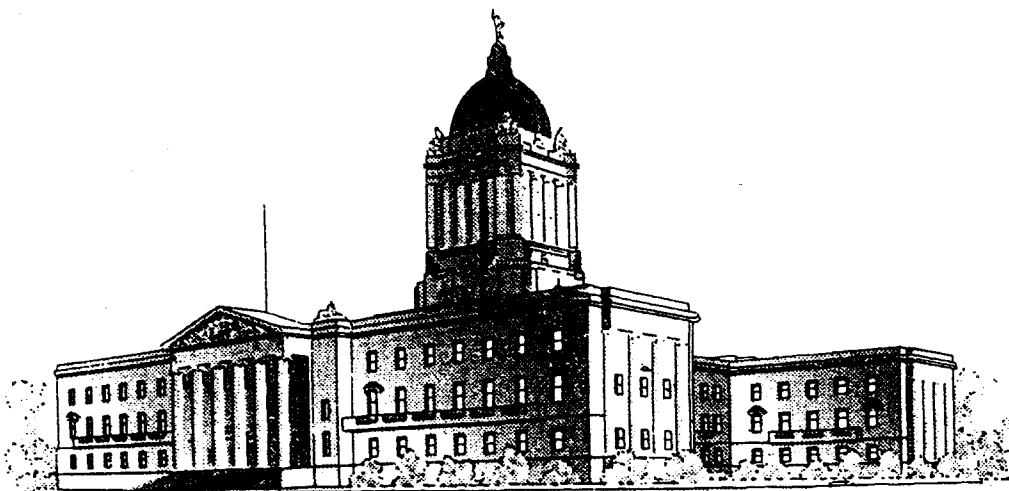




**Fifth Session - Thirty-Fifth Legislature**  
of the  
**Legislative Assembly of Manitoba**

**Standing Committee**  
on  
**Public Accounts**

*Chairperson*  
*Mr. Leonard Evans*  
*Constituency of Brandon East*



**Vol. XLIII No. 2 - 10 a.m., Monday, May 16, 1994**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Sellmark	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SCHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Monday, May 16, 1994**

**TIME — 10 a.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRPERSON — Mr. Leonard Evans  
(Brandon East)**

**ATTENDANCE - 10 — QUORUM - 6**

*Members of the Committee present:*

Hon. Mr. Stefanson

Messrs. Edwards, Evans (Brandon East),  
Laurendeau, Maloway, Penner, Reimer, Rose,  
Santos, Sveinson

**APPEARING:**

Gary Doer, MLA for Concordia

Jean Friesen, MLA for Wolseley

Kevin Lamoureux, MLA for Inkster

Carol Bellringer, Provincial Auditor

Brian Ormonde, Audit Manager

**MATTERS UNDER CONSIDERATION:**

Report of the Provincial Auditor to the  
Legislative Assembly for the fiscal year  
ended March 31, 1993

Public Accounts, Volumes 1, 2 and 3, for the  
year ended March 31, 1993

\* \* \*

**Mr. Chairperson:** Good morning. Will the Committee on Public Accounts please come to order.

This morning the committee will continue its consideration of the 1993 Report of the Provincial Auditor and Volumes 1, 2 and 3 of the 1993 Public Accounts.

I would also like to point out to the committee that at its last meeting the committee had agreed, by leave, to also consider the 1992 Report of the

Provincial Auditor and also Volumes 1, 2, and 3 of the March 31, 1992, Public Accounts.

So I have to ask you, is the committee agreeable during today's meeting to continue the consideration of these reports, the 1992 reports? If there is unanimous consent, we will agree leaving them all on the table. Is that agreed? [agreed]

**Mr. Gary Doer (Leader of the Opposition):** Just on that, we are willing, by leave, to agree to look at both years and pass the '92 report at the end of this session to show good faith on our discussion, similar to our passing Volume 3 of '91 at the last meeting.

**Mr. Chairperson:** Thank you. Would the minister like to have any opening remarks?

**Hon. Eric Stefanson (Minister of Finance):** My only comment today is, there were some outstanding items that we indicated we would get the information on when we last met. We were just receiving the Hansard from that particular meeting and, to be sure of the accuracy, we are compiling that information and we will forward it through you, Mr. Chairperson, to the committee once it has been completed.

**Mr. Doer:** I was just mentioning before it was like the court party in northern Manitoba. The Finance department showed up at the Auditor's office, but I know that that was only coincidence here.

We have not got Hansard ourselves, and it would be helpful if the Speaker's office was aware of the timing of our meetings so we could get it. We are on line on computers. So is, I am sure, the government, so it is not necessary that they even print it. We can access Hansard if it is documented on a timely basis, and it is helpful, I think, for purposes of all of our work on the Public Accounts.

But it is a present problem because we are having our second meeting so shortly after the last one.

**Mr. Chairperson:** Did the representative of the second opposition party have any opening comments this morning? Mr. Lamoureux? No?

