

**Fourth Session - Thirty-Eighth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Social and Economic Development**

*Chairperson*  
*Ms. Marilyn Brick*  
*Constituency of St. Norbert*

**Vol. LVII No. 9 - 9 a.m., Monday, June 5, 2006**

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

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT**

**Monday, June 5, 2006**

**TIME – 9 a.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Ms. Marilyn Brick (St. Norbert)**

**VICE-CHAIRPERSON – Mr. Doug Martindale (Burrows)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

Hon. Messrs. Ashton, Bjornson, Chomiak, Lemieux, Selinger

Ms. Brick, Messrs. Cullen, Martindale, Mrs. Mitchelson, Mr. Penner, Mrs. Stefanson

**APPEARING:**

Mr. Kevin Lamoureux, MLA for Inkster

Mr. Leonard Derkach, MLA for Russell

**WITNESSES:**

Bill 11 – The Winter Heating Cost Control Act

Mr. Ian Wishart, Vice-President, Keystone Agricultural Producers

Ms. Gloria Desorcy, Manitoba Branch of the Consumers' Association Canada

Mr. Tom Simms, Community Education Development Association

Bill 12 – The Highways and Transportation Amendment Act

Mr. Doug Chorney, Executive Member, Keystone Agricultural Producers

Bill 14 – The Water Rights Amendment Act

Mr. Greg Bruce, Ducks Unlimited Canada

Mr. Doug Dobrowolski, Association of Manitoba Municipalities

Mr. Jake Buhler, Manitoba Conservation Districts Association

Mr. Ian Wishart, Vice-President, Keystone Agricultural Producers

Mr. Roland Chaput, Private Citizen

Mr. Richard Gregoire, Private Citizen

Mr. L. Lacoste, Private Citizen

Mr. James Wade, Dairy Farmers of Manitoba

Bill 300 – The Association of Former Manitoba MLAs Act

Mr. Len Evans, Private Citizen

Bill 24 – The Consumer Protection Amendment Act (Government Cheque Cashing Fees)

Ms. Gloria Desorcy, Manitoba Branch of the Consumers' Association of Canada

Bill 35 – The Public Schools Finance Board Amendment and The Public Schools Amendment Act

Mr. Brian Ardern, President, Manitoba Teachers' Society

**WRITTEN SUBMISSIONS:**

Bill 11 – The Winter Heating Cost Control Act

Mr. Ed Lohrenz, Ice Kube Systems Ltd.

Bill 35 – The Public Schools Finance Board Amendment and The Public Schools Amendment Act

Mrs. Joyce Bateman, Board Chair, Winnipeg School Division

**MATTERS UNDER CONSIDERATION:**

Bill 11 – The Winter Heating Cost Control Act

Bill 12 – The Highways and Transportation Amendment Act

Bill 14 – The Water Rights Amendment Act

Bill 24 – The Consumer Protection Amendment Act (Government Cheque Cashing Fees)

Bill 35 – The Public Schools Finance Board Amendment and The Public Schools Amendment Act

Bill 300 – The Association of Former MLAs Act

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**Madam Chairperson:** Good morning. Will the Standing Committee on Social and Economic Development please come to order.

Our first item of business is the election of a Vice-Chairperson. Are there any nominations?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** I nominate Doug Martindale.

**Madam Chairperson:** Mr. Martindale has been nominated. Are there any other nominations? Seeing no other nominations, Mr. Martindale is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill 11, The Winter Heating Cost Control Act; Bill 12, The Highways and Transportation Amendment Act; Bill 14, The Water Rights Amendment Act; Bill 24, The Consumer Protection Amendment Act (Government Cheque Cashing Fees); Bill 35, The Public Schools Finance Board Amendment and The Public Schools Amendment Act; Bill 300, The Association of Former MLAs Act.

We have a number of presenters registered to speak this morning. With the indulgence of the committee, I would request that we refer to the presenters' list rather than me reading them all out. Is that agreed? *[Agreed]*

I just wanted to make a couple of notations for the committee. The first one is that Jennifer Lukovich has called and will try to make it this morning. She may be late. No. 4, Bill Turner, this is on Bill 11, cannot attend, No. 4.

On Bill 14, the second presenter, Ron Bell, will not be attending. Doug Dobrowolski will be attending instead. Individual No. 4, Ron Kostyshyn, will not be attending; Jake Buhler will be attending in his stead. We have a couple of extra presenters who have been added: Roland Chaput has been added, and he is from out of town; Richard Gregoire has been added, and he is from out of town; and L. Lacoste has been added, as well from out of town.

I will note that another meeting of this committee has been announced to continue consideration of these bills for this evening at 6 p.m. in this same committee room.

Before we proceed with presentations, we do have a number of other items and points of information to consider. First of all, if there is anyone else in the audience who would like to make

a presentation this morning, please register with staff at the entrance of the room. Also, for the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, I would like to inform presenters that, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members.

Also, in accordance with our rules, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

A written submission on Bill 11 from Ed Lohrenz has been received and distributed to committee members. Does the committee agree to have this document appear in the Hansard transcript of this meeting? *[Agreed]*

On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in the audience marked with an asterisk on the list. With this consideration in mind, in what order does the committee wish to hear the presentations?

**Mr. Doug Martindale (Burrows):** Madam Chairperson, I recommend that we have out-of-town presenters first.

**Madam Chairperson:** Is it agreed to hear out-of-town presenters first? *[Agreed]*

Is that agreed to all bills or is it that you wish to go bill by bill first?

**An Honourable Member:** All bills.

**Madam Chairperson:** Do you want to hear all out-of-towners first?

**An Honourable Member:** Yes.

**Madam Chairperson:** Okay.

How long does the committee wish to sit this morning?

**An Honourable Member:** Until twelve noon.

**Madam Chairperson:** Until twelve noon? Thank you.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorder to turn the mikes on and off.

Thank you for your patience. We will now proceed with public presentations.

### **Bill 11—The Winter Heating Cost Control Act**

**Madam Chairperson:** We will be proceeding first with Bill 11, The Winter Heating Cost Control Act. The first person is Gloria Desorcy—oh, I am sorry; Ian Wishart is out of town first—Ian Wishart, Keystone Agricultural Producers.

Did you have a written submission you would like to circulate? You can proceed, Mr. Wishart.

\* (09:10)

**Mr. Ian Wishart (Vice-President, Keystone Agricultural Producers):** Thank you. My name is Ian Wishart. I am vice-president with Keystone Ag Producers. On behalf of Keystone Ag Producers, I am pleased to share our organization's position with respect to Bill 11, The Winter Heating Cost Control Act. KAP is a democratically controlled general farm policy organization representing and promoting the interest of thousands of agricultural producers in Manitoba. Our membership consists of farmers and commodity groups throughout the province, and our organization is proud to act as the voice of Manitoba farmers.

Our members are all from rural Manitoba, and most do not have the option of choosing between hydro and natural gas. As a result, we believe strongly that those with no other options should not be forced to stabilize the price others pay for natural gas. We appreciate the government's wish to help those who are experiencing hardship because of rising gas and oil prices, but we do not believe that this is the appropriate way to do so. Government should not subsidize a non-renewable fuel source at the expense of a renewable fuel source. Considering the Province's focus on green energy and green initiatives, we believe this sends the wrong message to Manitobans.

Manitoba Hydro is continuing its financial recovery from some years of decreased electricity

sales which were caused by periods of drought. Instead of redirecting money into natural gas stabilization, Hydro should be able to use this money to rebuild and prepare for future years. As farmers, we understand the impacts that unpredictable weather can have, and it is in all of our best interests for Manitoba Hydro to build a cushion against future drought situations.

We understand the intent is for some of Hydro's export sales profits to be used to pay for the higher costs of natural gas users. While this may not immediately and directly affect domestic customers, we believe that any profits diverted from Manitoba Hydro lessen its ability to self-stabilize and should mean that Manitobans experience larger and more frequent price increases in coming years. In short, we do not believe that Manitoba Hydro profits should be diverted to support price increases in natural gas. Instead, we believe that the government must continue in its initiatives to promote energy conservation and encourage all Manitobans to take advantage of renewable energy resources that we have available.

We are, however, in favour of the second portion of Bill 11, which calls for the creation of a stabilization and affordable energy fund. KAP believes that there is a significant need for a fund that encourages energy conservation and the development of other renewable alternatives to oil and gas.

There are emerging opportunities in bio-energy, which we know the Province fully supports. These, in turn, offer new economic and diversification opportunities for Manitoba farmers and rural communities. We would encourage government, through this fund and other initiatives, to continue to develop this new industry so that the entire province can decrease its reliance on traditional non-renewable fuels.

As KAP is able to support the creation of this fund, but not the aspect of the bill that calls for this subsidization of natural gas rates, we recommend to the government that Bill 11 be split so that these two different issues can be discussed and voted on accordingly.

We are pleased that the Province is moving forward with plans to develop a made-in-Manitoba bio-energy industry, and we continue to support initiatives that encourage innovation that allows farmers and rural people to take part in this opportunity. However, we simply cannot support

funnelling money from a renewable energy to subsidize a non-renewable energy source. Thank you.

**Madam Chairperson:** Thank you very much. We have questions now.

**Hon. Dave Chomiak (Minister of Energy, Science and Technology):** Madam Chairperson, thank you for this presentation, Mr. Wishart.

I take from your presentation two things: (a) you are in support of a fund for alternative energies, and (b) you are aware that a lot of the Power Smart and Hydro energy efficiency programs do not extend as effectively or as efficiently as they should in rural Manitoba.

**Mr. Wishart:** Yes, I agree with those statements.

**Mr. Chomiak:** Secondly, I just want to advise you that the intention of the bill was never to subsidize natural gas rates. To make that very clear, we are amending the bill to ensure that that, in fact, does not take place.

We are also going to amend the bill to ensure that the fund that you referred to goes to specific energy efficiency areas as you have indicated, including access to rural Manitoba to ensure that rural Manitoba gets a significant share of energy efficiency, because it does not now, and the stats that I have in front of me, it is quite dramatic. So, in other words, thank you for your presentation, and the bill as amended will reflect precisely what you have asked for.

**Mr. Wishart:** Yes, I appreciate those comments, and we will look forward to the amendment that will probably deal with at least some of our concerns. Certainly, we see no point in Canadian or Manitoba Hydro dollars flowing to a non-renewable source, which is mostly out of province.

**Mr. Jack Penner (Emerson):** I would like to ask Mr. Wishart whether in his recommendation that the stabilization in a portable energy fund be established: Are you satisfied that the provisions within the act would prevent a government from unilaterally using this fund, as this government has done from time to time, as a slush fund to fund various projects that they deem necessary and not necessarily be in the best interests of the general public and the conservation of energy and/or the promotion of energies that are renewable?

### Point of Order

**An Honourable Member:** Point of order.

**Madam Chairperson:** Yes, Mr. Chomiak.

**Mr. Chomiak:** Just on a point of order. I am not sure that ascertaining a fund that is established by Hydro to be operated by Hydro, for Hydro, can in any way be construed a slush fund, nor is it, I think, appropriate to call a fund that is established by Hydro, for Hydro and operated by Hydro, a slush fund. So—[interjection]

Well, Madam Chairperson, the conclusion and determining it a slush fund is an inaccurate characterization of a fund that is set up by Hydro, for Hydro, under specific control and mandate of Hydro. I do not know how one can accuse the government of Manitoba or Hydro of setting up a slush fund.

**Madam Chairperson:** At this point, I would like to just remind committee members that questions addressed to presenters should be for clarification based on information contained in the brief. These questions should not be used to debate or argue with presenters or used as a vehicle to ask leading questions. I thank the honourable member for adhering to these practices.

But the minister does not have a point of order.

\* \* \*

**Mr. Penner:** I really did not ask the question of the minister; I asked the question of Mr. Wishart, and asked whether his organization might have done a good analogy or assessment of the bill to ensure that they are satisfied that this is not going to be another slush fund that this government is setting up to be at the discretion of those that are appointed by government to the Hydro board, or to deal with matters and direct, in that manner, payments out of this fund.

I think it is a very legitimate question, and it only behoves us, as members of the Legislature, to bring to the attention of the people of Manitoba that this government has continually used Manitoba Hydro to fund various aspects of their shortcomings and their budgeting process. I think that is what we are concerned about when we are dealing with this section of the act, and that is why I asked that question of Mr. Wishart.

**Mr. Wishart:** Well, I will attempt to answer that question. Jack, we were certainly aware of that

particular clause. I guess our interpretation was not quite the same as you are promoting.

We did have some concerns about the nature of how funds would be distributed. We see Hydro in many ways as a competitor in energy sources, particularly for some of them, such as biomass, which is a good alternative here in Manitoba, competing for home heating. We were a little concerned that they might be reluctant to fund projects like that, that they would see in direct competition to themselves.

So, certainly, the concept, I guess, of having a little more arm's length as to who would distribute the funds would have merit in our mind. But we did not interpret it quite the same way you did.

**Madam Chairperson:** Any other questions?

\* (09:20)

**Mrs. Bonnie Mitchelson (River East):** Thank you very much, Mr. Wishart, for your presentation. I note in your presentation that you talk about the significant drought that Manitoba experienced and, certainly, the impact that it had on Manitoba Hydro revenues. It was a combination of that drought, plus the raid on Manitoba Hydro, in 2002, I believe it was, that put Manitoba Hydro in a significant negative position, and we do know that, rather than the debt-to-equity ratio of Manitoba Hydro getting to the 75:25 that has been talked about, we seem to be going in the opposite direction. The debt-to-equity ratio right now is 81:19, which is significantly higher than many other utilities across the country.

When we look at Cabinet having the ability to set again the amount of money that they can take off the top of Manitoba Hydro export revenues, it sort of leaves us with a bit of concern over how those dollars will be expended, and—

**Madam Chairperson:** Mrs. Mitchelson, I am sorry. We are getting to the end of the time. So I just have to ask you, could you please—

**Mrs. Mitchelson:** I would just like to ask you, Mr. Wishart, whether you have any concern about the debt-to-equity ratio going in the wrong direction, and what impact that is going to have on Manitoba Hydro ratepayers.

**Mr. Wishart:** I think from our presentation it is pretty clear. We are concerned about the long-term financial viability of Manitoba Hydro. The same thing applies to them in many ways as applies to agriculture in general. When debt rises, you become

more unstable. We certainly do not want that to be the case. We do see that Hydro can make profit in years when there is adequate water for their generation, and there appears to be very good market opportunities. So debt-to-equity ratio, the exact specifics of which, what numbers would be the best, that is a little hard for me to determine, because we are not fully aware of all the market opportunities. But I can tell you, if we were at 81:19 in agriculture, you would not be there.

**Madam Chairperson:** Thank you, Mr. Wishart.

The committee calls Ian Mondrow, Karen Melnychuk and Gerry Forrest from the Municipal Gas. Once again, Ian Mondrow, Karen Melnychuk and Gerry Forrest from Municipal Gas. These presenters will be dropped to the bottom of the list.

Kenneth Sigurdson, private citizen. Once again, the committee calls Kenneth Sigurdson, private citizen. Mr. Sigurdson's name will be dropped to the bottom of the list.

#### **Bill 12—The Highways and Transportation Amendment Act**

**Madam Chairperson:** We will now move to Bill 12, The Highways and Transportation Amendment Act.

Doug Chorney, Keystone Agricultural Producers. You can proceed, Mr. Chorney.

**Mr. Doug Chorney (Executive Member, Keystone Agricultural Producers):** Good morning. I am Doug Chorney, executive member for the Keystone Agricultural Producers. On behalf of the Keystone Agricultural Producers, I am pleased to share our organization's position with respect to Bill 12, The Highways and Transportation Amendment Act.

KAP is a democratically controlled general farm policy organization representing and promoting the interests of agricultural producers in Manitoba. Our membership consists of farmers and commodity groups throughout the province.

Bill 12 proposes to streamline the process for removing illegal signage instructions along highways, as well as update penalty provisions under the act. Manitoba Agriculture, Food and Rural Initiatives promotes diversification and value-added farm products. As an organization, we also support the efforts within the industry which adds value and supplements traditional sources of farm income.

