeks ago, six or seven questions: "You are closing obstetrics at Victoria, you are closing obstetrics at Victoria." Well, the last time I looked, obstetrics is still going on at Victoria and will continue. They continue to fearmonger.

### **Drinking Water Safety Act Regulations**

**Mr. David Faurichou (Portage la Prairie):** It has almost been two years since this government passed The Drinking Water Safety Act, yet we have not seen any of the regulations which the drinking water inspectors are to enforce here in Manitoba. Over 35 communities in this province are facing boiled water advisory or boiled water orders. Thousands of Manitobans are having to boil their water each and every day.

How is this government to be trusted when they cut over half a million dollars out of the water budget

which is to monitor and maintain water quality here in the province of Manitoba?

**Hon. Steve Ashton (Minister of Water Stewardship):** Well, Mr. Speaker, I am very surprised at the question because if the member checks the budget he will see in terms of our initiatives, in terms of drinking water, that we have \$1.6 million in the budget, that we have 12 drinking water officers, none of whom were in place when members opposite were in government. They are enforcing existing public health regulations.

In terms of boil water orders, and this issue was raised in Estimates, what the member also fails to point to is that a number of communities he keeps referring to in terms of boil water orders have now got a central municipal water system. That order remains in place for those who are not hooked up.

So we are not only dealing with the issue of drinking water from the inspection side, we are dealing with the infrastructure side, indeed, something again the members opposite did not do when they were in government.

**Mr. Faurschou:** Mr. Speaker, the minister states that he has hired 12 additional water inspectors, yet they do not have the regulations of the new Water Safety Act to enforce.

He also mentions that these communities are receiving additional support because they are being monitored. That budget has been clearly cut. In addition to that, the budget of the Water Services Board was additionally cut this year. How is this minister to be trusted to improve the domestic water services in our Manitoba communities?

**Mr. Ashton:** Mr. Speaker, the bottom line here is that we have added 12 new drinking water officers. We have \$1.6 million in the budget that did not exist under the Tories. These same Tories who, one moment in Question Period try to suggest there is a spending problem, and now express concerns about the budget, may want to consider we have also added 16 inspectors in terms of intensive livestock.

We have put in place \$50 million in terms of improved infrastructure and we are investing in our water system, something that the members opposite had 11 years to do and did not do in government.

**Mr. Faurschou:** Clearly, Manitobans do not trust this minister. In regard to a recent poll that was announced, almost 70 percent of Manitobans feel this government does not care about managing the natural resources.

So no regulations for our drinking water inspectors to enforce and cuts to the resources for improved drinking water here in the province of Manitoba. I would like to ask this Minister of Water Stewardship what he wants to say to Manitobans, and thousands of Manitobans at that, who have to boil their drinking water each and every day.

**Mr. Ashton:** Mr. Speaker, once again the member opposite put out a press release that listed communities that now have municipal water treatment systems that remain in terms of the boil water advisory in case there are individuals who are not part of that system.

What I say to Manitobans is, unlike the 11 years in which the members opposite were in office, we have put \$50 million in terms of improved stored water in this province, we have new licensing standards in place in terms of waste water, we have 12 new drinking water officers and a \$1.6 million budget. We have a record we are proud of, something that members opposite ignored for 11 years, safe drinking water in this province.

### **Environment Officers Hiring**

**Mr. Glen Cummings (Ste. Rose):** This minister may be proud of his record, but Manitobans are not very proud of his accomplishments. We have a safe drinking water act that has no regulations and it was proclaimed 18 months ago.

The same problem persists in the Department of Conservation. The Department of Conservation is currently short 16 environment officers is my understanding. I wonder if the Minister of Conservation would tell us when he intends to fill those positions.

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, we have been working very hard along with the Minister of Water Stewardship (Mr. Ashton) to make sure that certain standards are there and available for Manitobans when it comes to drinking water. Also, I want to make sure that the Member for Ste. Rose understands that we are working very hard

to make up for the cuts that his government foisted upon this province in the early 1990s.

\* (14:10)

### Natural Resources Officers Hiring

**Mr. Glen Cummings (Ste. Rose):** Well, Mr. Speaker, that is somewhat like my grade school children when they came home with a poor report card, and they said, "but, Dad, I am working real hard."

These two departments are responsible for water quality in this province, the protection of the standard of water. There has been all sorts of publicity about protection of water but very little action, nothing to back up the legislation.

There is currently a significant number of natural resource officers who are also short—*[interjection]* There are about 30, in my understanding and, Mr. Speaker, they are also responsible for protection and enforcement of safe water in this province. I wonder if the Minister of Conservation has plans to replace those resource officers.

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, if I were to take two report cards home to my parents, I would rather take home the report card that this government has put together than the one that existed in the 1990s under our friends across the road. As a matter of fact, Mr. Speaker, when I went to school, I would have liked to take home a report card as good as the one this government is putting forward.

I want to assure the members across the way that the people of Manitoba, the people of Canada, have been very attuned since the incidents at Walkerton and other places. Mr. Speaker, this government is also attuned to the situation that exists—

**Mr. Speaker:** Order.

### Water Quality Legislation Enforcement

**Mr. Glen Cummings (Ste. Rose):** Mr. Speaker, recent polls show that 70 percent of Manitobans do not trust this government on the environment and I am quite prepared to stand—*[interjection]* If this

minister is proud of that, then it is time to use standardized tests.

**Mr. Speaker:** Order.

**Mr. Cummings:** Mr. Speaker, in this Legislature, we have a Planning Act that has significant implications for agriculture, it has significant implications for human waste, it has significant implications for animal waste; Bill 22, which is also about water quality. All of this action in legislation, none of it enforcement. Which one of these two ministers is going to take responsibility for enforcement?

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, my advice to the Member for Ste. Rose is to take a good hard look at The Water Protection Act, a good look at The Planning Act and finally decide to get on board with protecting Manitoba's water on behalf of Manitobans. Maybe his report card can improve as well.

### Education System Funding

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, yesterday in this House the Premier (Mr. Doer) stated that a hundred million dollars in new funding for schools would be found simply by reading page 10 in his budget. However, this contradicts earlier statements by his Minister of Education, who said in Estimates on May 13 that as a result of the change made on page 10 of the budget, and I quote, "There will be no change to the total school division revenues for this year."

My question is to the Minister of Education: Is the Premier wrong when he says that there is \$100 million in new funding for schools in Manitoba? Yes or no.

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Speaker, since we have been in office, there has been \$105 million in new funding for schools in Manitoba that we put into the base. We promised to fund education at the rate of economic growth and we have delivered on that promise year after year. We promised to cut the education support levy and we have delivered on that promise in the last three years.

We have promised to make the system more transparent with respect to the property tax credit.

We talk about credit where credit is due. This is a case of property tax credit where property tax credit is due. That \$100 million will be transferred directly to the school boards as opposed to going directly to the municipalities.

**Mrs. Stefanson:** I am not talking about last year or the year before or the year before that. I am talking about what the Premier promised yesterday in this House, \$100 million new dollars for education in this province.

A quick read over page 10 of the budget clearly shows that the transfer of \$100 million in property tax credits to school divisions is merely an administrative change that is revenue neutral to schools. The Minister of Education and officials in the Department of Finance have confirmed this. However, the Premier seemed quite certain that there is \$100 million in new funding.

Mr. Speaker, my question is for the Minister of Finance: Does he agree with his Minister of Education and his Department of Finance or does he agree with the Premier? Who is accurate?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I am glad the member opposite refers to page 10 in the budget because the first line says, "We have reduced education property taxes by \$92 million since 1999." The very next line says, "Despite the challenges of the past year, this budget will find a further \$10-million reduction in the residential education support levy. In 2004, our additional ESL reduction will save homeowners \$40.50 on a \$125,000 home, bringing the total ESL savings since 2001 to \$159 for the same home." There is a lot of good information on this page, none of it confirming the accusations of the member opposite.

**Mrs. Stefanson:** Mr. Speaker, I did not ask about the education property tax credit. I asked specifically, which this government does not seem to understand in its own budget books, about the \$100 million that this Premier promised Manitobans yesterday. The Premier unfairly raised the hopes of parents and educators when he inaccurately promised an additional \$100 million in new funding, when in fact there is no new funding at all.

Will the Minister of Education commit today to scheduling a press conference for his Premier to

explain the property tax credit transfer process so that his Premier does not continue to give parents and educators inaccurate information and the impression that he has given \$100 million more in education funding in this province?

**Hon. Gary Doer (Premier):** I am perfectly willing to provide a briefing to the honourable member opposite with the Minister of Education, to go over the amount of money in capital investment in schools. I am prepared to go over the ESL reductions that we have made. I am prepared to go over the investments in education—

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Leonard Derkach (Official Opposition House Leader):** Mr. Speaker, under our rules we have agreed as parties that we would not raise *Beauchesne* 417, I believe it is, with respect to how questions should be answered in this House. I have been observing very carefully today the questions that were posed, especially by the critic for Education with respect to the Premier's statements that he made to the *Free Press*. Yet, in each question we had an avoidance of addressing the issue that was being questioned by the critic.

If the Premier wants to avoid that, that is fine, but sooner or later it is time they become accountable and answer the questions that are being posed to them directly rather than skirting the issues and referring back to times in the past and referring to issues that have no connection to the question that is being asked. Let us have some order in this House.

**Mr. Speaker:** The honourable Government House Leader, on the same point of order.

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, using the words "referring back to times past" in this House, it is regrettable that is a point of order for the opposition.

We have not been raising the points of order under the agreement of this House with respect to preambles, mid-amblés and post-amblés because now we have a different way of proceeding in

Question Period. I think it has been flowing better. People are accountable for their questions and their answers before the public, and the Finance Minister has answered the question fully. That is no point of order I would suggest. There is a new set of rules in this House.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. We have an agreement in place dealing with 417, so what I am going to do is I am going to take it under advisement, and I am going to ask the House leaders for a meeting with me. We will discuss the agreement that I believe we had in place. I want that opportunity to meet with the House leaders, so I am going to be taking this one under advisement.

\* \* \*

**Mr. Speaker:** The honourable First Minister, to continue.

**Mr. Doer:** I guess, Mr. Speaker, to continue on, we did place in page 10 in the budget the \$100 million. We also placed in the other section of the budget the reduction of the ESL, a tax reduction savings of an average of \$45 per \$135,000 homeowner.

\* (14:20)

We did place in the budget the capital investments in education. We did place in the budget the pension liability funding and we demonstrated again over the last four years the \$105-million investment in education which, of course, compares to \$135 million in offloading in the 1990s.

### **Education System Funding**

**Mr. John Loewen (Fort Whyte):** Once again, we see this Premier's (Mr. Doer) penchant for giving out flippant comments coming back to haunt him. We reminded him he was the one that said, "We were not elected to raise taxes," and then he raised taxes.

He said he was going to end hallway medicine in six months with \$15 million, then he decided that

really was not what he was going to do, he was going to end, somehow, that culture.

He told the *Free Press*, and I quote, he said he has been studying plans that would eliminate most of the tax credits along with the special levy, which would allow the Province to provide an additional, and I stress that, an additional \$100 million directly to school boards each year.

We are simply asking for clarification. Is this government, is the Premier, the Minister of Finance or the Minister of Education (Mr. Bjornson) planning to reduce or eliminate the property tax credit that they have increased in the last three years in order to provide this extra \$100 million in additional funds?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I refer that member to the famous page 10 in the budget where it reads as follows, "Next year, we intend to transfer \$100 million in property tax credits directly to school divisions. To ensure transparency and equity for homeowners from this transfer, there must be no reduction in benefits to individual recipients. This change will ensure accountability in provincial education funding." That is what we said. That is what we will do.

**Mr. Loewen:** I hope the minister will live up to his word and his budget, but I remind him, his own Department of Finance official says that has nothing to do with new money. That is simply an administrative measure in how the money is delivered to the school boards.

The question is simple. The Premier is saying we have \$100 million of additional, i.e., "new" money to give to school boards. There is nowhere in the budget that this money is identified, despite what the Premier claims and the Finance Minister claims on page B10.

The people of Manitoba deserve an answer. He has made a comment that there is going to be \$100 million worth of new money. We simply want to know where it is going to come from. Is it going to come from cutting the property tax credit? If not, where else?

**Mr. Selinger:** Mr. Speaker, I just read very clearly what we stated we would do in the budget into the record. We plan to transfer \$100 million in property

tax credits directly to school divisions. This will ensure transparency and equity for homeowners.

There must, however, be no reduction in benefits to individual recipients. This change will ensure accountability in provincial education funding. That is what we said in the budget. That is what we plan to do, Mr. Speaker, and that is in addition to the \$105 million of extra resources we have provided for school divisions since 1999, which is a reversal of the cuts of the 1990s.

**Mr. Loewen:** Mr. Speaker, that is not in dispute. It is in the budget. It is there. That is fine. Do it. But it is just an administrative move.

The Premier is out telling the public that he is going to find additional new money, \$100 million worth of new money. That is what he is saying. Now maybe he has been misquoted. Maybe the story is not accurate and, if that is so, he can stand up in the House today and refute it. That will answer the question as well.

I would simply ask someone on that side of the House to indicate to the people of Manitoba, and maybe the Finance Minister should brief the Premier on this issue, but where would the \$100 million of additional new money come from. Nothing in the budget, nothing at all.

**Mr. Selinger:** Mr. Speaker, I hesitate to mention the rules that govern the House. This is a hypothetical question. It has nothing to do with what we said in the budget. What we said in the budget—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Selinger:** Mr. Speaker, the language we used in the budget is extremely clear. It is listed on page 10. It is extremely clear. We will make a transfer to school divisions for transparency and accountability purposes. There will be no net reductions to recipients of the property tax credit. This will ensure transparency and accountability like it has not occurred in the past.

By the way, Mr. Speaker, the property tax credits have been improved from \$250 to \$400 since we have come to office, an increase of \$56 million, unlike the cut of \$75 per homeowner under the

members of the opposition when they were in government.

### **Heritage Buildings Capital Grants**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, the Minister of Culture, Heritage and Tourism says he is committed to heritage buildings. Yet, in committee yesterday he said that only \$210,000 has been allocated this fiscal year for capital grants with respect to heritage buildings.

Mr. Speaker, in 1999, \$300,000 was allocated toward heritage buildings capital funding. Over five budgets, the NDP reduced the allocation to \$210,000, a 30% decrease. There are 108 provincial heritage sites, most of them buildings, and 195 municipal heritage sites, many of them buildings as well, yet this government appears to care so little about the buildings that the amount allocated is nowhere near what is needed to maintain our Manitoba heritage.

I ask the Minister of Culture, Heritage and Tourism why his government has allocated so little to support heritage buildings.

**Hon. Eric Robinson (Minister of Culture, Heritage and Tourism):** Mr. Speaker, the Member for River Heights will remember that we did debate this yesterday in our Estimates process. He will also realize, in spite of the budgetary considerations that we have had to live with, in spite of that, we have been able to designate 12 buildings in the province of Manitoba in just the last year as heritage buildings.

**Mr. Gerrard:** Mr. Speaker, I am pleased that the Minister of Culture, Heritage and Tourism has designated 12 more buildings. There are quite a number more that need be designated as well, but designated buildings are not enough if you do not allocate the support to look after them. This NDP government is all for show and designation and not for support and action and making sure things are looked after.

The amount of funds for capital expenditures on heritage buildings has gone down 30 percent. Why has the government given such a low priority to heritage buildings? Why has the government support in this area been so feeble?

**Hon. Gary Doer (Premier):** Mr. Speaker, the member opposite asked about the government. Perhaps he might want to go north of Portage Avenue, go to Red River College where the third phase of restoration of that historic Exchange Building is almost complete with not one cent from the federal government in terms of post-secondary education grants.

He might want to go to The Forks which, of course, restored the whole warehouse and terminal areas into historic buildings for the benefit of all the public. He may want to go down Portage Avenue and look at the Heaps Building, again a project of restoration. He might want to go out to the University of Manitoba and look at how much work is going on in some of the historic buildings across Manitoba.

You have to look across departments. We have had this discussion before with the member when he talks about the Water Stewardship Department. You have to look at the infrastructure money going to clean up the sewage in the city of Winnipeg. You have to go from one department to the other, and you will see great commitment for preserving the history of this province in the action of this government.

#### **Immigration Apprenticeship Program Foreign Credentials**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, at times the Minister of Immigration sees the light. Yesterday in committee she said she would support and advocate an issue which is very important to many Manitobans, and that is in regard to an apprenticeship program that would go a long way in recognizing foreign credentials that immigrants bring to the province of Manitoba. It was encouraging to see that commitment come from the Minister of Immigration.

My question is for the Minister of Finance (Mr. Selinger). Given the recent popularity of the minister advocating for this program, is the Minister of Finance prepared to ensure that the resources will be there so that in fact it will be reality, that we will see a program that would be an apprenticeship for immigrant credentials?

\* (14:30)

**Hon. Nancy Allan (Minister of Labour and Immigration):** I am pleased to inform the member

opposite that our qualifications recognition strategy is further along than any other jurisdiction in Canada. *[interjection]* I ruined the question; well, maybe he will have to ask a better one next time.

I explained to the member in Estimates yesterday that we had a brochure on apprenticeship qualification, and I suggested to him that maybe he could get a copy of that brochure and read through it so he really understood what we are doing here in Manitoba.

#### **Helen Betty Osborne Foundation Government Support**

**Ms. Kerri Irvin-Ross (Fort Garry):** The Helen Betty Osborne Foundation was established in 2000 to honour the legacy of this Aboriginal woman murdered in 1971. I understand that the Minister of Advanced Education and Training recently increased the support for the foundation's work. Could the minister please inform the House of this important initiative?

**Hon. Diane McGifford (Minister of Advanced Education and Training):** I thank the member for the question. Last week I was pleased to join members of the Helen Betty Osborne Foundation, members of the family and others at the annual gala dinner and, while there, I did announce a \$150,000 endowment for the Helen Betty Osborne Foundation, \$50,000 for three years, in each of those three years.

The Helen Betty Osborne Foundation is named after Helen Betty Osborne, whose life was tragically shortened in 1971. I know all members remember this tragic event, and in honour of Helen Betty Osborne, who wished to be a teacher, the foundation offers scholarships to students enrolled in post-secondary education, to First Nations students, to Métis students and to Inuit students. This is one more piece of the strategy put forward by my department to address Aboriginal education, a strategy I share with Education.

#### **Non-Smokers Health Protection Act Legislative Process**

**Mr. Leonard Derkach (Opposition House Leader):** My question is to the Minister of Healthy Living. The Minister of Healthy Living has been out and about, making statements about the non-smoking bill. He has indicated to people in the public that the



opposition of this House is obstructing the passage of the non-smoking bill in this House. I would like to ask the minister what the basis of his comments are.

**Hon. Jim Rondeau (Minister responsible for Healthy Living):** Mr. Speaker, I would like to inform the opposition that when people have asked whether they could present, I have referred them to the Clerk's office, I referred them to my office where they phone, and let them know that they are going to present, and I will ask them to phone your caucus office. What we want to do is we want to make sure that we work co-operatively to make sure that we can move this bill forward to committee and then to passage.

**Mr. Derkach:** The reason I rise on this question is because the Minister of Justice, who is also the Government House Leader, and I concur, and we also meet on which bills should be forwarded to debate in this House on certain days, on days when bills are debated.

It is through agreement that we bring forward bills that will be debated on certain days. But the Minister of Healthy Living has been out giving the impression to people, he has been stating directly that the opposition is obstructing the passage of the non-smokers bill.

The reason this is offensive is because the bill was recommended by this side of the House. I want to ask the minister again: What is the basis for his comments?

**Mr. Rondeau:** As I explained to the member, what I have done so far is I am looking forward to having people present to the bill. I referred people who want to speak to the bill and I look forward to bringing it to committee because I look forward to hearing from the public.

What I have done is I have referred people: (a) to my office, (b) to the Clerk's office, and (c) to the opposition. I have had a chat with the honourable members opposite, a number of them, to tell them that what we want to do is we want to hear from Manitobans. We want to move forward in this good public health initiative, in co-operation, as we have previously.

**Mr. Derkach:** Then my last question has to be to the Government House Leader.

I would ask the Government House Leader whether or not he would meet with his colleagues, and especially the Minister of Healthy Living who has been spreading misinformation in the public about the position of the opposition on this bill, Mr. Speaker; and whether, in fact, he would actually inform him that bills of this nature come to this House through a co-operative effort between the Government House Leader and the Opposition House Leader.

**Hon. Gord Mackintosh (Government House Leader):** I know government House business can take place in the usual forum, Mr. Speaker, but I trust that the honourable minister is keen to see the matter proceed in a co-operative way as was in the spirit of its introduction.

### **Provincial Sales Tax Professional Services**

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, rising fuel prices are costing Winnipeg Harvest an additional \$700 a month. To add insult to injury, the Doer government is forcing Winnipeg Harvest and all other food banks in the province to pay PST on fees for accounting services, knowing that food banks must provide financial statements and hire an accountant to prepare them.

My question is to the Minister of Family Services and Housing: Seeing as food banks receive no government funding, why does this government insist on increasing taxation on food banks?

**Hon. Christine Melnick (Minister of Family Services and Housing):** Thank you for the question. It gives me the opportunity to inform the House that most of these non-profit organizations are in fact made up of people who come in and sit on the board in a volunteer position. If the food banks have people with the expertise in accounting, then they will not be charged the PST.

**Mr. Speaker:** The time for Oral Questions has expired.

### **MEMBERS' STATEMENTS**

#### **Bruce Middle School**

**Mr. Stuart Murray (Leader of the Official Opposition):** I was delighted last night to attend the

Safer Communities Awards and as I had nominated the Bruce Middle School for an award, Mr. Speaker, in the category community-based initiatives, I was delighted that they were nominated and successful.

The Bruce Middle School Safe School Committee consists of 12 students who have volunteered to plan and facilitate a school-wide program to educate their peers on issues such as bullying, Internet safety, substance abuse, vandalism, crime prevention and effective means of reporting unsafe situations.

The program started in June 2002. Each year, students volunteer approximately 50-75 hours toward this initiative. The project has reduced incidents of vandalism in and around the school grounds. Bullying, shoplifting and substance abuse at private parties have also been significantly reduced because students have been empowered to seek adult help for peers making poor decisions.

Each year, the creativity and directions taken by the Safe School Committee team have been unique. Last year, they developed an effective anti-bullying campaign and to reduce shoplifting. This year, the focus has been on educating about the dangers of substance abuse and Internet safety.

Mr. Speaker, I was delighted to be in attendance with them last night at the Canad Inns Polo Park. The committee is made up of the following members: Mrs. Ansloos, Robbie Oke, Foster Lyle, Carly Schram, Jessy Ardern, Shannon Robinson, Jade Melke, Ms. Chartrand, Rachael Luhowy, Neil Hagemeister, Magkie Cheung, Emily Ormande, Cyrena Couvier, Stacie Nixon, and I would like to give special mention, because I know he is retiring, to an extraordinary individual, the principal of Bruce Middle School, Mr. Bill Cann.

\* (14:40)

**Mr. Speaker:** The honourable Minister of Water Stewardship. *[interjection]* No? The honourable Member for Interlake.

#### **Arborg Heritage Village**

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, I was fortunate to meet and work with a group of enthusiastic Katimavik participants at the Arborg and District Multicultural Heritage Village this past

weekend. Katimavik is a leading national volunteer service program for young people. On Saturday I took the opportunity to work with them in re-siding the old St. Nicholas parish hall from Poplarfield while others built a deck on to the building. Other heritage buildings, including the Trausti Vigfusson home, the first home in the area, were worked on as well. The Multicultural Heritage Village is dedicated to showcasing the multicultural history of the Arborg area. This is a great place for the Katimavik youth to experience and learn the history of our rural Manitoba farming communities. I am very proud to be part of a government that has supported the Arborg Heritage Village through Community Places funding and I know that Manitoba Hydro has also supported the development of the village through its programs.

The young participants are in the middle of their seven-month Katimavik program and have been in New Brunswick and British Columbia before coming to Manitoba in April. They are supported by three Katimavik project leaders: Jamie MacDonald, Michael Moore, Jane Conly, as well as Coralie Bezpalko, project co-ordinator for the Katimavik Manitoba cluster. The youth are from all across Canada and are living in the communities of Lorette, Gimli and St. Boniface. This project in Arborg was just one of their many projects in Manitoba.

I want to recognize Pat Eyolfson and Barb Wachal and others from the Arborg and District Multicultural Heritage Village for their leadership and enthusiasm for preserving our rural heritage. They continue to find great ways for young people to understand and appreciate our history.

Mr. Speaker, I also want to recognize the commitment to citizenship that these young people have shown in their participation with the Katimavik program. On behalf of all members of the House, I thank them for their hard work and dedication to communities in Manitoba.

**Richard S. Unruh**

**Mr. Kelvin Goertzen (Steinbach):** As members know in this House, there are many very talented artists in the Steinbach community. One recently provided me a poem by the name of Richard S. Unruh. The poem was entitled *One Great City*.

"Steinbach, the city of beauty / To keep it that way is everyone's duty / So if we appreciate where

we live / Let's all try our best to give / Attention to how we act and react / 'Cause so much in our favor is stacked / Then let's all drive to survive / It's so great to be alive / Let's work and not shirk our duties each day / Happy we have a job to earn our pay / That, by the way, is how this city was built / Hard work put it together like a beautiful quilt / And as we continue to grow / Why not let everyone know / We are proud of past accomplishments / We give those responsible our compliments / The torch is now in our hand / We are living in a wonderful land / There is no end to the potentials / If we stick with the essentials / Our challenge then to City Hall / Is the same as to us all / The future's bright we expect more of the same / No reason to doubt it just stick with the game."

Mr. Speaker, that is Mr. Richard S. Unruh, who provided that poem from the city of Steinbach. He wrote it on May 20, and I want to congratulate him for the work that he continues to do in the arts in our community.

#### **Helen Betty Osborne Foundation**

**Mr. Conrad Santos (Wellington):** Mr. Speaker, last week the MLA for Wellington was privileged to attend the second annual Helen Betty Osborne gala being held at the Delta Hotel.

The Province of Manitoba created the Helen Betty Osborne Memorial Foundation in December 2000 to honour the memory of Helen Betty Osborne and to help our regional students further their education and career aspirations.

Helen Betty Osborne was a 19-year-old Aboriginal woman from Norway House First Nation who was studying to become a teacher to serve her community. Her noble goal ended when Helen Betty Osborne was killed in 1971 in The Pas. Could anything good come out of something bad? The establishment of the Helen Betty Osborne Foundation is proof that something good can come out of bad because it opens the educational door of opportunity to many.

Why did Helen Betty Osborne have to die to open this door of educational opportunity to many? It is written, "Verily, verily, I say unto you, except a corn of wheat fall into the ground and die, it abideth alone, but if it die, it bringeth forth much fruit." John.

All Aboriginal students in Manitoba, First Nations, Inuit and Métis, enrolled in post-secondary status are eligible to apply for the bursary award administered by the foundation. The first bursaries were awarded in 2001. To date, the foundation has provided a total of \$54,500 to 17 individuals.

At this dinner, the Advanced Education and Training Minister announced this year's \$50,000 contribution. We all hope that this money and the foundation will continue to assist the next generation of Aboriginal Manitobans in pursuing their post-secondary education studies and help them enter rewarding careers.