I was going to ask—excuse me, I am just going to ask Ms. Bellringer if she had any opening comments or questions or points.

**Ms. Carol Bellringer (Provincial Auditor):** No.

**Mr. Doer:** At the last session we asked some questions on the Immigrant Investor Fund which we would like to be able to come and ask questions later on in the committee's work, perhaps at another committee date.

We have some questions slated for the Minister of Industry, Trade and Tourism under the Immigrant Investor Fund, although we are curious today that over the weekend we noted the federal government is looking at freeing up the funds. As we understand it, the government must receive a recommendation from the province to proceed with various proposals.

Is the federal government able to free up the funds that arose from previous audits? The projects and the funds that we are discussing currently arose from audits and reviews that took place previously, that are covered by the audit year that we are in debate here today.

So we were going to leave the Immigrant Investment Fund and come back to it later, but we would certainly like to know what is the status of that proposal from one of the Immigrant Investment Funds that received considerable criticism by both the Auditor, in terms of the report, some criticism from the Auditor and much more direct criticism from the special accountant hired as a consultant to the government.

**Mr. Stefanson:** Mr. Chairperson, I was quite surprised by the announcement on Friday of last week and really should leave full details to be discussed by our Minister of Industry, Trade and Tourism (Mr. Downey). I think it would be very helpful if the Leader of the Opposition (Mr. Doer) could provide us in advance any detailed

questions, and we would certainly undertake to obtain that information. I think that could be very helpful in terms of dealing with this issue.

The freeze on the accounts was originally put in place by the federal government in part upon request from the provincial government, but my understanding of the issue is, there is no requirement, in fact, I am virtually certain there is no requirement for provincial government concurrence for them to ultimately decide to release the funds. In fact, our Minister of Industry, Trade and Tourism, I believe, has communicated with the federal government indicating that we continue to support a freeze of those funds and resolution through a court-appointed solution, protection for the investors and so on.

That has been our position and is still our position but, as I say, there is no requirement for the provincial government to get our concurrence to release the funds, and it appears that on Friday of last week they made the decision to release the funds. Now we will obviously see how that unfolds in terms of what actions individual investors take and so on.

So that action was taken, Mr. Chairperson, and certainly to the best of my knowledge not with our support.

**Mr. Chairperson:** Just on a point of procedure—just a moment, Mr. Doer—and that is that it is not unusual or is not against the rules of this committee to have specific ministers come to assist the Minister of Finance from time to time in answering questions. In fact, this is recommended by the National Committee on Public Accounts, that specific ministries also be available to provide, when and if necessary. So I just raise that as a point of procedure.

**Mr. Doer:** We may want to do that with the Minister of Industry and Trade. We have a number of questions still, and we just wanted to get an update with the recent announcement, but we may want a further meeting after the Estimates of the Minister of Industry and Trade, which have been held for a period of time specifically for this item. I believe we are going to deal with that tonight or this afternoon, tonight, subject to the House

leaders, and then we may want to come back in a more thorough way.

**Mr. Stefanson:** I would just reiterate that it really would be very helpful, if there are detailed questions, that they be provided in advance.

\* (1010)

**Mr. Doer:** Well, just a detail that both the minister and I would recall without even going back into our previous reports. There was some concern raised by Crewson, which has been reviewed by the Provincial Auditor, dealing with the amount of money that was solicited for a project and the amount of money that was ultimately raised. The amount of money raised was over the amount of money required for one project, and there was a concern raised about that money, in excess of the original project, being moved to other potential investments contrary to the original prospectus for the investors.

I was wondering, how has this been resolved or has this been resolved with the federal government, or is this the underpinning of the concern the provincial government has about the federal government going ahead without concurrence from the provincial government?

**Mr. Stefanson:** I just want to clarify the question, that the project the Leader of the Opposition (Mr. Doer) was referring to is one that the prospectus indicated raising a certain amount of money. That was raised, but the fund today has a significantly lesser amount of money than the viability of that project being able to proceed at that lesser amount. Is that the project?

**Mr. Doer:** Yes, the problem is that there was a certain amount of money required and approved by the provincial government. The investor went and raised more than that money, and there is now less than that money in the fund. Our concern is, what does this mean for the project and what does this mean for the investors and what does this mean for the integrity of investments in the province of Manitoba if the federal government proceeds?

**Mr. Stefanson:** Mr. Chairperson, I am not certain what is being referred to with the suggestion that more funds were raised than the prospectus. That is

part of the difficulty at this point in time in dealing with this issue having just recently been before the courts and potentially back before the courts again.

If it is the project that I think we are both discussing, the amount raised was the equivalent of what was referred to in the prospectus, but today that fund has significantly less in it, thereby bringing into question the viability of the project and/or the type of facility that would be created as a result of that lesser amount being in the fund.