On-farm sales require promotion through signage posted on highways, whether it is a product promotion sign or a directional signage. Currently, vendor signage falls within internal Policy/Standard No. 100-F-4 under Manitoba Transportation and Government Services (Traffic Engineering). While the policy certainly serves a purpose for temporary vendors and related signage, we encourage government to allow for permanent on-farm sales and required signage. Direct marketing sometimes is required throughout most or all of the year. We are not against the removal of signage that poses a traffic safety hazard and results in a clutter effect along the highways. There have been past experiences of farm market signage being removed without owner's knowledge. It appears that, when someone complains about signage and ask for its removal, ownership is not taken into consideration. The complaint may have come from a business competitor, and that is not a valid reason for removal of signage.

Enforcement officers must ensure that the complaint is legitimate from a traffic safety point of view before any signage is removed. The owner should be contacted and notified before removal, unless the signage poses a serious hazard to traffic. Manitoba producers are being encouraged by MAFRI to pursue direct marketing as a way to diversify sales and improve production margins. On-farm sales require roadside advertising using signage to develop markets.

We would like the provincial government to, through this bill, encourage direct farm marketing and diversification by amending The Highways and Transportation Act to exempt agricultural producers from sign regulation, notwithstanding minimum safety standards, of course.

In closing, I would like to stress that farmers must not in any way be put in an unfair disadvantage as a result of this bill. Thank you.

**Madam Chairperson:** Thank you. Are there any questions from the committee members? No. Seeing no questions, thank you very much for your presentation.

The committee calls Diane Rybak, private citizen. Diane Rybak, private citizen. Ms. Rybak's name will be dropped to the bottom of the list.

#### **Bill 14—The Water Rights Amendment Act**

**Madam Chairperson:** The committee will now move on to consideration of Bill 14, The Water Rights Amendment Act.

The committee calls Greg Bruce, Ducks Unlimited Canada. Good morning, Mr. Bruce, you can proceed.

**Mr. Greg Bruce (Ducks Unlimited Canada):** Good morning. On behalf of Ducks Unlimited Canada, I would like to thank the standing committee for the opportunity to provide input into the proposed amendments to The Water Rights Act.

Ducks Unlimited Canada is a private, non-profit, habitat conservation organization dedicated to conserving wetlands and their associated habitats for the benefit of wildlife and people. In Manitoba, Ducks Unlimited Canada has 75 community-based events yearly, which are driven by 1,100 volunteers and attract almost 16,000 supporters. Over the years, we have participated in many and various forums hosted by government, related to water strategies, water quality and drainage. As one example, we commented to the committee on The Water Protection Act.

Just for clarification, my speaking notes are taken from the handouts that you are receiving right now, but they are an abbreviated version so it may be difficult to follow along.

Ducks Unlimited and our supporters are concerned about the continuing loss of wetlands and the resulting loss of the benefits they provide to all Manitobans. There is significant scientific research that underscores the important role that wetland ecosystems play, not only as critical wildlife habitat, but also as natural purification systems and in reducing peak run-off flows. Yet wetland loss continues.

On numerous occasions, Ducks Unlimited Canada has emphasized the need for an integrated policy approach to water management through a comprehensive mix of incentives, extensions and regulation tools. Ducks Unlimited recognizes provincial commitment to incentives through the establishment of the Water Stewardship Fund, Riparian Tax Credit program, support for the Conservation Districts program and others. Provincial support to extension, awareness, education and planning is evident as watershed planning processes are being rolled out under The Water Protection Act.

Most would agree that incentive and education processes are certainly preferred policy approaches. However, with increasing public concerns over water management and water quality and with over



70 percent of our wetlands lost in settled areas, it is clear that a robust regulatory backdrop is required to complement these other policy instruments. The ongoing challenge, then, for government is to bolster the effectiveness of each of these instruments with more staff, more financial commitment and strong political support.

\* (09:30)

With regard to the regulatory tool, and, in this case Bill 14, Ducks Unlimited believes that for legislation to effectively address public interest, three attributes must be in place. First, we need an effective legislative framework. In that regard, it is Ducks Unlimited's view that these amendments, in conjunction with The Water Rights Amendment Act from 2000, and the amendments enabled through The Water Protection Act, will generally provide a sufficient framework that has the ability to discourage and curtail illegal activities which have negative consequences to downstream residents.

Secondly, the bureaucracy must have the capacity to implement the legislation as intended. The proposed amendments of The Water Rights Act will go a long way to address the inadequacies related to implementation of legislation. Ducks Unlimited Canada would recommend, however, that an internal review of staff resources and existing workloads be done to ensure there is indeed capacity to deliver on the increased empowerment.

Thirdly, the third attribute is the public, and subsequent political will must be in place to support and execute on the legislation. This refers to the internal operating policies of government that guide the interpretation of the legislation.

Ducks Unlimited believes that public support for cleaner water, healthier landscapes and enhanced biodiversity exists. As such, it is Ducks Unlimited's view that more government commitment to wetland protection and restoration must be demonstrated and incorporated into these amendments.

As the Province exercises the authority through this amendment, it is reasonable to expect that there will be a potential for a subsequent increase in licensing applications. As such, it will be incumbent on the Province to ensure sound principles, policies and procedures are in place to support the intent of The Water Rights Act and to ensure provincial interests related to water management are maintained. Ducks Unlimited Canada recommends that The Water Rights Act's amendments enable the

ability to introduce regulations that would establish clear and effective government policy related to wetland protection, restoration and licensing.

In the past, temporary and seasonal wetlands have, as a matter of policy, been licensed for drainage and, as such, tacitly approved for loss or degradation. Temporary wetlands are those that hold runoff water for a few weeks in the spring, depending on the year, and seasonal wetlands are those that typically retain water every year for an extended period through spring and early summer, but they do frequently go dry by late summer.

Besides being extremely important for the life-cycle needs of waterfowl and wildlife, these wetlands provide significant water quality and flood attenuation benefits, which are not given due consideration in current licensing policies. Ducks Unlimited believes that current drainage licensing procedures have continually failed to account for the cumulative impact of wetland loss and subsequent water quality degradation when these basins are drained or degraded. When wetlands are completely drained, or when drains are installed to control surcharge, which is a common licence practice, the drainage infrastructure effectively converts a non-contributing portion of the watershed to one that contributes to downstream flow volume and water quality degradation.

Ducks Unlimited supports the previous Water Rights Act amendments included in The Water Protection Act that provide for consideration of scientific information related to aquatic ecosystems when reviewing licenses. Ducks Unlimited recommends that Manitoba Water Stewardship conduct a thorough review of all internal drainage licensing guidelines in the context of the Province's commitment to water quality, which we commend. To that end, Ducks Unlimited further recommends the Province implement a no-net-increase-in-nutrients policy related to drainage activity. As related to the Province's drainage policies, DU recommends the watershed function of all wetland ecosystems and, in particular, temporary and seasonal basins, should be given due consideration, in terms of the downstream water quality impact when they are lost or degraded.

When DU presented to legislative committee on The Water Protection Act in 2004, we provided statistics on wetland loss. Studies in the Minnedosa area of Manitoba have documented that we lost over 70 percent of our wetlands by the early eighties, and

we know wetland drainage has continued. Symptoms of this landscape change are evident in our degrading water quality and increasing infrastructure costs across the rural landscape. DU believes that it is in the best interest of Manitobans to not only invest in retarding loss rates, but also to abate previous losses through wetland mitigation and restoration.

In Ducks Unlimited's view, effective wetland protection and restoration activities will contribute significantly to the Province's goal, lofty goal, of a 10 percent reduction in nutrients to Lake Winnipeg. DU recommends that The Water Rights Act amendments include a clause that would enable mitigation regulations to be developed, to help stem the negative downstream impacts of previous and ongoing wetland drainage.

In summary, Ducks Unlimited supports the Province's ongoing efforts in establishing incentives and watershed planning as the primary motivators to landscape stewardship activity. A stronger regulatory environment will complement these incentives and extension tools to provide a comprehensive and integrated approach to conserving wetland ecosystems. These natural habitats provide abundant ecological services and landscape resilience necessary for the sustainability of future generations.

Ducks Unlimited Canada encourages governments to continue to communicate and inform all sectors of the public about the values and importance of wetlands to all citizens. Given we have already lost or degraded in the order of 70 percent of our natural wetland ecosystems in the prairies, there is an increasing urgency for action. We are encouraged to see efforts to make existing regulations that have the ability to protect wetland functions more effective and urge the government to provide provisions under Bill 14 that will ensure stronger protection for wetlands.

Ducks Unlimited is prepared to assist with any additional research that may be required to establish internal operating policies that will effectively support stewardship and protection of our wetland ecosystems. Thank you.

**Madam Chairperson:** Thank you very much.

**Mr. Cliff Cullen (Turtle Mountain):** Thank you, Madam Chair, and thank you, Mr. Bruce, for your presentation.

You had indicated in your presentation that you wanted to have the department review their current licensing process. I am assuming you must have

some problems with maybe the inadequacies of the existing licensing process. Is it a timing issue there in terms of the approval process?

**Mr. Bruce:** No, not specifically. Frankly, I believe the Province has actually made improvements to that in terms of pilot programs that they had done with the conservation districts program.

The concerns that we have with the licensing process is that it does not account for the cumulative impact of loss. Licensing of wetlands, in particular, is done on an individual basis and analysed in terms of the impact it is going to have unto itself. But, when you multiply wetland drainage across the landscape and across the watershed, the impact certainly becomes evident down the road.

So what we would like is a more thorough review of what is happening to the watershed downstream and to downstream residents, a very difficult task. I realize it is difficult, but we do need to start to take account for what we are doing over the years because it is starting to catch up with us.

**Hon. Steve Ashton (Minister of Water Stewardship):** I want to thank you for your very detailed, well-thought-out presentation. I can indicate some very good points here. I want to stress the importance of wetlands. I really think you make a very good point about the loss of wetlands. We see it in terms of water quality. We see it in terms of water management. I do want to assure you that, certainly, additional resources are being put in. There was a significant increase in the Water Stewardship budget this year to deal with a number of the issues that you are referencing. We certainly have made an effort on licensing, as well.

I do appreciate the ongoing contributions of Ducks Unlimited to making us all aware that we have to reverse that loss of wetlands and that wetlands can, I believe, be increasingly a part of our water quality and quantity management issues. So I appreciate the points that are raised and also the ongoing contribution on water quality issues. Thank you.

**Madam Chairperson:** Mr. Bruce, did you want to respond?

**Mr. Bruce:** No, thank you very much, committee.

**Mr. Jack Penner (Emerson):** Well, thank you very much, Mr. Bruce. Thank you very much for your articulate presentation.

**Madam Chairperson:** Mr. Penner, I am sorry to interrupt you, could you bring your mike just a little closer.

**Mr. Penner:** Your organization is certainly well known across the province and, indeed, in Canada as being one of these organizations that has given a lot of thought to what needed to be done to ensure that our environment is better protected than it was in the past.

I certainly appreciate the comment you made on page 3 of your presentation where you say that DU supports the previous WRA amendments, including the amendments that provide for consideration of scientific information. You might know that it was the opposition party in the province that recommended these amendments to the House to ensure that science would be used instead of politicians' views in ensuring that the proper direction was taken to ensure that water quality at the end of the day would be improved in our lakes, rivers and our streams.

Again, I commend you for your presentation and, indeed, keep up the good work.

\* (09:40)

**Mr. Kevin Lamoureux (Inkster):** A very quick question to the presenter. Can you indicate in terms of what sort of acreage are we talking about that are wetlands in the province of Manitoba today and compared to, let us say, in 2000?

**Mr. Bruce:** I do not have those numbers. We do not have those numbers, period. I will not say we do not have those numbers handy; we do not have those numbers, period.

One of the challenges that we face in Manitoba and, indeed, across the Prairies is to have a good handle, to have a complete inventory of the wetlands in our natural ecosystems. It is very difficult to do. It is very expensive to do at a landscape level. One of the things that I can tell you and reiterate, and I think I have said three times in our presentation, is that we know wetland loss continues. We have lost in the order of 70 percent up into the late eighties, and we know losses continued since then.

In particular, what is concerning to us is the loss of those smaller ponds, which are very much a nuisance from a farming point of view. In some cases, some of these temporary and seasonal basins that have been licensed for drainage are large, can be large, and certainly do add up in a cumulative way.

So that is the big concern for us. We have lost a lot of those and they continue to be lost. Those are the ones that are most threatened because they are the ones that are easily drained.

We are taking steps towards doing more work on the inventory side of things, so we can have a better handle of what is out there from an existing point of view and then where we are going down the road and to track change and to see, monitor, our progress. But we do need to bolster all of our instruments in terms of incentives and awareness in the planning and the regulation to protect these resources, because we are down to 30 percent now, so we need to make this an urgent matter for us.

**Madam Chairperson:** Thank you very much for your presentation, Mr. Bruce.

The committee calls Doug Dobrowolski from AMM. You can proceed, Mr. Dobrowolski.

**Mr. Doug Dobrowolski (Association of Manitoba Municipalities):** Good morning. On behalf of Manitoba Municipalities, I am pleased to appear before this committee today to outline the Association of Manitoba Municipalities' position on Bill 14, The Water Rights Amendment Act.

Water protection has become a central issue in Manitoba and is certainly an issue for municipal governments. Much work has been done in developing a legislative framework for the protection of Manitoba's water. There have been a number of bills and regulations enacted that are designed to protect this valuable resource. However, one of the key issues our association has discussed through this process has been the need to ensure that there are adequate enforcement measures in place to ensure compliance with the new rules.

All of the work done so far is meaningless without ensuring the rules will be enforced. For this reason, we are pleased to see Bill 14 strengthening the enforcement process. As we have moved between extreme wet and dry cycles in this province over the last few years, water management has become a core issue. Municipalities, through local conservation districts, have begun developing water plans for the management of this resource. However, even the most comprehensive plans will not work if some parties are doing illegal drainage work, changing the organized movement of water.

This is why it is crucial that adequate enforcement officers are available and why it is imperative that the legislative framework maximizes

these resources. While stronger enforcement measures are appreciated, what should not be lost are the reasons why illegal work is being done. All too often, normally law-abiding citizens are forced to take action on their own because there are not enough resources available to assist them in obtaining licences and working through the government system. Additional resources should be considered for the licensing process. It is likely that improving the process will reduce the amount of illegal work being done. Thank you.

**Madam Chairperson:** Questions for the presenter?

**Mr. Ashton:** I want to thank the presenter, I want to thank the AMM and I certainly appreciate the support for the intent. I do want to acknowledge that this was one of the main issues that was raised with me time and time again by municipalities who, of course, have municipal drainage systems and are very connected with their communities. That is the increasing problems that have been occurring with illegal drainage and the degree to which even one illegal drainage initiative, if I can use that term, can impact on many, many landowners.

I do want to also acknowledge the point on the licensing side. We certainly have been working to streamline that. I think the two go hand in hand, making sure we have a licensing system that works and is followed. In fact, our view is that enforcement will probably be rarely used if we are able to, I think, send a clear message. I certainly appreciate the fact that the AMM was one of the original sources in individual municipalities of the of the kind of work that has gone into Bill 14. So thank you again.

**Madam Chairperson:** Thank you, Mr. Dobrowolski.

**Mr. Penner:** Thank you for your presentation, Mr. Dobrowolski. Your organization has certainly been an organization that has shown its commitment to ensuring good environmental practices will be maintained, including proper drainage structures. I think all of us agree that illegal drainages and/or changing waterways from one shed to another in a given region is simply not acceptable in the long term.

Can you tell us whether the municipalities that normally would do the kind of drainage work to the municipal infrastructure to ensure that, especially in the Red River Valley which is so flat, that there would be adequate drainage provided to the farm community that they would, in fact, be able to do

their business? Have the municipalities got enough resources to deliver that kind of product, or need there be more funding provided by the Province to ensure that that could be done in an organized and a proper manner?

**Mr. Dobrowolski:** I think there is always a need for more funding, but also I think we have to work with the conservation districts, the local authorities and the farmers to work together to come with a plan. That is why the CDs are coming up with these watershed plans, to do the co-ordinated movement of water through the districts. So I think that, if we all work together, we can make this work, and then we do it in a neat and tidy fashion.

**Madam Chairperson:** Thank you very much for your presentation.

The committee calls Jake Buhler from the Manitoba Conservation Districts Association. You can proceed, Mr. Buhler.