We also hope this tragedy and this lesson from the past will help serve as a gift of opportunity for the First Nations, Métis and Inuit peoples of Manitoba.

#### **Pool of the Black Star**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, behind the Grand Staircase is the Pool of the Black Star. I believe that Manitoba gets thousands of people that come through this beautiful building every year. I am of the opinion that we should take advantage of that, at the same time do something very positive in regard to the history of our province and our heritage, and we should be very proud of that.

The walls and ceilings of the area could be a celebration of Manitoba's rich cultural diversity and remarkable history. We could have artists from all over the province contributing a panel of Manitoba's history.

We could have artists paint a mural which would depict the contributions of all cultural groups who have settled in Manitoba and built this province and developed this land, a history that begins with the First Nations groups and ends with the illustration of a wonderful cultural mosaic that Manitoba has become.

Mr. Speaker, I truly do believe that we should take advantage of what we have in that Pool of the Black Star which today is a white-washed wall and ceiling, if you like. Given the number of people that we do have come through the Legislature, I think that it would be a positive step forward.

We need to be proud of our heritage and I just think that this would be a wonderful thing to happen inside the Manitoba Legislature. I thank you for the opportunity to be able to get my thoughts on the record.

**Hon. Gord Mackintosh (Government House Leader):** I wonder if there is leave, Mr. Speaker, to revert to tabling of reports to table supps.

**Mr. Speaker:** Is there leave in the House to revert back to tabling of reports? *[Agreed]*

### TABLING OF REPORTS

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I would like to table the following Supplementary Information for Legislative Review, the 2004-2005 Departmental Expenditure Estimates for the Manitoba Civil Service Commission, Manitoba Employee Pensions and Other Costs and Manitoba Enabling Appropriations and Other Appropriations.

### ORDERS OF THE DAY

#### GOVERNMENT BUSINESS

##### House Business

**Hon. Gord Mackintosh (Government House Leader):** Would you canvass the House to see if there is consent to change the Estimates sequence so that Energy, Science and Technology is moved from 254 into the Chamber to follow Aboriginal and Northern Affairs, to apply permanently?

**Mr. Speaker:** Is there leave of the House to change the Estimates sequence such that the Estimates for the Department of Energy, Science and Technology are moved from Room 254 into the Chamber to follow the Estimates for Aboriginal and Northern Affairs, with this change to apply permanently? Is there agreement? *[Agreed]*

**Mr. Mackintosh:** Would you please call Supply, Mr. Speaker?

**Mr. Speaker:** In accordance with our Rule 23(5), the House will now resolve into the Committee of Supply.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### INTERGOVERNMENTAL AFFAIRS AND TRADE

\* (15:00)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Intergovernmental Affairs and Trade.

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

**Mr. Larry Maguire (Arthur-Virden):** I guess I would like to start off today by welcoming the new minister, who has just, it has been brought to my attention, taken over the responsibilities of Intergovernmental Affairs and Trade, the honourable Member for Swan River (Ms. Wowchuk). I would welcome her to the new position. I could take the liberty to say that when I left last Thursday, I believe it was, when we were in Estimates at some 5 o'clock in the afternoon, and turned it over to my colleague from Emerson, I did not realize that he would be so tough on the minister that she would quit today. I would not get away with that because I know that Jack put on the record his respect for the previous minister.

**Mr. Chairperson:** Please use the name of the constituency or the portfolio. Thank you.

**Mr. Maguire:** My apologies, Mr. Chairperson. I could not get away with saying that Jack was the person that was sitting in this chair.

The Member for Emerson (Mr. Penner) indicated his credit to the Minister of Intergovernmental Affairs that was here and her credibility amongst the people of Manitoba that he had spoken with. I also would like to voice my congratulations to the previous minister on the work that she has done in Intergovernmental Affairs and particularly Trade, in the years she has held that portfolio since being elected. It is my understanding that she has maintained that since '99 in the election. I would like to just add my own congratulations to the former member and the minister, and wish her all the best in any future plans that she may have. I understand that

she is stepping down to consider her political future as minister, and I certainly wish her all the best in her future endeavours.

To the Member for Swan River, the Minister of Agriculture and Deputy Premier, I welcome you to the responsibilities of Intergovernmental Affairs and Trade, at least I am assuming for now and forever or for the future at least at this point. Maybe not forever, that would not be what a member of the opposition would say, but I would like to welcome her to this position. She may have to check with the persons, of course her staff working with her, on some of these questions, but I am sure that she is very familiar with a lot of these areas anyway. Some of the questions that the Member for Emerson (Mr. Penner) was asking the other day were dealing in the whole area of trade and rural initiatives and processing and a number of those.

When I left, I was asking a few questions around the issues of staffing in some of the areas. One of the ones the minister was kind enough to indicate to me the position is being held by WestMan office, the Cabinet minister's office, and there was a PM3 position there that was vacant. I wonder if the minister can enlighten me as to just why that position became vacant.

**Hon. Rosann Wowchuk (Acting Minister of Intergovernmental Affairs and Trade):** Mr. Chairperson, from time to time, people make decisions to change their position or move to different positions. This position has only been vacant since March 2 of this year, and there just has not been the opportunity to fill that position.

**Mr. Maguire:** Can the minister indicate to me whether that person resigned to seek other employment, or if they were let go or what the circumstances were?

**Ms. Wowchuk:** The individual was in the position for a short time. I am not sure why she left the position or what other job she has gone to. I would have to take that as notice and then get back to the member as to where this individual has gone.

**Mr. Maguire:** Can the minister indicate to me who that person was?

**Ms. Wowchuk:** The position was filled by Donna Everitt, who is now working in the Premier's office.

An individual, Lydia Comty, came into the position for a short time and I am not sure where she has gone to, but the position is now vacant.

**Mr. Maguire:** Thank you, Madam Minister. So you were indicating that while Ms. Comty has left, the minister is not aware of where she went.

**Ms. Wowchuk:** That is right. I am not aware where that individual has gone. She was there on a temporary basis when one individual left. The position has been vacant since March 2, and has not been filled yet.

**Mr. Maguire:** Can the minister indicate to me what the intentions are to fill that position? How soon they would look at filling that position?

**Ms. Wowchuk:** Mr. Chairperson, that position is open right now. There are other staff at the office and no decision has been made as to how soon the position will be filled.

**Mr. Maguire:** I thank the minister for that. Can she give some indication of how many total employees there are in Intergovernmental Affairs Department, or what a full complement is?

**Ms. Wowchuk:** The full complement is 298.2.

**Mr. Maguire:** Mr. Chairperson, the minister has indicated that 298.2 employees would be a full complement. Can she give me an indication if the department is full now, or how many vacancies there are?

**Ms. Wowchuk:** There are 17.5 vacancies in the department.

**Mr. Maguire:** Yes, I was just commiserating here with the Member for River Heights (Mr. Gerrard). Can I get the minister's answer again, 77 did you say?

**Ms. Wowchuk:** 17.5.

**Mr. Maguire:** Oh, 17.5 vacancies. Okay. Can the minister indicate that is, of course, for both departments, Intergovernmental Affairs and Trade?

**Ms. Wowchuk:** Yes, Mr. Chairperson.

**Mr. Maguire:** Is there any breakdown in that between those areas or does everybody work on one?

**Ms. Wowchuk:** There is one vacancy in Trade. The balance, which would be 16.5, are in Inter-governmental.

**Mr. Maguire:** Can the minister indicate to me who the one in Trade would be, what area that would be in?

\* (15:10)

**Ms. Wowchuk:** The position that is vacant is an events co-ordinator. This person is responsible for logistics and planning of incoming and outgoing trade missions, and those kinds of events. There are two events co-ordinators in the department. One is vacant.

That position is vacant because that individual chose to make a career change and go to a different position.

**Mr. Maguire:** A career change with another position within government?

**Ms. Wowchuk:** Yes, Mr. Chairman.

**Mr. Maguire:** I just wondered where that might be.

**Ms. Wowchuk:** Highways and Transportation.

**Mr. Maguire:** I may have missed it, but was the minister able to tell me who that was?

**Ms. Wowchuk:** The individual's name was Kim Unrau.

She went from this events co-ordinator position to a position in highways and Transportation.

**Mr. Maguire:** Mr. Chairman, I will not ask for each of the positions. That is 16.5 that the minister has just indicated in IGA, but can she just give me an indication of where the bulk of those vacancies are?

*Mr. Cris Aglugub, Acting Chairperson, in the Chair*

**Ms. Wowchuk:** Mr. Chairman, 6.5 of those positions are in Winnipeg; 11 are in rural; 6 of the positions are in assessment, or in the assessment branch.

**Mr. Maguire:** Can the minister give me an indication as to how soon the few of those would be

filled, or if they are proceeding to fill them, or if some of them will be part of an attrition process?

**Ms. Wowchuk:** The department is moving to fill all of those positions. Some have been approved. Some have not been approved at this point. The department is going through the process. But, as I say, at this stage some of them have been approved and there is a competition planned. But not all of them are slated to be filled now.

**Mr. Maguire:** But the minister does expect them all to be filled at some point during this year.

**Ms. Wowchuk:** Mr. Chairman, some of those could be part of vacancy management that government has and they will be rotated and moved in as there is the opportunity. But some of them could be part of our vacancy management program.

**Mr. Maguire:** Also, if the minister would bear with me, I was asking her predecessor on Thursday a question around Human Resource Management, and one of the positions there. There was one position, a managerial position, that was still there but it seemed to be a considerable change in salary. It went from 56,300 down to 46,000. The minister indicated to me that there was a change of position. Someone left. It was refilled. In that regard, I wonder if the minister can indicate to me who left that position and who came into it.

**Ms. Wowchuk:** Mr. Chairman, the individual who retired was Zinovia Solomon and she left because of retirement. The position was vacant for almost a year. It was filled by Lindsay Robinson. When Ms. Solomon left, she was at the top of the pay scale. When the new individual was hired, she was at the bottom of the pay scale, so that is the reason for the difference in the salary.

**Mr. Maguire:** I wonder if the minister can indicate to me the Municipal Board and, as I turn to that particular area, who the members are of that board. Who is the chairman, I guess, first of all? If she could provide me with the names of the chair and the vice-chair and other committee member names—

**Ms. Wowchuk:** The chair of the Municipal Board is Mr. Peter Diamant, and the vice-chair is Ms. Lori Lavoie. There is a long list of individuals who serve on the Municipal Board, 43 members, and of course

they do not all serve at the same time. As hearings come up, they rotate into those areas.

**Mr. Maguire:** Could I just have the minister provide me with that list at some point? I do not need it today, but if she could just make that available in the next few days, I would appreciate just an update on the list.

**Ms. Wowchuk:** Yes, I could provide the member with a list of the members of the Municipal Board.

**Mr. Maguire:** I wanted to look at the change in Provincial Planning Services, page 35 of these Supplementary Estimates, where it indicates there was about \$109,000 reduction in that area. I know there was a considerable decrease in salaries of some \$100,000 in that area. Other Expenditures are down and I wonder if the minister can indicate if this is part of a change in this department. Can she just explain why the differences? Item (3) under that is Recoverable from Urban and Rural Economic Development Initiatives, quite a bit a less than recoverable before. I wonder if she could just outline to me what the changes are in that area.

**Ms. Wowchuk:** There were several programs that were in place previously that were completed. For example, there was the Capital Region review that was funded last year, but that is completed. That was not necessary this year, as well as the planning and land use policy, which is completed, and the community profiles. So those are the projects that were completed and the funding was not required for them this year, and that is why there is a reduction in the budget.

**Mr. Maguire:** So there were no staff changes in that area?

**Ms. Wowchuk:** There was one staff year that was reduced in the policy planner, and then there were some adjustments that were made as well, but it was one staff year that was reduced.

**Mr. Maguire:** The reduction of \$139,000 in Supplies and Services under Provincial Planning Services. Can the minister indicate to me if that was just a function of staffing, or if that was as a result of very few of these committees sitting?

\* (15:20)

**Ms. Wowchuk:** Yes, those are the costs for the Capital Region review and the work that was done there. That is the amount of reduction that takes place, because that review is now complete.

**Mr. Maguire:** In regard to the Rural Community Development areas and urban community development areas, there were substantial changes in regard to the budgets in those areas.

I wonder if the minister can indicate to me if the \$500,000 decrease in Estimates of Expenditures under Unconditional Grants, Rural Community Development, what decision was made around those, some half-a-million-dollar decrease in that area.

**Ms. Wowchuk:** Mr. Chairman, that reduction was made in anticipation of the reductions in VLT revenues because of the smoking by-laws and given that anticipated reduction, the areas of reduction in the unconditional grants. That is formula-driven on the amount of money that is paid out to municipalities based on the amount of money that is generated through VLT revenues.

**Mr. Maguire:** Can the minister indicate to me what analysis the department used to determine why non-smoking would cause a half-million-dollar reduction?

**Ms. Wowchuk:** It is based on the experience of the city of Winnipeg and the city of Brandon. When they introduced the no smoking by-law, there was a reduction in revenues in both those jurisdictions. It is anticipated we will see the same impact in rural Manitoba when the smoking by-law becomes law.

Those projections come from the Lotteries Corporation, who track very closely what happens in each facility and each jurisdiction.

*Mr. Chairperson in the Chair*

**Mr. Maguire:** I appreciate the minister's response because I was looking for some background as to where that may be. Of course, if Lotteries is coming forward with that information themselves, certainly they would have a better idea, I am sure. I appreciate that the department has taken that advice and looked at the change. However, I believe it was the fall of 2002 that the smoking ban came in in Brandon. Can the department indicate to me just when the smoking ban in Winnipeg and Brandon took place?

**Ms. Wowchuk:** I believe the ban came in in the latter part of 2002. So that meant the Lotteries Corporation had a year's experience to look at as to what the impact was on revenues with the smoking ban. And it was that information that was used, the information that was provided to us by Lotteries, giving an estimate of what the decline would be in rural Manitoba when the ban comes into place there. So it is based on a year's experience in the city and about a year in Brandon as well.

**Mr. Maguire:** I appreciate that. That is how I recall it. I appreciate the minister's answer in relation to virtually both Brandon and Winnipeg there, I think it is, and I agree that as a temporary movement there may be some reduction in income from that area, all things being equal in those areas.

I am assuming that though further studies might have been done or looked at in regard to VLT income and its impacts in other areas. I wonder if the minister can tell me whether or not the department looked at other jurisdictions that have had smoking bans put in place. There are a number of states in the U.S., it is my recollection, that have had, or cities in Canada that have had, non-smoking bans put in place prior to the ones in Manitoba. I wonder if the minister can indicate to me just exactly what other studies they looked at.

**Ms. Wowchuk:** Mr. Chairman, that is not the responsibility of this department. It is the responsibility of the Lotteries Corporation, and they may have looked at other jurisdictions, but I do not believe that that would be necessary. We have information right here in this province, and, clearly, there was information that the Lotteries Corporation collected from the city of Winnipeg and the city of Brandon, and that was the basis. Again, I would say to the member that he may want to raise that with the Minister responsible for Lotteries, because they may have done further studies, but my view is that there was sufficient data here in Manitoba for us to enable the corporation to make that decision. This department flows the money through. We do not have the responsibility of making the decisions on doing the surveys or preparing the studies.

**Mr. Maguire:** I appreciate that, and I am hearing what the minister is saying that, obviously, they have taken the advice of Lotteries and that this is the information that has come to Intergovernmental Affairs from Lotteries.

**Ms. Wowchuk:** And the money comes from Lotteries. We do not collect it through this department. We are really a flow-through from the Lotteries to the municipalities.

**Mr. Maguire:** So the minister is indicating that, obviously, the funding for these programs coming out of the VLT funds is dependent on what Lotteries allows her to have in that department.

**Ms. Wowchuk:** That is right. There is a formula that is used to determine, based on the amount of revenue generated, the amount of money that is paid out. Thirty-five percent of the money generated goes back to the municipalities, 10 percent is unconditional grants and 25 percent goes through the various programs.

**Mr. Maguire:** Madam Minister, I guess the only concern I have in this, or one thing that I would put forward in regard to the analysis here—maybe it was taken into consideration. I do not know whether the acting minister would know this in their department or not. But, being the minister in that area and, of course, it is a bit difficult for this minister to do that because she just took over an hour ago. I guess I am just querying as to, however, her being a member of Treasury Board, knowing full well that the government was bringing in \$75-million worth of new VLTs to put into the province of Manitoba, whether or not she expects that there would be an increase in revenue from the new machines that are going in, in regard to the replacement across the province of those machines in many of the locations in Manitoba. I am sure that they have indicated in the House that there would be a net benefit to the Lotteries Commission, and if that is the case, why would that not be translated into this minister's department?

**Ms. Wowchuk:** Mr. Chairman, the member is aware that there is a plan to refresh the VLT machines, that a plan that has been place for some time, and given the fact that there is no ability to repair some of the machines that are there because they are just outdated and there are no parts available for many of them, it was necessary to move forward. That will happen over a period of time. The decision on the budget had to be made based on the information that we have today. The information that we had when this budget was being put in place is that, with the introduction of a smoking ban, there has been a decline in revenues. We anticipate we will see that same decline in rural Manitoba. We had to base our



budget based on the facts that we had, and that is why there is a decline. Should there be an increase in the future? This is formula driven, and if there is an increase, then adjustments will be made.

\* (15:30)

**Mr. Maguire:** I am assuming, then, that the minister was of the opinion that the smoking ban legislation will become law in Manitoba shortly?

**Ms. Wowchuk:** I think we have an all-party agreement that a smoking ban should be introduced, and there is legislation in the House. I anticipate that that legislation will pass this session. We were making our decisions on this budget based on the all-party report and other comments that were made. I anticipate that there will be a ban on smoking in all of Manitoba. It is quite interesting, even without legislation, that there are many facilities that I now go into in rural Manitoba that, despite the fact that there is no ban, are imposing their own ban. So, if the member is asking me for my opinion based on the legislation, I anticipate there will be a smoking ban in rural Manitoba.

**Mr. Maguire:** Of course, I would just like to put on record, as was done in Question Period today by our House leader, that the Minister for Healthy Living (Mr. Rondeau) has put some erroneous statements in the public in regard to our side of the House being in favour of the present bill that is before. We were a part of that all-party committee and did make recommendations that have not totally been acted on by the government in various manners, and so we have some concerns with the bill particularly. I just wanted to put that on the record. But I would agree with the minister that in rural Manitoba many communities are taking it upon themselves to have no-smoking by-laws in their arenas and the community halls, and certainly in those areas, but it is not universal. Most bills never are, but I would just like to point out the differences that the minister may or may not be aware of in regard to some of the statements that have been on record.

So I guess, just to go back to finish off with the Rural Community Development program, the minister is indicating that, in the supplementaries here, they have indicated that the activity in that area has distributed funds to 196 municipalities and northern communities, based on the formula that she

has spoken of. Is she looking at any other programming or areas to make up the shortfall of that half a million dollars for the areas of Rural Community Development or are there any other areas that she can think of that would take up that shortfall?

**Ms. Wowchuk:** The member talked about his concern about the legislation and the fact that comments were made. I would encourage him to talk to his House leader, get that legislation moving along and get their comments onto the record. Then, if he has some concerns with the legislation, that would be the right place to make those public and get the debate going.

With respect to the shortfall that the member talked about, this has always been formula driven, and it goes up and down from time to time. Municipalities accept the fact that there could be an increase or a decrease in the amount of money, and they just work within that. This has never been a fixed amount of money that municipalities anticipate to be the same amount each year. They know that some years it could be a little higher and some years it could be a little lower.

**Mr. Maguire:** I guess before I leave, I am going to come back to that in a moment, but I wanted to just ask a few questions in regard to the information systems that I see on page 55 of the supplementary statements. Staffing, of course, has changed the same. I am assuming that there may be some changes there with the dollar values, but, because the staffing numbers are the same, 15.3 is the indication there, full-time equivalent staff people, I wonder if the minister can indicate to me whether there were personnel changes there that increased the staff salaries to the tune of around \$45 million in that area.

**Ms. Wowchuk:** If the member could clarify, did he indicate \$45 million?

**Mr. Maguire:** Pardon me, \$45,000. I would like to correct that. Yes, it is \$45,000 in that area, not 45 million, obviously.

**An Honourable Member:** Nice try, though.

**Mr. Maguire:** Well, it would have been, yes. Somebody would have got a huge raise in that area.

**Ms. Wowchuk:** Mr. Chairman, there have been no changes in this department. That increase in cost is

merit increase and adjustments to salaries, as well as general salary increases. That is good. I was just going to add something else in there, but it is just general salary increases and other salary adjustments. That is the only change in this portion of the Estimates.

**Mr. Maguire:** Well, I note as well that there was an allowance for a reduction in overtime, that there was, I believe in 2003-04, some \$10,000 in that area that were saved, and no allowance for it is '04-05. I am assuming that was part of it as well.

**Ms. Wowchuk:** There is no overtime provision, so that is also part of the reduction. But there was none last year either.

**Mr. Maguire:** I know that because they are fairly parallel. I know that our critic for Urban Affairs on the Intergovernmental side as well, the Member for Southdale, has some questions in regard to urban strategies and urban programming. Because it fits so well with what I was discussing in Rural Community Development, I would turn it over to the Member for Southdale for some time.

**Mr. Jack Reimer (Southdale):** Firstly, I would like to welcome the minister back. I think last year we did the same Estimates, and we are back at it again. So it is not a new thing for me, and it is certainly not a new thing for her. So what goes around comes around, but through a different direction.

\* (15:40)

As mentioned by my colleague, I would like to ask some questions in regard to the Intergovernmental Affairs on the urban end of the department. I guess what I will do, I believe we are into a sort of a global questioning of the Estimates book, but I will refer to specific pages so that the department gets a chance to take a look at what I am referring to.

I am going to start off right on page 5 in the listing of expenditures, and it is the Urban Strategic Initiatives, and I notice that it has gone down 13 percent. What I was looking at is, has there been any identification of some of the projects that might be identified for funding in this that constitute the \$19.4 million?

**Ms. Wowchuk:** A good portion of that money is the UEDI money and it is down. It was 19.4 last year, and this year it is down to 16.5, so UEDI funds a number of ongoing and one-time projects in Winnipeg and this is clearly tied to the reduction in VLT money. Approximately \$5 million is in direct payments to the City of Winnipeg; it is UEDI money, and that has not been reduced, so that is where the reduction is.

The Province also continues to provide \$1 million in long-term operating support for community economic development organizations, and funding for ongoing government programs such as Urban Green Team have been maintained at last year's level.

**Mr. Reimer:** I realize that in the overall strategy that the minister had mentioned the amount of monies, but can she give me any indication as to some of the projects that may be under this initiative?

**Ms. Wowchuk:** Some of the programs that were supported last year and continue to be supported this year under UEDI are the Urban Green Team, Jubilee Fund, SEED Winnipeg, North End Housing Project, Community Ownership Solutions Incorporated, Destination Winnipeg, The Winnipeg Convention Centre Corporation, General Council of Winnipeg Community Centres, Manitoba Arts Council, Trade and Investment strategy, Winnipeg ambulance services, and the Capital Region review.

**Mr. Reimer:** I believe those are all covered off on page 91 of the book. In the flowchart that we have before us on the same page, or actually, right across on page 4, it has the Manitoba office in Ottawa. Could the minister tell me who the person is in Ottawa that is manning this office?

**Ms. Wowchuk:** The individual's name is Jim Stewart.

**Mr. Reimer:** Has this individual been in the Manitoba office there for quite a while, or is this a relatively new appointment?

**Ms. Wowchuk:** This individual is a long-term trade employee and he has been in Ottawa for at least 10 years, if not longer, he has been at that office. There has been no change if that is what the member is looking for.

**Mr. Reimer:** Thank you very much. That is what I was wondering, whether there had been a change in that particular area.

Moving on, I do not know whether my colleague had covered this initially on page 9, but Executive Support, there are eight individuals listed as executive support in that area. I was wondering whether the minister could give me more information as to who those persons are. I believe there are eight people listed in that particular area.

**Ms. Wowchuk:** The executive support consists of the deputy minister, my executive assistant, special assistant, the ministerial secretary, the assistant to the deputy minister, the deputy minister's secretary and the administrative secretary, for a total of eight positions.

**Mr. Reimer:** The minister's special assistant, executive assistant, are they included in that list too?

**Ms. Wowchuk:** Yes, they are.

**Mr. Reimer:** Thank you. Could the minister read in the record the names of the special assistant or assistants and the executive assistant too, please?

**Ms. Wowchuk:** The people in those positions right now are Joseph Warbanski, who is a special assistant, and Audrey Paynter is the executive assistant.

**Mr. Reimer:** Further down on the page there, it has the Canada-Manitoba Agreements. Are there any agreements in force right now? I notice that there are six people involved with this particular section. Are there any Canada-Manitoba agreements that are being negotiated right now?

**Ms. Wowchuk:** The program the member refers to as the Canada-Manitoba Agreements, there was the Canada-Manitoba Infrastructure Agreement which is fully committed and money is still flowing through that program. We are in the middle of negotiating and completing the next program, which is called the Manitoba rural infrastructure program and that is soon to be announced.

\* (15:50)

There was the Economic Development Agreement, which is also fully allocated, but there is still money moving on that one. The new agreement is

the Economic Partnership Agreement that has already been signed, and there is discussion and negotiations going on on the Urban Development Agreement with the federal government and the City of Winnipeg.

There are a variety of programs that are in one stage winding down, but still work being done on them because although they are fully allocated; the funds have not all been paid out of them. There are new agreements that are being negotiated. Some are announced and some are pending announcements.

**Mr. Reimer:** In regard to the Urban Development Agreement, I noticed in the breakdown of Estimates of Expenditures that there is a total number, as was outlined by the minister in regard to the rural and economic partnership and the Urban Development Agreement. Is there a breakdown as to the amount of money that is sort of earmarked towards the Urban Development Agreement out of the amount that is shown in the Estimates book?

**Ms. Wowchuk:** For the current year it is a total of \$1 million. There is 800 included in the department and a further 200 that is included in the Canada-Manitoba Enabling Vote.

**Mr. Reimer:** So then roughly \$1.2 million, no, pardon me—

**Ms. Wowchuk:** There is \$1 million, \$800,000 that is listed in the departmental Estimates and then there is another additional \$200,000 that is in Canada-Manitoba Enabling Vote. So it is a total of \$1 million.

**Mr. Reimer:** The Urban Development portion is approximately \$1 million. The total for the Estimates book for the Canada-Manitoba Agreements is almost \$12.4 million. Would the rest of the money then be allocated to the other two programs?

**Ms. Wowchuk:** If we look at page 69 of the Estimates book, the member will see that under the Infrastructure Programs the amount is approximately \$10,797,800. Under the Economic Partnership Agreement there is \$800,000 and under the Urban Development Agreement there is \$800,000, for a total of \$12.39 million.

**Mr. Reimer:** The Infrastructure Program for approximately \$10.7 million then, are there any

programs in that Infrastructure component that are strictly urban?

**Ms. Wowchuk:** Under the whole Canada-Manitoba agreement, there are about \$98 million worth of projects that are for the city of Winnipeg. Those have been identified. The amount of money that is in this budget is the anticipated amount of cash flow for this year. There are a lot more projects in that that are for the city of Winnipeg.