Our position, as I indicated at the outset on the three funds that were frozen, is that they should continue to be frozen and that there should be a court-appointed solution with representation put in place on behalf of the investors. The question about the credibility and integrity, I think that is fundamental to how the investors themselves would see a solution to this situation where there is now less money than was originally put forward in the prospectus, what kind of a project would be completed and so on. So we continue to see that as the most viable and most appropriate way to deal with this situation.

**Mr. Doer:** We have to come back at this, and we have other questions for the minister. We may want to involve the Auditor again on this because the Auditor's Report reflected the decision of the government to freeze certain decisions and approvals, and now we have a federal government proceeding unilaterally.

It surprised me because I remember the former Finance critic being very critical of, cash for visas was the question in the House from the Liberal Party, and I do not know whether the Manitoba minister has been involved in this or whether it is a bureaucratic decision or whether it is a cabinet decision in Ottawa, at what level it has been made.

Certainly the comments in the media over the weekend were at an administrative level, not at a political level, and it seems to fly in the face of what—we may have disagreed about how we got to a certain point, but certainly at the point we are at right now, we certainly agreed with the provincial government that the integrity of investments in Manitoba must be the paramount concern.

Manitoba has a great reputation internationally, particularly in the Asian market with the work of the Wheat Board and other commerces that exist in Manitoba and trade in Asia. To have a continued series of controversies where investors from Asia are not able to secure their investments in our province would only hurt us in the long run and that short-term decision making that works against that we are very much opposed to.

We agreed with the government putting a halt on this proposal, or the Auditor commented in the Public Accounts, or the report this year. We have more questions to ask on this, but we have new elements that have been introduced over the weekend that we will have to pursue with the appropriate minister, and I will give notice to the minister now and the Auditor now, we will be pursuing those questions.

We have some other questions, so I want to hold the Immigrant Investment Fund. We want to have the right to come back to it if we could, and I want to raise some questions on an area that we have raised with the Auditor prior to this committee meeting, and that is dealing with the Hazardous Waste Corporation.

**Mr. Stefanson:** Mr. Chairperson, I do not have a problem with returning to this and potentially having the Minister of Industry (Mr. Downey) attend the meeting and, as I say, any advance notification of questions. I know the Minister of Industry, Trade and Tourism had corresponded reconfirming the provincial position on not releasing these funds unless there was a court-appointed solution, and I have not had a chance to speak with him since Friday, or this morning, but certainly I was very surprised by the announcement that came out on Friday.

**Mr. Doer:** Dealing with the Hazardous Waste Corporation, we wrote the Provincial Auditor on January 17, 1994. Basically, we had a number of concerns that were raised to our attention dealing with the Hazardous Waste Corporation that arose from the previous year, concerns about basically administrative questions that were given to us that we obviously had no ability to confirm one way or the other, the issues dealing with payments at the

Hazardous Waste Corporation, the issues of hiring and salaries between a general manager and a CEO managerial function, and then, what role did the general manager have with the CEO?

Was there a contract provided and was that tendered consistent with government policy, and did the corporation report this untendered contract?

There is an additional manager of finance and administration. Are there too many senior people in this corporation for a corporation this size?

We had concerns raised that wages and expenses have not been paid consistent with overall government policies in these matters, and the government has reiterated time and time again that Crown corporations will be treated the same way as the provincial government itself. Even I think as late as a week and a half ago with the Telephone System, that was reiterated in the Legislature; it has been stated at Hydro and the Manitoba Public Insurance Corporation.

So we forwarded this to the Auditor on January 17. On January 18 the Auditor replied that they would look at these matters. As I say, we have no—we were just getting feedback, we did not have any formal, documented complaints. We just thought that citizens were raising these issues with us. There may be nothing to them, and if that is the case, fine, at least we have, you know the old, we have raised it with the proper authorities. If there is something to them, what are the concerns and what action will be taken on that.

So I would like to know the status of that from the Provincial Auditor, if I could, please.

**Ms. Bellringer:** Mr. Chairperson, we wrote to the minister who is responsible for the Hazardous Waste Corporation on April 28. Actually, the way we structured our report was directly responding to each of the various questions that Mr. Doer just read out. We addressed them one by one, primarily providing independently acquired information, if you will.

It was not that—we used auditing procedures when we obtained the information and made sure that there was validity to what we were looking at,

accuracy, completeness and so on. It was not an audit per se, but in responding we have provided some information through that route.

Originally, we had written back and suggested that at the time, at the completion of our work that we would distribute the report directly to the members. At the time, the House was not in session, and subsequently it is now back in session, so we wrote to the minister, and the normal route would be then the minister would decide how to release that information.

**Mr. Doer:** The Minister of Finance normally would receive a copy of your report?

\* (1020)

**Ms. Bellringer:** Yes, that is correct.

**Mr. Doer:** My understanding is, when members of the Legislature request information from the Auditor and the Auditor properly makes it available to the ministers involved that there is a date that the ministers then table it in the Legislature.