**Mr. Jake Buhler (Manitoba Conservation Districts Association):** Good morning. On behalf of the Manitoba Conservation Districts Association, we would like to encourage the Province of Manitoba, Department of Water Stewardship and the Standing Committee on Social and Economic Development that, in the passing of this act, the Province of Manitoba is aware of the importance of the enforcement and compliance by all landowners and stakeholders of this act.

Manitoba Conservation Districts Association, MCDA, is a non-profit organization that represents the 17 conservation districts across the province. Our organization is governed by representation from each of these 17 conservation districts. We would like to recommend to the Province of Manitoba, Department of Water Stewardship and the Standing Committee on Social and Economic Development before the final approval of Bill 14, Water Rights Amendment Act the following.

Many of our conservation districts have signed memorandums of understanding with the Province of Manitoba for the administration of drainage licensing. This administration is becoming very costly and, most of all, very difficult to enforce. Conservation districts should not be the enforcing agent of the drainage act, The Water Rights Act. The Water Rights Amendment Act has intentions to empower agents of the minister to force landowners/stakeholders to comply with the amendments. Manitoba Conservation Districts

Association does not believe the agents of this compliance should be conservation districts and/or conservation district staff.

MCDA conservation districts and staff are aware of many infractions that have taken place with illegal drainage or lack of compliance to the current legislation. The Province of Manitoba has done nothing to enforce or very limited enforcement has occurred with these infraction and hence illegal drainage is continuing. That is causing many problems such as flooding that could lead to the health of our water in future years.

The integrated watershed management plans, IWMPs, that are currently being developed—and soon all conservation districts will be required to develop and complete—may require/recommend in their final plans some type of drainage or may recommend no drainage. MCDA would strongly encourage that Bill 14, The Water Rights Amendment Act, introduce facilitated licensing and strict enforcement of fines in order to comply with the overall IWMP drainage or no drainage recommendations that may result from the integrated watershed management plans.

\* (09:50)

MCDA is of the opinion that allowing more drainage to occur is not necessarily the answer, and drainage that is allowed to take place without some form of facilitated licensing and failure to comply to this licensing needs to result in stiff fines. These fines could be direct to the landowner or to the lessee or applied to landowners' taxes as in the case of Ontario.

In addition, MCDA recommends that landowners should have to pay a percentage of the drainage work and/or if landowners interfere with buffer strips/riparian areas currently in place, they should be fined either through a direct fine or that is added to their land taxes. These vital areas should not be disturbed or disrupted.

MCDA would recommend that a minimum of 60 percent of upper and lower stream landowners need to agree on the drainage project prior to a project being initiated. At this time, there is no type of agreement or enforcement in place in order to have landowners that are initiating drainage comply to a law/ruling of this type.

MCDA recommends that the Province of Manitoba and the Department of Water Stewardship review and update the laws on drainage. Members of the conservation districts and MCDA recently

returned from a tour of the South Nation Conservation authority near Ottawa, Ontario. Ontario has very strict drainage enforcement laws and fact sheets developed around drainage. We would encourage the Province to review these and include these additions to Bill 14.

The Province of Manitoba needs a much stronger enforcement presence that results in stiff fines if there is no compliance by the guilty parties. The Province of Manitoba is encouraging various programs to ensure we enjoy healthy water, have a strong, reliable source water protection. MCDA is of the opinion and makes a strong recommendation that one of these programs needs to be a drainage law that has strong enforcement with strict fines for infractions when failure to comply with the laws occurs.

Respectfully submitted by the MCDA.

**Madam Chairperson:** Thank you very much.

**Mr. Cullen:** Thank you, Mr. Buhler, for your presentation. I do want to thank you, as conservation districts, for the fine work you do across the province in terms of water management. You did raise a number of very important points, and I think it is important that we look at other jurisdictions in terms of what they are doing for water quality throughout their respective jurisdictions.

I know you kind of pointed the finger back at the Province here, and, under the existing Water Rights Act, the minister does have the authority to go in and provide fines. I guess you are pointing out the fact that the department really has not been doing their work in terms of making sure that people are adhering to the law.

I guess your comments regarding further fining and bringing in water police, if you will—do you feel that if the minister would be doing what he could under the existing act, if that would be sufficient? Or do you feel that we need other water police, I guess, in terms of lack of a better term?

**Madam Chairperson:** Mr. Buhler. Sorry, I just have to recognize you.

**Mr. Buhler:** I do not believe that we think we need a whole lot of new rules. I think that very likely we feel that the staffing is somewhat short in the department to, in fact, police some of the infractions. I am the manager of the Cooks Creek Conservation District, and we find ourselves in a position many times where we see illegal drainage and can do very

little about it. Then you go back and you say, well, we really, as a district or staff, have really not got the authority to enter upon private property, where the administration act of Water Stewardship does. No, I do not think we need a whole lot of new rules, but I think the existing ones would need to be examined and possibly enforced.

**Mr. Ashton:** Thank you very much, and I do what to acknowledge the fine work of the conservation districts. I am really pleased to see the expansion. We have gone from 9 to 17 in the last number of years, and I think I have been pretty clear. I think a lot of MLAs would share the sense that conservation districts are leaders across Canada. I am a big fan of what conservation districts do, and they are going to play a key role in a lot of what we are dealing with.

I do want to, by the way, thank you for your reference to the Ontario situation. I am looking forward to the Conservation Districts Association sharing some of that experience with me. I really appreciate the fact that there are some lessons we can learn from other jurisdictions. I can assure you, too, as I did the previous presenters from the AMM, that we are putting more resources into the department. My hope, by the way, is that, by having a clear set of penalties and more clearly enforceable penalties, we will rarely have to use them because I think the clear message that we were getting back from the conservation districts and from a lot of people was increasingly there was no way of enforcing the current drainage licensing that was going to ensure that that very small percentage of people who were putting illegal drainage acts would have any disincentive to do so.

So our intent here is certainly not to see a water police. Our intent here is to make sure the existing drainage licensing be approved. I do want to thank you also for the suggestions at looking at a review of drainage licensing overall. I think that is a broader question, but it certainly does, I think, have some importance. You know, obviously, as we can get greater enforcement, a greater compliance really being the goal here, with existing drainage legislation, we can certainly look at some very good points that you and other presenters have put forward about the need to update our drainage legislation.

So thank you very much again for the conservation districts, not just for presentation on this bill but the tremendous work you do.

**Mr. Buhler:** Thank you.

**Madam Chairperson:** Mr. Penner. Short question.

**Mr. Penner:** This is probably one of the most important issues that I think is facing government. The question I have for you, Mr. Buhler, is when I first came to government, the Department of Natural Resources encompassed water, land, forestry management. All those issues, parks, were all included in the operations of one department. The staff very often crossed boundaries when the need arose, such as fires in the Interlake, flooding at Swan River and flooding in the Red River, and we had staff people moving across sectors to a great degree, wherever the need was at the time. Dissecting the departments as has been done now, I think, is causing the minister and the government as a whole probably a significant amount of difficulties in trying to designate staff where and when they are needed, and now the movement has to be interdepartmental or across boundaries of various departments.

I wonder, Mr. Buhler, whether you can give us a bit of an overview regarding your experience on how it was done in the past, and how the program might be able to be delivered in a more economic and better manner if there was again a realignment of the departmental responsibilities and to ensure that the staffing could be used where and when needed.

**Mr. Buhler:** Yes, you are right, Mr. Penner. In the past, the department did and had the ability to move from area to area. There is a way. There are a couple of fact sheets that are included in my presentation that was handed to you on the Ontario model, and when we have additional information, we will get that to the minister also, which is a fee-for-service. There are some models out there that actually do cross all boundaries and actually do the municipal planning in fact, but it is a fee-for-service. Those particular districts are set up in such a way that, if they service a municipality on drainage, it is a fee-for-service. If it is on planning, it is a fee-for-service. If they do the planning, for example, on a subdivision, they will do the whole subdivision. They will start from day one from the original initiator, and they will take it right to the completion. But it is all a fee-for-service and, yes, that does work.

\* (10:00)

**Madam Chairperson:** I will have to ask you to finish your answer, Mr. Buhler.

**Mr. Buhler:** So there are other ways of doing business, and I just throw that out for information.

**Madam Chairperson:** Thank you very much, Mr. Buhler.

The committee calls Ian Wishart, Keystone Agricultural Producers. You can proceed, Mr. Wishart.

**Mr. Ian Wishart (Vice-President, Keystone Agricultural Producers):** On behalf of Keystone Ag Producers, I am pleased to share our organization's position with respect to Bill 14, The Water Rights Amendment Act. KAP is a democratically controlled general farm policy organization representing and promoting the interests of thousands of agricultural producers in Manitoba. Our membership consists of farmers and commodity groups throughout the province, and our organization is proud to act as the voice of Manitoba farmers.

The increasing rights and responsibilities afforded to Water Stewardship enforcement officers are a concern to our members for a number of reasons, which we will highlight in this presentation.

If officers are allowed on farms without permission or knowledge from the owner, KAP believes this power will destroy any spirit of co-operation that may exist between department officials and the public. Goodwill and co-operation is essential for the Department of Water Stewardship to communicate with farmers and the public. Enforcement officers carrying side arms and trespassing on private property in no way foster good relations.

Other unintended consequences of officers being on the property without owners' permission may be the unknowing transfer of animal diseases or noxious weeds from one farm to another. This could have a serious impact on individual farms as well as the entire industry. Would the department be assuming the full liability of any result?

Biosecurity issues must be given a high priority, and we recommend the Department of Water Stewardship consult with farmers and farm organizations on ways to mitigate these risks before passing this bill.

The amendment also draws a parallel to the introduction of previous water enforcement officers from the Department of Fisheries and Oceans which was generally not positively received by the farming community. When DFO officers were given similar rights to enter farms unannounced to conduct inspections, they were also given the right to carry side arms. While the role of these officers has been

scaled back, the negative impression remains strong in the farming community.

We are concerned that by introducing officers with the sweeping powers proposed, the government may unintentionally make a connection in farmers' minds between these water enforcement officers and those that previously came on-farm unannounced, carrying guns. While not specifically referenced in this amendment, KAP must also strongly urge government to not allow these officers to carry side arms. Ultimately, KAP believes that this will have a serious negative effect on farmers' perception of the department, the role of the enforcement officers and could put our shared goals of environmental protection at risk.

While KAP recognizes the enforcement role these officers must play, we believe that the act must allow for the officers to work constructively with farmers and landowners. Some of the rights afforded under these amendments could jeopardize this relationship before the officers are even on the landscape, and this must be recognized and addressed by government. KAP recommends that a comprehensive education campaign be undertaken to inform farmers about the role of water enforcement officers and to ensure that officers themselves are adequately trained about agricultural considerations, such as biosecurity. They should also be encouraged to work co-operatively with landowners whenever possible.

As members of the committee are aware, KAP continues to put a high priority on water quality issues. We believe that the vast majority of Manitoba farmers will never have a water enforcement officer coming on-site to investigate a complaint or infraction. However, we also believe that government must be aware of the existing perceptions and the concerns of the farming community so that these officers can fill their role in a way that is accepted and supported by farmers and landowners. Thank you.

**Mr. Cullen:** Thank you, Mr. Wishart, for your presentation. You have clearly brought a number of items to the table that I do not think the department had thought of previously, and very good issues that we should seriously consider moving forward.

I just want to get your comments on the existing licensing process. We have heard that the existing process is quite cumbersome, leads to long delays and that people are reluctant to go through that particular process because it is quite cumbersome

and quite often leads to long delays. Hence, we get the illegal drainage that we are all concerned about. I just wondered if you think the stick approach is the way to go, or if we have to initially look at the process we have in place right now.

**Mr. Wishart:** Thank you very much for the question. Certainly, we are aware that, in many areas of the province, the existing approach has been very cumbersome, not working very well. We have been encouraged by the conservation districts who spoke earlier about how they have been able to sign agreements and, in fact, enforce or administer some of these licensing approaches, which has worked fairly well according to our estimation, and I think that that is probably a more constructive way to go.

We also have some experience regarding water rights licensing related to the irrigators, when the irrigator associations used to do some of the enforcement and collect the data on behalf of the department, which was Natural Resources at that particular point in time. These associations actually have fallen into disuse because the data was not used in any way, so it became more or less a moot point. We would certainly encourage to look at this type of approach, to collect the information which is much more friendly in the rural situation, is less of a stick approach and more of a carrot approach, but still maintains some legislation behind it.

**Mr. Ashton:** Thank you very much. I appreciate the presentation. I think you pointed to the need for elements of both a system that works, but also a system that has some backup because, certainly, we are hearing from a lot of producers who have been the victims of illegal drainage, that it is really important if we are going to maintain any integrity in the licensing system to have some ability of enforcement.

I do want to assure you, certainly, the intent is not to establish a water police and I am aware of DFOs, dare I say, reputation in rural Manitoba. And this is no shot at anybody in DFO, individually, but I certainly think there has been a heavy-handed approach. What you have raised here, some of the issues, I know the Member for Emerson (Mr. Penner) resubmitting, also raised the issue about the potential for transfer of crop diseases or parasites.

What I wanted to put out is that I think, in parallel to this, it is important that we, perhaps, set up some sort of an advisory committee on how we deal with a lot of these issues. I am working with this with Fisheries, by the way, with already existing

legislation. Commercial fishers often have the same concern. They are saying to us that they have a reason to want enforcement themselves, but if it is heavy-handed, or if it is misplaced, it can backfire. And I certainly want to put forward that I, in addition to the legislative side of this, would be more than willing to work with KAP, with the conservation district's municipalities, the key stakeholders, to work on how we can do that.

I think that CDs are, again, one of the keys because they do have a real connection with municipalities and with the farm community and can balance that out. Virtually every CD I have talked to has said not all of them want to be involved with drainage or drainage enforcement, but they all have been pointing to very much the same sort of balance you are talking about, which is not just the regulatory, punitive side but the other side as well.

I do want to acknowledge, too, the idea of public education, I think, is really important. When we bring in new legislation, it is really important that people know what is happening and get a clear sense of it. Thanks for some very good ideas.

**Mr. Wishart:** Thank you for your comments, Mr. Ashton. Certainly, we support them.

I know you referenced, in the previous presentation, some of the items learned from the Ontario model, the conservation authority approach down there which, I might note, is very co-operative involving the farmers. There are other sectors to that, in terms of how the funding is run down there, where the farmers, in fact, do participate, and I would encourage you to look at that as a model that we might look to the future here, in terms of getting better control on water management in this province.

Obviously, there will be issues. There are, certainly, a number of farmers that were negatively impacted by drainage beyond the capacity of the system, and we recognize that uncontrolled drainage has a lot of issues related to it. If we are going to move down that road, we need to move not just in one direction where we stop drainage, but we need to look at water storages, on-farm water storages, in particular, where right now it is literally impossible for a farmer to get a permit to put an on-farm water storage, not only provincially, but there are federal issues, federal regulations into that. So we cannot even be our own solution under the current regulatory framework.

\* (10:10)



**Madam Chairperson:** Thank you very much for your presentation, Mr. Wishart.

Committee calls Roland Chaput. Did you have something you wanted to circulate to committee members?

**Mr. Roland Chaput (Private Citizen):** Pardon me?

**Madam Chairperson:** Do you have something you wanted to circulate to committee members, a written presentation?

**Mr. Chaput:** No, I do not.

**Madam Chairperson:** Okay, please proceed, Mr. Chaput.

**Mr. Chaput:** I am Roland Chaput. I live in the R.M. of Ste. Anne. I have a farming business along the Seine River, a vegetable growing operation. I am also a member of the Seine-Rat Conservation District; however, I am not here to talk for the CD this morning. I am here to talk about my own problems and other people's problems.

My dad and I have been farming there for 35 years, longer than that actually, but, for the past 35 years before 1997, not one drop of the Seine River water came over our fields, not once. Since 1997, every year we have overland flooding from the Seine River, sometimes twice a year; one time, three times a year. I am not talking about the spring run-off, I am talking about summer flooding.