**Mr. Reimer:** I am just trying to visualize in my mind the programs. If you look at the listing in the book and the Infrastructure Programs with \$10.7 million approximately, and then the Urban Development with \$800,000, if you are saying that a fair portion of that \$10.7 is Urban Development programs, I just wondered which ones they might be and which ones could be identified.

**Ms. Wowchuk:** There are a variety of projects that have been approved that are under this program, projects such as the Waterfront Drive, the Redwood Bridge renewal, the CanWest Global Park expansion, others might be the Red River Community Centre. So there are a variety of projects that have been approved to be funded under the agreement.

**Mr. Reimer:** I have some other questions on the expenditures in the book. There was a question that I was wanting to ask the minister in regard to The City of Winnipeg Act, I know it is not in the book here but The City of Winnipeg Act, whether there has been any movement on a draft, or proposals, or any type of new legislation that is proposed in regard to The City of Winnipeg Act. Have there been any changes in that?

**Ms. Wowchuk:** As the member is aware, there was a new City of Winnipeg Act brought in last year. As with any legislation, we always review it and work with the City. They will look at their legislation that is there and if there is a need for some changes, but there are no draft proposals that I could share with the member right now.

**Mr. Reimer:** In fact, I think that the minister and I had this conversation last year in regard to The City of Winnipeg Act. My understanding was that this was more or less a phased-in approach, a redrafting if you want to call it, of The City of Winnipeg Act, with a consultation process being put in place, or proposed, between the City and the Province, the end

product being a redraft of The City of Winnipeg Act. I was just wondering whether there has been any type of movement toward that, or whether there have been any overtures towards getting any type of a redraft of The City of Winnipeg Act.

\* (16:00)

**Ms. Wowchuk:** As I said, the act was just brought in. It is a very enabling act, and the City is really just getting used to the new act and working with it. We continue to work with the City on issues such as planning. As they work with the act, we will continue to have discussions with them on where improvements can be made to make their job as municipal leaders easier and to make the act work better, if those are the changes that are needed. But it is an ongoing process. We knew that when you bring in a new act there are changes that may follow after it, but this act does give the City more powers and we will continue to work with them.

**Mr. Reimer:** I was going to refer back to the book here again, and looking at page 25, it is just curious when you look at the top line, Managerial salaries. It is one of the first times I have seen where salaries have gone down almost \$10,000. I know it is \$10,000 and in the overall budget it is not a big amount, but I was just curious as to why that number would go down instead of usually the other way, especially for salaries.

**Ms. Wowchuk:** The individual, who was in that position had been there for many years, chose to retire. That individual was at the top end of the pay scale, was replaced by someone who came in at the bottom end of the pay scale, and that is the difference.

**Mr. Reimer:** Thank you very much. I guess the question was asked already, so I apologize for that.

I was going to comment, also, on the fact that the overall financial assistance for the City of Winnipeg—I am referring again to the book on page 57—where we see a decrease in the funding to the financial assistance for the City of approximately \$600,000, and I was just wondering if the minister could comment as to some of the reasoning behind that.

**Ms. Wowchuk:** This is revenue from VLTs. There has been a decline in the revenues from VLTs. There

is a formula by which funds are paid out to the City, and this is the decline that has resulted.

**Mr. Reimer:** Just moving on, actually, into the next page there, still with the operating assistance to the City of Winnipeg. I noticed that the unconditional grant also has gone down. I just wanted to ask a question on the adjustment to reflect programs that are transferred from the City of Winnipeg to the Province. That number seemed static. Is there some reason why that number should be static? Would it not be going down in a sense because of the—I believe this transfer happened a few years ago and the amount of money is staying static. Would there not be a certain attrition factor in regard to the transferring of programs and coverage from the City to the Province for efficiency's sake, and the savings could be incurred by the Province?

**Ms. Wowchuk:** This is the transfer of social services that were transferred to the City. The previous administration negotiated an agreement, and they agreed upon a fixed amount. That is the fixed amount that went into the agreement between the City and the Province and now, as costs increase, then the Province has to pick up those costs because it was not formula driven as VLTs is formula driven. This was a fixed cost that was negotiated when the services were transferred to the Province, so now the additional costs are absorbed by the Province because it was not worked into the agreement.

**Mr. Reimer:** I will have to go back on my memory of that, because I think I was minister at that time when that was happening.

**An Honourable Member:** And is that what you negotiated?

**Mr. Reimer:** Well, I have to think back on that one. I noticed the deputy is nodding at that, so I will have to check my thinking on that.

On the next page, there, in regard to the line of the provincial expenditure for \$5 million for road repair, and a further 1.2 priority capitals projects, the priorities that are set, are they set by the Province in regard to which streets get the paving?

**Ms. Wowchuk:** Of course, if you are putting money into a project, you would like to have some say into which capital projects have moved forward, but

those are negotiated between the City and the Province.

**Mr. Reimer:** I notice that there are two different lines. There is one for the \$5 million and then the 1.2 for priority capital projects. Could the minister give me an example of possibly where those capital projects' \$1.2 million may be allocated toward? The \$5 million for streets, I know, is for streets, but I am questioning actually the \$1.2 million.

**Ms. Wowchuk:** The \$1.2 million that the member refers to is not allocated. It is money that is there. When certain issues may arise where money is needed and that is agreed to by the City and the Province, and they work at it together, but, at this specific time, that money is not allocated. It will be used through the year as needed on projects that are jointly agreed upon.

**Mr. Reimer:** Am I right in stating that the priority, then, is a priority that is put forth by the Province or a priority that is put forth by the City?

**Ms. Wowchuk:** Generally, it is an emerging issue that the City may see arising so, usually, it is the City that would come forward with these issues and have discussion with the Province on what should move forward, but issues can arise during a year that have to be addressed, and, as I say, they are generally brought forward by the City.

**Mr. Reimer:** Further into the book, actually on the next page, 61, the Unconditional Grants, I guess that is more or less the Rural Community Development. Am I right in assuming that is not an urban strategy? It is not an urban initiative for Urban Development, that \$6.9 million?

**Ms. Wowchuk:** Those are the unconditional grants that go to the rural municipalities, and that is the percentage of money that is derived from VLT revenues. That is why there is a decline in that line.

\* (16:10)

**Mr. Reimer:** I wonder whether the minister could give us an update on the new Canada-Manitoba Infrastructure Program that is under negotiation right now—I believe it is for around \$75 million with three levels of government—and as to whether there has

been any type of formalization on that program and when we may see anything happening on that.

It is similar to the old Winnipeg Development Agreement.

**Ms. Wowchuk:** I believe the member is referring to what was formerly the Winnipeg Development Agreement that is now the Urban Development Agreement. A memorandum of understanding was signed in January. That is a tripartite agreement, and it is a commitment of \$75 million over five years. Each jurisdiction will contribute \$25 million, and each jurisdiction will work together to identify Urban Development priorities.

**Mr. Reimer:** Has there been any type of classification as to which programs or which areas that the Province would be more inclined to be directing their \$25 million toward?

**Ms. Wowchuk:** The Province is interested in all aspects of the agreement. The MOU focusses on four major areas, and those are opportunities for Aboriginal participation, sustainable community economic development, downtown renewal, and technology and innovation.

**Mr. Reimer:** Would that be the Province's four priorities or the total programs for priorities?

**Ms. Wowchuk:** Those are the priorities that all three partners agreed on.

**Mr. Reimer:** Under those four components, is the Province also subdividing those into the priorities that they want to initiate, or where they would put emphasis on in regard to their portion of funding?

**Ms. Wowchuk:** As I said, Mr. Chairman, the three partners agreed on the four major areas. It is our intent that, as we move forward, we will negotiate on what the priorities will be. In other agreements I believe you have seen where one partner may go off in a different direction. It is our intent to work jointly and have all partners agree to the priorities that we should work on.

**Mr. Reimer:** The minister mentioned that there had been an understanding of agreement signed. Has there been any indication as to when the final document might be signed, or when the agreement

will come into effect, or when it will be finalized, the announcement?

**Ms. Wowchuk:** Staff at the three levels of government has worked very hard and they have come to an MOU and they are working to get an agreement finalized. I hope that that can happen in the near future.

**Mr. Reimer:** I want to point out that, I guess, the agreement was first signed, as is indicated here, on December 1 of 2003, and the indication is that it should be soon, the final.

**Ms. Wowchuk:** When the MOU was signed, the City of Winnipeg still had to go through their budget process and that all takes time. As those details get finalized, I hope that we can move forward with signing this agreement very soon.

**Mr. Reimer:** I noticed in the explanatory note in regard to the Urban Development Agreement that there is a reference to the barriers faced by the Aboriginal community. It would seem that that seems to be the theme throughout the whole agreement. Is this part of the background in regard to looking at the program in regard to the \$75 million? I will just read the one line, "Each component program can respond to the barriers faced by Winnipeg's Aboriginal community." What I am asking is do all components have to have an Aboriginal perspective in regard to the programs that might come down through the various government levels.

**Ms. Wowchuk:** No, Mr. Chairman, but, clearly, it is a priority. We know that there is a large Aboriginal population in Winnipeg. We know that there are many, many challenges, but I would read to the member the approach on this agreement.

\* (16:20)

It is: "Canada, Manitoba and Winnipeg recognize that renewing the urban social, economic and physical infrastructure requires the collective efforts of all three partners, as well as community organizations and the private sector, where appropriate.

"Canada, Manitoba and Winnipeg agree that a new Urban Development Agreement should build on existing policy and programs and reflect the following basic principles: equal partnership and

equal funding contributions, joint planning and program development, accountability to the citizens for public money and transparencies in expenditures, enhancing collaboration and co-operation and an adequate term to facilitate planning and program implementations."

Further down, it says: "The challenges facing Aboriginal people in Winnipeg and the tremendous opportunities to promote and enhance Aboriginal participation in the economy within the tripart initiative."

So we all recognize, all three partners recognize that there are tremendous opportunities available to us by working with our Aboriginal communities and addressing many of their challenges. To the member's question, no, it is not essential.

**Mr. Reimer:** I only mention that, and the minister has clarified it fairly clearly in the objectives of the program and the recognition of the components in Winnipeg and that. It was just that it seemed to show in the books that it may have been a component that had to be included in the evaluation of programs. So that is the only reason for the questioning.

I was wanting to ask about the Neighbourhoods Alive! program and some of the programs that may have come about through that. Maybe the minister could just give me some background as to some of the programs that have been funded through that Neighbourhoods Alive! initiative, please.

**Ms. Wowchuk:** Neighbourhoods Alive! was announced in June of 2000, and certainly since that time there have been a variety of neighbourhoods that have been targeted. We have targeted Brandon city central, Thompson, five Winnipeg neighbourhoods, including West Broadway, Spence, William Whyte, Lord Selkirk and Point Douglas.

I have to say that last summer I had the opportunity to visit some of the sites where work was being done through Neighbourhoods Alive! and meet with some of the groups that were involved in it and certainly I was quite impressed with the activity and the changes that I had seen in communities.

The components that make up Neighbourhoods Alive! are the Neighbourhoods Renewal Fund, there is also a Neighbourhood Development Assistance program and Community Initiatives.

The goal is to improve the quality of neighbourhoods and really help address some of the community-based social and economic challenges that are in those communities.

**Mr. Reimer:** The minister—

**Ms. Wowchuk:** If I could, there is also a Training Initiatives to it, as of March 31 there were 296 Neighbourhoods Alive! projects that had been approved to date under the department for a total of \$12.5 million.

They include 238 Neighbourhood Renewal Fund projects totalling \$6.2 million, 16 Training Initiative projects totalling \$2.5 million, 36 Community Initiatives projects for a total of 2.3 million and a variety of programs under the Neighbourhoods Alive! project that have been, I believe, quite important and beneficial to the communities that they have been established in.

**Mr. Reimer:** Yes, and I am certainly not critical of the program, because I believe it was a continuation of something that the previous, previous government had but under a different name. At that time I think it was called Take Back the Night. I think that is what it was called. It may have eluded some of the members. I know the minister is getting briefed on the wonderful program that we had.

I will just say that the numbers that the member was mentioning in regard to the projects, I believe those numbers were also the leverage of the total amount of money that was spent on those various programs. I do not believe the minister was referring to that. It was the total amount of money that this government has spent on those programs. If I am correct that that was the leverage, the monies that were put in by the government leveraged that kind of private investment on those projects. Is that correct?

**Ms. Wowchuk:** No, that is not accurate. The money that I put onto the record is the amount of money that flows through the life of the program, but that is all provincial money. That is not money that is leveraged.

With regard to the program that the member talked about, I think he called it Take Back the Night. I think his government might have announced that program, but they never really implemented it.

**Mr. Reimer:** Well, we will not get into a political debate on this. The amount that the member mentioned, then, has been the total amount that has been spent since the inception of the program. Is that right?

**Ms. Wowchuk:** That is the amount that has been spent on those particular programs since the inception of the program. That is all provincial money.

**Mr. Reimer:** Then, I guess, I will carry on on that. Is there any analysis of the kick-start, if you want to call it, of private investment, because I know some of those were joint ventures of expenditures with the private sector for the development of especially some of the homes in some of the areas? So there was not only the provincial money involved, but there was also private capital involved in some of those projects. Was there any type of analysis done as to what that generated in private investment?

**Ms. Wowchuk:** We do not have those figures here, Mr. Chairman, but I can tell you from experience that I have had that any time you put a little bit of seed money into a community to do these kinds of things there is a tremendous multiplier factor. As I said, we do not have the exact numbers here, but many times it is in the range of five times that you see additional investment. I know that when you start to do a project and then you end up spending a little bit more money than you intended and then one part of the house looks good so you are going to do a little bit more. It has been a tremendous multiplier factor in those communities.

**Mr. Reimer:** I agree with the member that a lot of times it just takes the initiative to get something going in a certain area of the city, and it will take off for itself. Those are some of the things that have to be recognized.

I was going to ask a couple of questions. It has been alluded to a little bit by the minister in regard to the Urban Development initiatives. I am referring in particular to page 91 and the programs that are identified there. I know that there is a decrease of around \$3 million in that particular area. The minister has referred to the lack of funding through the VLTs and through lotteries and that. Is there any particular program in that list, or were they all hit a little bit for decreases to come down to the less than \$3 million? Did any of those get less than the

normal, or was the pain spread out between all 12 of those projects or funders?

\* (16:30)

**Ms. Wowchuk:** The programs that are listed are ongoing programs, but there are always projects that have one-time funding that are not anticipated to continue. Those would be the projects that have been reduced because of the reduction in VLT revenues.

**Mr. Reimer:** Would the minister be able to identify the program or the programs on this list that maybe did just get the one-time funding?

**Ms. Wowchuk:** This is not as an exhaustive list. This is just an example of some of the programs that are funded. A program that could be an example of what is one-time and not on the list this year is the cladding of the Convention Centre. That was funded. That project is—*[interjection]*

I will repeat my answer. This is not an exhaustive list. This is just an example of some of the programs that are funded. But an example of a program that was funded before and not necessary this year is the cladding of the Convention Centre. That is a one-time program. It is done now so that is not included.

**Mr. Reimer:** I have never heard of the Jubilee Fund. Maybe I could just get a clarification of what that fund was. I know all the other ones and I have heard them. I know what they do, but I have never heard of the Jubilee Fund.

**Ms. Wowchuk:** Mr. Chairperson, the Jubilee Fund is an investment fund that is backed by a number of Winnipeg organizations. It was established in 2000, and is an independent, nonprofit organization governed by a Winnipeg coalition of faith organizations and is designed to provide flexible financing in the form of loans or equity to commercial, social and housing projects that contribute to community development. The fund is backed by organizations such as the Winnipeg Foundation.

**Mr. Reimer:** Thank you, I had never heard of that fund, so this is the reasoning behind it that I was wondering what it was.

Does the minister have the number, or the amount of money that would be allocated to the



Winnipeg ambulance service on a comparative basis say to what was allocated this year compared to last year, just for that particular area?

**Ms. Wowchuk:** The funding for Winnipeg ambulance service is up from \$5.2 million last year to \$7.4 million this year; \$2 million of that comes out of the UEDI funding. The money flows through the regional health authority to the City.

**Mr. Reimer:** I know that the Province has supplied some new ambulances, also, I believe. Is it for both ends of it, operating and capital, or just for operating?

**Ms. Wowchuk:** It is for operating and capital.

**Mr. Reimer:** Thank you very much. I will just turn it over to my colleague here for a few minutes. He had a few other questions that he was wanting to ask.

**Mr. Maguire:** I was just looking up a question here for the critic. I just have a question for the minister in regard to some of the staffing again in regard to Trade and Federal-Provincial and International Relations. I see a decrease of three positions in that area, and I am just wondering if the minister can indicate what those were or where those were.

While the minister is looking, it is the total number of reductions from 36 to 33, from 15 to 12 in Federal-Provincial and International Relations that is the whole of the cuts in that particular area.

**Ms. Wowchuk:** If the member could repeat the question.

**Mr. Maguire:** Under the section 13.7 on page 10 of the Supplementary, Trade and Federal-Provincial and International Relations, section a) under that area is Federal-Provincial and International Relations, and there is an indication of 12 full-time equivalents in that area. The previous year had 15. I am wondering if the minister can just indicate to me where those positions were located as far as being reduced and why they were reduced.

**Ms. Wowchuk:** As the member is aware, we did some reorganization of our trade divisions and brought together trade from various departments. When we brought those divisions, it created some opportunities to be more efficient. As a result of that, there was one ADM responsible for trade that was

not required in the reorganization, and there were two vacancies in agriculture trade that came to this new division, but they were also part of the reductions and vacancy management that our government took an initiative of in this budget.

\* (16:40)

**Mr. Maguire:** I am just going to confer with my member from Southdale for a moment.

In regard to the administration on page 17 and Administration and Finance of Intergovernmental Affairs and Trade, the budget reduction of \$109,000 roughly, can the minister indicate to us, it would appear that a good chunk of that is in the Municipal Board expenses that I asked about earlier. Can she give me any indication of whether there is a correlation between the Executive Support cut of about \$50,000 in that area, and the Municipal Board cut of \$50,000? Virtually, that is the total of the whole unit.

**Ms. Wowchuk:** Mr. Chairman, if you look at the bottom of page 29, there were some reductions in this line. One of them was a term position. That term position expired and was not filled again.

**Mr. Maguire:** Yes, it seemed like quite a bit for a part-time position, but—

**An Honourable Member:** Not part-time, term.

**Mr. Maguire:** Term, okay.

The Capital Region projects, there have been Rural Economic Development initiatives. I know there have been changes there as well. Can the minister indicate to me just what is expected there under the recovery of expenditures? I know that there is quite a reduction. She has said that it is related to the Capital Region initiative from the Urban and Rural Economic Development Initiative's reduction of some \$200,000 in that whole area.

Can she just give me some indication as to—I assume that is because the Capital Region project may be over, but there are other initiatives.

**Ms. Wowchuk:** Mr. Chairman, I believe the money that the member is referring to is the money that was put in place for the Capital Region Planning Committee. The Capital Region Planning Committee

has completed its work and those funds are no longer needed. As well, there were also some additional projects that were on that funds are not necessarily for right now. The member is shaking his head. Is he referring to the numbers on page 35?

**Mr. Maguire:** No, Madam Minister, it is page 38 that I was looking at. I guess it is under the Recoverable from Urban and Rural Economic Development Initiatives. The funds recoverable, can the minister tell me who they charged to collect these or what the process is in that area?

**Ms. Wowchuk:** The 171 the member referred to is the cost of ongoing work around the whole Capital Region projects, and that 171 is recovered equally from UEDI and from REDI.

**Mr. Maguire:** Can the minister just give me some indication of what work would have been done for those funds?

**Ms. Wowchuk:** Mr. Chairman, the study was done. A Capital Region's municipal steering committee has been created, so these funds will be used for one staff year and the operating costs and the costs that occur from the work that the steering committee will do.

**Mr. Maguire:** Can the minister correct me if I am wrong, that the work that the steering committee will do is as a result of the Capital Region report and some of the work that will be coming out of it?

\*(16:50)

**Ms. Wowchuk:** Mr. Chairman, in part that is right. The committee will look at the recommendations that the committee made, and look at how they can be implemented and how they can move forward with them. So that is the role of the committee.

**Mr. Maguire:** Can the minister indicate to me just when that committee will report?

**Ms. Wowchuk:** This is not a committee that will report. There is a report that has come and now this is representatives of the different governments, whether they be municipal or provincial. It is a steering committee that will work toward addressing economic, social and environmental issues on a region-wide basis, including better co-operation on marketing of the area as a region, as well.

They will also explore better ways of communication and sharing information and, as a province, we will work through the committee to develop goals and principles to guide the regional planning process. So it is not one that we anticipate a report on. It is a working group looking at how to implement the recommendations and work together to better serve the area, deal with things like land-use policies, better planning for the area. That is the goal of the committee, basically working in strong partnership with other levels of government.

**Mr. Maguire:** As the minister said, working on the results of the Capital Region report recommendations.

**Ms. Wowchuk:** Yes, Mr. Chairman, there were recommendations there. Now these different levels of government will work together on them.

**Mr. Maguire:** So can the minister indicate who is chairing that committee?

**Ms. Wowchuk:** Mr. Chairman, there is a steering committee and it will be co-chaired by the St. Andrews Reeve, Don Forfar, and by the MLA for St. Norbert (Ms. Brick).

**Mr. Maguire:** Thank you, Madam Minister. This is still in regard to the Assessment Services. On page 46 it indicates that, under Assessment Services, the activity identification under Assessment Services shows that revised assessment rolls for 198 municipal corporations, 61 communities under The Northern Affairs Act by December 31.

I wonder if the minister can elaborate just on that statement. I assume that we are looking at 198 rural municipal areas. Are we looking at just part of the communities under The Northern Affairs Act and why is it necessary to report by December 31, or is this an annual reporting that they do?

**Ms. Wowchuk:** Mr. Chairman, this is the annual report that happens each year that budgets can be set. So it is an annual report that is ongoing.

**Mr. Maguire:** The 61 communities, would be those affected under The Northern Affairs Act, that is presently under that act?

**Ms. Wowchuk:** Mr. Chairman, those would be the 61 communities that are assessed and taxed. Not all

Northern Affairs communities are taxed or assessed, so these would be the ones that fall into that category. This report has to be done by year-end.

**Mr. Maguire:** They are outside of the 198 municipal corporations?

**Ms. Wowchuk:** Yes, there are 198 municipal corporations and 61 communities under the Northern Affairs that have to report annually.

**Mr. Maguire:** Can the minister give me any indication as to whether the department has made any progress in regard to looking at combining the assessment branches of the rural northern areas with that of the City of Winnipeg?

**Ms. Wowchuk:** There have been more general discussions on how improvements can be made to the assessment system, and some discussion but there is not movement toward moving toward a single assessment authority.

**Mr. Maguire:** I thank the minister for that. I know in light of the time factor, I would like to allow the Member for River Heights a few moments to ask some questions of the minister.

**Hon. Jon Gerrard (River Heights):** Thank you. My first question is to the minister. Can the minister provide her vision for the Neighbourhoods Alive! program and its future?

**Ms. Wowchuk:** I am sorry, I did not quite hear the question. Are you asking for revisions to the Neighbourhoods Alive! I am sorry I could not hear.

**Mr. Gerrard:** What I am asking is what is the minister's vision for the Neighbourhoods Alive! program and its future. Not a revision, just a vision, unless the minister is having second thoughts.

**Ms. Wowchuk:** Neighbourhoods Alive!, which has been in place for coming on to four years this June, has been, I believe, a very successful program in revitalizing communities and building the spirit of communities. We talked earlier about how having a Neighbourhoods Alive! project then results in neighbours or someone else down the street making an investment and improvements. Of course, neighbourhood revitalization is not only limited to Neighbourhoods Alive!. That is why we have put in place Building Communities, a joint initiative with

the City of Winnipeg, to support capital improvements in other older communities. As well, we have put in place an additional program in rural Manitoba which is called Hometown Manitoba, which is under the Department of Agriculture, Food, and Rural Initiatives and is available to non-Neighbourhoods Alive! communities. So we see this as a very important project and one that we can continue to build on, not only with Neighbourhoods Alive!, but also with other programs that our government has put in place.

\* (17:00)

**Mr. Gerrard:** Can the minister tell us whether there have been some outcome assessments of the Neighbourhoods Alive program to determine whether or not it is making a difference?

**Ms. Wowchuk:** Yes, there is an ongoing assessment of the program and the impacts of the programs are looked at. Any assessment that is done involves the community, and certainly I talked about the changes that you might see on a street where, if there is a recreational area put in where you have an impact on the lives of the people in that area, where you have an upgrading of a housing unit, and you might see spillover into other homes, so there is an ongoing assessment of the program and that assessment involves the community, as well.

**Mr. Gerrard:** I would ask the minister whether she is prepared to table the assessment so that it can be shared.

**Ms. Wowchuk:** Mr. Chairman, there is work being done, but it is in the preliminary stages. Of course, reports are being done. There are various channels that it has to go through, but when the report is complete and it has been vetted through the various places that it has to go, that will be available, but, at this point, there is no public document that is available.

**Mr. Gerrard:** I find it disturbing that after four years, there has not been an assessment that can be publicly reported upon. It would seem to me that it is pretty important, in establishing and setting up a program, to have a clear independent assessment and outcome measures of how the program is working and looking at its results. I am actually quite disappointed that the minister cannot provide us that

report, given the length of time that this program has been running.

**Ms. Wowchuk:** Well, I am disappointed that the member is disappointed in the program, because I think when you look at the program and go down some of the streets and see what the impact is, you can see positives. This is a long-term program, and four years is not a long time when you are starting up a program and addressing some very serious issues and many, many years of neglect in some of the areas where, I am sure, the member is familiar with, some of the areas that I am referring to.

As I said, there is an ongoing assessment. There is ongoing work and re-evaluation that happens with the community, and there is, as I said, ongoing work, but there have been some reviews done on it, but that is not available. When we complete that it will be public, but I make no apologies for this program, in that we see it as a long-term vision and one that you will not see change in over night. We will continue to work with these communities and put in place other programs that will then complement the programs that are there and look for results. But, as I say, if the member is looking for a written report, there is not a written report. I would encourage him to go down some of the streets and talk to some of the people, because I think that is where the real evaluation of a program comes from. It is the people that are involved in it, and just get some feedback from the people. I know I certainly have had positive feedback from them.

**Mr. Gerrard:** I want to clarify I am not expressing necessarily disappointment in the program, but I do feel that it is imperative that when a government brings in a new program like Neighbourhoods Alive! you do have an independent assessment and report, and I would say that after four years that is plenty long enough to be able to provide that. It may be that there will be a series of reports over time, but certainly it is very important that there is a careful assessment and that it be independent, that it not be just anecdotal, that it really have some substantive outcome measures.

Let me move on to a second issue, that is where, on page 11 of the Supplementary Information for Legislative Review, there is a chart there which shows that 53 percent of the full-time equivalents people working in the department are employed in the Provincial-Municipal Support Services. What I

would ask the minister is what proportion of those individuals are working in efforts which relate to the city of Winnipeg versus efforts which relate to activities in the rest of the province.

**Ms. Wowchuk:** The majority of those people that are in that 53 percent work in assessment. Those are rural assessments because we do not do the city of Winnipeg assessments. These would be people that are doing assessment in rural Manitoba.

**Mr. Gerrard:** In the 18 percent of staff full-time equivalents who work in the area of Community and Land Use Planning, to what extent is that in the city of Winnipeg versus outside of the city of Winnipeg?