The Auditor reports to the Legislature; as a courtesy, the Auditor reports to the ministers involved as well. I am wondering why the government then, and I guess this question is directed to the Minister of Finance, has not made available to the opposition the report that has been prepared by the Provincial Auditor. The Legislature has been sitting for six, seven weeks now, and clearly this information is normally tabled forthwith. You know, it is information that is obviously written by the Auditor to be sensitive to any commercial concerns and therefore should be available to the public.

**Mr. Stefanson:** Mr. Chairperson, as the Provincial Auditor indicated that report was completed right around the end of April. I just received it at that time, approximately two weeks ago, and have not had an opportunity to discuss it with the minister responsible. We will certainly forward it as soon as the process is complete. It is not, I do not think, an undue delay or amount of time now. We are talking approximately two weeks since we have had the report in our possession.

**Mr. Doer:** Well, I guess my question is: Why would the minister not table it in the Legislature? It should not require discussion between two ministers, I would think, prior to being tabled.

This is a request made by the Leader of the Opposition. There may be nothing to the request, but the Auditor has been asked to complete the work, the Auditor has completed the work. April 28 is close to three weeks away. We are in our third week in May. Normally these things are, I thought, tabled forthwith. I can understand the government having a discussion about its implications for a day or two, but I cannot understand three weeks, particularly when the Hazardous Waste Corporation is in the public eye right now.

We have a committee meeting later this week, but we have a lot of other financial transactions that are very important to the public of Manitoba. We had questions about the management of the corporation prior to other decisions being made, and for us the whole credibility of some of the decisions that are being made may rest or not rest on some of the other matters that were raised to our attention.

I do not think it requires a discussion between two ministers, you know, to release it to the Legislature. It is a document prepared by the Provincial Auditor. It is a document the Provincial Auditor reports to the Legislature, not to cabinet. It is a courtesy that the Auditor presents this document to the cabinet ministers that are directly involved, but I would think it is a courtesy as well that the government then tables it in the Legislature forthwith and does not hold it for internal discussions, but allows, and I am not saying—there may not be anything in this report. So I do not want to build up my own expectations. I hope there is nothing in the report. I hope that there is absolutely nothing wrong with the administration of the Hazardous Waste Corporation.

So I have two concerns. What is in the report, and why is this being delayed and why is this happening between, as the minister says, you know, the report is being held so he can discuss it with the minister responsible? [interjection]

The Auditor reports not to you, sir, does not report to the Conservative caucus, does not report to the cabinet. The Auditor reports to the Legislature, to all of us, and so I am raising this question with the greatest respect to the member for La Verendrye (Mr. Sveinsson), who may not understand this, that the Auditor reports to the Legislature as a sovereign or quasi-sovereign police body, you know, for all of us.

**Mr. Stefanson:** Mr. Chairperson, I am sure the member for La Verendrye does not understand this, and I think if we were to go back in history that we would find, I am speculating now, but that there is not an undue delay in terms of the releasing of this report.

The Leader of the Opposition has made his point. I will follow up with that in terms of our ability to release it as soon as possible. It is not as though there is any other reason for it not being released; it is not as though there is any information in the report that is of a significant concern in terms of its release to the Legislature or whatever. It has been an issue of, really, process in terms of issues that I have been dealing with, issues that the minister responsible has been dealing with and, as I say, I would think if we track back history in terms of reports released and the timeliness of them getting to the Legislature, I do not think this one is in any way an undue delay. It is certainly not an intentional delay, and I will follow up on the matter today.

**Mr. Doer:** I would like to ask the Provincial Auditor: What would be her standard of release of these reports to the Legislature? I respect the fact that she is providing information to all members of the Legislature. I respect the fact as courtesy she is sending these documents to ministers, but it seems to me that documents that her office provides, you know, in a timely way, there should be some standard under which they are released to all members of the Legislature, given her legislative responsibility and authority to report to the Legislature, especially when it is sitting, as the Auditor has noted in her comments about this.

**Ms. Bellringer:** Yes, it is an interesting analysis as well, looking at our act in terms of our reporting

responsibilities. We are quite sensitive to that, and the act is fairly explicit, and it does say in our act that we must report to the minister responsible for the program area with a copy to the Minister of Finance and any other officials who may be required to use that information for day-to-day business.

The only real access we have to the Legislature as a whole, there are two means that we have that access. One is our annual report to the Legislative Assembly, and the second clause, which gives us a lot of freedom to access the Assembly directly on any issue, is that we may provide information to the Speaker on any matter of importance that we believe should be brought forward without waiting for that annual report.

Now, when we talk standard, I suppose I am, the standard being the historical practice probably is not what I would consider to be the best because, in the past, we have traditionally waited for the annual report before concerns were brought to our attention and we chose to follow up. We pursued, we wrote a report, and then it got included in our annual report. All legislative offices across Canada are looking at that as, it just does not—in today's world, information has to get out faster, and it can get out faster. So we are looking at reporting on a more regular basis, and we are quite lucky that our legislation allows us to do that.