I have 15 acres—I have more than that, my farm is small, but it is bigger than that—but I have 15 acres that, since 1997, I cannot seed. The inputs are over \$2,000 an acre; a good chance I never seeded that because it flooded every year. An acre in vegetable operation, a very conservative number, it is even higher. When it comes to input or output, it equals at least 40 acres of grain. I am referring to grain because everybody here is more familiar when it comes to grain operation. Vegetable operation, I am a small grower, not too many people are familiar with. It is easily equalled to 40 acres, so 15 acres equals the 600 acres of grain operation. What do you think that makes my family budget?

None of it is my fault. We have an inch of rain, an inch and a half, it floods. It floods within 24 hours of a rainfall. It floods for maybe two hours, maybe five hours, then the water is gone, and so is my crop.

If you would take a tour of the Seine River, the Seine River increased width-wise a good 30 percent, 25 percent to 30 percent, and, in some places, 50

percent. Huge trees have been falling in. There are some trees on both sides of the river over 150 years old. In the last few years, they are both falling in. It is not natural erosion. Those trees did not grow to 150 years old by saying it is with natural erosion.

The increase of drainage, the water coming down after a rainfall is unbelievable. I have the data, the Environment Canada data because they have a monitoring station half a mile from my place, so the data is fairly accurate. Besides my crop, I know somebody that built a house along the Seine River, had it engineered years ago, surveyed the area, had a certificate saying that he is safe, it will never flood. Since '98, he has had water in his basement now. The only access to his home is by boat when it rains.

Compared to 1973, according to Environment Canada numbers—which I have with me, but you will have to take my word for it right now—in 1973, I believe it was in July, we had one day, it was a record according to Environment Canada numbers, a record rainfall of 96 millimetres, which is four inches. That is in one day. That was in 1973, September 1. The run-off per square miles in the Seine River watershed up to the Ste. Anne river diversion, the run-off per square mile was 0.0103 cubic metres per second, four inches of rain.

After 1997, in the year 2000, one inch of rain, the run-off per square mile increased two times. In 2001, less than two inches of rain, run-off increased by 3.6 times. In 2002, 32 centimetres, an inch and a half of rain, compared to four in '73; the run-off per square mile at the monitoring station of Environment Canada had increased by 4.3 times.

I have a letter here from an engineer. He did a study for the CD regarding the riparian areas. It was mostly regarding the quality of the water and the riparian areas, but he is aware of the quantity because they are both related. He wrote to me a letter. I am reading the last sentence: You may also wish to consider that the annual flow records in your case for the Seine River show a marked increase in Seine River levels that corresponds with an increase in the total drainage area.

I have a letter from Freedom of Information that I acquired. It is dated the year 2000. I got that in the year 2000. In the R.M. of Ste. Anne, there was only one drainage ditch in the R.M. of Ste. Anne that had a permit, gentlemen. In the R.M. of La Broquerie, there were none that had permits. None, absolutely none. The amount of illegal drainage, I can show you. I would have to take two days to show you.

I will give you an example in the R.M. of Ste. Anne. There was a ditch built in 1997. They had an engineer report made up before. The engineer recommended six controls because the level from the wetlands—mind you, in that day it was a drained wetlands—to the river, I believe, was 70 feet. The soil could not take it because you had the erosion. The water would come down too fast, so he suggested in his report six control structures. The next year, the R.M. of Ste. Anne built the ditch, no permit as of today. I went in their records. As of today, there is no permit.

In 1998, the Department of Conservation, I believe, or Natural Resources, whatever you called it in those days, the agent issued—I was at their council meeting when he told the council of the R.M. of Ste. Anne—an order for remedial work for that same ditch to the tune of \$89,000 to fix the ditch they had built the fall before. I have a copy of that remedial order. As of today, nothing was done. I lost 600 acres of grain or 15 acres of vegetables.

I have some solutions and the No. 1 solution I have is to please enforce The Water Rights Act. At present, it is not being enforced. Dillon of Seine-Rat sponsored the study that I mentioned a minute ago, and one of his recommendations, No. 1 recommendation, was please do a hydrological study of the Seine River. There is no impact study. I suggest that there be a moratorium on the Seine River until this study has been done regarding drainage on the Seine River watershed basin. People downstream should be consulted when proposed drainages are being done.

\* (10:20)

The rationale behind the issuance of permits should be readily available to the public. I have asked for some rationale of the permits that were allowed there. I cannot see them. I suspect they were rubber-stamped. Some permits have been granted after the work has been done. A lot of work has been done not according to the work permit. It has been brought up. I brought it up to the conservation. Nothing has been done.

**Madam Chairperson:** Mr. Chaput, I will have to ask you to finish your comments.

**Mr. Chaput:** Thank you. When those permits are issued, everything should be in writing. There has been some occasion right now that is, no, he said so; no, he said so; no, he said so; I said it because he said

so. When something wrong happens, it is denial, denial. Thank you.

**Madam Chairperson:** Thank you. Are there questions for Mr. Chaput?

**Mr. Ashton:** Well, thank you very much. I appreciate your perspective, particularly referencing other drainage projects that have not been approved. I certainly want to assure you that that, certainly, is part of what this bill is about, but I think that you have raised some other very interesting points.

I realize you are not speaking on behalf of the conservation district, but it certainly is one of the areas that, increasingly, we have to look at, both through the CDs and, also generally, which is much greater focus on watershed base planning, including on the drainage side because, as you pointed out, there are people that can be on the receiving end of what may be beneficial for others. So I really appreciate what I am sure is really just a summary of the complex factors that have impacted on you.

While this only deals really with the enforcement side, I think you really point to the fact that we have to look at your situation and many others throughout the province and make sure we have a drainage system that works first of all and also is meeting the needs of agriculture in 2006, because I have always said that our drainage system really goes back to the fifties and sixties in many cases, some cases earlier, and agriculture has changed as well. So I really do thank you for coming forward and giving us a citizen's perspective on this.

**Mr. Lamoureux:** Yes, Mr. Chaput, first of all, I do commend you on obviously a great deal of effort in terms of accountability of whether it is politicians or bureaucrats, and I see you have gone through Freedom of Information and others to be able to substantiate the number of concerns that you have. I really do appreciate those sorts of efforts from the citizens.

You will have to excuse me for not necessarily having a great depth of knowledge in this area, but the question I have for you is: For you personally, is it the level of the Seine River that is causing your specific problems, or is it the broader issue? The level of water in the Seine River, would that deal with your particular problem?

**Mr. Chaput:** Yes, the level of the Seine River, whenever we get an inch, an inch and a half of water, because of the drainage, like the engineer stated in his letter, there is nothing holding back the water.

Before the middle 1990s, there were a lot of wetlands; since the middle 1990s, been drained, especially at the headwaters of the Seine River. Nothing is holding back the water. Everything is being drained. Some drainage in the R.M. south of the R.M. of Ste. Anne, they have within a two-mile road, they have six ditches over two mile long, straight as an arrow. Two of those ditches is more than the capacity of the Seine River. So, when it rains, the river rises instantly and it floods all my land, floods other people, causes a lot of erosion. At the present, the level of water is great, and it is not even the spring runoff. I mention it to make sure that I am not taking the spring runoff, as the spring runoff causes no problem. The riverbanks are frozen, there is no crop in the field, there is no problem.

Regarding the enforcement of the law, I think it is very good that you enforce the law. There is, however, one little concern I have got with the last chapter there, protection from liability. If this is not the disclaimer of the year, it is the disclaimer of the century, really. I know only of one big guy here that does not make mistakes. It is not me, unfortunately. For a committee of the government to put there that we can do no wrong, even if we do something or do nothing, I do not know. I do not know. Okay, that is all.

I mean, I say it jokingly, but I am serious about it, really. Thank you.

**Madam Chairperson:** Thank you very much, Mr. Chaput.

The committee calls Richard Gregoire.

Good morning, Mr. Gregoire. Did you have a presentation you wanted to circulate?

**Mr. Richard Gregoire (Private Citizen):** No, not at this time.

**Madam Chairperson:** Please proceed.

**Mr. Gregoire:** Okay, I am Richard Gregoire. I live on a 34-acre lot east of Ste. Anne, in the R.M. of Ste. Anne, of course.

**Madam Chairperson:** Do you want to bring your mike up just a little bit, if you do not mind?

**Mr. Gregoire:** My concern is, actually, erosion. All the rest that I wanted to talk about has been covered already, but erosion is very bad from Ste. Anne east, up Ste. Anne, going all the way through the two municipalities, which is Ste. Anne and La Broquerie. Erosion is actually so bad that right now buildings

are falling into the river. Even on my own property, I have a guest house, and it is being moved right now, and it has been there since 1989.

Actually, I am not complaining about having compensation for this; it is what to do further up in the adjacent municipalities and all that, and even in our own, with all the illegal drains and all that. When you have a flood on June 11, it means something. I have been living there for 35 years now; I have never seen this. Now we are getting three floods a year, one in June; that is getting really bad. You get this flood approximately three days after a big rainfall east of the area, the eastern area of the province. So my concern is to actually do something about the illegal drainings and permits and stuff like that. This is actually my presentation: it is erosion.

I have one thing to add. On my own property I have an oak tree. It is over 32 inches in diameter. That oak has been there for, I would say, about 200 years. It is in the river right now, so that means something. That is the end of my presentation.

**Madam Chairperson:** Thank you.

**Mr. Ashton:** Well, I thank you for coming forward, and some of the previous presenters giving the perspective of somebody who is seeing first-hand what is happening. We are very concerned about, particularly about the impacts of illegal drainage. I mean, there are enough challenges from floods in Manitoba that are natural, but when you compound that with some of the situations you are describing, that really does impact on people such as yourself.

So thank you for coming forward and reminding us that this is more than just a bill with wording that is going to have impact and all. It is about dealing with the exact situation you are talking about. So thanks again.

**Madam Chairperson:** Thank you, Mr. Gregoire.

For the information of the committee, on Bill 24, we do have a presenter who has listed herself to present, but she is not out of town. I just want to give the committee the information of the person's name; it is Gloria Desorcy and she is from the Consumers' Association of Canada-Manitoba.

We do have one more out-of-town presenter on Bill 14, L. Lacoste. Mr. Lacoste, did you have a written presentation you wanted to circulate?

**Mr. L. Lacoste (Private Citizen):** I just have some photographs showing of the flooding, of illegal

drainage what has caused erosion and that. I was wondering whether I could pass them or—

**Madam Chairperson:** Is there leave from the committee for Mr. Lacoste to circulate photographs?

**An Honourable Member:** Yes.

**Madam Chairperson:** Yes, there is leave. You can proceed, Mr. Lacoste. You can proceed.

\* (10:30)

**Mr. Lacoste:** Okay, maybe here as quoted by Mr. Buhler, that 60 percent needed to be signed. There is no need for this in The Water Rights Act because it is already there. All regulations, new regulations that are coming up, as far as I am concerned, are stall tactics.

I live in the R.M. of Ste. Anne, and the R.M. of Ste. Anne has failed to apply for drainage permits since 1996. The constant flooding of my property, you will see on the photographs, there are pictures of my seeded land when there are logs and boards and nails and everything that come onto my property, which have to be taken off due to this high rise of water. All my fencing and that is gone because of the heavy logs that are flowing through. So, anyway, there are photographs there. This has been flooding since 1997 till 2006. Those photographs show there, again, this was taken a few years back, but it is the same procedure every year.

Also, the R.M. of La Broquerie is failing also to comply with these water rights. These actions cause an extreme amount of water onto my property with dead trees and all that, that eventually, every year, die and then they fall in the river and then they float across my property. With my health conditions and that, I am in no shape walking in six inches of mud to retrieve logs and boards and nails to prevent my tractor from having flat tires.

With these actions by the Ste. Anne R.M., it has cost me over \$52,000 of protecting my property with the berms to slow the water down which they have done along 42 north, which Mr. Chaput has claimed that the municipality of Ste. Anne was supposed to have these slowbacks to slow the water down. They have refused to abide by The Water Rights Act, and this is why I had to put up berms through my property, with culverts, to slow the water down because they have turned a creek into a river.

Just the lawyers alone, that I had fighting the R.M., and actually the Water Resources was involved with this, just the lawyers from there have

cost me \$15,000. When all along, if the Water Resources would have enforced those laws in 1996, when John Arthur, an engineer for the Water Resources, approached the R.M. of Ste. Anne, the R.M. of Ste. Anne refused to negotiate. John had told them, just use common sense and divert 50 percent of the water to the river. All that it needed was two three-foot culverts and the removal of trees and everything which took two days of backhoe work to the river and installing two culverts to protect my property.

Since that time, the R.M. of Ste. Anne has failed to do anything. During the winter months, once I have a statement from Henry Daniels from the Water Resources that 50 percent of the water, any obstruction that prevents the water going to the river, whether it is snow or whatever, has to be removed. The R.M. refuses to do that and letting the 100 percent flow of water going through my property again.

I have lost over, like I said, \$52,000. I had a quotation of \$24,000 worth of topsoil that has flown into the creek. Anyway, since 2002, when word was finally convincing to the municipality, I guess they had enough pressure from the Water Resources, they did the drainage in 2002 in December, which was 50-50 to the river.

Then this also. My neighbour also had made an illegal drainage, without a permit again, with municipal equipment, which the municipality said they had no knowledge of it because he went to the operator and told him to make this drainage which went from a southeast corner to a northwest corner of my property, flooding 25 acres of land. The municipality said they were not responsible because they have no authority, they are just the owner of the equipment and any neighbour can hire, but the operators have cell phones and that, and they could have asked the fellow that is in charge for drainage whether this was legal or not, which he did not.

So I had also approached John Arthur, and John Arthur walked to the drainage ditch and said it was illegal. But the R.M. of Ste. Anne has also failed. I asked the Water Resources to remove that illegal drain and they refused to. So the R.M. refused. The Water Resources refused, so I had to take my neighbour to court. He was charged for illegal drainage, flooding my property, which I only got 40 percent of the cost. It cost me over \$4,500 of lawyers' fees to have the cost of loss of property that I received, but which cost me over \$4,000. I got

\$1,880, which the magistrate—Ms. Greenberg was the justice. She gave me \$1,880 plus court costs.

The problem is this has been going on since 1996 with the water resources and I, and they have failed to comply to The Water Rights Act which states: any legal drainage is being done. As you will see in the photograph there of the drainage, the road 42 north is washed away. That is due to the neighbour, again, making an illegal drainage in 2002 without a permit on the east side of a ridge draining a swamp.

I had talked to Mr. Buhler; that is Henry Buhler. He says digging a ditch in a swamp will not increase the flow of water, and I told Mr. Daniels, do not send this man down to my place again because what is white is black and black is white. I said, do not ever send him home again. So now I have a new fellow that is taking care of my problem, and I believe, I was talking to one of the Stewardship fellows, and it looks like June 15 that Water Stewardship said they would solve my problems. They will remove those illegal drainages that have been made and diversions along the road allowance done by one of our councillors, conflict of interest.

So, as I stand here now, I hope that the Water Stewardship is saying they are going to solve my problem and do away with this illegal drainage that is causing damage to my property. Thank you.

**Madam Chairperson:** Thank you.

**Mr. Cullen:** Thank you, Mr. Lacoste, for your presentation. Certainly, there are a lot of personal stories out there when it comes to water across Manitoba. We are becoming more and more aware of them every day. I hope it is not a situation where we lose common sense when we are dealing with water. I know you have certainly alluded to it and I think it is an important aspect to water management.

Just to clarify your position here, I know you have been involved with legal counsel, and my understanding from your comments is that your legal counsel has advised you that, under the existing water rights legislation, the department now has the authority to enforce illegal drainage, we will call it. I am assuming that he is probably referring to the existing sections 23(1) and 23(2) of the existing act where the department actually has authority to do that. Is that your understanding, is it?

**Mr. Lacoste:** I am not too familiar at all with The Water Rights Act, but the part is this \$52,000 that it has cost me in lawyers' fees and the work of my

equipment, it would have taken this for the water resources to stop it and enforce it. I have an agreement with John Arthur, April 17, 1997, that if the R.M. of Ste. Anne does not clear up the situation, that they will have an order from the government to come in and do the job which would have cost them over \$200,000, but if they did it would have been a lot less.