**Ms. Wowchuk:** The City of Winnipeg has its own capital planning, and the work that we are talking about here is the community-based services that are provided for rural Manitoba. So these jobs would be distributed throughout the province. There are 48 in the Community Planning Service branch; 6 of those would be located in Winnipeg. The balance is distributed throughout rural Manitoba. But, again, the City has its own capital planning branch.

**Mr. Gerrard:** On that same graph, there is 4 percent which relates to Urban Strategic Initiatives. Of those efforts, what relates to efforts in Winnipeg versus other urban areas in Manitoba?

\* (17:10)

**Ms. Wowchuk:** All those jobs are located in Winnipeg. They provide supports for initiatives in Winnipeg, but they also provide supports for Brandon and Thompson, which are also involved in the Neighbourhoods Alive! initiative.

**Mr. Gerrard:** What about other cities in Manitoba?

**Ms. Wowchuk:** It would be the Community Planning Service branch that provides services to all of the other cities and communities in Manitoba. I refer specifically to Brandon and Thompson along with Winnipeg, because those are the areas that also have a Neighbourhoods Alive! initiative.

**Mr. Gerrard:** I want to thank the minister, and I will pass it back to the Member for Southdale.

**Mr. Reimer:** Yes, just one quick question on the org chart, maybe the minister can explain the Leaf

Rapids Town Properties. Is that the old Leaf Rapids Development Corporation for land holding?

**Ms. Wowchuk:** It is a corporation that was set up to manage the properties of Leaf Rapids. It is a five-person board comprised of civil servants that is addressing the Leaf Rapids issues.

**Mr. Reimer:** Does this have any connection at all to the Leaf Rapids Development Corporation that was set up years ago for the purchase of land throughout Manitoba, or is this strictly for the town of Leaf Rapids?

**Ms. Wowchuk:** It is not the development corporation. It is the town centre, and this was formed to look after the properties there.

**Mr. Reimer:** I was clear until the minister mentioned "for the development of properties" because the Leaf Rapids Development Corporation was set up as a development corporation that purchased properties throughout all of Manitoba. They had properties not only here in Winnipeg, but they had properties in other areas throughout Manitoba. I was just wondering whether is that same corporation.

**Ms. Wowchuk:** No, Mr. Chairman.

**Mr. Reimer:** I will take that to mean that this particular box here is just strictly for the town of Leaf Rapids that we are referring to, then?

**Mr. Maguire:** I know that the minister has now assumed some responsibilities around The Planning Act and a number of other areas and that she has about three bills before me that I have been dealing with, Bill 40, The Planning Act in regard to livestock initiatives, 49 of course and 50. But I wondered if I could just ask the minister in regard to a few questions around Bill 40. One was just some of the reasons for exempt land; it is the development plan. I am just going to read from the bill: "A development plan is not required for land located in unorganized territory or a provincial park or in northern Manitoba," as that term is defined in The Northern Affairs Act. Unorganized territory, I wonder if the minister could just outline for us what that is, first of all.

**Mr. Chairperson:** I will just interrupt here. I would like to remind all honourable members of our

Rule 41 which states that no member shall revive a debate already concluded during the session or anticipate the matter appointed for consideration of which notice has been given. *Beauchesne's* Citation 512 reinforced this position as do several Supply Chairpersons' rulings from 1996.

Bill 40 is currently before the House, and I would suggest that it might be more appropriate for the member to comment on the bill at second reading or during the committee stage. I recognize that there is a connection between this bill and the Estimates under consideration, but would ask all members to focus their comments on the matter currently before the committee.

**Ms. Wowchuk:** Thank you, Mr. Chairman, and thank you for that ruling.

I would just like to say to the member that if there are specific issues with regard to the bill that he would like clarification on, he should call my office and we could provide those verifications.

**Mr. Maguire:** Thank you, Mr. Chairman, and I appreciate your ruling.

The Community Planning Services on page 40 of the supplementary document that we are looking at, and I had just looked at some questions around management and staff on that area, there do not seem to be any changes in the community planning process, but can the minister give me some indication, then, as to how many planning districts we do have in the province of Manitoba at this time?

**Ms. Wowchuk:** There are 44 planning districts in the province.

**Mr. Maguire:** Can the minister give me some indication of how many municipalities are not presently involved in planning districts?

**Ms. Wowchuk:** There are some municipalities that are in planning districts. Some are currently in the process of doing their plans. Others are actively doing some planning, but presently there are only three municipalities that are not involved or considering planning. Those are Alonsa, Whitewater and Waskada. Alonsa and Whitewater are R.M.s, and Waskada, as the member would know, is a village. But all the other municipalities are at some stage in discussions or already in planning districts.

**Mr. Maguire:** Yes, the minister indicated to me earlier that there were 17.5 vacancies in the department: 1 in Trade; 16.5 in IGA; 11 of those in rural areas. I wonder if she could indicate to me which rural offices those 11 vacancies are in.

**Ms. Wowchuk:** Mr. Chairperson, there are three vacancies in Morden; two in Steinbach; four in Brandon; one in Selkirk; and one in The Pas.

**Mr. Maguire:** Can the minister just give me the number in Steinbach again?

**Ms. Wowchuk:** Two. That is for a total of 11.

**Mr. Maguire:** There was one in The Pas and one where?

**Ms. Wowchuk:** Selkirk.

**Mr. Maguire:** One in Selkirk. Thank you. I know there are a number of other issues, but I understand as well that I will probably be attending the same meeting as the minister tomorrow in that area. Notwithstanding the fact that there are a number of issues around Intergovernmental Affairs, both urban and rural, that my colleague from Southdale has concerns on and other members of caucus, I would wish to proceed with the line by line on Intergovernmental Affairs and Trade. Notwithstanding the fact that the minister has had some three hours to deal with this in her new forum, I hate to close them off that early and give her time to get her feet wet again in this area, Mr. Chairperson, but we will proceed line by line.

\* (17:20)

**Mr. Chairperson:** Resolution 13.2.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,028,000 for Intergovernmental Affairs and Trade, Community and Land Use Planning Services, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,763,000 for Intergovernmental Affairs and Trade, Provincial-Municipal Support Services, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$58,208,400 for Intergovernmental Affairs and Trade, Financial Assistance to Municipalities, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,397,800 for Intergovernmental Affairs and Trade, Canada-Manitoba Agreements, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$19,402,500 for Intergovernmental Affairs and Trade, Urban Strategic Initiatives, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,003,500 for Intergovernmental Affairs and Trade, Trade and Federal-Provincial and International Relations, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 13.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$200,700 for Intergovernmental Affairs and Trade—

**Mr. Maguire:** Just before we end the Estimates process, Mr. Chair, I know there is another one, but I just wanted to take a moment to congratulate the staff of the Department of Intergovernmental Affairs and Trade for all of the hard work that they do.

I know they have briefed me on the bills, or the one bill, the planning bill, that is a very important bill for Manitoba, and I look forward to the briefing next week on Intergovernmental Affairs. I apologize for not being able to be at the one today as well.

I look forward to being able to do Bill 49 and 50 with their staff, but I want to congratulate them and

ask them to pass that on to the rest of the staff in her department because of the hard work that they do on a regular basis. Sometimes it goes unnoticed, but we want to acknowledge it and put it on the record that we appreciate their work. Thank you, Mr. Chair.

**Mr. Chairperson:** I will read Resolution 13.8 into the record:

Resolution 13.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$200,700 for Intergovernmental Affairs and Trade, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

The last item to be considered for the Estimates of this department is item 13.1.(a) Minister's Salary, contained in Resolution 13.1. At this point, we request that the minister's staff leave the table for the consideration of this last item.

Honourable Minister, the floor is yours.

**Ms. Wowchuk:** Mr. Chair, I know we just have a couple of minutes but I would just like to respond to a question that was taken as notice when the Member for Emerson (Mr. Penner) asked what the objective was of the agreement that I signed in Mexico. I want to indicate to the committee that I did not sign a bean agreement in Mexico.

What we did was have discussions with the bean producer alliance during the 2004 Tri-National Accord meeting in Mexico. We talked about beans as a test crop and how we could get together a technical working group.

I want to also indicate I met with Manitoba pulse growers and Canadian pulse growers and we met with the representatives of the Mexican government and set out some objectives of how our producers and the Mexican producers could work more closely together.

We anticipate that there will be a bean summit in Mexico where our producers will be going to Mexico and that Mexican producers will be coming to Manitoba for a bean tour and wanting to work more closely together. Thank you.

**Mr. Chairperson:** I will read Resolution 13.1 into the record:

Resolution 13.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,623,600 for Intergovernmental Affairs and Trade, Administration and Finance, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

This completes the Estimates for this department.

The hour being 5:30 p.m., committee rise.

**FAMILY SERVICES AND HOUSING**

\* (15:00)

**Madam Chairperson (Bonnie Korzeniowski):** This afternoon this section of the Committee of Supply meeting in Room 255 will be continuing with consideration of the Estimates of the Department of Family Services and Housing.

It was previously agreed to by this committee to consider this department globally. The floor is now open for questions.

**Mrs. Leanne Rowat (Minnedosa):** Madam Chair, we had left on a question and you were preparing a response. So I would be willing to wait for that response.

**Hon. Christine Melnick (Minister of Family Services and Housing):** Madam Chair, could you please repeat the question, if you do not mind.

The total accruals for the Child Welfare Initiative are 9,126,700.

**Mrs. Rowat:** Madam Chair, my next question would be to ask for a tabling of the list of board of directors for the four agencies under the Child and Family Authorities.

**Ms. Melnick:** Yes. We would be happy to table that list.

**Mrs. Rowat:** Madam Chair, based on the government department's Web site, the devolution process or phase 4 would be near the end or substantially

implemented by the end of March of 2004 and phase 5 is to be seeing a stabilization of changes implemented. Can the minister confirm where the devolution process is at and if it is on schedule?

**Ms. Melnick:** The adjusted time line phase 4 now identifies caseload and resource transfers as occurring as follows: we rolled out Interlake in January 2004; Eastman in February 2004; Central in April 2004; North, which was formerly Norman, in May. So we are currently rolling it out now.

**Mrs. Rowat:** So the government is monitoring the process of the devolution. Have there been any challenges or any issues that have been identified or any delays in the implementation?

**Ms. Melnick:** No, we have been working actually very well with our four partners. We will continue the rollout with them.

**Mrs. Rowat:** The detailed implementation plan suggests that new arrangements for foster care would be in place by the end of spring 2004. What are these arrangements, if she could share that please?

**Ms. Melnick:** The changes with foster parents are that the foster parents determine, depending on what authority the child chooses, will be registered with that authority. So it is based on the authority under which the child or children are registered. As we are rolling out, those determinations are being made.

**Mrs. Rowat:** Have there been any appeals on the removal of a foster child from one family to the next?

**Ms. Melnick:** I believe at this time there is one currently being appealed.

**Mrs. Rowat:** For what reason has this appeal been placed?

**Ms. Melnick:** We believe the appeal is based on the removal of a foster child.

**Mrs. Rowat:** What region would this be, or authority?

**Ms. Melnick:** We believe it is in the West Region Child and Family Services area, the southern authority.

**Mrs. Rowat:** What stage is this appeal at with the family?

**Ms. Melnick:** We believe it is at the agency level.

**Mrs. Rowat:** So that I am clear in how this case came to be, the individual or the child has indicated they wanted to be removed from the family, or is this a decision made by the family or by the agency? Who has made the decision on the appeal?

**Ms. Melnick:** The agency would make the decision to remove the child. The foster parents can then appeal under the legislation.

**Mrs. Rowat:** You are indicating this is the southern region. Which authority would this, would it be in the southern region, so this is not an Aboriginal?

**Ms. Melnick:** There are now four authorities: northern First Nations; southern First Nations; Métis, which includes Inuit; and then general. So they are not geographically limited. Geography is throughout the entire province, but the authorities are designated in the sense of northern, southern, Métis. So it is the southern authority that we are talking about, yes.

**Mrs. Rowat:** So that I am clear, this individual is a child Aboriginal in a non-Aboriginal family. What is the background on that?

**Ms. Melnick:** Yes, you are correct.

**Mrs. Rowat:** What mechanism does the department have in place to sort out competing jurisdictional issues such as the child with mixed heritage?

**Ms. Melnick:** The authority is determined by the child's heritage. In the case of a mixed heritage, there is a process in place which is always based on what is best for the child. Indeed, the whole system is. That is how determinations are made.

**Mrs. Rowat:** The process, I am going to call it a review process. How is that working? If somebody wants to challenge, I guess, the decision, is there a mechanism in place that each authority will have to address?

**Ms. Melnick:** I am sorry. You are talking about in the removal of a child or in the authority determination process?



**Mrs. Rowat:** The determination process.

**Ms. Melnick:** In the legislation it is the family who has the right to choose the authority.

**Mrs. Rowat:** Back to the question on the computer network or the network that would be in place. How would that play? Could you give me a scenario of how that network will be used with the devolution process, with the child that would be in foster care?

**Ms. Melnick:** CFSIS is the management information system, and it is available to all the authorities. So it is available throughout the province and people would access information as needs be.

**Mrs. Rowat:** So, if a situation where a child is in the Westman but will be placed in another region, the system will be able to work the process so that the, I guess, the agencies, all players would be able to have a clear path on the requirements?

\* (15:10)

**Ms. Melnick:** Yes. In fact, that was the whole spirit of having one system throughout the whole province and available to authorities.

**Mrs. Rowat:** Earlier today I asked a question in the House regarding the PST issue and also the additional costs of the fuel prices that are going up and how it is affecting Winnipeg Harvest, which is just one of many non-profit organizations that are realizing an additional cost to their groups.

I am just wanting to ask the minister if she has provided and has, I guess, met with and has consulted with different non-profits on this issue. I seem to be hearing from shelters who have indicated that this is a serious issue with them. Increase in costs of \$200 to \$300 for a shelter is significant. Winnipeg Harvest, their costs would be increasing \$500 annually, which, based on their service or product that they provide, would be a \$10,000 value to food products that they would be providing to outside agencies.

The minister had made a comment, but I would like her to explain further her stand.

**Ms. Melnick:** As we have talked before, with increased funding since 1999, shelters have seen an increase of 59 percent, including an increase this

year. For all non-profits, if they have a member on the board with expertise in accounting, an accountant, they will not have to pay the PST on those services.

**Mrs. Rowat:** So it really is being left up to the different boards to find the expertise so that they do not have to pay the costs associated with the PST. It seems like this is more like a clawback. If they are not able to get the expertise that they require, then they are going to have to be paying the extra percentage of fees. This seems a bit unfair to the non-profits and they seem to be expressing some serious concern with this.

**Ms. Melnick:** Certainly, with the increase in the funding that we have provided, again the 59 percent, and as you know the PST revenue goes into general revenue, and through that we have been able to bring forward a lot of increases and a lot of progress in the areas of non-profits.

**Mrs. Rowat:** As the communities have indicated, this is going to affect the services they are going to be able to provide to the groups that they represent. Was any type of analysis done on the additional costing that this would play into their budgets?

**Ms. Melnick:** Yes, we looked at the case of several non-profits where we looked at what our funding increases have been since 1999. We looked at what an average cost would be in terms of PST for these services, and we found that it was actually quite a small amount relative to the increases that they have received.

**Mrs. Rowat:** Would the minister be able to table this analysis that was done by the department on these additional costs?

**Ms. Melnick:** I could have a look at it, yes.

**Mrs. Rowat:** I was wanting to touch base on a few housing issues, if I can.

**Ms. Melnick:** I am sorry, what was the question?

**Mrs. Rowat:** I was wanting to know if the minister would be able to give us some insight into the status of the Auditor's report on Manitoba Housing and the allegations of alleged mismanagement and financial irregularities.

**Ms. Melnick:** It is still with the Auditor General. We have not received it.

**Mrs. Rowat:** Could the minister share the status of the police investigation which was launched in early 2003?

**Ms. Melnick:** Our understanding is that the police are in fact waiting for the Auditor's report. We do not understand that they are carrying on an independent investigation at this time.

**Mrs. Rowat:** Since the internal review that was done a couple of years back, what steps have been taken to safeguard, to protect the clients involved within the housing system? Are there checks and balances in place to deal with some of the internal review issues?

**Ms. Melnick:** Since taking over the MHA in 1999, we have implemented a maintenance management system. This allows us to keep track through a checks and balances procedure and we are continuing to make improvements as we go along.

\* (15:20)

**Mrs. Rowat:** Madam Chairperson, how many external agencies that contract to the Manitoba Family Services and Housing or any of its departments or affiliates are under investigation at this time?

**Ms. Melnick:** Very few. I do not have the exact number, but we can get back to you.

**Mrs. Rowat:** Could the minister share which department or which area would Hydra House be funded under?

**Ms. Melnick:** Within this department it is persons with disabilities.

**Mrs. Rowat:** In the past a former minister has stated that Hydra House has a unique business relationship with Manitoba Family Services and Housing. What guidelines, programs, safety checks are in place to ensure that the public money is being spent wisely?

**Ms. Melnick:** In regard to Hydra House, we have established a system around the per diems. They do submit a budget annually. As well, we require audited financial statements. We are in the process of negotiating a purchasing agreement with them.

**Mrs. Rowat:** How much money does Hydra House currently receive from the government in dollars?

**Ms. Melnick:** Based on '03-04 per diems, it was \$3,968,100.

**Mrs. Rowat:** I would like to ask next: Is there an investigation going on regarding Hydra House, with the Auditor?

**Ms. Melnick:** The Auditor General is currently conducting a review, the results of which we have not seen.

**Mrs. Rowat:** Can the minister tell me if there is also a police investigation going on specifically to the Hydra House projects?

**Ms. Melnick:** To our knowledge there is no police investigation ongoing.

**Mrs. Rowat:** Can the minister indicate to me if there are any other dollars coming from any other departments to help with the ongoing operation of the Hydra House locations?

**Ms. Melnick:** We are not aware of any at the time, but we could check.

**Mrs. Rowat:** Can I ask the minister to table them? We will be back into Estimates on Thursday. If she could provide that information for me?

**Ms. Melnick:** Sure.

**Mrs. Rowat:** Can the minister tell me how many locations there are within the Hydra House agencies?

**Ms. Melnick:** We have an idea, but to be more specific, we would like to get back to you on that.

**Mrs. Rowat:** So that could be tabled on Thursday as well.

I would like to ask the minister if she can assure Manitobans that the dollars that are going towards Hydra House are being used for the support and care of persons with disabilities.

**Ms. Melnick:** We will be awaiting the AG's review.

**Mrs. Rowat:** Is the minister confident that the dollars being spent are going to appropriate places

and that all checks and balances are in place currently within the department?

**Ms. Melnick:** Ninety percent of the agencies that we deal with are now covered by service purchase agreements. The remaining 10 percent are controlled in the way that I had previously mentioned, which is through a budget being submitted, audited financial statements, controlled rates on grants, and we certainly use internal audits as well.

**Mrs. Rowat:** I would like to ask the same question regarding checks and balances, specifically to the Hydra House agency.

**Ms. Melnick:** Sure. We fund on the basis of per diems. They submit an annual budget. We have audited financial statements. We are currently negotiating a purchase agreement.

**Mrs. Rowat:** So the minister is comfortable with the process that is in place within the government in dealing with Hydra House and she feels confident that the checks and balances are in place to ensure that the monies are being spent appropriately through the Hydra House agency?

**Ms. Melnick:** Well, again, we use the per diem funding, budgets are submitted, audited financial statements, we are currently negotiating a purchase agreement, certainly we are awaiting the AG's review.

\* (15:30)

**Mrs. Rowat:** My question to the minister is this: Is she confident that there is transparency and accountability with the dollars that are being utilized by Hydra House in dealing and serving the clients with special needs?

**Ms. Melnick:** Well, certainly, we are using the process that I have already outlined and we will be awaiting the AG's review.

**Mrs. Rowat:** Can the minister indicate to me the number of clients that are currently receiving care or support from Hydra House, the total number?

**Ms. Melnick:** We will bring that along with the number of facilities.

**Mrs. Rowat:** I am just going to go back to my question prior. I guess I am not overly confident that the review is taking some time.

I want to know if the minister is comfortable and confident in the transparency and accountability that is in place at this present time to ensure that dealings with funding are being handled appropriately.

**Ms. Melnick:** Well, again, we fund by per diems, an annual budget is submitted, audited financial statements, we are in the process of negotiating a purchase agreement, and we are awaiting the AG review.

**Mr. Glen Cummings (Ste. Rose):** I have no doubt that you have extensive backup on the flow of the dollars and the accountability in the gross sense. What other assessments does the department do relative to the services that are provided to the clients in a home such as Hydra? Are there on-site visits and evaluations that are being done?

**Ms. Melnick:** We are going to check so that we can bring you specific information back.

**Mr. Cummings:** I am not entirely satisfied with that answer. I would expect that there must be senior people here with the minister who have some idea of what other checks are being done in terms of the receipt of the services being paid for.

It is no secret that there have been questions raised around Hydra for a number of years. On the surface the books appear to balance appropriately, but there continues to be questions raised. I do not have any reason to doubt the veracity of the questions or to doubt the minister, but given that there have been questions raised over a period of time, I presume that there is some ongoing review of the services. One thing to know is that there is an appropriate number of square feet available in a room, a number of services. Is there a certain standard that they have to meet for client-worker ratio?

**Ms. Melnick:** We will check on the specifics and we will get back to you.

**Mr. Cummings:** Does that include on-site visits?

**Ms. Melnick:** Again, we are going to check on the specifics. We will be bringing that information back.

**Mr. Cummings:** Well, when the minister is gathering up that information, I assume that on-site visits would include the review of the space and staffing ratio and that sort of thing, but does it also include an actual check of the standard of performance such as would be required in a long-term-stay elderly facility where the care that is provided is actually evaluated?

**Ms. Melnick:** Yes, we will be checking on the specifics and getting back to you.

**Mr. Cummings:** Well, then, would the department undertake to provide the criteria by which it evaluates these services?

**Ms. Melnick:** I am sorry. Actually, I missed that last question.

**Mr. Cummings:** I realize what I have been asking for the last minute or two is about the services provided. A simpler way of putting that together would be, what is the criteria which services' success would be checked against? Can that information be provided?

**Ms. Melnick:** We will be bringing all of that back to you.

**Mr. Cummings:** There are concerns that are brought to MLAs' attention from time to time that can be unsubstantiated, but one of the reasons I am asking questions of this nature is whether or not the clients are actually receiving the standard of service for which they could expect for the level of payment the government is putting out. I guess that would be the more succinct way to ask the question. So that would be the type of information, and what cross-checks and references have been provided.

Can the minister tell us what precipitated an inquiry from the Auditor?

**Ms. Melnick:** Actions that precipitated the current investigation are that former staff were concerned about the appropriation of funds. Stories appeared within the *Sun* newspaper and CBC AM. The Auditor General, seeing these stories, undertook to begin an investigation which we have yet to receive the review of.

**Mr. Cummings:** Any indication from the Auditor when he might be prepared to provide a report?

**Ms. Melnick:** Is the question when he might be prepared? We have not been given a time line.

**Mr. Cummings:** Has the department taken any extraordinary measures in its dealings with Hydra since the Auditor's review has been announced?

\* (15:40)

**Ms. Melnick:** Upon hearing the initial allegations, we led an interdepartmental review team to have a look at Hydra House and the investigations concluded with interviews of residents, current and former staff, parents/guardians, case managers and other stakeholders. The results were that we found no evidence of misappropriation of funds.

**Mrs. Bonnie Mitchelson (River East):** Just a question then. The minister, then, is satisfied that the interdepartmental review looked at ensuring that the clients who have special needs were being cared for in an appropriate fashion, that the dollars that were being provided by the department were going to the right places and doing the right things. So the minister is satisfied, and her department is satisfied, that what is happening today at Hydra House is according to the standards that are set for the funding that is being provided?

**Ms. Melnick:** Based on the internal review of Hydra House conducted by the department, we believe that good service is being provided for the residents, but we are awaiting the AG's review.

**Mrs. Rowat:** In March, 2002, the Coalition on Alcohol and Pregnancy presented a think tank around adults living with FAS, and the session's purpose was to develop an action plan for new services that begin to address the transition from school to community and, in a sense, adults. But I just want to know what the department's plan is to have, you know, what impact they plan to have on the Fetal Alcohol Spectrum Disorder issues as they relate to children, as they relate to families, as they relate to adults, so if you can give me an overview of where the department is going on that.

**Ms. Melnick:** This government works in a team-focussed way, so we have various departments involved with FAS, FASD. For example, if we start with children and we look at the Healthy Child initiatives, we have initiated programs such as STOP FAS to better support women who have a history of

drinking during pregnancy; and the Manitoba Prenatal Benefit component, which provides low-income pregnant women with a monthly benefit in recognition of additional health and nutritional needs; an FASD pamphlet warning women of the dangers of alcohol use during pregnancy is included in that package.

We have, under Healthy Child, Reclaiming Our Voices, which was an initiative led by West Region Child and Family Services. This brings women who have been drinking during pregnancy together with community supports for a three-day healing retreat. Women are cared for while they discuss issues that arise out of their use of alcohol through this program.

We have, in partnership with Health Canada, FAS Day Information Manitoba, which is a toll-free line that provides the public and professionals with accurate information regarding the effects of alcohol use during pregnancy.

We have clinical practice guidelines for physicians. This was set up in partnership with the College of Physicians and Surgeons of Manitoba and publishes a clinical practice guideline for physicians that address the need to speak to every pregnant woman about her use of alcohol.

\* (15:50)

Keeping with Healthy Child, we have *What Doctors Need to Know About FAS*. It is a compact disk distributed to every family doctor, obstetrician and gynaecologist in Manitoba, and it educates physicians about the impact of alcohol on the developing baby and the need to speak to all pregnant women during their pregnancy.

Through our participation in Canada Northwest FASD Partnership, Manitoba sends physicians to symposia designed to promote physician awareness of FASD. We also have the *Smart Guide*, which is motivational approaches within the stages of changes for pregnant women who use alcohol. So this gives service providers information about FASD. We have a universal screen for alcohol use during pregnancy which was implemented in January 2001 through the Manitoba Liquor Control Commission.

*Mr. Rob Altemeyer, Acting Chairperson, in the Chair*

We have an ongoing commitment to FASD prevention. Our awareness campaign is With Child-

Without Alcohol. I am sure we have all seen either on buses or on bus shelters and throughout liquor commissions their promotional material, which I understand is very, very well received within the community and widely distributed throughout our province.

Through Manitoba Justice we have a mentally disordered offenders unit at Headingley Correctional centre which provides offenders with cognitive disabilities, many who, by the way, have been identified as having FASD. This provides specialized behavioural treatment intervention while in custody. *What Corrections Needs to Know About FASD* is a tape designed to raise the awareness of professionals in the justice system. We are currently working on a companion document for this resource based on curriculum materials developed in Saskatchewan and shared through the Prairie North Pacific FAS Partnership. Manitoba Justice continues to train staff in Youth Corrections facilities on working with incarcerated FAS youth.

In the Manitoba Department of Education, Citizenship and Youth we have Tapping Hidden Strengths, working with alcohol-affected students. This is a research for teachers on how to better meet the educational needs of students with FASD.

In Manitoba Health, we have two diagnostic clinics that provide multidisciplinary diagnostics and follow-up services as well for children and families.