I hope I am not answering the question by throwing out a few more, but I think that if it is not provided by the minister within the next few weeks, we will take that route, if it is something that happens, and I hope that that is just not the circumstance and that it is just made available and I do not have to do that.

**Mr. Doer:** I hope you do not have to do that either. I would hope that we could get the document today. I would hope that particularly if we are concerned about the annual report that is being tabled Thursday, and we are reviewing the Annual Report of the Hazardous Waste Management Corporation, so it seems to us that something that has been raised in January, forwarded to the government in April and is going to go before another legislative committee beside this one on



Thursday morning, if I can recall the dates correctly, should be provided to those of us who have to spend a little time doing some homework about what your document would say.

So I respect your time line to the minister and would respectfully ask the minister to release the document today so that we can spend at least two days in between the meeting on Thursday reviewing this very important matter. There are a lot of other important matters before this Assembly on the Hazardous Waste Corporation. This is just one of many items we have to raise with this corporation, and it just seems to us to be just fair play that the document is out.

**Mr. Stefanson:** Mr. Chairperson, as I indicated, I will follow up today on that request and see what can be done. As the Leader of the Opposition indicated, we received this at the end of April. I will interpret the Provincial Auditor's comments myself, but I do not think in terms of our handling of this report, by comparison with other reports and other governments, that there has been in any way an undue or unreasonable delay at this particular point in time.

She has indicated the process and procedure, and I will follow up today in terms of the timeliness and our ability to release this report, Mr. Chairperson.

**Mr. Doer:** We have some other questions along a similar area. I just want to raise the whole issue of Arcor.

Was the Provincial Auditor ever allowed to see the financial statements and the losses that the provincial government incurred in the Arcor project?

**Ms. Bellringer:** Mr. Chairperson, I do not know quite how to answer the question, because we were not denied access at any point. I believe we looked at the financial statements, but we did not conduct an audit of Arcor. We did not plan to conduct an audit of Arcor, on the other hand. So that is why I am finding the question just a little bit awkward, because I am not really sure what information we are looking for.

**Mr. Stefanson:** Mr. Chairperson, I do not think the issue of financial statements has ever been a

question. I do not think there is a problem getting the financial information on Arcor. That is available certainly through the Estimates process of the Department of Industry, Trade and Tourism. I believe that is readily available information, the financial status of Arcor.

I know there was some concern around an internal management review that Arcor had done, and at the time of the first review of that document, there was some concern because there were personnel issues raised in it.

I know the Provincial Auditor had an opportunity to look at that report. There was some concern whether or not the report was the comprehensive report. The information we were provided with was, yes, that was the final report, the comprehensive report that went to their board and so on. Ultimately, that report was in fact determined to be able to be released, and it was released to individuals and made available to the press and so on.

\* (1030)

**Mr. Doer:** Can the Auditor indicate how much money the provincial government lost on this joint project?

**Ms. Bellringer:** No, I am sorry, Mr. Chairperson. That is not information I have with me right now.

**Mr. Stefanson:** I think in terms of the contribution that the provincial government makes and the contribution that the federal government makes and so on, that information is and would be readily available through the Department of Industry, Trade and Tourism. Their Estimates, I believe, have basically just more or less been completed. Certainly the critic for the NDP and obviously for the Liberal party had the opportunity to ask those kinds of questions during those Estimates process, and I am sure the minister would provide the details of the annual allocations to Arcor made by the provincial government.

**Mr. Doer:** I notice that the terminology for losses is now contributions. Was that a loss? Is a contribution a loss? I do not know what accounting term that is now—contributions. You are not laid off anymore, you are downsized. I mean, the language is really—no wonder the public is so

confused by all of us. The language is changing so radically we do not know what it means. Is a contribution a loss?

**Mr. Stefanson:** I can see the Leader of the Opposition and I are going to spend time discussing accounting again today, but both levels of government made contributions to Arcor. Arcor has in fact lost money. It does not necessarily mean that they lose money to the total extent of the contributions made by the governments and so on.

So I think you look at both issues. You look at what contributions are coming from the various levels of government. You then look at the performance of the entity itself and see whether or not it is breaking even, making money or losing money, and that is why the provincial government does make a contribution to Arcor.

Arcor has, I believe, shown losses to date. It has a long-term plan that shows that it has to be self-sufficient within the next few years. I do not want to give the exact year, because I would have to go back to the records, but it is meant to be self-sufficient. There are no commitments from either level of government beyond a certain sunset date and the intention is that Arcor should be able to sustain itself on other sources of revenue.

I noticed that they recently signed a contract. They are marketing a product into the United States that seems to have some significant financial potential and so on. There is, in my view, a difference between contributions and the profits or losses of Arcor or any other entity.

**Mr. Doer:** Good, I agree with you. Could you tell me what the losses were then for the corporation since we have started funding it? What are the provincial government's losses in the Arco project, please?