So, I mean, in the meantime, this is causing me \$15,000 of lawyers to get this going today, which now the Water Stewardship says, yes, as of June 15, because on account of the fish act that no drainage is supposed to be done up to June 15, and now this Geoff Reimer has seen me the other day with John Arthur and had said, we will take care of your problems, and we will take care of the problems that it has created for the 50 percent of the water going to the river, because what they did when they cleaned out the ditches they left high amounts of dirt on the side of the road which the snow filled up and the water does not go to the river. It just takes a natural course which is a natural drainage through my property. But I have lived there all my life. It has been in the family for over 130 years, so I know the situation on my property. It is when a creek turns out into a river, there is something wrong.

\* (10:40)

I hold the municipalities responsible. They are not listening. They are not caring about The Water Rights Act. Talking to our reeve or any of our councillors is a total waste of time. You give them an ultimatum that, in two weeks or a month, if it is not done you step in and hire the guys. I mean, if we are talking about men with shovels, that is a different story. We are talking about mechanical equipment that you just give the order, hire anybody and get the job done. So there is no need with the response I have been getting; this is why the reeve and the councillor in my area are no deal for me. So I am glad now that Geoff Reimer has taken over, and he says, Lawrence, June 15, we will take care of the problem, and I sure hope so because I will be back.

**Mr. Ashton:** Right, and I can sense your persistence, so I just want to indicate, by the way, I thank you for the presentation again. It is unfortunate we cannot reproduce the pictures in Hansard because they do say a picture is worth a thousand words, and I certainly appreciate your perspective. Thank you very much.

**Madam Chairperson:** Thank you, Mr. Lacoste.

For the information of the committee, on Bill 35, we have received a written submission from Mrs. Joyce Bateman, the board chair of Winnipeg School Division.

Is there permission from the committee to have this written submission appear in Hansard? *[Agreed]*

There are no out-of-town presenters on Bill 35.

**Bill 300—The Association of  
Former Manitoba MLAs Act**

**Madam Chairperson:** That proceeds us to Bill 300, The Association of Former Manitoba MLAs.

Calling Mr. Harry Enns, private citizen.

Hello, Mr. Evans.

**Floor Comment:** Good morning.

**Madam Chairperson:** Just one moment. Does Mr. Enns want his name dropped to the bottom of the list?

**Floor Comment:** Yes.

**Madam Chairperson:** We will drop Mr. Enns's name to the bottom of the list.

Mr. Evans, you are out-of-town, are you not?

**Mr. Len Evans (Private Citizen):** Well, I am between towns. For 30 years, I represented the city of Brandon.

**Madam Chairperson:** Okay, just a moment. Is it the will of the committee to hear Mr. Evans's presentation as out-of-town? *[Agreed]*

You can proceed, Mr. Evans. Do you have a written submission you would like to circulate?

**Mr. Evans:** Yes.

**Madam Chairperson:** Could we have that circulated, please.

**Mr. Evans:** Unfortunately, Mr. Enns, who was here earlier, had to leave, representing the Conservatives, and Herold Driedger of the Liberals had to leave as well. At any rate, with what I am about to say, they are in total agreement, and I am pleased to say that this is a unanimous presentation.

So, as I indicate, Len Evans, many of you know me; some do not. I was a member for 30 years in the Legislature representing Brandon East, and it was my privilege to be in the Cabinet for half of that time. I served in the Pawley administration and the Schreyer administration full term. Of course, I was in

the opposition for the other half, for 15 years. So, as they say, I have seen the world from both sides of the Chamber.

Firstly, let me thank you very much for the support that you had given to the bill, providing the legal basis of our organization. I would particularly like to thank the Member for Burrows (Mr. Martindale) for his work in bringing in the petition and then the bill into the Legislature. I would also extend our appreciation to the MLA for Steinbach (Mr. Goertzen) for seconding the motion to have the Legislature approve the bill for second reading. His support certainly, as a member of the opposition, indicates that this is truly a non-partisan initiative.

In passing this bill, Manitoba joins British Columbia, Ontario and Québec, all of whom have established similar legislation in previous years. I am especially pleased that we are following the example of the Québec National Assembly in making the Speaker of the House the honorary president of the association. I say this because it was indeed the present Speaker, the Honourable George Hickes, who initiated the discussions in the first instance among some former members and has subsequently provided leadership to establish the association. Certainly, he has continued to support our efforts over the past couple of years, and we are all very much appreciative of this.

I believe that most members understand this, but I would say it anyway, the basic objective of the association is to promote our democratic parliamentary system. This can be done in many ways and poses many challenges. However, as you have heard, the association has been especially active in promoting the ideals of our democratic parliamentary system among our young people. We have done this by sponsoring a province-wide high school essay contest. Last year's topic, I might mention, was how to interest young people in politics. Now that is a challenge.

At any rate, it was a province-wide essay contest, and from our members' support we were actually able to give some cash prizes for the three best essays. By way of footnote, in our quarterly newsletter we have printed the first essay winner and we will be printing the others in subsequent ones. I believe every member of the Legislature gets this.

We have also been involved in the annual Youth Parliament held at the Christmas break in the Legislature. For the past two years, we organized the bearpit session, with all parties represented, giving

the young parliamentarians an opportunity to question former MLAs about their experiences and views on the parliamentary system. This, too, was reported in our last issue of our newsletter and I might say there are some very, very insightful questions that the young people asked of you. Why did you get in politics in the first place? What is the best thing you have done for the people of Manitoba while you were an MLA? And so forth.

Frankly, there are many other useful activities that the organization could be engaged in and, certainly, there is a lot of potential, but, as usual in a voluntary organization, what gets done ultimately depends on the willingness of the membership to get involved and to make a contribution.

Lastly, I should mention that the very existence of the association provides a means to enable former MLAs to keep in touch with one another, and in a way the association can help enhance a sense of history of the Legislature among our members as well as present MLAs. I might add that keeping in touch has been achieved through not only annual meetings and social gatherings, but through discussion groups and certainly through our newsletter.

So, in closing, once again, please accept our appreciation for the support you have given to this bill to this point. We look forward to its passage in the near future, to enable the association to go forward, to play a role in fostering our democratic parliamentary system in Manitoba and, of course, to foster a spirit of community among former MLAs and to promote good relations between former and current MLAs.

Thank you very, very much for your attention and your interest.

**Madam Chairperson:** Are there any questions for the presenter? Seeing no questions, we thank you very much for your presentation and for your service to this Legislature.

**Mr. Evans:** Thank you very much for your patience. Bye-bye.

**Madam Chairperson:** We are now going to be returning to Bill 11, The Winter Heating Cost Control Act, and we will now be calling presenters from in town.

**Mrs. Bonnie Mitchelson (River East):** I just spoke with the Minister of Finance (Mr. Selinger), and it was my understanding that Gloria Desorcy, who

would be the first presenter on Bill 11, also wished to make a short presentation on Bill 24. I know that the Minister of Finance will be available at eleven o'clock to hear that presentation.

I guess we may be able to go ahead with the presentation on Bill 11. It is just that I would not want to hold her up if the Minister of Finance is available at 11, if we could move right into that presentation on Bill 24 so she could do both.

**Madam Chairperson:** Is there leave from the committee to hear both presentations back to back from Ms. Desorcy?

**An Honourable Member:** Oh, yes.

**Madam Chairperson:** Yes. From what I hear, there is leave.

#### **Bill 11—The Winter Heating Cost Control Act**

**Madam Chairperson:** Ms. Desorcy from the Manitoba Branch of the Consumers' Association Canada on Bill 11. You can proceed, Ms. Desorcy.

**Ms. Gloria Desorcy (Manitoba Branch of the Consumers' Association Canada):** Good morning. On behalf of the Manitoba Branch of the Consumers' Association of Canada, CAC Manitoba, I would like to thank you for this opportunity to voice our thoughts and recommendations regarding Bill 11.

\* (10:50)

CAC Manitoba is a non-profit, volunteer, independent organization, working to inform and empower consumers in Manitoba and to represent the consumer interest. Lori Hunter, executive director of the Manitoba Society of Seniors, planned to make a presentation today as well. Unfortunately, she is not able to attend, but we have discussed this bill thoroughly and MSOS supports the comments I will share with you today.

I am going to address three major objectives of Bill 11: Setting primary natural gas rates through legislation rather than through the usual PUB process; subsidizing gas rates with electricity export revenues, and I recognize that you have indicated, sir, that that is not the intention of the bill, but I ask your indulgence. Just let me go through it because it speaks to my third point, which is dedicating a percentage of electricity export revenues to demand-side management.

So, to begin. Setting primary natural gas rates through legislation.

CAC Manitoba has long been concerned about the tough decisions consumers have to make to accommodate large natural gas rate increases during winter months. We know that all consumers struggle with this, regardless of their income level or the age of their furnace.

*Mr. Vice-Chairperson in the Chair*

We also know that those consumers, with the least leeway in their budgets and often the oldest furnaces and most leaky homes, face the most difficult choices: what to cut out of their budget to accommodate their heating bill.

So we would really like to take a moment to commend the government for being concerned about this. But, having said this, we do not believe that legislating primary gas rates is the best solution for a variety of reasons.

First, it is our understanding from numerous Public Utilities Board hearings that Centra Gas simply passes primary gas costs on to consumers without mark-up. This means that any deferral of these costs from rates will result in a deficit that must be paid. Since Centra Gas is part of a Crown corporation, consumers will end up paying this deficit at a later date. That means they may avoid a winter increase, but they may see a larger spring increase that extends to summer and fall. However, without knowing the projections for gas prices, it is impossible to predict how large that increase will be.

Another possibility, of course, is that gas prices will go down or that we will have another warm winter and setting the rate in November may cause consumers to pay more than necessary.

Now you are saying to yourself, so what, this can happen when the PUB sets rates, and you are right. The difference is that the Public Utilities Board process allows for an open exchange of a lot more information than does the legislative process. It enables stakeholders, including consumers, to ask Centra questions and to have access to expertise that makes our representation effective and helpful to the PUB in making their final decision.

Also, the PUB is an independent regulator set up specifically to make these decisions. They have been empowered by duly considered legislation to assess all aspects of natural gas rate increases and to set rates for gas consumers that reflect the public interest as a whole. They have experience and expertise in rate setting, and they have the authority to do the very thing that Bill 11 proposes to do. The PUB can

defer natural gas rate increases if they believe it is in the public interest. The difference is they make this decision with informed stakeholder input and full access to costs, price projections and other information to support the decision-making process.

Moving on to my second point, subsidizing primary natural gas rates with electricity export revenues. Once again, I ask your indulgence a bit here.

One of the biggest disappointments I have encountered in my years of work with CAC Manitoba was the realization that there is no magic pot of electricity export revenue. The recent electricity cost-of-service proceeding before the PUB has only served to emphasize this point. Much of the revenue that Manitoba Hydro accrues due to electricity exports is already committed to specific purposes such as the \$16 million annually that goes toward the cost of uniform rates. The remainder is used to keep domestic electricity rates stable. This seems to CAC Manitoba a fair and equitable solution. As Manitoba Hydro was created to serve Manitobans, Manitoba consumers paid for our current hydro generation through rates, and it is the energy conservation of Manitobans that makes export sales possible.

It is our understanding that, in simple terms, every dollar that is taken out of export revenue is another dollar that Manitobans have to pay to make up the necessary revenue requirement of Manitoba Hydro. If \$10 million is removed from export revenues for some other purpose, that will eventually mean a 1 percent rate increase for domestic electricity consumers. Similarly, \$50 million out of export revenues would result in a 5 percent rate increase, et cetera. This was confirmed under oath in the recent cost-of-service hearing in reference to a proposed drought reserve fund. Manitoba Hydro indicated that \$50 million appropriated for drought reserve would result in a 4.9 percent rate increase for customers.

Since Hydro has already indicated that they will require a 2.5 percent increase every year until 2012 just to bring their debt-equity ratio in line with PUB recommendations, any increase Hydro would request due to removal of export revenue would be in addition to that proposed 2.5 percent.

So, when we talk about using electricity export revenues to pay natural gas rates, we are really talking about electricity customers subsidizing gas customers. Bearing in mind that not all electricity



customers are gas customers, CAC Manitoba does not believe that this is in keeping with the principles of equity and fairness. Most rural consumers and some urban ones as well use electricity for heat. These consumers have paid a lot for heating for many years during which time natural gas rates were lower. It seems completely unfair to ask them to subsidize the bills of gas consumers now that the tables are turning. I will leave the rest of that point and go on to my third and final objective that I am going to address today, which is dedicating a percentage of electricity export revenues to demand-side management.

CAC Manitoba believes strongly that electricity demand-side management should be able to pay for itself with increased export revenues. This may not be possible for each individual program, but considering programs as a whole, electricity DSM should at least break even or possibly be profitable for Manitoba Hydro. We also believe, based on information brought forward during the CEC hearings into Wuskwatim, that Manitoba Hydro could be doing a lot more DSM programs on the electricity side and still break even or realize a net profit for DSM programs overall. Electricity DSM is both good for the environment and good for Manitoba Hydro's bottom line.

We are painfully aware, however, that this is not the case for gas DSM. Natural gas not used by consumers is simply natural gas not purchased. There is no payback for Centra Gas. Therefore, there might be some cost incurred by offering DSM programs for natural gas.

We are also concerned that there are some consumers who are disenfranchised from DSM programs currently. These include low-income consumers who may not be able to afford even half of a new furnace or improved insulation and who may not have a sufficiently good credit rating to warrant a loan from Manitoba Hydro. Also disenfranchised are consumers who rent their homes. These consumers cannot effect most energy efficiency improvements to their furnace, home or appliances, but do have to pay their energy bills.

While we are sure that barriers to electricity DSM programs could be removed from these consumers without creating any extra cost for consumers as a whole, removing barriers to their participation in gas DSM programs would likely result in additional costs. So our first question is, could these costs be offset? Before passing any costs

on to consumers through any means, rates, allocation of revenue export, et cetera, CAC Manitoba believes that every program and rebate available should be sought out to offset program costs. If, however, after every option has been explored, there is still some net cost for these programs, we must recognize that this cost would likely be passed on to consumers.

**Mr. Vice-Chairperson:** Excuse me, Ms. Desorcy, I apologize for interrupting you. I just want to let you know you have one minute left, including time for questions.

**Ms. Desorcy:** Okay. At this point, if we are serious about universal access for consumers to gas DSM programs despite the net cost, then and only then the question becomes how should consumers pay for this. What would be in their best interests? Should electricity consumers cover all the costs through the use of export revenue even though they are not the segment of consumers creating the cost? Should gas customers pay for gas DSM since they will be the ones using the program, even though their rates are already very high? Or, if we discover that it is impossible to make a business case for universal gas DSM programs, should these programs be funded through the tax base since society as a whole benefits from conservation of resources? Are there other reasonable options? Which of these options would best reflect the principles of equity, fairness and transparency?

CAC Manitoba believes that this debate requires more study than is possible in this forum. We would like to see Manitoba Hydro develop a plan for specific DSM programs that are universally accessible to all consumers and that include both gas and electricity DSM. This plan should include proposed costs and proposed revenues, and should be presented for study, critical review and public input before the PUB. The government could ask the PUB to make recommendations regarding the types of programs to be included, the amounts of funds required, the source of funds, and appropriate mechanisms for accountability and transparency.

\* (11:00)

In closing, the CAC recommends the three following points: That the Government of Manitoba allow the PUB to continue to set rates for primary natural gas using the well-designed procedures that allow for stakeholder input and full disclosure of information; secondly, that the Government of Manitoba reject the subsidization of primary natural gas rates by electricity export revenues—

understand they already have, and we commend them for that; and that the Government of Manitoba, recognizing that electricity DSM programs can and should pay for themselves, refer the task of creating universally accessible electricity and gas DSM programs to Manitoba Hydro, asking the PUB to publicly review the plan and make a recommendation regarding the types of programs to be included, the costs and revenue associated with these programs, amount of funds required, and the appropriate sources of those funds.

Thank you for your attention.

**Mr. Vice-Chairperson:** Thank you, Ms. Desorcy. I was wrong about the time limits for the committee. There are actually five minutes for questions and answers. I let the presenter go over, so we have about four minutes, and I have Mr. Chomiak and Mrs. Mitchelson on the list.