In Manitoba Family Services and Housing, in our department, we have the FAS outreach team which provides support to birth and adoptive families raising children with a diagnosis of FAS.

So that is the Coles Notes version. I am going to have a drink now—of water.

**Mrs. Rowat:** Is this government responding to the adults of FASD through an interdepartmental committee, if she could just give me some background in how often they have met, when they have last met and a little bit about their mandate, if that is possible?

**Ms. Melnick:** We are currently designing a program. Again, it is a team approach. It will be Family Services and Housing together with Manitoba Health; Healthy Living; Manitoba Justice; Education, Citizenship and Youth. We will all be

participating in the development of an overall strategy. That, again, will be province-wide for persons affected by FASD. So we have begun the process.

**Mrs. Rowat:** Has this committee met?

**Ms. Melnick:** Yes, the deputy minister's committee has met.

**Mrs. Rowat:** When have they met and how often have they met?

**Ms. Melnick:** They have met. We are in the preliminary stages of developing a strategy. I do not have the exact dates and times with me, though.

**Mrs. Rowat:** I was wondering if the minister could share their mandate or their terms of reference and how they plan to proceed, some time lines.

**Ms. Melnick:** Those are still in development.

**Mrs. Rowat:** When was the committee established?

**Ms. Melnick:** This fiscal year.

**Mrs. Rowat:** It is my understanding that there has been a pilot called FASD community mobilization project that was in place and I believe there were over 100 people involved or referred through various departments.

I believe that the ACL office has asked for governments to consider partnering on this and putting some dollars towards it. I am wanting to know what the status is or the developments based on this, if she can provide some background or update on that information that I have gathered.

**Ms. Melnick:** This was a program started by ACL Manitoba. They were working with Health Canada. They received \$25,000. We understand that funding is not continuing. We have worked with ACL Manitoba in this program through ensuring that all of the participants in the program are receiving all the provincial benefits that are available to them. So this was an increase in benefits provided by the provincial government.

**Mrs. Rowat:** Could the minister share with me what type of benefits the clients under the community

mobilization project would have been entitled to and are receiving?

**Ms. Melnick:** You are referring to provincial benefits in your question?

**Mrs. Rowat:** I am asking for clarification on the points that you had indicated. You had indicated that they were receiving benefits and I just want clarification on what.

**Ms. Melnick:** Sure. We went through on a case-by-case basis with each of the individuals in the ACL program and as a result, many of them were moved from the EIA general caseload into the disabilities caseload.

**Mrs. Rowat:** I just want clarification on the program. It was federally funded. Were there any dollars from the provincial government allocated to that project?

\* (16:00)

**Ms. Melnick:** Again, we reviewed the individuals on a case-by-case basis and ensured that they were getting all the provincial benefits that were available to them but we did not directly fund the project.

**Mrs. Rowat:** The staff people from the department would be working with the clients with ACL, so that I am clear on what role the Province had in working with the clients.

**Ms. Melnick:** We do serve common clients. ACL did provide us with a list and we worked with each individual on that list.

**Mrs. Rowat:** It is my understanding that there were 42 individuals that were referred by the Department of Justice who are now being referred back. So I just wanted to know what the Province's—whether they are going to be committing any future dollars to this program, or are they in discussions with ACL as a potential funding source out of the 12.4 million that was announced in the provincial budget.

**Ms. Melnick:** I am not sure what you are referring to when you say 42 referred from Justice.

**Mrs. Rowat:** Based on my discussions with different groups, there were 42 individuals who were clients of the mobilization project that were referred from

the Department of Justice to this pilot project. Now that the pilot project is complete, have been referred back to the Department of Justice. There is some concern that these individuals would not be receiving the, I guess, the care that they were receiving or assistance that they were receiving in the past and I just—

**Ms. Melnick:** We will continue providing the benefits available to all individuals which we were made aware of through the ACL Manitoba project, regardless of how they have come to the project.

**Mr. Ralph Eichler (Lakeside):** I have a question for the minister regarding the residents and allocation for funding for parents where the people are still living at home, the 392 per month I believe is what is allocated. When is the last time that was looked at?

**Ms. Melnick:** Could you be a bit more specific in your question of the individuals you are referring to?

**Mr. Eichler:** The residential care for food and board and room for people with disabilities living at home. When is the last time that was looked at? I believe it is 392 per month.

**Ms. Melnick:** Yes, we reviewed these rates as recently as the last Estimates process. The room and board rates went up 2 percent in July 2003. In January 2004, persons with disabilities on EIA received a \$20 increase per month, and in October of 2004, October of this year, they will go up a further 2 percent.

**Mr. Eichler:** Mr. Acting Chair, based on the rate of inflation and the cost of food, does that stay in line with the rate increases?

**Ms. Melnick:** Your question is, are we keeping pace with the rates of inflation? We are probably a bit behind but we are increasing, 2 percent in July 2003, \$20 overall in January 2004, another 2 percent in October 2004, so we believe that we are keeping a balance between what the rates are and what the costs are and we are one of the few provinces, in Manitoba, who, I think, will be providing increases over the next year.

**Mr. Eichler:** Thank you for that. In regard to doctor's appointments for rural people within the province of Manitoba, the mileage rate. Could the minister give us those rates?

**Ms. Melnick:** The current rates are 13 cents per kilometre.

**Mr. Eichler:** Can you start your car and run it down the road for 13 cents? I do not know very many people that could. When was the last time those rates were looked at?

**Ms. Melnick:** We do not have the exact date right now. We could get back to you on that.

**Mr. Eichler:** Just more of a comment and then we will follow up with a question. It is an issue, I think, that people with disabilities within the province are kind of being picked out here, I think, and being discriminated against with a known organization, because 13 cents a kilometre, our government rates are far higher than that.

*Madam Chairperson in the Chair*

Even for the employees of the Province, they are getting substantially more than that and these people with disabilities need to be able to get in to see their doctors, and I would urge the minister to have her department look into the rate for people with disabilities. At 13 cents a kilometre, I certainly do not think it is fair to put an extra burden on people with disabilities.

Having said that, I would like to move on to respite, if I could. The respite that is allocated to the province, do you have a dollar amount on that that has been spent through the province last year?

\* (16:10)

**Ms. Melnick:** The adjusted vote for '03-04 respite services for adults was \$2,236,300. The estimate for this fiscal year, '04-05, is \$2,788,300. So that is an increase of 552,000.

**Mr. Eichler:** In regard to respite, could the minister help me through this, please? Is it based on a regional basis, the respite allocation?

**Ms. Melnick:** Allotments are based on regions within Winnipeg and then throughout the province. Allocations are based both on requests as well as available funds. We monitor on an ongoing basis throughout the year. If allocations are needed to be shifted we can do that throughout the year.

**Mr. Eichler:** Let me make sure I understand this correctly then. You are saying that a family that has a particular need for respite and they have used all their respite, then that money can be transferred from one family to another family within the region.

**Ms. Melnick:** We are not sure if your request is directed toward adults or children. Would you like to clarify that?

**Mr. Eichler:** Let us just focus on adults first to make it easy for you.

**Ms. Melnick:** Reallocations in the adult arena are based on requests for new services, so that, if there is a request in a certain region we are able to accommodate by shifting some of the provincial allocation around. That is how we move allocations around. So we are not taking services away from individuals. It is, rather, based on the need in the region. It is more of a cumulative need.

**Mr. Eichler:** So then who makes that decision? Is that the regional officer for the area?

**Ms. Melnick:** It is done by the region in consultation with our departmental office, the central office.

**Mr. Eichler:** Has the minister or her office staff looked at the idea based upon one year's funding as opposed to the next? Is there a possibility of a carry-over, because from one year to the next circumstances may change depending upon family needs? Is there an opportunity for, possibly, a carry-over?

**Ms. Melnick:** There is no opportunity to carry over by virtue of legislation.

**Mr. Eichler:** Could you elaborate on that? What would be the process then?

**Ms. Melnick:** Legislation prevents the ability to carry over, so if funding is unused it would be lapsed and we would be looking at what the needs are on an individual basis, in the regions. The regions would then be working with the central co-ordination of the funding. That happens on an annual basis.

**Mr. Eichler:** We will just switch on you since you are getting so good at that.

I would like to move to the allocation for housing. Could you tell me, or your department tell

me, if the minister would, with the allocation for more homes or more placements within rural Manitoba specifically?

**Ms. Melnick:** Yes, I will just let you know, you have now made me very nervous.

Would you mind clarifying those specific allocations that you are inquiring about?

**Mr. Eichler:** If you could repeat that. The Liberal member is being a little bit loud over here.

**Ms. Melnick:** I am just wondering if you could be a little more specific in the specific allocations you are inquiring about.

**Mr. Eichler:** It is awful quiet now, so I guess we can get a lot more done. Anyway, my question specifically is, in regard to rural Manitoba, has there been anyone in her department look at the allocation for residential placement within the province of Manitoba, within rural Manitoba.

**Ms. Melnick:** Are you talking about the allocation of housing through the Affordable Housing Initiative? Is that what you are referring to?

**An Honourable Member:** Yes.

\* (16:20)

**Ms. Melnick:** Okay. The Affordable Housing Initiative is a bi-level agreement with the federal government and the provincial government. It is a cost match so we have each put in 25.4 million. We are fortunate to have the City of Winnipeg join us in the Winnipeg Housing and Homelessness Initiative, which is a further 17.5 million in monies and in kind.

**Mr. Eichler:** Thank you. Maybe I made her nervous, but I was talking more about rural Manitoba rather than Winnipeg in particular.

**Madam Chairperson:** Order, please. Can I just remind all members that talking is allowed at the table as long as it is not disrupting the person speaking at the time?

**Ms. Melnick:** The Affordable Housing Initiative is a province-wide initiative.



**Mr. Eichler:** With the people with disabilities becoming more aware of the—or the population, is there any foresight being planned for the elderly people that are in homes with disabilities? Are you looking at some type of housing program for them?

**Ms. Melnick:** Under the HI we have a number of target groups, two of whom are adults living with a disability. Another is low-income seniors. So they are two groups that indeed we have identified to have specific housing needs. We currently have two projects on the go on assisted and supported living. One is in Brandon, and do not get mad at me, but the other is in Winnipeg. We have a working group on housing for persons with disabilities that has rural and urban community groups. We just had a meeting a few months ago. So it is very much on our agenda. We certainly adhere to the disability guidelines, which are guidelines that accommodate persons with various disabilities, including mobility disabilities.

It includes, for example, no steps up into the house, just a level entrance; door handles that are handles rather than turning; a larger washroom facility with an accommodative design. So several other features are part of our guidelines as well.

**Mr. Eichler:** The concern I have, especially for people with disabilities, and obviously the minister is quite up to date on moving them out of their community. My concern would be, and I certainly have nothing against Brandon and Winnipeg, but taking a person with a disability outside of their comfort area, I think the minister should probably have another visit on that.

**Ms. Melnick:** Certainly, I would not want it to seem as though we do not have a province-wide perspective. We certainly do. One of the very positive parameters around the Affordable Housing Initiative is that we are able to work with community groups to determine their community needs. Through that we have been able to put together a number of housing units that have the disability guidelines. We are looking at the needs throughout the province as well.

**Mr. Eichler:** I guess this will be my last question. I am getting the eye here. I could talk for another hour here, but, anyway, I guess my other concern is has your department, Madam Chair, to the minister, done a study as far as the ageing people with disabilities now that are in workshops and people with

disabilities? Is there a program in place to try to address that ageing population within the workshops and ACL in particular?

**Ms. Melnick:** We have been gradually designing and presenting programs that are specific to adults with various abilities.

**Mr. Kevin Lamoureux (Inkster):** Madam Chair, I just had actually one question. It will only take a moment or two. The specific example of a constituent of mine who is married, has a couple of kids, he has been living in the Tyndall Park area for years now. A few years back his wife's sister, or his sister-in-law, had a physical disability in the sense that she was unable to go to work.

So she moves in with them. Even though she has been there for a few years now, the husband has approached me and indicated, does the government in any way support someone that has been put in that type of a situation, because he has his own family that he has to be financially responsible for and in essence feels that if he did not make his home available for his sister-in-law she would be going out to, likely, non-profit housing. She would likely be on some form of social assistance.

What would you do if you were in my shoes in terms of recommending to this individual? Having said that, I do believe she does get the 55-plus supplement, but she does not qualify for any other CPP benefits.

**Ms. Melnick:** We would be very happy to look into that if perhaps later we could talk about more of the specifics and review what services may be available to her through the provincial spectrum.

\* (16:30)

**Mr. David Faurchou (Portage la Prairie):** I would like to ask the honourable minister in regard to MDC, the Manitoba Developmental Centre in Portage la Prairie. Obviously, the population is ageing that is within that facility, and I would like to ask the minister about plans for the future. I know that not only is the population of the residents ageing but so is the facility, and to look to that as a major employer in Portage la Prairie, as well as a major component within your portfolio. I am wondering about the future of the Manitoba Developmental Centre and the activities it provides to the province.

*Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair*

**Ms. Melnick:** The population is ageing gradually. There are no plans to make changes at MDC.

I would like to take the opportunity to say that I recently had a tour of MDC and was very impressed with the programs, with the services, all brought by a very dedicated staff, and it was very clear to me that it really is a vital part in our network here.

**Mr. Faurischou:** Thank you, and I do appreciate the minister noting the staff and the dedication that they exhibit day in, day out for persons with mental disabilities. It is a charge that they take very seriously and work very hard at it.

I am wondering, I know that the department a number of years ago did a study as to persons who are in the health care system we have now who have had brain injury. Whether brain injury occurs at birth, as is the situation with most persons within the MDC, we have many individuals now within the health care system who have had brain injury because of accidents or that have occurred at later stages in life. The department did do a study in co-operation with the health care department about the potential that this facility offers for the care of persons with brain injury regardless of whether it occurred at birth or later in life. Is the minister aware of that study? If so, I would like to have her comment, please.

**Ms. Melnick:** Apparently there was not an actual study done but there has been discussion between Family Services and Housing and Health. From time to time, persons with brain injuries, most of whom I understand are actually residents of the Selkirk residence, do move over to MDC but it does not appear that it is a particularly good fit within the MDC community.

**Mr. Faurischou:** I appreciate the minister's observation. I would appreciate it if the minister would undertake the commitment to revisit that and to make the evaluation herself in regard to whether it is a fit or not a fit. If there are no added programs or added entries for residency at MDC, the writing is on the wall for that facility, because ultimately the ageing population will pass on and the facility will have to close. So I leave that with the minister.

On the housing component, Madam Minister, I would like to ask you, in regard to the Zelana Village in Portage la Prairie, it is home to many displaced individuals that originated from the Waterhen First Nations. I would like to ask the minister, first off, is she aware of the situation that brought the former First Nations persons to Portage la Prairie, and are there outstanding arrears at the present time?

I know that was a significant concern because these people were placed in these accommodations against, essentially, their will. They did not make the move by their own accord. They were moved there by the federal government off the Waterhen First Nations.

**Ms. Melnick:** Yes, I certainly am aware and concerned of the situation. We have been attempting to work with the federal government, and as recently as March 18 of this year I wrote a letter to the Honourable Andrew Mitchell, Minister of Indian Affairs and Northern Development, again stating our concern and asking them to work with us on the arrears problem. It is approximately \$215,000 as of the end of January this year, and the rate is increasing by about \$7,000 a month. So it is certainly a major concern.

**Mr. Faurischou:** I appreciate the minister being aware of the situation. I would say that there is significant concern within the community because there are persons that are keeping up with their rent and others that are not, and so this disparity causes social friction within the community itself.

Also, I would appreciate that the minister forward her concerns to the Minister of Justice (Mr. Mackintosh), because I know Northern Affairs is well aware of it. The Minister of Justice is well aware that their court case that saw them move from the First Nations up at Waterhen to Portage la Prairie was essentially thrown out by the Supreme Court of Canada. The Minister of Justice chose not to retry the individuals that were responsible for the move; therefore, there really are no charges against these individuals. Their reason for being there is questioned right now, yet the orders that prevent them from returning home are still in place. Why?

These are some of the things that I want the minister to be aware of and to pursue if she can and to resolve, because we are approaching eight years

these individuals have been left in limbo. That is inexcusable. It really, truly is.

**Ms. Melnick:** Well, I actually appreciate your question because I do not want it to seem as though we are only working with INAC. Certainly, we are working with the provincial Justice Department, the RCMP, and we have been working through INAC, making very clear that there is a legal issue with the people from Waterhen to return home.

\* (16:40)

**Mrs. Rowat:** I just have a bit of clean-up on the questions that were prior and I wanted to do some follow-up on some of them.

I guess the first one is would I be able to get a grant listing from within the Department of Family Services and Housing, a listing of the grants.

**Ms. Melnick:** Yes, we do not have it handy but we could prepare it for you. Could you be specific about the exact information you are looking for so that we are going to be giving you the right information?

**Mrs. Rowat:** Whatever Bonnie wanted. I would say for Family Services and Housing and Persons with Disabilities, the grants that have been allocated for the year.

When the Member for Lakeside (Mr. Eichler) was asking for information regarding affordable housing for persons with disabilities, you had indicated that there is a working group that presently is working—you said working groups, so I am assuming there is more than one. Would you be able to tell me a little more about them like who is represented, how often they have met and what their mandate is?

**Ms. Melnick:** The meetings are monthly and we have a partial list but we would be happy to get you the full list. So I will just read off what we have here now. ACL Manitoba, Association of the Deaf, Manitoba Society of Seniors, CMHA Manitoba and Winnipeg, 1010 Sinclair, Winnipeg RHA, Brandon RHA, Aboriginal Self-Help Network. So those are some of the members.

**Mrs. Rowat:** I guess I will just confirm that the minister will table that for me, the list. Great. Okay. You indicated they meet monthly. Do they meet in

the city or do they go back and forth between the communities?

**Ms. Melnick:** They meet in the city of Winnipeg.

**Mrs. Rowat:** You had indicated also there is a set of guidelines that they follow or are developing—I am sorry I was probably discussing an issue with—

**Ms. Melnick:** We do have terms of reference which we would be happy to share. For provincial input, we have done province-wide questionnaires.

*Madam Chairperson in the Chair*

**Mrs. Rowat:** You indicated you did a province-wide survey or questionnaire. Would I be able to access the results from that questionnaire?

**Ms. Melnick:** Yes.

**Mrs. Rowat:** I would like to go to the announcement of the budget of \$12.3 million toward programs for persons with disabilities. I was wondering if the minister would be able to share some background on where those dollars are being allocated, where it is at, and where it is going.

**Ms. Melnick:** Yes. The increases are in the Supported Living Program, residential services annualizations, day services, respite services, and the staffing stabilization initiative. These are annualizations as well as a 2% increase for this year.

**Mrs. Rowat:** In regard to pension plans and benefits for care providers, would the minister be able to indicate the allocation to that area from the 12.3?

**Ms. Melnick:** The amounts approved are \$1.5 million and \$90,600. The \$90,600 represents growth in the system. For many of these people, it is the first time they will have a pension, they will be able to pay into a pension, and the first time that they will actually receive benefits from the workplace.

**Mrs. Rowat:** You had indicated pensions and benefits. Are these dollars that are earmarked for pension plans and benefits, would there be also an allocation for training and travel for training opportunities?

**Ms. Melnick:** The staffing stabilization initiative is around wages, benefits and pensions. So, when we

look in the area of training and travel we do have an amount of money within the administration budget of the Persons with Disabilities area of the department. Now, when funding is given to agencies, they can determine as well if they want to apportion some of their funding for the year toward travel and training. So there are a couple of different angles to work with.

**Mrs. Rowat:** Would I be able to get a listing of the agencies that have received funding that will be used toward training and opportunities?

\*(16:50)

**Ms. Melnick:** Are you referring to training in general or are you speaking around the staffing stabilization?

**Mrs. Rowat:** I am looking at administration, and I guess I am trying to get a sense of—there is the staff stabilization, but then they are also asking for dollars that will go toward training of staff through administration. I do not know if that is a separate line. If it is, I would like to know an allocation of who is going to be receiving dollars for staff stabilization and then also get a sense of where the dollars are for training requests.

**Ms. Melnick:** Most agencies did apply for the staffing stabilization initiative funding. Some already had plans so they did not apply.

As far as the financing of training, we provide the trainer. So we pay for the trainer and then we pay for people to travel either into Winnipeg or sometimes training will take place in a centre so people in a particular region may all come together in that one centre to get the training. So that is how the funding works. So agencies can still, if they choose, allot monies for training if that is something that they are wanting to do.

**Mrs. Rowat:** Just so I am clear, the trainers are provided by the department. If, for example, the training is offered in Brandon, then the agencies that are, say, the Abilities Network, for example, as a group would want to take part in this training session. Then out of their own administration dollars they would have to pay for transportation? Or is there an allocation? I am just trying to get a sense because that seems to be a question that I am being asked, and I want to get clear.

**Ms. Melnick:** If it is training that is sanctioned by the division, we will often buy seats for people. That could be anywhere in the province. The training coordinator who is in the division often provides training, but agencies can also determine on their own if they want to be accessing a particular type of training. Yes, so there are different ways to access it.

**Mrs. Rowat:** In speaking with the Abilities Network in the Westman area, they had indicated that there is a strong desire and need to have a crisis stabilization unit for people with disabilities in the Westman area. I just wanted to ask the minister if there has been any discussion, if this is something that will be considered out of the current budget, or is it being looked at in the long term as a possibility.

**Ms. Melnick:** We deal with crisis on an individual basis. We have not received a specific request from Westman, so I am not really clear on what it is that you are asking about.

**Mrs. Rowat:** In discussions with the Abilities Network in a recent meeting and in a report, and I think the same report was given to the government, they had indicated that one of their goals, or one of their needs, was to have a crises stabilization unit for people with disabilities, often as a respite resource if they are having a situation within their facility or their centre. Sometimes the employees may need some respite from the individual and need a time where they could have some downtime from that situation. This was something they said they are in dire need of within the area. That is where I was going with that, because you had indicated in the budget that there would be some allocation toward respite services. So I was wondering if this might have been one of the targets.

**Ms. Melnick:** Yes, we have increased the respite services, and it is not targeted to any particular geographic designation. So we could look at that. What we find is that we, for outside of Winnipeg, generally deal on a case-by-case basis. So, if there are particular cases that are coming up, I would really welcome being informed about them. Yes.

\*(17:00)

**Mrs. Rowat:** What I will do is I will get back to the Abilities Network and get maybe some type of a proposal or some type of a brief on it so that I can share it with the department. We can see what we

can do to assist them, because it looks like it would be a pocket of groups, a network of groups that would be wanting to have that service.

In regard to respite services, in talking to some respite workers in the area, the question was whether this would be going toward staff salaries, making more hours available to the families, to assist in training of CPR, Red Cross, that type of thing. So I was just wondering if you could provide some clarification on what you mean by increase or an improvement in respite services.

**Ms. Melnick:** The increases are to accommodate a combination of different allocations. One is an annualization, so that is an annual cost increase. We have volume increases for people who are reaching the age of majority and we also have critical situations that we respond to. Also, there is a 7.5 increase to accommodate the requirement of the collective agreement for government direct service workers. So the increase is spread through those four categories.

**Mrs. Rowat:** Just to be clear, so the majority of the increase in funding is really just to meet the volume issues and collective agreement issues and emergency, but it is not really for the ongoing operation of front-line services. So the people that are working right now in the area will not be seeing any type of increase, or the families will not be seeing any increase in hours or service availability to their needs.

**Ms. Melnick:** There are, in fact, volume increases. A volume increase in the age of majority, so the number of people who are reaching the age of majority, so that is in fact a volume increase which would be, we believe, of benefit to families. Also, critical cases which we also believe would be of benefit to families who are receiving respite through that service.

We have seen over the last number of years an increase in persons served: 2001-02, 698; '02-03, 726; '03-04, 759. So, in fact, we are increasing services to individuals who are needing the service.

**Mrs. Rowat:** Could I get a breakdown of, you are saying adults are 18 and over, the number that are going to be receiving respite and the breakdown of youth in respite? Do you have the numbers?

**Ms. Melnick:** We would not be able to tell you the numbers we will be serving for this coming year because it does fluctuate, but we could provide information, say, on the past fiscal year if that would be helpful.

**Mrs. Rowat:** One more question regarding persons with disabilities. Funding for persons with disabilities for their personal transportation, is there any plan to increase those dollars? I know that people that are at Rollingdale and other communities that are represented have indicated that there seems to be an increased need in transportation dollars for recreational purposes or medical purposes, and it seems to be more and more of a cost to the persons who are affected. Maybe going into Winnipeg for a medical appointment, their costs are not anywhere near being covered, as well as recreation opportunities in some of these communities. They may have an opportunity to go to a movie or whatever and the costs are substantial and they are not being covered.

**Ms. Melnick:** Yes, we already referred to the kilometre rate. In addition to that, the residential care funding model provides transportation funding of \$510 a year per participant, per year, to assist agencies to transport individuals for recreational, medical and other activities. The 2004-2005 budget will be showing a 2% increase effective October 1.

**Mrs. Rowat:** I am back on Manitoba Housing. Sorry, ladies; sorry about that.

**Mr. Leonard Derkach (Russell):** I have a question as it relates to Manitoba Housing. I received a number of letters from a housing unit in Newdale, Manitoba. I do not know whether the minister will even know where that is, but it is along Highway 16 west of Neepawa. There is a housing unit there that has expressed a significant amount of concern about the rates they are paying. The corporation is at a point where they do not know whether they will be able to continue to function. I think they have written to the minister, as I understand it. Unfortunately, as a matter of fact, I think I wrote to the previous minister on this issue, and I have not had a response. I am wondering whether in fact the housing co-op, or whatever they are called, the corporation or the board, has received a response. When I checked with them last, and that is a little while ago now, so to be honest perhaps I should have checked with them

recently, but when I checked with them, they had not received any response from the minister at that time.

It might not have been this particular minister, but I am wondering if her staff or the minister could inform me whether that issue has been resolved in any way, shape or form.

**Ms. Melnick:** I am not sure which particular group you are talking about if it is a co-operative housing unit or if it is in fact Manitoba Housing. Perhaps we could get more detail later, and I would be happy to look into it.

\* (17:10)

**Mr. Derkach:** Can I just ask the minister whether she could advise me that, if the housing unit has a board, would they be part of the Manitoba Housing system or would they be a co-operative housing unit?

**Ms. Melnick:** Without knowing for sure which housing unit or group you are talking about, yes, our list shows a couple of different places in Newdale. If they have a board, it would not be an MHA housing unit but it could be a complex that is sponsored by MHA. It could also be perhaps a co-operative, you mentioned co-ops earlier. If you could share more details later, we would be happy to check that for you.

**Mr. Derkach:** The letter should be on file with your office, but I will resubmit it just so that the minister could bring herself up to speed on that. I do not mind that at all.

Another issue on housing, I guess the assisted housing in the entire area has been under some criticism of late by those who are in the community and those who are even employees of the system. The biggest criticism that we have comes from the condition of the housing units. The maintenance, the repair, the appearance is becoming problematic. Now, some of the housing units are getting old, and I accept that.

If I were to focus on one particular area, this is not to say that this area is worse than others, it is just to give you an example. I will go to the housing units in Birtle, which are under the control of Manitoba Housing. There the maintenance is in such disrepair that when units are said to be available for

occupancy and then are inspected, as a matter of fact they are not.