**Mr. Stefanson:** Mr. Chairperson, I will have to take that as notice and I will provide that information. As I did note, I think that would have been probably fairly readily available during the Estimates of Industry, Trade and Tourism because the appropriate staff would have been in attendance, but I will take that as notice and provide that information.

**Mr. Doer:** It is not every time we can get full information from the Minister of Industry, Trade and Tourism (Mr. Downey). Sometimes governments provide information and sometimes governments withhold information. I will check again with our critics to ensure that we have got that accurate information. If we do not get it from the minister, we will be back to you or the Auditor about not the contributions but the losses that have taken place and will take place in that corporation.

Could the minister indicate when he thinks Arcor will break even? He says, there is a plan in place. Obviously, there should have been a plan in place from Day One when the federal government signed the agreement with the provincial government. I think the former Minister of Health and the former federal Minister of Health, Mr. Epp, signed this agreement to begin with.

Could the minister indicate—he has taken as notice the loss number, can he indicate when he thinks the plan will allow us to have a break-even point?

**Mr. Stefanson:** I am sure our Minister of Industry, Trade and Tourism, as the Leader of Opposition well knows, always provides full and maximum information. There has been a plan in place, I believe, from Day One, and when I was minister responsible I saw the long-term plan, but I do not want to give the date without going back to the detailed information. It is certainly within the next two to three years I believe but, again, I will take that as notice. I will get the information in terms of when the projection is that Arcor becomes self-sufficient. As the Leader of the Opposition I believe knows, the contributions from both the federal and provincial governments are tied to agreements that do in fact lapse, so the organization will have to be self-sufficient unless governments are going to continue to make some contribution beyond those agreements.

**Mr. Doer:** The agreement was signed in '88-89, I recall, so we have really had five years of losses, and we are projecting another couple of years, one or two years, into the future prior to any balance situation. Is that correct then, without going into

the exact numbers, but it has been about five years of losses to the provincial government?

**Mr. Stefanson:** I believe the Leader of the Opposition is correct, that Arcor from Day One has sustained losses and that is projected to be the case for another year or two. I do want to point out that I do not think that is to the surprise of anybody because of the nature of that entity and the kind of work that it was intended to be done. We have often heard criticism in fact from the Leader of the Opposition on occasion about government contributions to research and development and the need for product development and so on and our ability to compete in the global economy.

Health industry, as you well know, is certainly an area that Manitoba has significant expertise in and we have done very well in and I think both governments went into it initially with that view, that it is highly technical research and development and that the intention is that they can develop and market products that will have world mandates and will be able to make Arcor self-sufficient and ultimately profitable in the future.

**Mr. Doer:** I do not recall the loss number being contained in the minister's or the government's—it was prior to your ministry, the prior Minister of Health. I do not recall that in the press release that was issued by the government about this federal-provincial agreement and, as the minister has pointed out, it may be six to seven years before things break even. The only financial information we were given is the possible jobs and economic development that would potentially be developed by this project without the loss numbers through these years. If the minister says it was always anticipated that we would lose money, I am quite surprised, because we were very surprised to hear about it especially after the glowing press releases and press conferences that took place when this project was announced.

This brings me to my next question about moving to an issue that we raised last committee meeting, and that is dealing with the projections the government made on the losses for the Winnipeg Jets hockey team and the agreement that was signed by the Premier (Mr. Filmon) that went

to Treasury Board and has now become a matter that we have asked the Auditor to look at.

We have since—there have been documents. The chief commissioner of the City of Winnipeg has projected—we have asked the Premier and asked the Auditor to look at what the projected losses will be under the agreement that was signed by the Premier in November of 1991.

The Premier has indicated that there were a set of projections that went to Treasury Board prior to going to cabinet. The Premier did not share those numbers at any point in time with members of the Legislature. Last week, in the absence of any provincial numbers, the chief commissioner of the City of Winnipeg had a budget that contained losses in the next hockey season year of \$15 million and the following or subsequent year of \$20 million and also indicated the losses in this current hockey season, which I understand ends at end of May, and the hockey season year-end is June 1, of about a million and a half overbudgeted for this year.

This is offset by about a million and a half dollars that the hockey team, through the shareholders, received in expansion money in the first two years of the agreement.

So the question is: Has the Auditor been able to review the projections from the provincial government for the losses of the hockey team? Are those projections accurate? Were the numbers accurate going to Treasury Board and to cabinet? Did we make a decision on this liability that we now have on the basis of sound economic projections? Has the Provincial Auditor been able to obtain new financial information on the projected losses of the team, given that all members of this Legislature are seized with a public decision that is five or six weeks away with the trigger date of the end of June for the various options to be available for the shareholders, including the City of Winnipeg and the Province of Manitoba dealing with the hockey team?

Those are my questions flowing from the Arcor losses and moving on to the Jets' losses.