**Hon. Dave Chomiak (Minister of Energy, Science and Technology):** I appreciate the fact that you listened earlier.

Point (a) there never was any intention to subsidize natural gas. That is very clear. I think it has been misinterpreted by some individuals, and the amendments will make that very clear. Secondly, you recommend that low-income and other individuals receive DSM assistance, and that it go before the PUB. I can indicate to you that the amendments will specify that, and will specify that all those matters go to the PUB. The only aspect of the bill that will remain is the possibility of a freeze next winter, if there should be extraordinarily high natural gas rates, a deferral. That is based on the premise that natural gas rates have gone up 300 percent since 1999. Wages have gone up 11 percent.

Having said that, you are in agreement, and I think we are in agreement, that the bill will be amended, that, overall, DSM programs save the consumer in the long run. For example, you cited the fact that Wuskwatim indicated that Hydro could do more on the conservation side. Hydro has doubled its megawatt conservation targets since then, and it has doubled its natural gas targets. So I think we all agree that conservation is probably the best form of savings.

My real question is: Are you aware that, on October 12, the PUB indicated that there is a possibility of a business case to be made with respect

to DSM programs being provided to all customers of Hydro?

**Ms. Desorcy:** I am not aware of that. My question back would be, if I can ask one: Is that electricity DSM or gas DSM, or both together?

**Mr. Chomiak:** Based on the extraordinarily high prices for natural gas, the PUB on October 12 indicated and asked that Hydro look at gas DSM, that a business case could be made with respect to gas DSM based on the extraordinarily high price of natural gas and the effectiveness of DSM programs. I will get you the quote.

*Madam Chairperson in the Chair*

**Ms. Desorcy:** Are they putting together such a business case?

**Mr. Chomiak:** In fact, the bill, both in structure and as amended, will reflect the indications. That was the original intention of the bill was reflecting the intentions of the PUB in its October 12 ruling. The amendments will clarify issues of how the fund shall be used. It will be only for energy efficiency, specified energy efficiency, low income, et cetera, that offset the costs of energy costs. Secondly, it will also specify the limits to that, so that it is not used to cross-subsidize, as has been wrongly stated by some individuals.

So the bill as structured is going to be amended to ensure that the October 12 ruling of the PUB is reflected in the bill.

**Mrs. Bonnie Mitchelson (River East):** Thank you very much for your presentation, Ms. Desorcy.

I was just wondering, you referenced the cost of service hearings that have been just ongoing before the Public Utilities Board. There was expert testimony that looked at the debt equity ratio and some of the issues around infrastructure and some of the dangers that might ensue or the potential loss of revenues if there was another drought in the next few years. Testimony indicated that it could be argued that there should be no sharing of export revenues until target equity levels are obtained.

Are you aware of those comments that were made by officials at Manitoba Hydro at those hearings, and would you have any concern about money being taken or rates being set around the Cabinet table or export revenues to be taken off the top by the government for programming?

**Ms. Desorcy:** Yes, I am aware of those comments, and, yes, as I think I have indicated, we certainly have concerns. I referenced the drought as the risk. I also referenced the 2.5 percent with regard to bringing their debt equity ratio into line, but, certainly, there are a number of risks that are faced. Of course, it is the electricity consumers who ultimately face those risks because they are the ones who have to pay up when rate increases are required.

**Madam Chairperson:** Is there leave for one more question from the critic?

**An Honourable Member:** Leave.

**Madam Chairperson:** Go ahead, Mrs. Mitchelson.

**Mrs. Mitchelson:** I just would ask a question about whether there would be any concern on the part of your association with the amount of export revenue being taken from Manitoba Hydro, and those rates being set around the Cabinet table without any Public Utilities Board input.

#### Point of Order

**An Honourable Member:** Point of order, Madam Chairperson.

**Madam Chairperson:** Minister Chomiak.

**Mr. Chomiak:** Thank you, Madam Chairperson. I think I clarified earlier, if I remember, there is no money being taken from Manitoba Hydro. The fund will stay with Manitoba Hydro, and rates are not set by the Cabinet table. Rates are set by the PUB. So, just on a point of order, the member has the facts inaccurate.

**Madam Chairperson:** Mrs. Mitchelson, on the same point of order?

**Mrs. Mitchelson:** On the same point of order, yes. It stipulates in the legislation, unless it is going to be changed, that Cabinet will determine what percentage of export revenue will be put into the fund, and it will not be a Public Utilities Board process. So, if the minister is clarifying that the Public Utilities Board will review the decision before Cabinet makes the decision, then that is a different issue.

**Madam Chairperson:** At this point, I am going to say that this is not a point of order. It is a dispute over the facts. We will have a lot of time this evening to discuss this further.

\* \* \*

**Madam Chairperson:** I would prefer if we just have the opportunity to ask the presenter if she had any closing comments she wanted to make in response to Mrs. Mitchelson's question.

**Ms. Desorcy:** Well, just that, you know, yes, whether the legislation is proposing that or not, of course, I think I have stated that we would definitely prefer rates to be set at the PUB, with public input, with full disclosure of information, and a process that is time tested. Yes.

**Madam Chairperson:** Thank you very much, Ms. Desorcy.

**Mr. Kevin Lamoureux (Inkster):** Madam Chair, may I just ask a very brief question of the presenter?

**Madam Chairperson:** Is there leave for Mr. Lamoureux to ask a question?

**Some Honourable Members:** Yes, leave.

**Madam Chairperson:** You can ask a question. One short question, Mr. Lamoureux.

**Mr. Lamoureux:** Absolutely. My position on Bill 11 is that, as we do not know what the amendments really are, this bill should not be passing this Legislature. If you were to base your opinion strictly on the bill, not on hypothetical amendments, do you believe that this is a healthy bill for Manitobans and the consumers of the province?

**Ms. Desorcy:** Well, basing it on the original bill, I think my presentation indicates that we would recommend that this bill not be passed at this time.

**Madam Chairperson:** Thank you very much.

#### Bill 24—The Consumer Protection Amendment Act (Government Cheque Cashing Fees)

**Madam Chairperson:** We are now going to proceed to Bill 24 for Ms. Desorcy's presentation on Bill 24.

Did you have a written submission you wanted to circulate?

**Ms. Gloria Desorcy (Manitoba Branch of the Consumers' Association of Canada):** No, I do not.

**Madam Chairperson:** Just one moment. Ms. Desorcy from the Consumers' Association of Canada, Manitoba, will now be speaking on The Consumer Protection Amendment Act. You can proceed, Ms. Desorcy.

\* (11:10)

**Ms. Desorcy:** I would just like to say, first off, thanks for letting me do this right away. This is just much more convenient. I appreciate that.

I do not have any prepared comments. I just wanted to say on behalf of the Consumers' Association of Canada, Manitoba Branch, that the concerns of consumers who feel that they cannot access mainstream banking services are many and varied and often very devastating for these consumers, financially particularly. There are many consumers who feel, because they are unable to access bank accounts because of income level, possibly because of credit history, they are disenfranchised from the mainstream banking system. So they go outside, more expensive sources.

While there are many things that take them there and many causes for this, we feel that this bill, this amendment to The Consumer Protection Act is a really good first step. It will enable consumers to cash their cheques without fee and, although it is not resolving the entire issue, it is certainly a definitely very good step in the right direction. We would like to commend the government. That is basically my presentation.

**Madam Chairperson:** Thank you very much. Any questions for the presenter.

**Mrs. Bonnie Mitchelson (River East):** Thanks for those comments. I was just wondering, you indicated it was a good first step. Do you have any suggestions or ideas on what future or subsequent steps could or should be?

**Ms. Desorcy:** Well, I know that there is also a bill being presented with regard to payday lenders, and I think that is another good second step. I think that there are other issues certainly around consumer access to mainstream services, including education, including hold times on cheques, including requirements for particular ID that sometimes is difficult for consumers. I think there are a number of different things that do need to be addressed. But, again, I would like to reiterate, I think this is a really good start.

**Madam Chairperson:** Thank you very much for your presentation.

#### **Bill 11—The Winter Heating Cost Control Act**

**Madam Chairperson:** We are now going to return to Bill 11, which is The Winter Heating Cost Control Act. The committee calls Jennifer Lukovich, a private citizen. Ms. Lukovich's name will be dropped

to the bottom of the list. She did call, as I mentioned to the committee members, so we will call her once again.

The committee now calls Ian Mondrow, Karen Melnychuk and Gerry Forrest from Municipal Gas. They will then be called again this evening.

The committee calls Lori Hunter, Manitoba Society of Seniors. Once again, Lori Hunter, Manitoba Society of Seniors. Ms. Hunter's name will be dropped to the bottom of the list.

The committee calls Elizabeth Fleming, private citizen. Elizabeth Fleming, private citizen. Elizabeth's name will be dropped to the bottom of the list.

The committee calls the Right Honourable Ed Schreyer, private citizen. Once again, the Right Honourable Ed Schreyer, private citizen. Honourable Ed Schreyer's name will be dropped to the bottom of the list.

The committee calls Tom Simms, Community Education Development Association. You can proceed, Mr. Simms.

**Mr. Tom Simms (Community Education Development Association):** Thanks very much for the opportunity to speak on Bill 11. I work with the Community Education Development Association, an inner city community organization funded by the United Way. I wanted to talk about some impacts around poverty and how Bill 11 has some features that are important in poverty reduction strategies.

One of the things, in starting off, I want to say is that there are many dimensions that influence poverty in our community, and there is no one silver bullet. We need to chip away at it from a number of fronts. I think some of the provisions in Bill 11 do that, so I just want to briefly go through the presentation.

The low income energy burden: low-income individuals and families pay at least three times more for energy services as a percentage of their income than the median-income family household. The low income energy burden falls disproportionately on Aboriginal people, recent immigrants or refugees and lone-parent families. StatsCan kind of reinforces that disproportionate burden in the other bullet.

In terms of backdrop for a context of poverty reduction strategies, we are talking about who are the needy. I often think of Sister Bernadette O'Reilly at Rossbrook House talks about this question quite a

bit, and she does not like the term "needy." She says what we need to use is the term "oppressed" because it begins to look at not just the individual's situation in poverty but some of the structural issues around poverty, and that if we really look at who is needy, I think with the kind of resources that we have in our country there is a moral neediness that we all have in terms of some of the growing disparity around poverty in our community.

According to recent Stats Canada information, people earning over \$85,000 a year have seen incomes rise 15 percent during the 15-year period of 1989 to 2004, while people earning \$20,400 or less have seen their incomes shrink 9 percent between 1989 and 2004. So these are some of the broader issues that we need to think about when we are looking at different poverty reduction strategies. I think it speaks to this fundamental point and especially around issues around heating, is that we need to move the discussion from personal troubles, personal grappling with the issue to look at the public issues and the public policy that needs to be addressed around this issue. I think that is critical and they are the sorts of things we want to talk about.

One of the issues around poverty—and I want to link this to the heating issue—is a driver of poverty in the city of Winnipeg is the low graduation rates amongst inner-city residents. A study done by the Manitoba Centre for Health Policy in 2004 indicates that they divided up the city of Winnipeg into 25 neighbourhoods; 81 percent of the students in high socio-economic neighbourhoods are graduating from high school, 37 percent in low socio-economic neighbourhoods are graduating from high school, and when you drill those numbers down even further, one in four students are graduating from high school in the downtown area, one in five in the North End. We as a community, all of us, have a responsibility to roll up our sleeves around that issue, and it is not just about schools. It is about a whole range of dimensions, and heating costs are one of them.

One of the impacts around poverty and education is the issue of student migrancy. An average of 50 percent of the students in inner-city schools transfer in and out of the school during the course of the school year. That means, if there is a classroom of 25 children, 12 or 13 kids will not be in that classroom at the end of the year, and that is the average. High-need schools have 90 percent migrancy rates. It is very hard for children to learn. It is not uncommon for young students in Grade 2 or 3 to have been in three or four schools by the time they

are that age. It is very hard to learn in those circumstances. Educators indicate that each time a child moves, the student loses six months of learning. So we see this whole issue of migrancy is one of the variables around student academic achievement in the inner city, and I want to link this to the bill at hand.

Manitoba Hydro in this five-year period has seen the number of disconnection rates go up from 3,177 in the year 2000 to, the most recent year, double that we have, is about 6,000. So, over that period of time, we have seen a real burden demonstrated in terms of the cost of increasing heating costs. We also see a parallel kind of trend there. It is over that same period of time that uncollectible residential accounts have gone from \$1.1 million at Hydro to \$2.7 million. So there is a cost on a whole number of fronts of doing nothing.

\* (11:20)

Now, one of the things we wanted to talk about was what are some of these potential savings, and these are utility operational costs. So these are not energy conservation costs. These are utility operational costs. This was done looking at low income energy efficiency programs by consultants working with the Resource Conservation of Manitoba and TREE, which is Time to Respect Earth and Ecosystems. They argue these are utility operational savings, reduced write-offs, reduced collection expenses, reduced periods of zero usage during shut-offs, reduced carrying charges for arrearages, reduced shut-off and reconnection costs, reduced service representative time and expense, reduced emergency calls and equipment repairs. That has got nothing to do with DSM issues, that is just operational costs, I mean in terms of energy alternative costs.

In terms of societal savings, the research report indicates that there is a reduction in forced moves. I would link that directly to that issue of student migrancy that we talked about earlier. We are seeing families that have \$1,000 to pay for utilities in the months of January and February and it is almost virtually impossible to pay. People are living in non-profit housing and the rent is affordable, but they cannot afford the utilities. That is becoming a real increased problem. They argue that there will be reduced homelessness, improved health and decreased stress.

I want to briefly talk about the limitations of the existing energy efficiency programs. We know there

was an all-party agreement at the federal level in the fall to look at a low income energy strategy, and we are taking it at face value that the federal government is in the fall going to look at some alternatives. Part of the, I guess, thing that we would like to do is help think through what some of those alternatives would be. I think the federal government, rightly, is concerned about some of the previous programs. Federal government cash payment programs that were \$1.3 billion in 2000, and a similar amount in 2005 are blunt policy instruments that do not often hit the target, so that part of the broader media image coverage of that is that people in penitentiaries and seniors in seniors homes were getting these cheques and that we are not hitting the target there.

We also see that there is a very low take-up rates of these programs of low-income people. While audits are being done, in general, there is very low level of retrofit work that is done on these programs. As the point was made by the Consumers' Association, most low-income individuals are renters, and existing programs are targeted to homeowners rather than tenants, so we need to look at that.

I will move along here to focus in on, given I have two minutes, the specific things around some alternatives in the Centennial neighbourhood, which is in the core of the city of Winnipeg where we are looking at some strategies around linking green development and poverty reduction. Three strategic measures—weatherization, insulation and furnace replacement—would reduce energy consumption by 30 percent to 40 percent. It is estimated that about a million dollars is spent annually in the Centennial neighbourhood, so potential annual savings could be \$300,000 to \$400,000 a year.

We are presently working with community funding partners including the United Way, the Winnipeg Foundation and Manitoba Hydro to come up with concrete solutions. Some of the components of this strategy are that we are taking a neighbourhood-based approach. Individual low-income people have not tapped into existing programs, so we are saying we need to target a neighbourhood-based approach and do door-to-door outreach to increase take-up rates amongst landlords and homeowners. We need to bundle existing services so they can be delivered through a single window delivery system. The various range of programs are very confusing to people.

We are looking at, and it has already been established in Aboriginal insulation enterprise, to train and employ local residents in the insulation field. We have an opportunity to look at job training and employment opportunities where there is a severe shortage in the construction area. Bulk purchasing of materials such as furnaces to reduce costs: some of the research we have done is we feel we can reduce the costs of furnaces going into homes in neighbourhoods by 50 percent by bulk purchasing. We also want to link it to a consumer education strategy where a local inner-city school is going to be looking at doing projects that students will be working on in their homes to look at working with their parents around energy efficiency. There are a number of benefits that I have identified there. I will not go through them. You can see them for yourself that we see around this initiative.

Finally, to end off, to talk about building a sustainable model. This pilot project that we are working on is a concrete way of illustrating how we can make a more efficient program delivery system around the issue of low income conservation programs, that we would like the federal government to consider in its made-in-Canada energy strategy, and it would be great to get support from all parties in the provincial Legislature to work on such an initiative.