I will give you, I guess, the most vivid and the most gross, if you like, example of what we found. In one particular instance, when the house was said to be ready for occupancy and staff took potential residents to the house, the house had never been cleaned, had never been properly vacated. There was a dead cat and a dead rabbit in the house and had been there for some time. Yet people were told that this house was available for occupancy.

Somewhere the system is falling down, and I am not sure where it is. Now, this is not to level criticism at any one particular individual or a maintenance person or anybody of that nature. This is prevalent throughout the region, things like doors falling off houses and just being left unrepaired for extended periods of time. I can tell you that in the community I live, a neighbour to my parent whose steps had broken down and were falling down and where there were small children in the house, the maintenance went unattended to for a very long period of time.

So I guess I want to ask the minister whether there has been any attempt to try to address those kinds of issues, which are somewhat problematic in communities. They are not political issues, they are just issues of maintenance, issues of attention to the appearance of these homes within communities where there are nice homes because they are kind of interspersed with the rest of the community. They need to be given an appearance which is conducive to that particular community.

I am just wondering whether the minister can give me any indication whether under her watch she is going to be taking some interest in this particular issue and where we can see the direction in the future in this area.

**Ms. Melnick:** We had not heard of the concerns that the member has put forward today. So what we would hope is that when these concerns are raised, to let us know either through yourself or tenants, through the 1-800 number or through the local office.

We do have an ageing housing stock. We do make every effort to maintain it for safety, certainly for the safety of the people living there. We are also sensitive to the neighbourhoods in which the houses are placed. So, if there are concerns, particularly of

this nature, knowing about it would be greatly appreciated.

**Mr. Derkach:** If I were to report every incident that is reported to me I would be writing letters to the minister all the time. She and I might as well just exchange communication through the telephone. But it is a general malaise that appears to be prevalent in the whole maintenance of the housing stock.

It does speak to the safety issues as well. I will give you another example of Binscarth, another community on the west side of the province where several reports have come in about the sidewalk.

Elderly people would trip on the sidewalk because it is in such disrepair; reporting it; indications being given that it would be addressed; months go by; a year goes by; and there is no action taken on these initiatives. Now if there were an accident, then there would be a problem. I think to avert those, more attention needs to be paid to the general maintenance of these units and the housing stock under the control of Manitoba Housing.

I simply want to indicate to the minister that this is an issue and it is a concern. The specific cases I could bring forward, but in general terms, from what I am hearing in the area that I represent, and I cannot speak beyond that, there is a deterioration of the area of maintenance and that is the biggest criticism, I think, that I have heard.

People, I think once they get into their homes and once they are settled, there is some satisfaction in terms of the clients in the homes. But it is sort of trying to address the upkeep and the ongoing maintenance. That also includes the maintenance of the yards. Not only have town councils reported to me that they have problems with it but also neighbours, in terms of weed control and unkempt lawns and that sort of thing. I am just advising the minister that those are issues. Maybe they are particular to my area. I do not know. But all I am asking the minister to do is to take note of it, and then perhaps if there is something that can be followed up on, I would certainly appreciate that kind of communication later.

\* (17:20)

**Mrs. Rowat:** Actually, in listening to the Member for Russell (Mr. Derkach), I have had conversations

with individuals who are also in the Manor in Souris who have also indicated that there are some issues regarding repair and general maintenance of that building. So I believe the Member for Russell was probably correct in that this is not isolated, there appear to be situations and issues in other communities throughout rural Manitoba anyway, and I would appreciate if she would do some investigating.

My next question is regarding a Question Period question that was asked in December of '03 regarding security measures for individuals, two women that were physically harmed or were harmed in their own homes through a home invasion. In our discussions during Question Period, there were some indications of measures being taken to look at ensuring that these individuals would be safer in their homes. I just want to go through some of the points that were raised, or some of the comments made and just update on where that is at.

During Question Period, the minister had indicated that there would be specific measures that the department would be taking or had taken to look into the issue of safety in the Manitoba housing complex. I was wondering if the minister could provide me with some update on where that review is at.

**Ms. Melnick:** I would be happy to provide the committee with that. What we have done to complete our audit is move through geographically in the type of building so I will let you know line by line on that. MHA high-rise, mid-rise and low-rise buildings in Winnipeg, safety audit has been completed. MHA high-rise, mid-rise, low-rise buildings in rural Manitoba is in progress. We were aiming for completion by the end of May of this year. Sponsored housing, high-rise, mid-rise and low-rise buildings in Winnipeg, again we are looking to complete the safety audit by the end of May of this year. Sponsored housing, high-rise, mid-rise and low-rise buildings in rural Manitoba, again, we are looking for a May 2004 completion date. The remainder of the multi-occupied, seniors buildings, again we are looking at the end of May this year.

To categorize and cost the reviews, we are looking to have that step completed by the end of June of this year. Implementing the PPMA Apartment Watch plan as materials become available, and the manager security/loss prevention

will also be working with property management, seniors organizations, tenant associations, and where possible, local police authorities to develop and deliver a personal awareness program for seniors.

**Mrs. Rowat:** I have a couple questions regarding comments that were just made. Does the minister have a costing of what these upgrades will be and if they are broken down into the different areas that you have indicated? There were three or four housing projects.

**Ms. Melnick:** Yes, I had just mentioned that our plan is to categorize and cost the reviews, and we are hoping to have that document completed by the end of June 2004.

**Mrs. Rowat:** You mentioned, is it a PPM watch program? Could you give me some information on that, please?

**Ms. Melnick:** It is the Professional Property Managers Association and what we are looking at here is they have the PPMA Apartment Watch plan, and we will be looking at those as materials as they are coming out. It is still being developed.

**Mrs. Mitchelson:** This is just a general question. I noticed in the detailed Estimates, when it comes to the transportation line across sub-appropriations, it is down, I think, in every instance. I would ask what that line represents, and with the increased gas prices, will it have an impact on the bottom line of those estimated numbers.

**Ms. Melnick:** This was part of the general deductions applied to all provinces. It does not apply to services. It applies to employee travel.

**Mrs. Mitchelson:** I wonder if the minister could comment given that these Estimates were tabled and developed as a result of the budget that was announced, and given that gas prices have increased considerably, is there any indication that the government might be looking at increasing the travel allowance per mile or per kilometre, or is that going to be maintained stable, and are employees going to have to bear the additional cost personally.

**Ms. Melnick:** This is a labour relations issue. It is the rates that have been negotiated, and it is actually in the Department of Finance and Treasury Board, the line that you are looking at. It is a negotiated rate.

**Mr. Derkach:** Just to follow up on that question. The minister says this is a negotiated rate, so is government in a position now of negotiating with the civil service mileage rates? Is that what the minister is saying?

**Ms. Melnick:** The rates are part of the current collective agreement.

**Mr. Derkach:** The minister can then save money by making sure that mileage rates are negotiated low. Is that what she is saying?

**Ms. Melnick:** Labour relations is a Treasury Board responsibility.

**Mr. Derkach:** Is this new or is this something that has been there for a long time? I think it has been there for awhile, but I am just going to ask the minister whether it has been there for some time so with the gas prices increasing, how is this then going to ensure that in fact the attention is paid to the issues that are out there with housing—

**Madam Chairperson:** The hour being 5:30 p.m. committee rise.

## ABORIGINAL AND NORTHERN AFFAIRS

\* (15:00)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Aboriginal and Northern Affairs.

Does the honourable Minister of Aboriginal and Northern Affairs have any opening statement? Please proceed.

**Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs):** Mr. Chairperson, I am pleased to introduce the 2004-2005 Estimates of Manitoba Aboriginal and Northern Affairs. Given the shortness of time, I will make very few remarks.

Our department is focussed on working in partnership and co-operatively with northern communities and Aboriginal organizations to improve living conditions and opportunities for the people of northern Manitoba.



Over the past four years, under this administration, we have been able to make some major infrastructure improvements in the NACC communities that this department is responsible for. The Province uses the five priority areas of our northern development strategy as a guide in making improvements to municipal and transportation infrastructure, provisions for safe water, housing, health care and educational opportunity. Regrettably, much of the department's increased spending on water plants and other capital projects over the past four years is due to the need to catch up after the 10 years of neglect under the previous administration.

We are upgrading and replacing several water plants on a phased priority basis. The department is certifying all primary and back-up water and waste water operators at all communities that fall under the department's jurisdiction. Remote monitoring of sewage treatment plants has been introduced at several communities which provide immediate notification of any problems at the monitored plants. Water treatment upgrades have been completed at Pikwitonei, Camperville and Cormorant, and work is in progress in Waterhen and Red Sucker Lake.

Waste water treatment upgrades have been completed for Brochet, South Indian Lake, Easterville and Cross Lake lagoons and the Cormorant sewage treatment plant. I am pleased to note that an increase of \$100,000 in this budget to cover the increased operating costs of the new water and waste water treatment facilities just mentioned.

We work closely with the Red River College and Manitoba Conservation to address the training needs of operators in northern and remote regions. Many of these upgrades were made possible with funding from the Manitoba water power rental agreement and the Canada-Manitoba Infrastructure program.

Northern projects received close to \$10 million of the \$54 million in the last Canada-Manitoba Infrastructure program. We have a cost-sharing agreement with Indian and Northern Affairs Canada for a regional waste disposal site at Manigotagan, Seymourville, Bissett and Hollow Water First Nation and are currently negotiating for a share in cost on water and waste water infrastructure for the communities of Brochet and Barren Lands First Nation.

This government has restored core funding for the Assembly of Manitoba Chiefs, Manitoba

Keewatinowi Okimakanak Incorporated, the Manitoba Métis Federation Incorporated, Mother of Red Nations and the Southern Chiefs Organization. The Manitoba friendship centres are now funded at \$1.2 million.

We have been encouraged by the recent federal government interest in urban Aboriginal issues. Manitoba has the highest proportion of Aboriginal people of any province, and Winnipeg has the largest Aboriginal community of any Canadian city. I am pleased to note that there now appears to be support by the other two levels of government to sign a new Winnipeg urban development agreement. This new agreement will focus on opportunities for Aboriginal participation, sustainable economic development, community development, downtown renewal, technology and innovation.

We continue to co-chair the AJIC Committee of Cabinet, which co-ordinates the implementation of the Aboriginal Justice Inquiry commission recommendations. The AJIC recommended Aboriginal Child and Family Services program is now beginning independent operations.

My department is participating with Child and Family Services in talks with the Assembly of Manitoba Chiefs and the federal government about providing First Nations with legislative jurisdiction over child and family service matters. We have asked the Manitoba Métis Federation to work with us on developing the AJIC recommended Métis policy.

The tripartite funding of the MMF and the Aboriginal Council of Winnipeg continues.

The Aboriginal Economic and Resource Development Fund assists community-based Aboriginal employment and economic developments, including initiatives under the Northern Development Strategy. This past year \$1.26 million in grants were provided to 63 projects, whose total budget value was \$12.1 million. Additional support of \$9.5 million was leveraged from sources outside the provincial government.

Manitoba continues to recognize and uphold the Northern Flood Agreement as a modern-day treaty. In Cross Lake, for example, the \$28-million Netnak Bridge is scheduled for completion this fall. Over 200 residents were hired last summer on projects at Cross Lake.

Last year, the Province and Manitoba Hydro signed agreements in principle with Cross Lake and Norway House community councils regarding past hydro-electric development. In March I was pleased to attend the ceremony marking the signing of an agreement with Easterville and Chemahawin over past hydro development.

Aboriginal and Northern Affairs is an active participant on the Island Lake health memorandum of understanding committee. Construction has been completed. The opening of the renal health and treatment program will take place next month. It will be the second site on a reserve in Canada. The other facility at Norway House was opened in 2001.

Since 1997, Treaty Land Entitlement agreements have been implemented. More than 175 000 acres surveyed last year and up to 100 000 more acres still to be surveyed may be added to the 110 000 acres already transferred and designated as reserve land under the TLE agreements. We look forward to a TLE agreement with Peguis First Nation which will be ratified in a vote in the summertime.

Last September, we signed two new separate Aboriginal employment partnership agreements with MKO and the Brandon Regional Health Authority. A private-sector partnership agreement with the Winnipeg Chamber of Commerce initiative was signed with the Manitoba Customer Contact Association in October of '03. Discussions are underway to sign partnership agreements with the rest of the RHAs and other public and private organizations.

We assisted in establishing an Aboriginal Suicide Prevention Committee to work with the Manitoba Committee for Suicide Prevention on a Manitoba suicide prevention strategy.

In communities such as Garden Hill, Shamattawa and Bloodvein, we are assisting to plan and implement projects that address social health conditions. A Northern Food Prices Project Report is the basis for the new Northern Healthy Foods Initiative. I am pleased to report that we have \$259,000 in this year's budget for beginning this project.

The communities of Seymourville and Nelson House will be incorporating early in '04-05, and we expect Norway House and Cross Lake to follow during '05 and '06. The department works closely

with the Northern Association of Community Councils, and we are continuing to improve administrative skills and computer technology in these communities. Matheson Island, Seymourville and Manigotagan have each set up and incorporated, and more northern communities are expected to follow their lead in '04-05.

The department represents the Province in negotiations between Split Lake and Fox Lake concerning resource management in light of the potential future Hydro development at Conawapa. We are also representing Manitoba in negotiations with Canada and South Indian Lake for the creation of the South Indian Lake Reserve.

We also fund a bursary in engineering and civil technology for Aboriginal and northern students through the Helen Betty Osborne Foundation and offer co-operative work placements and summer employment for Aboriginal students.

In regard to the CEDF, the development fund continues to provide valuable services for northern Manitoba. In business loans, for example, new business loans for '03-04 totalled \$4.8 million with a current portfolio of \$14.8 million. Tourism and forestry account for 30 percent of each of the total portfolio.

New fisheries loans for '03-04 were 4.4 million, current portfolio, 12 million over 1000 active clients. The TEAM program assisting the start-up of small, local businesses has established teams in 26 communities, 22 full-time and 4 part-time. TEAM has a membership list of over 100 individuals.

In the REDI program, the fund delivers REDI programs to the northeastern centre of the province. CEDF assists community projects with business consultation, including feasibility assessment and technical assistance.

Mr. Chairperson, with those few comments, I will close so that we can get into further details on any items that the opposition would be interested in raising.

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

Does the official opposition critic, the honourable Member for Lac du Bonnet, have any opening comments?

**Mr. Gerald Hawranik (Lac du Bonnet):** Yes, I have just a brief opening statement. I would first of all like to thank the minister for his statement this afternoon, giving us a brief overview of the department and the activities that the department has been involved with over the past year.

The provincial budget for Aboriginal and Northern Affairs is really quite small in the scheme of things. It has only got a \$29-million budget, and the direct impact, I would submit to the minister, of that \$29 million to Aboriginal issues in the province is really quite minimal; \$29 million certainly does not do a great deal for Aboriginal people.

\*(15:10)

As he pointed out, the Aboriginal population is growing in Winnipeg and on reserves and off reserves in rural areas, and it is becoming a larger and larger population and, certainly, he ought to ensure that Aboriginal and Northern Affairs budgets in the future are increased to make sure that there is some substantial impact on Aboriginal issues in the province.

Having said that, though, the responsibilities of the department really are quite large. The Aboriginal people make up a good percentage of the population of Manitoba and, certainly, those issues have to be looked at. Although a lot of the issues with respect to Aboriginal issues are under the jurisdiction of the federal government, I believe it is the responsibility, to a great extent, of the Department of Aboriginal and Northern Affairs to hold the federal government accountable, to hold their feet to the fire, to ensure that Aboriginal people in the province get fair treatment from our federal government.

I just throw out one example to the minister as to one of his announcements that he made just after the budget was presented, and that is with respect to housing. I know that the minister took great pride in announcing that there are \$6 million over the next five years for housing in Aboriginal reserves across the province. I think that is something to be proud of. I have no problem with that, but the issue of housing should be a high priority for this minister. A \$6-million budget over the next five years is nowhere near enough to meet the demand that is out there, even though it was matched by the federal government, another \$6 million over five years. I do not believe that that is enough. I think that the Aboriginal and Northern Affairs Minister should be

responsible for that. I think that he should have lobbied the federal government, did more to ensure that the federal government kicked in a greater percentage. I do not think 50 percent from the provincial government and 50 percent from the federal government is quite enough.

Housing is largely the responsibility of the federal government. I believe that while it is laudable that the provincial government is putting money into Aboriginal housing on reserves, the federal government is, if not fully responsible, almost fully responsible. That \$6 million by the Province of Manitoba toward Aboriginal housing on reserves probably should have been matched by an amount equal to 10 times that by the federal government and that would have made an impact on reserves across the province, more so than just a 50-50 matching program.

So I think that the department is responsible for those kinds of agreements, and negotiating those kinds of agreements. I believe that the ministry should be holding the federal government's feet to the fire to ensure that those types of priorities are met and that proper federal funding flows to our reserves across the province. While I do not scold the minister for putting in \$6 million over five years, what I believe is that an agreement should have been negotiated for the federal government to kick-in perhaps \$60 million over five years to match our \$6 million. That would have made a substantial impact on housing throughout a lot of the reserves in Manitoba which are really in great need of housing stock, as reported by the article that I was referring to.

Having said that, I thank the minister for his statement and I look forward to asking more questions.

**Mr. Chairperson:** We thank the honourable critic from the official opposition for those comments.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for the Estimates of a department.

Accordingly, we shall defer consideration of item 1.(a) and now proceed with the consideration of the remaining items referenced in this resolution.

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

How shall this committee proceed with the considerations of these Estimates? Shall we proceed globally, or item by item?

**Mr. Hawranik:** Mr. Chairperson, I would prefer to proceed to discuss the budget on a global basis as in the past.

**Mr. Lathlin:** Mr. Chairperson, I agree. I wonder if before we start, however, I can introduce the staff members who are here.

**Mr. Chairperson:** Before the honourable minister does that, there is agreement, global?

**Mr. Lathlin:** Yes, there is agreement.

**Mr. Chairperson:** Thank you.

**Mr. Lathlin:** Mr. Chairperson, I have in the Chamber here, Harvey Bostrom, who is the deputy minister of the department. We have Marilyn Duval, who works out of Thompson as the executive director of Local Government Development. We have Joe Morrisseau, who is the executive director working out of Winnipeg in the Aboriginal Affairs Secretariat. We have Rene Gagnon, who is the director of Finance and Administration, working out of Thompson, and, in the gallery, we have Gordon Wakeling, who is the general manager of the Community Economic Development Fund, working out of Thompson.

**Mr. Chairperson:** The table is now open for questions.

**Mr. Hawranik:** I thank the staff for being here and for all their hard work during the past year in the Aboriginal and Northern Affairs Department.

My first question is to the minister with regard to new legislation. On July 18, 2002, during Estimates, and in 2003 during Estimates, I asked both this minister and the ministerial predecessor, then the current Minister of Aboriginal and Northern Affairs, about his plans to replace the existing Northern Affairs Act, which really has been in existence since 1972 and requires some updating.

At that time, I received a response indicating that there was input into changes that were being considered from northern communities. That was in July 2002, almost two years ago. I am asking the

minister: When will the minister be tabling a new Northern Affairs Act to meet with the new realities?

**Mr. Lathlin:** I can advise the member that there has been work carried out, preparing draft legislation. The departmental legislative development committee has been working to draft the legislation. This draft legislation will be further reviewed by the government departments prior to it being submitted further. This, of course, is the first major review and rewrite that would be done on the department since the original enactment in 1972, The Northern Affairs Act.

**Mr. Hawranik:** Can the minister give me some idea as to when he will be tabling that legislation, whether it will be this year, next year or the year after, some idea, because I have asked the question two years ago and consultations were taking place? I do not believe we are any further along than we were before. Can he give me some idea as to when that legislation will be tabled?

\* (15:20)

**Mr. Lathlin:** Mr. Chairperson, I can advise the member that this work is being done right now, the drafting and the preparation of the bill and putting it through all the departments for consultation purposes. We would probably be finished doing that part, probably by mid- or late 2005.

**Mr. Hawranik:** Can the minister advise how much funding under the 2003-2004 budget has lapsed and in what areas?

**Mr. Lathlin:** Mr. Chairperson, I can advise the member that in the Department of Aboriginal and Northern Affairs, usually there is very little money that is being lapsed. However, there was some lapse, but exactly how much money that was lapsed, I just do not have that information right now but I can make a commitment to the member that I could provide that information in writing probably in the next little while.

**Mr. Hawranik:** I thank the minister for that response and look forward to that written response as to where and how much was lapsed from the previous budget.

I asked a question with regard to the Northern Healthy Foods Initiative last year and at the time the

minister indicated that \$100,000 was, in fact, allocated toward the Northern Healthy Foods Initiative, or an announcement was made at that time. Can the minister advise whether any of that funding under the Northern Healthy Foods Initiative was lapsed from last year's budget of \$100,000?

**Mr. Lathlin:** Mr. Chairperson, I can advise the member that the \$100,000 that he is referring to, most of it was used in the program doing projects. However, I am advised by staff that some of it had not been lapsed but I do not have that detailed information with me right now. Again, I will break that information down and give it to the member afterward.

**Mr. Hawranik:** Mr. Chairperson, I find it incredible that some of that money would have lapsed. There is only \$100,000 in that program and, you know, a cheaper food policy for the North certainly is required. I think the minister indicated last Estimates that, in fact, it was a very important initiative. He did not think it was enough at the time. He thought that much more could be done and he would look at convincing Cabinet to do more than what he has done. I find it incredible that it has lapsed, or parts of it have lapsed. There certainly is a need in northern Manitoba and Aboriginal reserves for that money, particularly with respect to cheaper food for people in the North.

Can he tell me what were the projects funded under that Northern Healthy Foods Initiative, and how much was funded to each project?

**Mr. Lathlin:** I would like to, and I am sure the member knows this too, this program was being developed a couple of years ago. At the time that the project was being developed there was a lot of consultation work that had to be carried out because when the idea was first talked about, as I indicated to the member in the last Estimates process, people were actually talking about the price of milk and so on. In fact, people regularly compared the price of one litre of milk in the northern stores to buying a bottle of whiskey in those same stores, and that whiskey costing the same amount as it was in Winnipeg.

That is how this whole initiative got started, but as we progressed it became evident that it was not really just the milk that we were concerned about. In fact, the concern evolved to healthy, nutritious foods

and about how costly it was for this healthy food to be transported to northern, isolated communities.

The program that we are going to be embarking on pretty soon, we have a budget of \$259,000 and I have made it clear to everyone that we are going to be implementing on-the-ground, sensible, practical initiatives. I have said it all along since we have had hold of this project that we are not going to go out there and do more consultation work, more study.

I think we know what the problem is. The problem is the high cost of transportation of healthy foods to northern areas, so what I am going to be doing is asking people to develop programs, maybe in four or five of the most expensive, the most isolated communities and see if we can do some practical work there. For some communities it might mean a community garden being headed up by the community or it could mean wild food in some cases, moose meat, fish, and in some places it could probably include activities like gathering berries, processing wild berries and so on. That is the kind of program that we are looking at, something that is practical and something that people can relate to, something that they are used to doing.

\* (15:30)

**Mr. Hawranik:** I see that under the current budget for this initiative is budgeted at \$259,000, but I have a concern about the fact that \$100,000 was allocated last year and some of it lapsed.

In any event, I would like to ask the minister has the program been evaluated for results. Since he says that he has not spent the full \$100,000—he spent some of that money—has this program been evaluated for results? I think you have to evaluate the program as well. And what impact has this had on food prices in the North?

**Mr. Lathlin:** As I am going through our records here, I can advise the member that of the \$100,000 that he is referring to, we spent \$25,000 at Red Sucker. Another \$25,000 was spent on Healthy Child initiatives. For the Bay Line, Bay Line meaning Hudson Bay Railway, along those communities along the Bay Line, \$25,000 was spent. And then we spent another \$10,000 in Lynn Lake for a total of \$85,000.

**Mr. Hawranik:** My question, though, for the minister is has this program been evaluated in

specific reference to whether or not, even though you have spent \$85,000, has this program been evaluated in specific reference to its impact on food prices in the North. Is it making a difference?

**Mr. Lathlin:** I think the member would agree with me, Mr. Chairperson, that because this program has not even been fully launched, I think for us to do an evaluation would be premature. It probably would not give us any useful information because there would not have been that data collected over such a short period of time. But I am sure that once the program has been running for three, four or five years, yes, an evaluation could probably be effectively undertaken by that time because by then we would be evaluating it based on information that would have been gathered over a period of time.

**Mr. Hawranik:** Mr. Chairperson, at the time in the Estimates process last year, the minister had indicated that he was seeking federal input as a partner in this initiative. Can the minister advise whether or not he has in fact received a partnership with the federal government?

**Mr. Lathlin:** Yes, I can indicate to the member that there is always lobbying that is being done, not only by my department, but by other departments as well. In this case, I met with the Minister of Indian Affairs and Northern Development, right after he was appointed minister, here in Winnipeg, I discussed with him at our meeting various issues, including the Healthy Foods Initiative.

**Mr. Hawranik:** Mr. Chairperson, during the last Estimates process in September of last year, the minister indicated he is working with the Milk Prices Review Commission with respect to milk prices in the North and also initiating this Healthy Foods Initiative implementation. I asked at that time how long it would take to develop a milk price recommendation for the North, and the minister stated that he would take less than a year to develop or to incorporate the North into the milk price review process.

Can the minister advise what progress he has made in that regard?

**Mr. Lathlin:** I want to advise the member as I said earlier when we started out: I believe the idea of reviewing the price of milk was initiated by mainly people who were not from the northern isolated

areas. As I explained to him earlier, as we were moving along with this project, it became clear to us that milk was receiving a very low priority from the communities that we were working with. In fact, what they were interested more in doing was to see if there was any way that government could assist with dealing with the high price, high cost of food, as a result of the transportation costs.

But I can also advise the member that through the Healthy Baby program, there have been direct financial benefits that have been realized for individuals in these communities. The Manitoba Prenatal Benefit, for example, was a monthly financial benefit that was available to lower-income pregnant women. So, in that way, the benefits that were given to the women, in fact, helped them to meet, probably not all the way but, certainly, to a large degree, their nutritional needs during their pregnancy, thus helping their babies to get a better start in life. So we have done some work towards providing assistance to in this case. Even First Nations women living on Indian reserves were able to participate in a program.

**Mr. Hawranik:** Brokenhead First Nation and Norway House First Nation under the Treaty Land Entitlement Framework Agreement have selected about seven or eight miles of waterfront shoreline on the north side of Lake Lac du Bonnet as their entitlement under that agreement.

I have been in communication with some of the members of council of Brokenhead River First Nation who have advised that their intentions once they get this property are to develop that shoreline into a cottage lot development on the north shore of Lac du Bonnet. It is a great place for a cottage development. There is no development currently in place on the north shore. Lake Lac du Bonnet is currently underused in terms of cottage utilization in the area. It lends itself to cottage lot development to allow the First Nations communities to lease the lots to people who want to build cottages on that property.

What concerns me is the announcement made about a week ago by the Conservation Minister when he announced the first phase of a package to develop 1000 cottage lots across the province and to develop those lots across the province to meet the demand. My concern is that if Brokenhead River First Nation and the Norway House First Nation, in fact, develop

their property, some seven or eight miles of waterfront, which could mean potentially 300, 400, 500 cottages possibly on the north shore of Lake Lac du Bonnet, and that creates an economic initiative for those communities, an economic generator for those communities that will generate substantial lease income to those communities. I believe that should be encouraged.