\* (1040)

**Mr. Chairperson:** Just before I call on Ms. Bellringer, the minister wanted to respond to I believe an Arcor point.

**Mr. Stefanson:** As I indicated, I will undertake to obtain the information that the Leader of the Opposition has requested, but I think the whole issue of contributions by governments, federal, provincial or whatever level, into research and development, governments at certainly both the federal and provincial level do that in many, many ways in many areas. It is not uncommon and, as I did indicate, on occasion I think even the Leader of the Opposition has expressed concern about levels of research and development, what is going on in our province, how we compare with other provinces, and so on.

So it is with that view in mind that organizations like Arcor were in fact supported, and I would hope that he would recognize and be supportive that at particular points in time, in particular industries, there are roles for governments to play in terms of enhancing and ensuring that appropriate research and development.

The federal government has a research and development tax credit for tax returns. We also support that through a provincial research and development tax credit. There are various ways of enhancing and promoting research and development.

Arcor was one way that was done in a growing, vibrant industry where we have significant ability and technical capabilities here in Manitoba. We will have to judge it ultimately when it is completed at the end of the process in terms of how well it has achieved what we all hoped it would when it was first entered into.

**Ms. Bellringer:** Mr. Chairperson, on the Jets issue, a member of our staff is working on a project, looking at the information that has already been made available first to try to pull that information together in a less fragmented way, if you will. In fact, I noted yesterday, listening through the week's Question Periods, that a lot of information has been provided in the House. I think there is a lot of information out there.

I have not seen, we have not within the office yet pulled that report together such that I do not have the answers for you today. At the risk of setting a new standard, I guess it was a week and a day ago that the question was raised, and we agreed to look into it. Within the next week, appreciating the sensitivity of the timing that we are all talking about, we will have something pulled together, and we will certainly meet with the members to ensure that the report deals with the concerns that you need information on, to ensure that that information has been made available to you.

**Mr. Stefanson:** Well, I wanted to respond in part to some of the numbers that are being thrown about and the reference to the city of Winnipeg using a number last week, I think, of what I saw. A number of 17 million was used in one report, and so on.

Again, I think the Leader of the Opposition knows full well how the process will work. The hockey club's year-end is the end of June. I know he follows sports and hockey in particular on occasion. Many of the players with the Winnipeg Jets, their contracts are currently coming due, and they are in the midst of negotiations right now with four or five or six key players.

Obviously that will impact on next year's budget. That is why you have heard the Premier and myself consistently say that while we have some broad parameters, really, until those negotiations are complete, you will not have a very definitive budget estimate for the hockey club.

There are certain restrictions around the hockey club that the Leader of the Opposition is fully aware of in terms of their expenditures and not exceeding the lowest one-third of the teams in the NHL. A review by the interim steering committee chaired by Mr. Art Mauro—but really in terms of the '94-95 projections for the Winnipeg Jets Hockey Club, the next two to three months are very critical to what that final number will be, Mr. Chairperson.

**Mr. Doer:** Well, the next six weeks are crucial to the dates under which decisions have to be made here, I would think. My concern has always been from Day One, I have always been opposed to the

public paying for the operating losses of the team. I was hoping to try and get a solution to the facility and the hockey team staying in Winnipeg, but I thought the worst possible option for the government to take in November of 1991 was to have a long-term agreement on the operating losses of a hockey team, and here we are, you know, the provincial Minister of Finance cannot tell us what the numbers are going to be based on five players' salaries for next year's liability.

That to me is ridiculous, quite frankly. I mean, I recognize that keeping the Jets here is important and I recognize that dealing with some of the other issues is very important for the minister and the Premier. I am not suggesting for a moment that it is easy, but we were opposed, as you know, to the operating losses of the team being covered in November of 1991. It was unfortunate that the debate at that point never became, what are the other options? It was only, are you for or against the Jets, which unfortunately does not move this thing along very well.

The fact of the matter is, the government can criticize the numbers of the City of Winnipeg, but they are the only numbers we have. The government says it cannot make any projections or feels that to do so would be not as accurate because of the players' salary negotiations. I would note that Mr. Frost's numbers were low last year. His numbers were not high. They were exceeded by the losses this year. So his last estimate, the only numbers we have to go by, is the City of Winnipeg numbers, because we do not have provincial numbers.

Mr. Frost's projected loss last year was exceeded by the losses this year. So now when Mr. Frost has a set of \$15 million and \$20 million for the next two years, knowing that his numbers were wrong on the low side last year, you can understand our concern and the public concern about this issue.

We are going to end up paying more money in the first, you know, by September of 1994 we may end up paying more money for the operating losses to cover players' salaries than Mr. Mauro had recommended to even build the provincial share of

the arena, and what are we going to have to show for the operating losses of a team if the team leaves town? I would suggest, nothing.

So what the minister may say—first of all, I am really pleased the Auditor is going to give us the numbers. I want to really thank her on behalf of all of us. I am pleased the Auditor is going to go in and, as she has said, get this fragmented information together, because this is a huge debate.