**Madam Chairperson:** If I could just have your closing comment, please.

**Mr. Simms:** We would like to see the models with that federal participation in the fall be scaled up to other low-income neighbourhoods through partnerships with the federal government, and the key that we see is that this thing, this approach, this resource commitment, needs to be looked at as a marathon, not a sprint. One of the problems that we face in the inner city all the time is boom and bust contributions around programs such as this. Sister Geraldine MacNamara used to talk about the inner-city tourist, people that show up for a little while and then they disappear. We need a long-term resource approach to this strategy that we think has multiple impacts, and we think some of the provisions in Bill 11 can contribute to that long-term approach. Thanks for your time.

**Madam Chairperson:** Thank you.

**Hon. Dave Chomiak (Minister of Energy, Science and Technology):** Given some of the rhetoric that has flown out about Bill 11, it is your opinion that

this is a positive bill, insofar as the federal government may have pulled out, and we will not know (a) of some of their energy programs; (b) there is not an ability to target low-income individuals in pre-existing programs; (c) there is a need to co-ordinate various forms of DSM and energy conservation; (d) there is an opportunity for individuals to have employment, et cetera, as a result of this program; and, (e) the fact is it will save money for all consumers—low-income, Aboriginal, et cetera—by virtue of an act like this, which, while it only is lasting for one year, will create some opportunities like you talked about, pilot Centennial, that might go on for a period of time.

I suspect you would probably want additional aspects to the bill, but, in general, would you be in favour of the bill?

**Mr. Simms:** The areas of the bill that I will comment on are the areas where we work, so it is on the low-income side. We see desperate need for resources to come into the community. Other strategies have not worked, and it is not to say the Hydro has not tried. I was looking at—they partnered with the Salvation Army, where they were doing fundraising, where I think they raised \$14,000 in the study I saw, that helped 120 people. That is laudable and commendable but it is no where near what is required, in terms of resource commitment to do this thing.

We also see huge savings around—the provincial government is literally burning 30 to 40 percent of its social assistance energy payments. There is a cost of doing nothing around this issue. Social housing costs are more because we are not doing anything around this issue. We need to create a scale of resources in order to address this issue and present, sort of charity approach strategies, while well-intended, are not hitting the mark.

**Mrs. Bonnie Mitchelson (River East):** Thank you very much, Madam Chair, and thanks very much, Mr. Simms, for your presentation.

Just a couple of questions: Can you indicate to me whether or not you did any analysis of the impact of the 7.25 percent rate increase on electricity rates, as a result of the drought that happened and also the raid on Manitoba Hydro revenues of \$203 million that the government took a few years ago? There was a significant increase, and did you do any sort of an assessment of what impact that 7.25 percent increase had on low-income and needy ratepayers?

### Point of Order

**Madam Chairperson:** Minister Chomiak on a point of order?

**Mr. Chomiak:** Yes, point of order, Madam Chairperson.

First off, there was not a raid, as the member puts it, on Manitoba Hydro revenues. The rate increases that were agreed to by the PUB were as a result of analysis by the Public Utilities Board, and utilization of the word "raid" is an inappropriate and inaccurate term, Madam Chairperson.

\* (11:30)

**Madam Chairperson:** Mr. Lamoureux, on the same point of order.

**Mr. Kevin Lamoureux (Inkster):** On the same point of order.

Madam Chair, I have now listened to the minister on three occasions where the Member for River East (Mrs. Mitchelson) is putting forward questions, and he rises on a point of order, which he knows full well is not a point of order, which is more disruptive to the questioning and answering.

The Member for River East sat back, as I did, and digested the hollow remarks put on the record by the Minister of Energy, which we do not necessarily agree with either. Yet we, at least, allowed the minister to put forward the question and the presenter to answer the questions. I think that we need to be fair, and make sure that both sides are, in fact, being espoused, talked about.

**Madam Chairperson:** I wanted to, at this point, say that there is no point of order, but I would like to remind committee members that questions addressed to presenters should be for clarification, based on information contained in the brief. I think it would be best if we leave these kinds of comments and questions until the end of the evening, at which time we will have an opportunity to do that.

\* \* \*

**Madam Chairperson:** So I would give the presenter an opportunity to answer the question as posed.

**Mr. Simms:** Well, I think your point that was not in our presentation, we are trying to provide constructive win-win alternatives. We are trying to do some problem solving that looks at bringing the corporate sector, the philanthropy sector, public sector together to look at this issue. Kids are hurting.

Families are hurting. That is our focus on this issue. We see a lot of potential around some employment opportunities. I know, in the neighbourhood where gang and drug activity has taken over, it would be great to see some role models from the community working and getting opportunities in the neighbourhood.

One of the things we see, too, is that there is a real shortage of construction people. It is really hard to get contractors to come into these neighbourhoods, anyway. So it is really important to create these kinds of opportunities. So we are looking forward to moving forward in problem solving on this issue. So that would be the context that I would look at answering the question.

**Madam Chairperson:** Thank you very much.

**Mrs. Mitchelson:** Really, your goals are to be commended. I want to indicate that you have put a lot of thought into what needs to happen for low-income families in our city and in our province.

I guess, a question for me, though, because we have pretty clear indication that Hydro rates are going to increase by about 2.5 percent every year, over the next period of time, in order to just try to bring down the debt equity ratio by the year 2012. So we are going to have Hydro rate increases on a year-by-year basis. But, for every additional \$10 million—

**Madam Chairperson:** I have to ask you, Mrs. Mitchelson, just to put your question because we are running out of time.

**Mrs. Mitchelson:** For every \$10 million of additional export revenue that is taken, that will mean an additional 1.1 percentage point on Hydro rate increases. At what limit would you see Hydro rate increases prohibitive to those most needy in our province?

**Madam Chairperson:** Mr. Simms, this will be the last question you will get to answer.

**Mr. Simms:** I guess that there are already significant challenges, and there is nothing being done to what we can do in the preventive way, like going upriver to see why are all these people drowning where people are right now. That means the retrofit of homes. Like right now, as the previous presenter talked about, there is nothing for renters. If you are a renter, which most low-income people are, there is nothing you can do about these heating costs going up. So we need to work and provide some opportunities so landlords can see that they are not

paying the utility costs. But, if there is a strategy, we think, especially, this neighbourhood-based strategy is important, that we can start upgrading these homes. So that whatever the rate increases are that we start to capture this 30 or 40 percent loss that is not going to get captured anywhere right now.

So we think that the neighbourhood-based strategy is a creative one. We think it starts solving some of the issues. We think it starts solving some of the concerns that the federal government has rightly pointed out around some of these programs, and we think that, in that approach in the long term, energy costs will come down with those kinds of major investments. But, if we do not do something, make some investments now, there is nothing that is going to be done in those kind of areas, not because people do not care, but there is no financial incentive for people to do those kinds of things.

**Hon. Greg Selinger (Minister of Finance):** Leave to ask one question?

**Madam Chairperson:** Is there leave for Minister Selinger to ask one question? *[Agreed]*

**Mr. Selinger:** I just want to build on your last point. As I understand it, this is a specific targeted demand management program which will reduce domestic consumption in the inner city, North End, older neighbourhoods, and, as a result of that, reduce domestic consumption. Often in these structures, the consumption is higher than normal because of inadequate structures, insulation, weatherization, older furnaces and perhaps lack of education on proper consumption practices.

It is my understanding that, if we make this investment in these kinds of programs, this will reduce domestic consumption and make more energy available for export and thus help keep prices down. Would you agree with that analysis?

**Mr. Simms:** Well, I mean, we have been working with Hydro for almost a year now on this, and that is their premise in this partnership, and we see that there are those kinds of opportunities for those kinds of savings to happen. So I would agree with that.

**Madam Chairperson:** Thank you very much, Mr. Simms.

#### **Bill 14—The Water Rights Amendment Act**

**Madam Chairperson:** Our next bill for consideration is Bill 14, The Water Rights Amendment Act.



I would like to call James A. Brennan, private citizen. Once again, James A. Brennan, private citizen. Mr. Brennan's name will be dropped to the bottom of the list.

James Wade, Dairy Farmers of Manitoba. Mr. Wade, you can proceed with your presentation.

**Mr. James Wade (Dairy Farmers of Manitoba):** Thank you, Madam Chairperson. Thank you for your indulgence. I was actually tied up in the other room on two other bills earlier this morning when you first considered it.

**Madam Chairperson:** Okay, that is great. Just one moment. If I could just have the attention of the committee. Thank you. Please proceed, Mr. Wade.

**Mr. Wade:** Dairy Farmers of Manitoba is wholly owned, directed and funded by dairy farmers. We are incorporated under The Manitoba Farm Products Marketing Act and we represent all Manitoba milk producers.

Dairy Farmers of Manitoba represents 460 dairy farmers and we market 307 million litres of milk annually with a market value of \$196 million.

Manitoba milk is 100 percent value-added. All of Manitoba's milk is processed into consumer-ready product before it leaves Manitoba. Eight Manitoba dairy processors prepare fluid milk, yogurt, ice cream, cheese, butter and skim milk powder for markets anywhere in Canada.

Bill 14, The Water Rights Amendment Act, affects all Manitoba dairy farmers. Dairy Farmers of Manitoba supports the amendments as presented. Most of the amendments proposed are administrative or terminology. Section 7 of the amendment, however, replaces the old Section 18. It is a minor concern.

Dairy Farmers of Manitoba represents 460 family farms located in all parts of Manitoba. These are private landowners and the proposed subsection 18(1) would permit an officer to enter into private land without permission from the landowner to inspect.

In any normal situation, any works or water control works are constructed after normal approvals are received, and inspections of the works basically is part of that permitting process. That is not our concern. Our concern is the normal practice of maintaining field drains on Manitoba land will now be captured by the broad definition of, and I quote:

That are being maintained or are being constructed there.

It is a regular annual fall practice by many Manitoba farm managers to prepare the land for next year's crop by first improving or maintaining field drains. Dairy Farmers of Manitoba requests that normal field drain maintenance and improvement be exempted from subsection 18(1).

Dairy Farmers of Manitoba supports Bill 14 as it improves the administration of The Water Rights Act. Thank you.

**Madam Chairperson:** Thank you very much.

\* (11:40)

**Hon. Steve Ashton (Minister of Water Stewardship):** I, too, would like to thank the presenter, and I certainly appreciate the support for Bill 14 from the dairy farmers. I will check in terms of the existing wording, but the situation in farm drainage is a different situation from licensed drainage. Producers do have the ability to construct and maintain in-farm drainage, and that is not impacted by the act. I will just make sure, though. I will ask legal counsel to look at the concern here to see that it is taken care of, but I can assure you the clear situation we are dealing with here is licensed drainage, not internal drainage. I think you pointed to the support for the principle of the bill, but we will make sure we look into the specific concern. Clearly, the intent here of the bill is to deal with off-farm drainage.

**Mr. Cliff Cullen (Turtle Mountain):** Thank you very much for your presentation.

The amendment that you are proposing here, is that an amendment by the dairy producers, or have you seen that particular wording in other jurisdictions, either across Canada or in the United States?

**Mr. Wade:** The quote that I have in here is actually a quote right out of the amendment that is before us. The words of concern to us are the words that—the minister has pointed out he will check with legal counsel. The words that are of concern are: That are being maintained or being constructed there.

We certainly understand the processes that go on about proper licensed, permitted works that are done in terms of water control and so forth. Even on private land, we have a process in place where, my understanding is, any drainage ditches that are cut deeper than six inches actually require either a conservation district or a municipal approval. That is

not our concern. Our concern is that phrase that is attached on the end of the Section 18.1 that states: That are being maintained or are being constructed there.

Generally speaking, that is what farmers do. Every fall you have a window of approximately two to three days between when the corn crop came off and when the land freezes and you cannot do anything with it at all, and this work has to be done in the fall. So we really do not want to get into a long, drawn out discussion about permitting and applications and that kind of stuff for that specific work which is normal maintenance that is normally done. The quote that I have referred to here is actually right in Bill 14.

**Madam Chairperson:** Are there any other questions for the presenter? No? Seeing no other questions, we thank you very much for your presentation, Mr. Wade.

**Bill 35—The Public Schools Finance Board Amendment and The Public Schools Amendment Act**

**Madam Chairperson:** The committee will now move to Bill 35, The Public Schools Finance Board Amendment and The Public Schools Amendment Act. The committee calls Brian Ardern, President of the Manitoba Teachers' Society.

You can proceed, Mr. Ardern.

**Mr. Brian Ardern (President, Manitoba Teachers' Society):** Thank you.

My name is Brian Ardern. I am the president of the Manitoba Teachers' Society. We represent about 14,000 public school teachers in the province of Manitoba.

Bill 35 proposes to amend The Public Schools Finance Board Act, with adjustments to The Public Schools Act for purposes of consistency between the two statutes. The Public Schools Finance Board is the unit of the Department of Education, Citizenship and Youth which is responsible for and directs the capital support program of the Manitoba government relating to public schools.

The Public Schools Finance Board Act of Manitoba has not been amended for a number of years. The current act has more to say about the administration of the Public Schools Finance Board than about the policy objectives and practices that should be followed by the board in delivering a

provincial capital support program for our public schools.

Bill 35 is an attempt to align the statute with present-day requirements and practices. This is a progressive step and one that the Society supports. The amendments proposed in Bill 35 will provide more clarity and precision within The Public Schools Finance Board Act, and will designate more specifically the duties of the public school boards.

I would like to comment on four specific matters contained in Bill 35.

1. Clarifying the mandate of the Public Schools Finance Board: The amendments proposed by Bill 35 clarify the mandate of the Public Schools Finance Board by formally recognizing the board's duties. We are pleased that these duties include planning on a multi-year basis, periodic organizational and operating reviews in accordance with the guidelines to be provided by the minister, and regular consultation with school divisions and districts about their capital requirements.

2. Composition of the board: Bill 35 also proposes to change the composition of the Public Schools Finance Board to three deputy ministers of government. A provincial board made up of three deputy ministers drawn from various departments will be familiar with the apparatus of government and how provincial objectives for capital improvements and development can be achieved.

However, will the skills the deputy ministers bring to this work include an awareness about the operation of a public school? Buildings do have an influence on the delivery of educational programs and on the services to students. Provincial deputy ministers might not be familiar with what is required for effective program and service delivery within a school.

That is why MTS recommends that Bill 35 be amended to create an advisory panel comprised of at least three school principals. These principals could bring knowledge relating to school operations and program and service delivery. They could also offer insight about regional conditions and operating scales if they are drawn from various settings, for example, an urban school, a rural school and a northern school.

The finance board would be able to call on this advisory panel to offer advice on capital needs and proposals from an educational perspective. Decision

making would remain within the appointed deputy ministers.

3. Criteria for board consideration in relation to capital support program: The existing Public Schools Finance Board Act requires the finance board to continually review the operation and cost of the capital support program.

Bill 35 includes a series of criteria which the finance board must consider in administering the capital support program. For the most part, the proposed criteria are a good basis for the ongoing development and refinement of good public policy to direct the capital support program. For example, including the life-cycle costs of school buildings and the efficient use of school buildings within a school division and across school divisions are important factors to consider.

Teachers are concerned with items associated with program and service delivery to student. Two criteria relate primarily to the relationship between school design and the provision of programs and services. The first is the curriculum and instructional needs of programs offered by school divisions, and the second is the requirements of students with special needs.

These two criteria are somewhat vague and incomplete. The board should consider the space, the capital design features linked to educational program or service and its format for delivery. Each type of program and service has particular requirements for space. Adequate and well-designed space and the availability of design features are important educational matters. They can either help or hinder program delivery.

The board should also recognize the costs of adequate space and the availability of design features. False economy can diminish program and service delivery.

The set of criteria being placed into the act should make reference to these two factors so that decision makers are always mindful of them.

The legislation proposes at Section 8.3(5): "The plans and specifications of any building that is proposed to be used for instructional purposes or student accommodations must conform to any applicable policies of the board."

This requirement could work to ensure equity in the capital support program. However, adequacy is necessary to achieve equity. Ample space and

funding and the availability of necessary design features should be part of the policies of the Public Schools Finance Board.

Finally, physical accessibility of all Manitoba public schools: The government of Manitoba began making public statements in the mid-1970s about the need to modify public schools throughout the province to accommodate students with special needs. Successive ministers have committed on the need to remove physical barriers in schools to enable full accessibility and participation of all students. The retrofitting of school buildings with ramps, elevators and so forth has been cited from time to time as part of the work being done by the Public Schools Finance Board.