\* (15:40)

We should not be encouraging First Nation communities, necessarily, to open up casinos. We should be looking at other initiatives that have some strength, that have the possibility of adding to the economic viability of those two First Nations communities.

But I think development like that, similar, in fact, to developments that occur in the west bank area of Kelowna, which I am very familiar with. That Aboriginal community, in fact, is doing very, very well because it leases out property, commercial property and residential property, to people in the community near Kelowna.

This has the potential, I believe, of being an economic generator that, probably, those communities have never seen. My concern is the fact that the Minister of Conservation (Mr. Struthers) is announcing 1000 cottage lots to meet the demand that is already there. My question to the minister is how does that square with your commitment, first of all, to create hope and opportunity for Aboriginal people, and at the same time we have your government competing with those First Nations to develop cottage lots.

My question also is have you made any representations at the Cabinet table outlining this concern.

**Mr. Lathlin:** All I can tell the member is that Norway House and Brokenhead First Nations have never really come to us with any proposals, or even to share proposals with us. So, you know, until they come to my department looking for assistance, then in the meantime, there is nothing to be done. However I share the member's enthusiasm in seeing these two First Nations get ahead in life by way of economic development.

I fully support that, but I am also wondering when I look at our papers, records here, that even

though the TLE process might be under way, I do not believe the TLE process has been fully concluded. By that I mean although lands may have been transferred by the provincial government to Canada for purposes of fulfilling treaty land entitlement, I do not believe those lands have been actually deemed to be a reserve by the federal government.

But, in the meantime, however, my department and I have worked pretty closely with the Norway House First Nations on other projects and so if Brokenhead and Norway House were to initiate an economic development project, yes, I would be more than willing to work with them and see where government might be able to assist them through whatever means.

**Mr. Hawranik:** Yes, Mr. Chairperson, some of the land, there is no doubt, is suitable for cottage lot development, suitable for lease. I think the minister would heartily agree. I think he is probably familiar with the west bank situation in British Columbia, a very wealthy band, a band that has done very well and I have been there many times as well. My grandfather owned an orchard just across the lake from there, so I know about that community and how well it is doing and how it is self-sustaining. Some of the land that is being selected by some of our Aboriginal communities, I do not blame them for it; in fact, I commend them for that, to select some of the land that is quite valuable for commercial purposes.

The potential of the Treaty Land Entitlement Framework Agreement and the settlements that occur under that agreement are very great for economic development and for First Nations communities.

My question again to the minister is has he made any representations at the Cabinet table outlining his concern by the Province developing a thousand cottage lots which may in fact compete with First Nations communities doing exactly the same thing. A co-ordinated approach between the Province and the First Nations communities would be a desirable one.

Has he made any representations to the Minister of Conservation, to the Premier and to the Cabinet that, in fact, First Nations communities ought to be given that opportunity first? They are the ones that are going to have the land that could possibly be

developed. That is a very sustainable economic plan for First Nations communities, and they deserve that chance. Has the minister made any representations?

**Mr. Lathlin:** Mr. Chairperson, I can advise the member that, no, I have not made any representation to Cabinet or to the Minister of Conservation with respect to the recent announcement of cottage lot development in Manitoba. I believe that the cottage lot development announcement is a good one, one that I support. I have been supporting the idea for a long time. This announcement I do not think will impede or get in the way of First Nations people developing their land. In fact, the member will remember OCN was trying to develop some land as well through the TLE process. Unfortunately, that process was withdrawn by OCN. So now they are looking elsewhere for development.

I commend the member for showing great concern for Aboriginal people in their efforts to gain a rightful place in society, including economic development. But right now I believe that cottage lot development has spread all over Manitoba. It is not concentrated in one area or too concentrated in one area. I believe the lots are spread all over Manitoba from south to Thompson.

**Mr. Hawranik:** I thank the minister for that response. Just as a brief comment with regard to his response, my concern is that those thousand cottage lots will probably meet the demand in the province. Once those cottage lots are developed there may not be a demand for the First Nations communities to meet. That is my concern, that maybe the Province is trying to profit ahead of the Aboriginal community. The Province, perhaps, should be using a coordinated approach with the Aboriginal communities to make sure that Aboriginal communities receive their fair share of development.

**Mr. Lathlin:** I have known the leaders at Brokenhead First Nation and also at Norway House. I have every confidence in those two communities, given their track record in economic development thus far. I think whether the Province has a cottage lot development policy or not, I think those two First Nations communities and their leadership probably have gone beyond having to worry about the provincial government and its cottage lot development, because I do believe, you know, they have to compete with other entities as well, not just from the provincial government, so I have every confidence

that they will do quite well if they do, indeed, decide to go into cottage development in the area that the member is referring to.

\* (15:50)

**Mr. Hawranik:** I, too, share the view that Brokenhead and Norway House are quite progressive. At the same time, I realistically look at Manitoba being a province of only 1.1 million people, and the demand may not be there after the Province goes forward with its development. That is really my concern.

I am sure they will be able to, hopefully, overcome that. We do not know for sure but, hopefully, they will overcome that. Certainly, what it does is, it places another roadblock in front of those two communities who really deserve development. Having said that, I thank the minister for his response.

I refer to a letter that I sent to the minister in February of this year with regard to Bissett community council. They brought a concern to my attention, and I was not particularly satisfied with the response from the minister at the time. A concern that they have, and maybe it is one of those concerns that can be addressed in the new legislation that perhaps will be proposed within the next couple of years by the minister, but they really have a legitimate tax concern that was brought to my attention with respect to taxation of improvements on land that is subject to a Crown land permit.

The department, as I understand, taxes those improvements and collects the lease fees for the lands. Under their agreement, 85 percent, really, goes to the school division of the taxes that are collected. The balance, the 15 percent, goes to the community council to pay for services, and it is really part of their operating and maintenance budget.

When someone who owns that lease decides not to pay those taxes assessed by the department, then the Province ensures that the school taxes are in fact paid, deducts the 85 percent, and, of course, sends nothing to the community council. I believe by doing this, the Province is really penalizing northern communities because they have no right to collect those taxes. The Province does, and that is a big concern to the community of Bissett because of the fact that they have fluctuating populations in Bissett.



One year they may have a population of 220 if the mine is operating, 220 to 250 people, and five years later maybe, when the mine is not operating, they have 100 to 125 people. So there are many people who are maybe in default. What it does is it throws off the budgets of those northern communities.

That is my concern, and I am wondering if the minister can give me his thoughts with regard to that particular issue and in fact whether perhaps new legislation will address that problem.

**Mr. Lathlin:** I hear what the member is saying, but, unfortunately, I understand that it is a piece of legislation that we are working under right now. It obligates us to collect those taxes and, when not paid, to take the appropriate action. So, until the legislation is amended, that is what I have to work with for the time being. That is about the clearest way I can put it. I know what he is talking about.

**Mr. Hawranik:** Would the minister commit to taking that issue into consideration when drafting the legislation?

**Mr. Lathlin:** I can say to the member that we are looking at it right now but, as of now, I do not have a plan to amend the legislation. I can commit to the member that we are going to review it and see where we go from there.

**Mr. Hawranik:** I have another issue with regard to Bissett. I spoke briefly to the minister a couple of weeks ago about it, just informally, and I would like him to advise me whether or not he has considered it and what he is prepared to do about it. That is with respect to Bissett and the recreation director that was there.

There was a full-time recreation director in Bissett, Manigotagan, Seymourville and Hollow Water. They had shared the recreation director and they were receiving full-time funding for a full-time recreation director. Now a couple of those communities have backed out of the agreement to share the recreation director.

Bissett, in particular, was really hit hard by the closure of the gold mine which now is set to open under Hugh Wynne, one of the entrepreneurs, in the community of Bissett. It was really hit very hard by the closure and many of the families left because there was no work. On top of all that, to send a letter

to Bissett advising them that they would be entitled to only part-time funding because the agreement between those northern communities was no longer in place, I think is another slap in the face to Bissett. What was offered, as I understand it, was only \$3,500 toward part-time funding of a recreation director.

I would ask the minister, and I asked the minister a couple of weeks ago, with respect to that issue whether, in fact, he would consider funding a half-time recreation director for Bissett at the very least. I would like to know what the minister's response is on that.

**Mr. Lathlin:** Mr. Chairperson, yes, I remember that conversation I had with the member on this topic. Since he and I talked, I have gone back to the department to inquire about it. *[interjection]*

If the member is not listening, then how can he hear my response? It is a very important subject to him and when I talked about—

**Mr. Chairperson:** The honourable Minister of Aboriginal and Northern Affairs, you have the floor.

**Mr. Lathlin:** Thank you, Mr. Chairperson. I was just a little annoyed by the goings on over there earlier when the minister asked me what he said was an important question, a very big concern for Bissett. When I started to answer, he was busy talking to his colleague, so I did not want to keep talking to myself because I do not normally do that.

What I was going to tell him was since our conversation, I went to the department and talked to staff about it because I wanted to know why the other three communities decided to pull out. I am not sure if it was two or three. Anyway, I wanted to know why they had decided to pull out when they did. But I also wanted to find out just where this Bissett gold mine re-opening was. I was told that it looked very good, that the Bissett mine was going to probably open up pretty soon, so I was going to get back to the member by way of a letter. Since he has asked the question here today, I can tell him that I would be willing to look at the position of the recreation director once the numbers in the community have gone up substantially. If there is a gold mine there reopening, no doubt, the numbers will go up and at that time, I am prepared to look at it.

**Mr. Hawranik:** I think the minister should bear in mind that there are administrative things to be done to end this Estimates as well. I was talking to one of my members as well to deal with the end of the Estimates process. He has to realize too that there is a public record here. I can certainly, if I do not catch every word that the minister has to say, read Hansard as well.

\* (16:00)

In any event, I would like to advise the minister that San Gold Resources, which is owned by Hugh Wynne and the Wynne family and a number of other entrepreneurs, has, in fact, bought the assets of the gold mine and is now in preliminary stages in terms of opening the mill. As I understand, it will happen likely by this fall. So there will be an improvement, hopefully, to the community. At least I am hopeful there will be.

It is a community that really has been devastated by the closure of the gold mine. I am fairly hopeful that there will be 40 or 50 new jobs created almost immediately, well, at least by the fall, and then, hopefully, go up from there, but just to let the minister know that there is some hope for the community. I support that and I think the minister does as well.

**Mr. Lathlin:** Mr. Chairperson, I would like to add to my comments I just made earlier about Bissett. Regarding recreation, we are currently reviewing all of the part-time communities with a view to, wherever we can, increase funds. This review of recreation programming would probably increase recreation capabilities in the communities. So I think by the time the review is completed, and especially when the numbers start to come up in Bissett, we can probably do something for that community.

**Hon. Jon Gerrard (River Heights):** Mr. Chairman, in his opening remarks the minister referred to the fact that the government, I believe, would be acting on behalf of certain communities with respect to some of the northern dams like Conawapa and, I guess, perhaps Wuskwatim. Could the minister clarify?

**Mr. Lathlin:** Mr. Chairperson, I wonder if the member would be so kind as to maybe rephrase that. I am not sure if I understand the member's question.

**Mr. Gerrard:** I think in the minister's opening remarks he mentioned that the department was acting for, I think it was Fox Lake with respect to Conawapa.

**Mr. Lathlin:** Mr. Chairperson, I know now what the member is referring to. In my opening remarks I said that the department sits in on in the meetings that happen between Fox Lake negotiations. There had been negotiations going on between Split Lake First Nation and Fox Lake First Nation concerning a resource management area. It was actually a Split Lake resource management area but located within the vicinity of the town of Gillam, which is, of course, home to the Fox Lake First Nation, Gillam, I believe, Ilford. I guess, at the same time, the government and Manitoba Hydro were in negotiations with Fox Lake for some Hydro compensation. So it turned out that Fox Lake and Split Lake were in a bit of a stalemate as to who would actually control the resource management area. Although a board has been installed with representatives from government, Spit Lake and Split Lake would be willing to give a seat to the board for Split Lake, for Fox Lake. Negotiations kind of came to a halt. So now I think we have cleared up those concerns between Split Lake and Fox Lake and we are able to move ahead. I think Fox Lake and Split Lake will be agreeable to the agreement and we will be able to work together. The main concern was the resource management area.

**Mr. Gerrard:** The minister is indicating that the department is not actually acting for people in one community or another with regard to the northern dams. Is that correct?

**Mr. Lathlin:** Our department was not representing either of those two bands, but we were representing the Department of Aboriginal and Northern Affairs.

**Mr. Gerrard:** What does the minister see his role and his department's role with regard to the northern dams like Wuskwatim and Conawapa?

**Mr. Lathlin:** I believe our role in the department is clear. It is primarily facilitating process, making sure that negotiations are moving along and to try to ensure that those files are concluded as soon as possible.

Our main purpose has been primarily to facilitate. In the Department of Aboriginal and

Northern Affairs we regularly, for example, if it is housing, we will work with the Minister of Housing. If it is Health, we work, and so on. But recently I believe most of the work has been, well, I should not even say most, but there is a lot of work going on right now in the resource area. We are working with Conservation and we are working with Manitoba Hydro to try to get all parties' negotiations completed so that we can move on.

**Mr. Gerrard:** One of the significant issues in the north, as the minister is only too aware, is the issue of a relatively high number of suicides in recent years. So I would ask the minister to provide the Chamber with an update on what is happening, what his department is doing in the way of preventing such tragedies.

**Mr. Lathlin:** I can indicate to the member that the department continues to participate on the Manitoba Committee for Suicide Prevention as well as in the Aboriginal Suicide Prevention Committee. So there is ongoing work being done with those two committees. This committee meets on a quarterly basis to share the information. It seems to me that that there is quite a bit of work that is being done. We work with individual communities from time to time. Especially during Christmas, we work with the communities individually.

\* (16:10)

In fact, this morning there is a walk that was organized by, I am not sure who organized that walk but, in any event, the Manitoba part of that national walk was co-ordinated by the Assembly of Manitoba Chiefs. These walkers are from British Columbia and they are walking to Ottawa to try to raise the awareness of Aboriginal people, especially young people committing suicide. The walkers came into Winnipeg, I understand about one o'clock today. Unfortunately, my plan was to be there to go and meet with them, maybe share a lunch with them. But we provided a bit of financial assistance to that organization, AMC, so they can more appropriately look after the walkers.

We assisted in establishing that Aboriginal Suicide Prevention Committee I alluded to earlier, to work with the Manitoba committee and the two committees are currently devising a Manitoba suicide prevention strategy. Like I said, we work with individual communities in Garden Hill,

Shamattawa, Bloodvein and we are assisting in the planning and implementation of projects that, hopefully, will address these conditions which, in the end, some of them end up young people committing suicide.

**Mr. Hawranik:** Yes, Mr. Chairperson, I would like to proceed now with section by section on the budget.

**Mr. Chairperson:** Are we ready to pass the resolutions? We are ready.

Resolution 19.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,663,400 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Operations, for the fiscal year ending the 31st day of March, 2005.

*Resolution agreed to.*

Resolution 19.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,356,500 for Aboriginal and Northern Affairs, Capital Grants, for the fiscal year ending the 31st day of March, 2005.

*Resolution agreed to.*

Resolution 19.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$62,500 for Aboriginal and Northern Affairs, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2005.

*Resolution agreed to.*

The last item to be considered by the Committee of Supply in this department is item 19.1.(a) the Minister's Salary, contained in Resolution 19.1. At this point, we politely request that the minister's staff leave the table for the consideration of this last item.

The floor is now open for questions or debate or whatever.

Accordingly, Resolution 19.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,106,800 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Executive, for the fiscal year ending the 31st day of March, 2005.

*Resolution agreed to.*

This concludes the Estimates of the Department of Aboriginal and Northern Affairs.

The next set of Estimates that will be considered by this section of the Committee of Supply is the Estimates of the Department of Energy, Science and Technology.

Shall we recess briefly to allow the minister and critic the opportunity to prepare for the commencement of the next set of Estimates? Shall we recess? Agreed? [*Agreed*]

*The committee recessed at 4:16 p.m.*

*The committee resumed at 4:18 p.m.*

### ENERGY, SCIENCE AND TECHNOLOGY

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Energy, Science and Technology.

Does the honourable minister have an opening statement?

**Hon. Tim Sale (Minister of Energy, Science and Technology):** Mr. Chairperson, I think, as we agreed last year, in the interests of time, that we would dispense with opening statements. So all I have to say is I have a great time at my job. It is a wonderful department. I cannot imagine having anything to do that is more fun than what I do. That is my opening statement.

**Mr. Chairperson:** We thank the honourable minister for those very brief comments. Does the official opposition critic, the honourable Member for Springfield have any opening remarks?

**Mr. Ron Schuler (Springfield):** It is an incredible position to be in, in life when you actually love what you do, and I will comment back to the minister. I often go home and say to my family, "Not just do I love what I am doing, I actually get paid for this." It is just great to be able to love what you are doing and, certainly, look forward to going through the Estimates again with the minister.

**Mr. Chairperson:** Thank you.

Under Manitoba practice, debate on Minister's Salary is traditionally the last item considered for the Committee of Supply. Accordingly, we shall now defer consideration of item 18.1.(a) and proceed with consideration of the remaining items referenced in Resolution 18.1. At this time, we invite the minister's staff to join us at the table, and we request the honourable minister to introduce the staff in attendance.

\* (16:20)

**Mr. Sale:** My Deputy Minister, John Clarkson, and our Administration Support Officer whom we share with the Department of Industry, Economic Development and Mines, Craig Halwachs.

**Mr. Chairperson:** The next task is how you proceed. Does the committee wish to proceed globally or in a chronological manner, item by item. What is the pleasure of the committee?

**Mr. Sale:** Globally, Mr. Chairperson.

**Mr. Chairperson:** Is that agreed to? [*Agreed*] There is agreement. We will proceed in a global manner. The floor is now open for questions.

**Mr. Schuler:** The last time we were in Estimates, I mentioned it was a historic moment because it was the first time this particular department had been in front of Estimates. There were a lot of things that we had discussed and certainly want to take the opportunity and go over some of those areas and find out where we have come with them.

The whole area of energy, science and technology is where an awful lot of debate is and a lot of controversy. In fact, there is a new movie coming out about global warming, I would suggest maybe a little extreme, but it is very controversial and these issues are not to be trifled with. They are important issues. They certainly affect each and every one of us in a very personal way on a daily level, and what is done in this department, what is done by this minister and his staff is very important. It will set the agenda for this province for years to come and will affect generations to come.

Our reliance on energy, whether it be in a cold climate for obvious reasons or whether in a hot climate, we know that there is a substantial shift in population down to the Golden Crescent in the

Americas, in North America in particular where you are being led by California, Texas and Florida followed by Arizona and the smaller states after that.

In fact, I happened to be in Arizona a while ago. I believe Arizona grows to the tune of 200 000-plus a year. Las Vegas, if I understand correctly, and I always roll my eyes at the some of the numbers, but a number was given to us that they grow by 7500 people a week. That would be Las Vegas and they are closing in on 2 million people.

To run these cities because of the extreme heat takes an awful lot of energy. Not just that, it will also involve an awful lot of water, but energy is the big issue so what we do here as an energy producer will have a big impact on what happens in North America over the years to come.

I would like to point out to the minister that I thoroughly enjoyed our discussions last year and had the opportunity to read through Hansard and go over some of the discussions that we had. I am going to start off and ask just a couple of general departmental questions and then I would love to get into some of the issues. Like last year, could the minister just tell this House how many people in total work for this department?

**Mr. Sale:** I think if the member would look at the Estimates review material on page 13—*[interjection]*

I beg your pardon?

**An Honourable Member:** It is the same answer as last year.

**Mr. Sale:** Well, it was right last year, and it is right again this year; 131.12 down about 8 staff from last year. They are FTEs.

**Mr. Schuler:** I thank the minister for that answer. Actually, the department is down 10 as comparing from last year's Hansard.

Can I just confirm with the minister whether his department is still in the Paris Building?

**Mr. Sale:** Partly. Partly on Carlton, partly in the Paris Building and partly on Garry Street. Oh, yes, of course, we have the Information Protection Centre in the Norquay Building as well. We are spread around a little bit.

**Mr. Schuler:** I thank the minister for those answers. I appreciate that very much. Can I ask the minister just in regard to a special assistant, Peter Caron, is he still working for the minister?

**Mr. Sale:** What was the last name, Mr. Chairperson?

**Mr. Schuler:** Caron. I will rephrase the question. Can I ask the minister who his special assistants are?

**Mr. Sale:** My special assistant is Patrick Caron, and I have a special adviser for Hydro issues who is Susan Budnik Pilon.

**Mr. Schuler:** Of course, it is Patrick, and the assistant from Manitoba Hydro, is that a new position or is that replacing somebody who used to hold that position previously?

**Mr. Sale:** No, that position has basically been assigned to whatever minister carried the responsibility for Hydro. When I first assumed the responsibility for the position, Rob Altemeyer carried some of that. He has found another job somewhere. Susan came to us from Saskatchewan just a little more than a year ago now. I believe she started her duties last February, not this past February, but a year ago February.

**Mr. Schuler:** Could the minister tell us who his executive assistants are as compared to special assistants?

**Mr. Sale:** My executive assistant is Geof Langen.

**Mr. Schuler:** Are there any other OCs working for the minister in his ministerial office?

**Mr. Sale:** No, Mr. Chairperson.

**Mr. Schuler:** I thank the minister for those answers, and I would like to move on and ask the minister if he could explain to the committee how the wind power is progressing in Manitoba. Last year we had a discussion that it was in its formation stage, that there were a lot of plans, and I would be very interested in knowing where wind power is right now in Manitoba.

**Mr. Sale:** The particular project that is farthest along is the St. Leon 99.5 megawatt farm that would use 1.65 turbines. It would be about 65, 66 of those

turbines. The project received its environmental licence earlier this year, in fact, I am not sure of the date, the environmental licence. If the member wants the date, I can find it for him, but some months ago, now, construction work on the transmission component to connect to the grid, I believe, had begun, and we are just awaiting the final details of financing that would move the project into full construction at this point. Much preliminary work has been done and it is a very exciting project.

\* (16:30)

In terms of other potential, Hydro is continuing to monitor the wind sites that we spoke about last year. They now have, I guess, a year's data on the first couple of sites, and they are in a position to assess those sites in terms of their wind potential. Some have been very strong.

I am informed that the licence to Bison Wind was in December. It was issued for the environmental approval of that project's construction at St. Leon. The wind data are being accumulated by Hydro. There are also others who are monitoring data and believe that Manitoba has as good a wind resource as North Dakota does. It is not surprising, given that we share the border.

Things have changed a lot in the wind industry. Some of the big companies have merged. Vestus took over NEG Micon. It was called a merger but, in effect, it was really a takeover, so they have about 34 percent of the world market now, which makes them the dominant player and they are the company that was initially the company that was being dealt with. I cannot assure the member whether that is the company that will actually provide turbines for this project or not, but that was certainly the initial intent. The project, of course, is a commercial project and so it will make those decisions at the time that it needs to make them.

I think that the member probably knows that across the world, wind is the fastest-growing form of energy at this point, growing at a rate of about 40 percent per year. Some areas in Germany, like Schleswig-Holstein, for example, at some points in the day are receiving up to 75 percent of their power from wind, and I believe that over 25 percent of their total power is coming from wind in that particular state of northern Germany.

The newer, huge turbines are off-shore turbines, but GE is testing turbines that are in the 2.3, as high as, I think, 3.4 megawatts, which is a huge amount of power on land. I believe there are a couple of test locations, one, I think, in Texas, testing these enormous towers.

We are very pleased with the work that is being done, given that 18 months ago we did not have any monitoring on the way, let alone any projects. We have moved very quickly. The member probably also saw the announcement from Crocus, that it had partnered with Bison Wind to supply some initial equity as well as some loan guarantees. Bison Wind is the proponent of the St. Leon project. They also announced their establishment in Manitoba, as a Manitoba company with its corporate headquarters here, which we were very pleased with. It is a small company at this point, but they are like the small engine that could; they want to grow. So there have been very good developments over the past year.

**Mr. Schuler:** The St. Leon project, how many windmills are they looking at?

**Mr. Sale:** I believe that it is 66. It is between 60 and 66, but I believe it is 66. Somebody could probably wave at me and say is it 66, but they are 1.65 megawatt turbines and it is a 99.5 megawatt wind farm, so divide 1.65 into 99.5; well, 16 times 6 is 96, so 62, 63 turbines, somewhere in there. I will get it for the member.

**Mr. Schuler:** I take it that will be our first major site in Manitoba. Until now, we have not had that large of a collection in a wind farm. Is that correct?

**Mr. Sale:** We have no current wind generation in Manitoba. It is interesting, though. It would be the largest farm in Canada. So we go from 0 to 100. It would not be the largest generation in total, because some provinces have a number of smaller farms that total more than 100 megawatts but not much more. It would certainly put us well up there. We are led to believe by both Hydro and the companies that there is much more potential than that first farm. We very confidently expect there to be quite a bit more following fairly quickly on the first one.

**Mr. Schuler:** With the St. Leon site are we looking at construction beginning fairly soon or what would be the holdup? What would be the one thing that would stop it from proceeding in a timely fashion?

**Mr. Sale:** Well, as I indicated to the member, I believe there is already some initial work being done on the transmission connection. It is really up to the company that is the proponent to come forward with a construction schedule. When you understand that they have done the engineering, they have secured the land leases, rights of way, they have committed significant money to the transmission side of their project. I am sure they are as anxious to get moving as everybody else is. It is obviously up to them to come forward with their final corporate plan. I think the member would understand that nobody goes to the extent that they have gone without intending to move as quickly as they can to realize the return on the investment they have already made.

**Mr. Schuler:** I take it all the environment licences are done. They have all the licences complete? The rights of way are also all complete?

**Mr. Sale:** That is correct.

**Mr. Schuler:** The minister mentioned last year that there were 17 wind monitoring towers in various sites of which Hydro had 7 of those and 10 were private. Are any of those looking like they might be a winner site? Has anybody indicated to the minister's department that this looks like a site they would want to proceed with?

**Mr. Sale:** I am sure the member understands that for the private companies that is really proprietary information, but I can indicate that the companies we have met with are very excited by the potential for wind development in Manitoba. Manitoba Hydro is continuing to monitor the sites that they are at and I am sure they will take those data to their board with their recommendations.

We are aware that, as you would expect, some of those sites are more promising than others, but the decision on whether to move forward with a commercial production is really Hydro's board to make on the basis of the data that they have collected. I can say to the member that there has been nothing in the last year that suggested to us that we do not have commercial, exploitable wind at a very significant quantity. We are certainly continuing to explore how we can exploit that resource.

\* (16:40)

**Mr. Schuler:** With some degree of interest I have followed a lot of the debates that have taken place. A

lot of groups have been weighing in on more hydro development in the province. One group in particular spoke about wind development, wind power development. It indicated that if there was more wind power development we would not be needing all these hydro dams.

I guess the point I am trying to get at here is the minister has mentioned in Europe that this technology has moved forward. I understand that, in Ontario, one of the largest wind towers in the world has been established. It was just on the news a while ago; a substantial wind generating tower had been put up.

Does Manitoba Hydro not see this as a viable enterprise for itself? Does it see itself going more into hydro development rather than going into this direction and just allowing this more for the private sector?

**Mr. Sale:** Just so the member has the information, staff have informed me that it is 63 turbines. So we were not far off. I am not aware of any significant wind projects in Ontario that are fully committed for construction. The nature of the wind industry is that a large number of projects get sort of potentially identified. One of the reasons for this is that the way the Canadian wind incentive, the WPPI, which is the federal government's incentive for wind production, the way it is structured is you have to get in the queue, and you get in the queue by getting your project to the point where it is approved at certain levels, but you kind of apply all the way up this queue process.

So there are a lot of people jockeying to get in the queue, because at this point the cap is only 1000 megawatts. The Canadian Wind Energy Association has pushed hard for the federal government, and we have supported them, to lift that cap to at least 4000 megawatts and to maintain it at the current level of I think about one cent. It is a declining incentive. But so far Canada has not agreed to do that.

So there are a number of projects on the books if you go to the CanWEA/ACEE site and look at the proposed projects. There are quite a lot of proposed projects, but that does not mean that those projects are going to be built. There are very few projects in Canada that are at the stage that the Québec projects or that our project is at at this point. That is not to be negative about them. It is just that people tend to say

we have a project for 250 megawatts of wind, but in fact what they have got is a potential site with potential partners, but is not at the point that Québec, for example, or that we are at in terms of project development. In terms of Hydro, I think if you look at their strategic plan, you will find that they have committed to 250 megawatts of wind as quickly as it is economically feasible for them to develop it. We are asking them to look even beyond that to a higher target.

In terms of wind and water, which the member asked in terms of complementarity, they are really totally different, so they are not in competition. Water is an immediately available source of energy. So if you have a storage system like we do in Manitoba, where essentially everything from Lake Superior west and from the Rockies east and the Red River Valley form a huge set of controlled storage lakes. You have a reservoir behind your turbines. If you need power, you open a gate and spin a turbine and you get power, whereas with the wind, you cannot just say, you know, whistle up the wind, in spite of what the Irish might claim or the sailors might claim. There is no record that whistling is going to get you wind.

So the issue of the complementarity of wind and water is huge. If you have got water you can store the wind energy in the form of water. In effect, when the wind is blowing you do not have to open your dams. But you cannot count on the wind as a firm source of energy. You cannot sell it to somebody as firm, you know, I will send you wind power whenever you need it. You cannot do that.

A couple of things are important. The more wind farms you have in a bigger geographic area, the more you are likely to have wind blowing at any one time, because the wind is always blowing somewhere. So the more wind becomes developed and spread across jurisdictions, the more it becomes a firmer source of power. For all intents and purposes you have to, though, store it somehow. You can store it in water; you can store it in hydrogen. But you cannot just say, well, it is in competition.

So you need the capacity to turn the power on whenever you need it if you are going to be a reliable supplier. That is why the dams are not in competition with the wind. But wind is a beautiful complementarity, because it allows you to store your water longer. You do not need to run the water through the

dams when the wind is blowing. So wind does not replace the need for dams. It expands your capacity, but it does not replace the need for the dams, because you have got to have the dams in order to back up the wind power.

**Mr. Schuler:** Clearly, the minister has laid out the problem with it, what comes first, the chicken or the egg? Do you put out all the money and build, in various jurisdictions, all these farms, so that you have a more reliable source? Clearly, that is something that, over time, will resolve itself, but I appreciate the minister's comments on that.

The St. Leon project, from what I understand from the minister, it is basically ready to go on stream and Hydro is prepared to purchase the power from them? Is Hydro looking at purchasing all the power that they can produce?

**Mr. Sale:** Yes, Mr. Chairperson.

**Mr. Schuler:** Clearly, that is at a rate that warrants putting up the towers?

**Mr. Sale:** Mr. Chairperson, neither the proponent nor Hydro are in business to not make a return on their investments. Hydro, clearly, over the years, has a mandate to provide power to Manitobans at the most reasonable rates possible, and it has done so. On the export side, we have been pretty profitable, with the odd exceptions of drought years, which we have just come through. The private sector proponents of this project would not be putting the project forward if they did not think they could make money on it, and Hydro would not be buying the power if they did not think they could make money selling it. So there are no subsidies involved here, other than the federal government's subsidy to promote wind development in Canada, which is about a cent a kilowatt hour to the project.

Just as a matter of interest, in concluding that answer, it is interesting that the only form of energy production in Canada that is not subsidized in some way or another is Hydro. Nuclear, obviously, has had huge subsidies over the years, billions and billions of dollars. The gas and oil industry has had a variety of subsidy mechanisms in the tax system and, sometimes, direct capital, for example, Hibernia, and wind energy has a small subsidy at this point, actually the smallest of any developed nation. The wind subsidies in Europe are enormous. In the United States, they are



larger than here, although right now it is on hold because the energy bill is still stalled in the U.S. Congress, but it has historically been about 2.4 cents, I believe, a kilowatt hour in the States, on average.

So, yes, there is a Canadian federal subsidy, but there is no provincial Hydro or provincial subsidy to the project.

**Mr. Schuler:** In their last Estimates, the minister said, and I just quote for him, "That said, we have no shortage of commercial developers who are putting up wind towers. We expect to have quite a few more. 17 will be up within the next few months." Have any of those wind towers, and that would be, I guess, private wind towers, have any of those been proceeded with?

**Mr. Sale:** Well, Mr. Chairperson, a number of those were associated with the Bison Sequoia project and they certainly intend to go ahead. We are not always aware of who all the private companies are that are monitoring, because they are obviously trying to secure a commercial advantage by finding viable sites. But I can tell the member that a number of Canada's largest energy companies have been very interested in what is going on in Manitoba in terms of their interest, and they are interested in wind in other provinces and other parts of Canada. I cannot tell the member how many towers are up today because, frankly, I do not know. The ability of people to lease a piece of land or lease a right of way and erect a tower—we sometimes will find out about it but, sometimes, I guess, we do not. My understanding is that nobody has been disappointed in what they are finding in terms of potential commercial sites at this time.

**Mr. Schuler:** The minister went on to say that there are projects that are in a very advanced state of negotiation. These negotiations between Hydro and the proponent and they are being carried on, on a commercial basis. Of those 17 projects that the minister thought were going to be coming up in a few months, I take it none of them have an agreement yet with Hydro, because obviously then the minister would know about them, right?

\* (16:50)

**Mr. Sale:** I think the member may be misinterpreting last year's comments. At no time did I suggest that there would be 17 projects. There were 17 monitoring towers up that we were aware of at that

time. Any, all or none of those sites may have proven commercially viable. In the case of the Sequoia/Bison towers, obviously they have decided that they have commercial quality wind. Hydro is still monitoring in the case of their towers. I understand informally they are very encouraged about some and they are less encouraged about others; but that is exactly what you would expect.

The project that is most advanced, as we have said, is the St. Leon project, the \$200-million project. I will be delighted to have that as a start.

**Mr. Schuler:** The minister had just mentioned—I just want to confirm again he said this in last time's Hansard, and I quote: "There is no subsidy here and there will be no subsidy."

Are there any subsidies that have been extended to the St. Leon project, any tax breaks? Is there any public involvement in the St. Leon project, or is it completely and totally a private venture that is selling electricity to Manitoba Hydro?

**Mr. Sale:** As I have indicated the only subsidy is the wind incentive from the Government of Canada which I believe the project has a commitment for. I certainly would expect, although I cannot as a matter of knowledge say that I have seen the actual commitment letter, but I would believe at this point they would have qualified for the WPPI program. Otherwise, it is a commercial transaction between Hydro and Bison Sequoia.

**Mr. Schuler:** Again, I understand that things have changed since the last time we spoke. As the minister mentioned, since the last time we had an opportunity to get together the data now collected would have been a year old. The minister mentioned that Hydro has an internal goal and that is, and I quote, "their own goal of getting at least 250 megawatts of wind." Is that still the goal of Hydro?

**Mr. Sale:** Yes, Mr. Chairperson.

**Mr. Schuler:** Again, the minister pointed out that was about 175 turbines and about a \$400-million level and the minister felt that that would take place over the next five years which would now be over the next four years. Clearly, the St. Leon project is a chunk of that. Is it feasible within the next five years that we would see that goal met? The next four years, I am sorry, because we have already lost one.

**Mr. Sale:** I believe so, Mr. Chairperson.

**Mr. Schuler:** I appreciate the minister's discussion on wind power.

I would like to move into another area that we had a really significant discussion about and that had to do with methane capture. I was wondering where the minister's department is with that at the moment.

**Mr. Sale:** That is a very important area, Mr. Chairperson. The Hydro project at Brady Landfill site has gone more slowly than I would have wished. It seemed to be related to the City of Winnipeg and Manitoba Hydro reaching agreement about green credits and about assignment of costs, and it just seemed to be more difficult than, perhaps, we had anticipated getting the agreement on that. Most recently, in my understanding, the project is now in the detailed engineering study phase. So progress is being made, perhaps just a little more slowly than I had hoped. I can get a little more information from staff on the exact status of that project for the member in a few minutes, if the member is able to wait for a few minutes on that.

A much larger area of methane emissions is in the manure industry, which, everybody knows, what goes in eventually has to come out. It has some nasty environmental effects associated with it, not just related to ground-water pollution issues, but methane is, as the member would probably know, about 21 times more potent as a greenhouse gas than is carbon dioxide. So capturing a tonne of methane is the same as capturing 21 tonnes of carbon dioxide.

So our cattle and hog industry and, to a lesser extent, poultry produce a lot of manure and that manure on its decomposition produces a lot of methane. So the member may be interested to know that there at least two very interesting and, I think, really promising technologies under careful consideration in Manitoba at this time.

One has had a test installation, a Hutterite colony in western Manitoba near Wawanesa, where they have demonstrated to us really very impressive odour control, to the point where I have to say that essentially it was odourless, I could not detect an odour; water quality that meets conservation standards for spreading on wetlands; and a dry, very much like a peat moss, residue that is a dry fertilizer, for all intents and purposes, and has no odour. It is

absolutely odourless. I must admit I did not believe it until I actually saw it and could smell it. It smells a little bit like barley or like a grain elevator, but that was the only noticeable odour. That is one technology that is being pursued, it seems like a great deal of interest from both the farm community and some municipalities in rural Manitoba. So it is an exciting opportunity.

The other one is a test installation at a hog farm near Teulon. It is a 6000-animal-unit barn so it is a big operation. It involves collecting the manure in a large pit that is V-shaped and allowing for anaerobic decomposition in the pit. The manure moves just by gravity very slowly through. Methane is emitted and captured in a sealed, it looks like a golf dome, except that the day we were there, it was not bubbled up. But it is essentially a sealed capture unit. The methane is drawn off and burned in an internal combustion engine that is tuned to burn methane instead of gasoline. Essentially, like a car would burn propane, this one burns methane. The power of the farm can then be returned to the grid and the waste heat from the engine is captured and cycled in the manure to keep the temperature up in the anaerobic digester. The issue for cold weather digestion has always been keeping the bugs alive at our temperatures.

A company called Bio-Terre has engineered a more cold-resistant micro-organism that stays alive down to about 5 above and functions in the 25-degree range which can be maintained with the heat from the engine. There have been lots of digesters in warmer climates, but there has not been a successful one in really cold climates. So with Hydro we are involved in experimenting with both these projects. We are very encouraged by both of them. They have the potential really to revolutionize how we would deal with the output of both cows and pigs, and I am not sure but chickens and turkeys, but certainly it is the same kind of produce. I do not know whether it can be dealt with in the same way, but certainly with hogs and cattle. This is a very promising technology. So that is where we are on methane capture.

\* (17:00)

**Mr. Schuler:** I listened to the minister talking about turning manure into something that he thought was quite nice smelling. It reminds me of the former Member for Lakeside who said, "The day will come when manure will smell like raspberry jam," I think

was his comment. I see the minister is almost there. It is only a matter of time until the minister will come forward, maybe next year and say, "We have it smelling like raspberry jam", but we will wait.

I am surprised at the short attention the minister has given the methane capture because having followed the Kyoto debate as its rise and fall took place in the Chamber, methane capture seemed to be a buzzword. It seemed to be a fairly important plank in what the government was trying to do. From what I understand from the minister is, it is just a dog that does not hunt. I take it that it is not something that is going to be proceeded with. Is it just too cumbersome? Is it too expensive? Is it something that will come later on down the line?

**Mr. Sale:** No, Mr. Chairperson, Brady is a very important landfill site in terms of methane capture. It would be the equivalent of about 600 000 to 700 000 tonnes of CO<sub>2</sub> and generate at least five megawatts of power, so it is a big site by comparison. Landfill installations for methane capture and power generation are very common in the United States, and some exist in Canada, but they are very common in the States, partly because it is warmer, but just partly because they have less land and they have had more stringent requirement there.

So, no, I do not think this is something that will not proceed. In fact, we very much expect it to proceed. Because of our concern about ground water and about the livestock industry, I am very committed to seeing us work through both of the technologies that we are currently exploring and hopefully seeing both of them move into commercial applications.

Certainly, the companies that are promoting these technologies want to see them become commercialized and see the value of that so no, this is not a low priority for us at all.

**Mr. Schuler:** Yes, the minister mentioned that it is more current, or it is more prevalent in the United States and a few cities in Canada. Which cities in the United States and who in Canada currently has that technology and is using it, the methane capture at their now redundant garbage dumps?

**Mr. Sale:** I will get a list for the member. Staff will have to prepare a list, but there are lots of them. It does not deal with the issue of landfills. What it does

is capture the methane that is being vented from the landfills just coming up through the earth because of the digestion that is going on underground by the buried waste that is down there. Methane comes up and just escapes into the atmosphere. So what you do is you put pipes centrally—they look, probably, not terribly unlike weeping tile—down into the ground and pull pressure, create a vacuum, in effect, sucking the methane into the pipes to keep it from seeping up through the earth. But it does not replace the need for a landfill site. It just limits the damage to the atmosphere that the methane is doing by capturing it and using it for electric production.

**Mr. Schuler:** So I take it the issue is that it just has not progressed as quickly as the minister thought it would, because clearly this was something that was touted as being imminent. Is this something that the minister sees coming in a year or two, or is this like a five-year commitment to try to get this up and running? What kind of time frame would we be looking at?

**Mr. Sale:** I will ask Manitoba Hydro for an estimated date of when they think it will be completed. I will provide that to the member as soon as I receive it.

**Mr. Schuler:** So the methane capture is being driven by Manitoba Hydro. Is that correct, and that is where this would come from?

**Mr. Sale:** In the case of the Brady Landfill site, yes. In the case of agricultural projects that I spoke of, Hydro is supporting the one in Teulon. I do not believe they are involved in the other one in Wawanesa. So the answer is partly yes, but it is not being driven by Manitoba Hydro particularly. The manure reduction is being supported by Manitoba Agriculture, Manitoba Water Stewardship, Manitoba Conservation.

The one in Teulon, I believe, was having an open house very soon. It might be either this weekend or next. They are inviting community people out to see the operation. If the member is interested, I could try and make sure that he finds out the date. It is only about a half-hour drive or three-quarters-of-an-hour drive. He might be interested to actually see the installation and see what it is they are doing.

**Mr. Schuler:** I thank the minister for that. Even if somebody from his department would just e-mail me

that, it would be appreciated. I appreciate the minister taking some time in dealing with that methane capture issue.

I would like to move on and spend the rest of the time that we have today on ethanol, clearly an issue that has been discussed a lot in Manitoba. I would really like to hear from the minister where the entire ethanol folder is right now in Manitoba.

**Mr. Sale:** I think the member knows that the federal government put forward an ethanol program last fall. I appreciated the assistance of the honourable member in getting the legislation that we required to allow our companies and communities to participate before the House and dealt with in an expeditious manner. I want to thank him for that, for the part he played in that.

Two companies that had an interest in Manitoba applied under that program. One was successful, Husky. They are in the process of negotiating with the federal government in regard to their grant. I do not think I can provide the member with any more information than that. Husky is well known to us in Manitoba, having run the plant in Minnedosa for many, many years. When they bought out Mohawk, they inherited the alcohol side as well as the gas side and decided to keep it, and we are glad they did.

We are also in discussion with other communities that are actively pursuing a plant involving in some cases I think some very exciting community development opportunities in a number of Manitoba communities. I cannot tell the member really much more than that. The federal government committed to the second phase of its program coming forward in 2005. We are waiting to see when the date of that is.

Without being critical of the federal government, the impact of them coming in with a capital subsidy really changed the economics and the dynamics of Canada's ethanol industry because companies that are understandably reluctant to move forward with plans if they do not know where the federal program is going, and companies that have been successful are viewed by others as having an unfair leg up because they have received a federal subsidy. So the federal program has introduced some, let us say, uncertainties into how the ethanol industry in Canada is developing.

\* (17:10)

On the other hand, I was really pleased to learn the other day that Ontario has recommitted itself publicly to a 5% mandate by 2007 and a 10% mandate by 2010, which means that the market for ethanol has grown enormously by virtue of that announcement. Our estimate is that a 5% mandate in Ontario is probably close to 1 billion litres, given that they drive more than we do and our market is about one tenth of it. It may not be quite a billion but it is close to a billion, and so a 10% mandate is 1.8 or so billion litres. They do not make anywhere near that amount of ethanol in Ontario and they do not have the feedstock to do that.

So we think that helps the competitiveness picture for Manitoba and we are looking forward to working with both Saskatchewan and Ontario and perhaps, hopefully, Québec if we can get some agreement to work collaboratively to make sure that Canada's industry does development in a coherent, competitive way. It is certainly better to have a larger market with regulations that are complementary than it is to have a bunch of small, segmented markets. So we are very encouraged by Ontario's public announcement last week reconfirming their commitment to a mandate, which was part of their election platform but we actually had not heard it said since the election, so this was very encouraging to the Manitoba communities that want to be part of this industry developing.

**Mr. Schuler:** The minister mentions the Mohawk plant. About how large of a plant are we looking at, at this point in time?

**Mr. Sale:** The current Mohawk plant is a 10-million-litre-a-year plant, roughly. I think sometimes they make a little less than that but it is in that order. What Husky applied for under the federal program is an 80-million-litre plant.

**Mr. Schuler:** Again, are they looking at an 80-million-litre plant, or have they spoken to you at all about going with a larger plant, just because of economy of scale?

**Mr. Sale:** Mr. Chairperson, I am sure the member can understand that, when we talk with companies, we do so on a confidential basis. So I think it is inappropriate for me to talk about what their plans might be in terms of plant size.

**Mr. Schuler:** The reason why I ask is last year, a year ago, the minister said that, and I will quote: "What we are saying is that we are supporting the development of this industry to produce about 140 million litres of ethanol around the fall of '05. We would like to say September, but around the fall of '05." I take it, then, that this target is still on track, or does the fall of 2005 not look like that will be happening?

**Mr. Sale:** I think the legislation indicates that it is after August of 2005. We did that deliberately, because when you are working with private sector, and, at that time, we did not realize we were going to have to be working with the federal government when we first framed that legislation, but the federal government's involvement has clearly thrown a factor into this equation which we did not expect at that point. So I cannot commit to the member that we will be able to meet that September date. We are still aggressively pursuing the mandate in that time period, fall of '05. Whether we will make that within the month or whether we will be soon after that I really cannot commit at this point, because until a company actually says, "Okay, we have got a shovel and we are starting to build," we do not know the date at which the plant will come on-line.

**Mr. Schuler:** The minister mentioned the 10% mandate, of which I guess the first step was supposed to be 140 million litres by '05. I take it that considering now we are sitting at May of '04 and no major announcement has been made on a plant yet, is the government looking at revising when they might see at least a 10% mandate coming into effect in Manitoba? Can the minister tell us what his new projection dates might be?

**Mr. Sale:** As I have said, we deliberately framed the legislation that we did not have a hard date for all the reasons that are obvious. It is still our intention to work aggressively with communities and companies to make the fall of '05 as a target. That said, the federal program and potentially the second tranche of the federal program, which was supposed to come early in this fiscal year, introduces some elements that are unknowns, I guess you could say.

I am also aware, though, that there is one company who believes that they still are on track to make the fall of '05. They are very aggressive. Others are worried about whether they can make that date or not, but all of them are aware of the date. I believe

they are making best efforts to get into production as quickly as they can make all their financial arrangements, but the federal program is a factor. There is no sense denying that.

**Mr. Schuler:** We have a company that qualified for federal grants. There must be an expiry date on those federal grants. When do those expire? Rather, when does the company have to start this plant so that they can get that grant?

**Mr. Sale:** There is a date by which they have to enter into a contribution agreement with Canada. I believe that date was a public part of the RFP for Canada. If I can confirm with staff that it was a public part of that RFP then I will give the member that date. Otherwise, it is information that I probably cannot give him. So I will ask staff to ascertain what that date is and if possible give that information to the member. I can tell him that it is relatively soon, but I cannot tell him when.

**Mr. Schuler:** My question then to the minister is are we seeing a plant announcement, the construction of a plant. Is that imminent? Are we looking at an announcement fairly soon?

**Mr. Sale:** Enthusiastic as I am, I have learned that saying imminent is a bad thing. We are working very hard with several companies. Given the market realities and market conditions, this is a very positive set of opportunities. We are not in any sense dismayed with the work that is going on, but I cannot tell the member when a company would have its financing and all of its approvals in hand and say, "We are breaking ground." That is something that I have learned sometimes has more complexities in it than I perhaps thought in terms of timing.

**Mr. Schuler:** Yes, I have to tell the minister I am slightly dismayed. Last year, there was a lot of enthusiasm from the minister. He was pumped. He was excited. You could have almost argued he was a little bit over the top at times and made it very exciting. I have to tell the minister this time I am left with substantial unease with his caution. I would put this in a small "c" category. His answers tend to be very small "c" conservative when responding.

\* (17:20)

I say to the minister, through you, that I am disappointed. I see a lot of retrenching taking place.

The minister is becoming more subdued in his responses. I am disappointed. These are dynamic projects, and the minister was an incredible proponent last time around. This time, through the Chair, of course, to the minister, I am disappointed. I just do not see the same kind of enthusiasm.

I point out to the minister, he mentioned, and I thought this was just very telling, the estimate is that at today's prices there is a crossover around 80 to 85 cents a litre, somewhere in that region. If gasoline reaches that price, ethanol will be cheaper, without any subsidies, with no involvement, just plain business case. So that is why if you read the legislation that was introduced last year, it was only on the Order Paper briefly and then we go on.

I am surprised that there is a hesitation with when we might see some plants coming on board, because I might point out, when I drove to work this morning I would have taken gasoline at anywhere from 80 to 85 cents a litre. It is crawling up to 90 cents. I would have suspected we would have seen at least two or three plants up and running or certainly construction moving on them. Maybe I am reading the minister wrong. Maybe I do not know the minister long enough. Is this not as sure a bet as it was a year ago?

**Mr. Sale:** I think it is a very sure event. A year ago, though, we were dealing with a couple of companies who essentially were, we believe, ready to make a commitment to 80-million-litre-size plants.

However, the federal government came along and said, "Why don't you apply to us and we will give you money if you meet our criteria." I guess the member would understand that if you are an ethanol producer or a producer of anything, and somebody says, "Come along, we will give you up to 25 percent of the capital costs of your plant. Tell us how much subsidy you have in mind and we will do a Dutch auction and the plant with the lowest subsidy per litre will get first dibs and on down until the money runs out."

I guess it would be hard to understand why a CEO with a board of directors would not apply for that money, because even though they might say, "Well, you know, we can make this stuff and make money without it," if they have an additional amount of capital, their rate of return is better, their banking

arrangements will be better, and frankly their price will be better, they will be more competitive.

So I understand why these companies took advantage of the federal program, but then when one company was successful and the other was not, we had another problem in that the one company that was successful bid on a plant that would only supply half of the requirements.

So a whole lot of complexities in this process, not around the viability of ethanol production or the costs or the market opportunities, but simply around the financing of the plants which arose because the federal government decided, probably with the best of intentions, to provide a front-end capital subsidy to qualifying plants. It may be one of those cautionary tales that we all ought to pay attention to, that when you decide to get into that business, there are some risks, and the risks are that you destabilize a situation which was evolving because the playing field was pretty level.

So I am not at all dismayed about the likelihood that we will have a solid industry develop here. But I think the situation that the companies are dealing with, and we are obviously dealing with as a consequence of that, has become more complex. I am not happy about that, but I am not going to shy away from the need to work through that to a successful conclusion. That is why I have kept in close touch with the member from Minnedosa, for example, with whom I have shared as much information as I possibly can, and received her support from her community in terms of some of the problems that need to be addressed in that regard.

Similarly with members from other constituencies from both sides of the House who have an interest in moving this industry along. I think it is a very important industry, because even if it requires a start-up subsidy, it is still the first serious structural transition away from a fossil fuel transportation economy. It is immensely beneficial to Manitoba farmers, because they do not have to ship their grain out, and they can produce the specialty feed grains that we are working with the Canadian Grains Council to get approval for some of the high-starch, low-protein wheat that will produce more ethanol per bushel.

So there are huge economic and agricultural advantages to Manitoba to substitute a domestically

produced source of transportation fuel for imported fuel, so there is the import substitution value; the storage grain value in terms of substituting for soy beans, soy meal coming in. But I am responding, frankly, to the member that what was a fairly straight ahead process a year ago has hit a detour. We are in the process of trying to maintain the time line, working aggressively with the companies, keeping in touch with the communities; and working with the federal government to try and minimize the lag time for that second tranche, so that the playing field will finally get sorted out and, hopefully, sorted out in a way that is level.

The member raised the question of the subsidy level. The price of gasoline, I think, if the member looks back historically, it has gone up and down like a yo-yo for the last 10 years. Right now it is again at a high, but it is not that long ago, in fact, I think it was in 2002, the fall, it was down in the 50-cent region.

So what an ethanol producer needs to know is that there is a market support for the product over the long haul, not just for the spikes. So we still believe that there is a requirement for government support until the price of gasoline reaches a stabilized level where ethanol is competitive. Then we are still going to need that subsidy support.

Our intention with the companies that we work with is that we have the capacity, if the price of gasoline does rise substantially, to review the subsidy level on an averaging basis. So we built that protection into our agreements. I hope that gives the member a little more sense of the commitment of this side of the House to this industry. But it is an honest

reflection of the fact that federal involvement has changed the way things are working at this point.

**Mr. Schuler:** In the last few minutes that I do have—this is an important industry and I just want to point out to the minister, and I am always hesitant to do these kinds of things because I hate getting into a "he said, she said," yes, we have been very supportive of this. On March 1, the minister went on record in a statement he made, "Ethanol update. I simply would regret that the opposition did not support this legislation and work with us to develop the industry."

It is unfortunate that the minister made those comments, because I know, as one individual of this House, I spent a lot of time pushing that the emergency legislation get through and now the minister is telling us that, actually, the legislation that we got through so that people could comply with the federal monies was actually a detriment to Manitoba.

I do have quite a few issues that I do want to raise with the minister tomorrow. I understand that we have run out for today. I notice the Chair is ready to hit the gavel so, with that, I suspect we will be back tomorrow.

**Mr. Chairperson:** The hour being 5:30 p.m., committee rise. Call in the Speaker.

#### IN SESSION

**Mr. Deputy Speaker (Conrad Santos):** The House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 18, 2004

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