\* (11:50)

Some 30 years of such activity has now passed, and teachers and principals continue to express concerns regarding the physical barriers that remain in our schools. As part of the planning process mandated in Bill 35, the Manitoba government should set out a time line for the removal of obstacles to access and movement that remain within our schools.

I would like to thank you for the opportunity to be heard this morning. I am very pleased that I could get in and, on behalf of the 14,000 teachers in Manitoba, thanks for the chance to be here.

**Madam Chairperson:** Thank you.

Mr. Derkach, you are going to have to bring your mike closer and face your mike a little bit.

**Mr. Leonard Derkach (Russell):** Thank you very much, Madam Chair. I have a question for Mr. Ardern with regard to the advisory panel that he is recommending be implemented in the bill. I do like the concept, Mr. Ardern. It is an important one because people who work in the system understand, by and large, the system and the physical needs of capital programming and capital construction, but I am wondering, rather than just three principals from across the province, whether this advisory panel could be expanded to include, as well, perhaps the people from the management side of school divisions.

**Mr. Ardern:** I suppose you could set it up pretty much any way you want it. I would assume trustees will have input into the process somewhere. Our concern is that quite often we build new buildings that are lovely buildings. They are very nice, but they

have not had the kind of input in terms of safety, for example, that really only school-based personnel can provide. So we deliberately chose principals because they would have an idea of an entire building structure as opposed to a single room or a single area. So I guess our interest is in getting people who are in the schools on a day-to-day basis who are keenly aware of things like—sight lines, for example, are a key issue in schools, where exits are located, where the staff room and washrooms are located, all those sorts of things. So our interest was in getting people who are in the buildings on a day-to-day basis and getting them to the table and make sure they can provide some assistance.

**Mr. Derkach:** I do not disagree with you. I think this is a good concept and a good point. I do firmly believe in school-based management, especially when it comes to issues like this. I think we have all had experiences where a school building has gone up, staff move in and all of a sudden realize that, had there been some input from people like that, a much more functional building probably could have been produced. So, in that respect, I agree with you, but I just wanted to know your opinion on expanding this. So thank you very much.

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Thanks for your presentation, Mr. Ardern, and further to that recommendation, the intent of this amendment would be to maintain the existing relationship between the PSFB and the stakeholders, so I would ask if you are proposing that this committee of principals be instead of the existing consultation process or in addition to the existing consultation process which will continue under the new board.

**Mr. Ardern:** I am suggesting "in addition." I have limited experience with Public Schools Finance Board issues, but the little experience that I do have is that the people who seem to have the least input into this process are the people who live in those schools day after day, which I think is a mistake. I want to make it clear that this is not even necessarily a monetary issue. It is not that we are not putting enough money into the building. It is that—and I will give you an example.

I was in a school, a brand-new school, just a few weeks ago, which is a beautiful building. It is built with lovely, curving lines. It just flows beautifully. From a supervisory standpoint, it is a nightmare because you cannot see more than a few feet down the hallway. What teachers like is nice, long, straight

lines which might be architecturally boring but are safe because they provide good, long sight lines. So those are the kinds of issues that we are talking about. I think it would not hurt at all to have more input from the people who are in those buildings on a day-to-day basis.

**Madam Chairperson:** Seeing no other questions, we thank you very much for your presentation.

For the information of the committee, just a reminder, Ms. Bateman has put a written submission forward.

### **Bill 300—The Association of Former Manitoba MLAs Act**

**Madam Chairperson:** We are now going to go on to Standing Committee on Social and Economic Development, Bill 300, The Association of Former Manitoba MLAs Act. Once again, I would just like to call Harry Enns. Is Harry Enns here, private citizen? No. We will take Mr. Enns off.

Avis Gray, private citizen? No, we will drop Avis Gray's name. We have now called everyone once.

### **Bill 11—The Winter Heating Cost Control Act**

**Madam Chairperson:** We will now return to Bill 11, The Winter Heating Cost Control Act, and call individuals twice. Jennifer Lukovich, private citizen?

**Mrs. Bonnie Mitchelson (River East):** Yes, Madam Chair, it is my understanding that she did call. Was she not the individual who indicated that she would try to come back tonight to make a presentation?

**Madam Chairperson:** Yes, she did, but she was not guaranteed that the committee would be sitting this evening. We need to consider further public presentations so it depends how the committee—we will just keep calling and we will go back later.

**Mrs. Mitchelson:** Just for clarification then, these people will be called again tonight?

**Madam Chairperson:** Depending upon the will of the committee.

**Mr. Leonard Derkach (Russell):** Madam Chair, you just indicated depending on the will of the committee. The committee is here. Would it not be appropriate to set that understanding now so that people, who perhaps are at a job working this afternoon, will understand that they are able to come back this evening and make a presentation?

**Madam Chairperson:** Are there other comments on this?

**Hon. Dave Chomiak (Minister of Energy, Science and Technology):** Madam Chairperson, we do not want to limit, we have already done that. We have already called second on the number of individuals so I would suggest we go through call second. Where we have indication where the individual wants to come back tonight, as Ms. Mitchelson indicated, we should do that and then proceed. Otherwise, we will have difficulty and it would not be fair to all those others who have already been called for second calling.

**Mrs. Mitchelson:** Well, Madam Chair, I believe that when the one presenter on Bill 300 indicated that the other two presenters were not here, that he was speaking sort of on behalf of them because the other two presenters that had come this morning had to leave. So he was speaking on behalf, and we have called, I would not imagine that on Bill 300 there would be anyone back to make presentation tonight. But, on Bill 11, there may be individuals.

**Madam Chairperson:** The suggestion is that Ms. Lukovich, who has made already a comment that she will be returning later, that we allow her to return later and speak to this bill, but that we call through the rest of the list. Is that the suggestion, the will of the committee? *[Agreed]*

**Mrs. Mitchelson:** Madam Chair, but I would prefer, as the critic for Bill 11, that we do a second call this evening for any of the remaining presenters that were not here rather than right now. We only have a minute or two left in the committee and there may have been some that could not make it during the day because of work schedules. So I would like to make a recommendation on Bill 11 that we call through that list again tonight.

**Mr. Doug Martindale (Burrows):** Madam Chairperson, I would recommend that we follow the normal procedure of the committee and that is that we call all names twice. We have just agreed that if there are exceptions, for example, presenter No. 3 on Bill 11, I think the minister agreed that since we had an indication that she could not be here this morning, we could her name at 6 or 6:30. But the other presenters had their opportunity, they were notified the committee was meeting this morning by the Clerk's office. That is the usual procedure, and I think we should call their names now before we adjourn.

**Mr. Derkach:** Well, I guess, Madam Chair, it would depend on what your motivation in this exercise is. We have approximately one minute left in this committee this morning. Calling those names the second time does not even provide for an opportunity for them to introduce themselves if, in fact, they were here. So what is the purpose of the exercise? Yes, you could go ahead and call all the names, but I think the committee does rise at twelve o'clock and if it does not, then I could be corrected. But it would seem foolish to start calling people's names one minute before the committee rises.

**Madam Chairperson:** Excuse me, the hour now being—*[interjection]* Could I have your attention, please. The hour now being twelve noon, I just have a couple of comments for the committee members. First, it is the reminder that the committee meets again at six o'clock in this room, so the committee will be here once again at six o'clock.

I also ask if members could, if they are not using copies of their bills, could they leave copies of the bills behind that they are not needing during the interim? That will make it easier for distribution of copies of the bills and save us some paper and be nice to the environment at the same time.

What is the will of the committee?

**An Honourable Member:** Committee rise.

**Madam Chairperson:** Committee rise. Thank you.

**COMMITTEE ROSE AT:** 12 p.m.

#### **WRITTEN SUBMISSIONS PRESENTED BUT NOT READ**

There are a number of comments I would like to make about this act.

The purpose of the act "to protect consumers from the impact of rising heating costs during the winter season" by applying a rate freeze to Centra Gas does nothing to encourage the consumer to conserve energy. From my personal experience as well as the experience of others in the geothermal industry in Manitoba and across North America, the greatest motivator to the consumer, both residential and commercial, to conserve energy, is rising energy costs.

In 1993 there were articles in the *Calgary Herald* and *The Globe and Mail* saying that, by the year 2000, the cost of heating your home with natural gas would be the same as heating your home with electric resistance heating. No one paid

attention to the articles. In fact many people said that would never happen. In January 2000, rising gas prices took the cost of heating your home in Manitoba to the same level as heating your home with electric heat. Many consumers were shocked. Literally the same day, the number of phone calls from consumers wanting to learn about geothermal systems multiplied. The ample warnings in the media were ignored by virtually everyone until the forecasts actually came true.

The Province of Manitoba and Manitoba Hydro must be congratulated on the promotion of geothermal systems through the Power Smart Program and Earth Power Program for Geothermal as it has encouraged thousands of consumers to become aware of the value of the renewable energy from the earth, and to actually take the initiative to use the program to eliminate the use of natural gas.

The program will cost the Province and the Utility money to "protect the consumer from rising natural gas prices." The money spent on this program will do nothing to encourage consumers to actually do something about energy efficiency or reduce their reliance on energy imported into Manitoba. It will help maintain the status quo, and delay the inevitable increase in the cost of gas to Manitoba consumers. It will enrich the economy of provinces rich in fossil fuel resources at the expense of our own economy.

If the Province and Manitoba Hydro truly want to encourage the development of sustainable and renewable energy sources there are several suggestions that could be implemented.

- Eliminating or reducing provincial sales tax on products that make efficient use of renewable energy or reuse "waste" energy. (*Changes to the collection of provincial sales tax for the labour to install heating systems a few years ago added an estimated \$500 to \$700 to the cost of installing a geothermal system, while adding a much smaller amount to the cost of installing a gas furnace.*) An alternative would be to use the tax collected from the installation of renewable energy to encourage research and development of ways of installing renewable energy systems more cost-effectively.
- Consumers using renewable energy (solar, wind, biomass or geothermal) could be made eligible for lower energy rates. This could be done for residential, commercial and industrial users of energy.

- A "Green Heat" requirement for all government funded buildings that would require a minimum of 20% of the building is heating with renewable energy. This is different than "Green Energy" (electricity generated by renewable energy such as wind or solar). Earth energy, biomass, solar thermal, etc., would qualify. The goal would be to reduce the use of electricity and the burning of fossil fuels in Manitoba, leaving more energy for export outside of Manitoba.
- The implementation of a "carbon tax" would encourage consumers to look for energy sources other than fossil fuels. This would boost the Manitoba economy with increased employment as people install renewable energy systems, and encourage research and development of better methods of using renewable energy.
  - Revenue from a "carbon tax" could be used to fund research and development.
  - Revenue from a "carbon tax" could be used to fund the education of architects and engineers and strongly encourage the implementation of a true "integrated design process" at the universities.

Rather than using a gas rate freeze in an attempt to maintain the status quo, to "protect the consumer" from rising gas rates, would it not be better to help the renewable energy industry in Manitoba develop truly sustainable energy sources and provide long term benefits for the energy consumer?

Thank you.

Ed Lohrenz

Vice President, Ice Kube Systems Ltd. (a Manitoba based manufacturer of geothermal heat pump systems), and President, Earth Energy Society of Canada

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The Board of Trustees of The Winnipeg School Division appreciates having the opportunity to comment on Bill 35 – The Public Schools Finance Board Amendment and The Public Schools Amendment Act.

The mandate of the Public Schools Finance Board is to administer the capital support program for public schools in the Province of Manitoba and to provide for the effective and equitable allocation of resources to meet the needs of students and school divisions. School divisions are required annually to

submit a five-year capital building plan of priorities for New Construction, Renovations, Roofs, Handicapped Access, Structural Projects and Building Systems.

There are 36 public school divisions and 684 schools in the Province of Manitoba. We understand that over 250 of these buildings are more than 40 years old. Many of these buildings require significant renovations, repairs and upgrading to meet current building and safety codes. In addition, major building upgrades are required to meet today's educational curriculum requirements, such as electrical upgrading for technology requirements and construction of additional gymnasiums to meet the physical and health education curriculum requirements.

The Winnipeg School Division has been concerned for the past several years regarding the limited number of building projects approved each year as well as delays experienced in the various project approval stages. We believe these concerns result from the fact that the overall budget of the Public Schools Finance Board is not sufficient to address the public school capital projects required on a province-wide basis, combined with the fact that soaring construction costs make it difficult to distribute limited resources equitably to school divisions.

In the Winnipeg School Division, which is the largest school division in the province, there are 77 school buildings. Thirteen of these buildings are included on the Five-Year Capital Plan for New Construction, nine of which are gymnasium projects. There are 13 renovation projects required at six schools, mainly related to upgrades required to meet current curriculum requirements (i.e., science labs, business technology, industrial arts). Nineteen buildings require roof replacement; structural work, such as floor structure repairs or masonry repointing, is required at 30 schools; and 29 projects are related to building systems, such as boiler replacement, ductwork, etc.

Reviewing and prioritizing capital building projects for public schools across the province is a huge and complex task and an important responsibility. The Winnipeg School Division is not certain that delegating this responsibility to three, already very busy deputy ministers is the answer. We would recommend that the structure of the Public Schools Finance Board be similar to the structure of the Crown Corporations Council. That is, the Public

Schools Finance Board should be an independent body that includes at least some members with demonstrated management, financial, and/or building construction expertise. The terms of the members should be staggered in order to provide for continuity on the Board.

With regard to section 5.1 Policies, although it is not clear how this provision will be implemented, it does have the potential for improving the approval process if the board delegates authority for project approvals, within predefined limits, to the Executive Director or the Chair of the PSFB. If authority for project approval remains only with the board as a whole, project delays and increased project costs will be inevitable.

The Winnipeg School Division supports the criteria in the proposed legislation that must be considered by the Finance Board in carrying out its mandate. The inclusion of references to "maintenance, energy efficiency, and life cycle costs" are all very positive as long as they are accompanied by corresponding changes to levels of funding.

In addition, while we promote and encourage the community use of schools, consideration must be given to the additional costs involved. The policy of the Winnipeg School Division is that rental or permit fees are not charged to local community groups for use of school facilities during times when a custodian is regularly on duty. We believe it would not be appropriate for an outside agency such as the Public Schools Finance Board to authorize capital expenditures for community use of school space without taking into consideration the additional expenses that may be incurred by the school division in operating this space.

The requirement for the board to conduct an organizational and operating review every five years is a positive step to ensure that the proposed operational structure of the board and the PSFB staffing structure are functioning as intended. Furthermore it recognizes that adjustment to the organizational structures may (or will) be required on an ongoing basis to ensure the PSFB will operate in an effective and efficient manner.

The Winnipeg School Division also supports the requirement for the Public Schools Finance Board to develop and maintain multi-year operating and capital plans as well as the continued requirement for school divisions to annually submit a five-year capital plan to the Finance Board. However, it is

frustrating both for school divisions and the Finance Board when the same projects remain on the lists year after year due to insufficient funding.

While the Winnipeg School Division is supportive of the requirement for requests for new school buildings or major renovations to be submitted to the Finance Board together with a description of the project, clarification is required regarding the requirement for school divisions to submit details of the financing of the project and a tentative construction schedule.

Traditionally decisions regarding financing and/or phasing projects have been under the purview of the Finance Board.

With regard to Section 8.3(2) Project Description: items (c), (d) and (e) will necessitate that school boards retain and pay for the services of a professional architect or engineer to assist with the preparation of the specifications and space requirements, estimated project costs and tentative construction schedule components of the Notice of Intent. Some means of recovering these costs from the PSFB needs to be considered.

With the exception of the proposed composition of the new Public Schools Finance Board, the Winnipeg School Division has no major concerns regarding Bill 35. We would hope that one of the first tasks of the new Public Schools Finance Board would be developing a funding formula that accurately reflects current market conditions and addressing concerns regarding delays in project approvals.

It is important to stress that, regardless of its composition, the Public Schools Finance Board will need sufficient funds and professional staff resources to meet its legislated mandate to provide for the effective and equitable allocation of capital resources to meet the needs of students and school divisions.

Thank you for the opportunity to provide feedback on Bill 35 and for considering the comments of The Winnipeg School Division on this legislation.

Joyce Bateman, Board Chair, Winnipeg School Division



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