This is a very important issue in our community. It is a fragmented debate already in the community, and for the Auditor to say that her office will in a very, very short period of time—I really want to commend the Auditor's office for doing this.

To get this information available within a week I think is a great public contribution right now, because we only have one set of numbers to go by and we may want to wait past the June date three or four months to get somebody's salary negotiated.

It does not seem to me the trend is going down on salaries, it is going up. The general manager of the Jets on Friday made a public comment that the public would be even more upset if we did not sign high-quality players, and I am sure that if I was the general manager of the team—you can understand his dilemma, dealing with a competitive hockey team and a marketing strategy in this league with the pressures he has.

I think it is very, very important that the Auditor is going to get this information for us. As she has said, right now the information is fragmented. Already that concerns us because there was a document that the Premier indicated would go to Treasury Board, would go to cabinet. I recall the great jubilation in November 1991 when the Premier said, I will recommend this to cabinet.

Well, usually you find when a Premier recommends something to cabinet, there is usually not a lot of opposition to it, so we thought it would be approved.

I think it is going to be very important, very, very important, to all of us that the Auditor pulls together the fragmented information and provides this to this committee or to the Legislature. I want

to thank her office for doing this, and I did not expect the Auditor to watch Question Period yesterday. I applaud her for doing so. You can note that there were questions both on Monday and Friday and that flows from questions we have asked in Public Accounts and questions both the Leader of the Liberal Party and myself asked at the Premier's Estimates for some three hours. I think it is the longest item we had on the Premier's Estimates and, quite frankly, at the end of the questioning we were left with the same questions we had in November of 1991 on the statement between the Premier and the mayor about all the questions that were outstanding seemed to us to not have moved along one inch from November of 1991. We have one report that says it is viable, but we have another report that is expected to come out and we do not know what it will say, but we need to know the losses, and if the government cannot give us those numbers, we need it from the Auditor.

What we are talking about is projected losses, best case, worst case, medium case perhaps, but at least we should have some set of numbers. If the City of Winnipeg's numbers are not to be utilized by members of the Legislature, what numbers should be utilized?

\* (1050)

**Mr. Stefanson:** I do not want the Leader of the Opposition (Mr. Doer) to misinterpret or misunderstand my comments in terms of what we have done financially. He knows full well we have included an amount in our 1994 budget to cover our share of Winnipeg Jets operating losses, but I do not think there is anything to be gained by people throwing out highly speculative numbers like \$17 million, or \$18 million or \$20 million for the next year's operation, particularly realizing that there are significant elements of that budget that will impact the final bottom line, but I do not in any way expect or believe that the dollar amount of the Jets losses for the next year will be anywhere near that kind of an amount.

I get the impression at times the Leader of the Opposition wants it both ways. He wants to have the ability to deal with the issue of an arena and the

long-term viability and what can be done to keep the Winnipeg Jets here in Winnipeg and Manitoba without recognizing that something had to be done in 1991. You had a situation where the City of Winnipeg, through Winnipeg Enterprises, was picking up all the losses beyond, I believe an amount of \$200,000, although I stand to be somewhat corrected, but it was an amount something like that, \$200,000 or \$300,000. Everything beyond that was being funded 100 percent by the City of Winnipeg taxpayers. You had a situation whereby there was a bona fide offer to move the hockey team outside of Manitoba and many other issues affecting the future of the Winnipeg Jets here in Manitoba. So something needed to be done in the interim to allow us the opportunity to be going through the process that we are going through right now.

The Leader of the Opposition knows full well the kind of economic return that the Winnipeg Jets provide here in Manitoba in direct taxation and economic benefits. That has been outlined by the Mauro committee, by Coopers and Lybrand, by Lavalin and many others, in terms of the return that governments are getting. So while nobody is necessarily pleased to be faced with the situation of funding these losses in the short term, obviously certain steps had to be done to allow us the opportunity to have the kind of debate and discussion we are having now which he has indicated on many occasions transcends politics and that we all are operating with a view to finding a solution to ideally keeping the Jets here in Manitoba without a significant contribution from the taxpayers of our province, more appropriately a contribution from the private sectors.

**Mr. Doer:** I know there are other people who want to ask questions. The minister indicated that there are numbers in the '94 budget. Is that the '93-94 budget or the '94-95 budget?

**Mr. Stefanson:** The '94-95 budget.

**Mr. Doer:** Can the minister indicate what that number is? Because the Premier indicated he had money up to the June date in the budget. It was something, \$300,000 per quarter I believe was the number the Premier—or \$750,000 per quarter.

**Mr. Stefanson:** Mr. Chairperson, the Leader of the Opposition is correct that for the current fiscal year of the Jets which ends on June 30 of '94, the contribution on last year's financial statements or budget was \$750,000 per quarter. We have now allocated an amount of \$5 million in the '94-95 Estimates.

**Mr. Doer:** So the complete Estimates you have allocated, we have gone from \$3 million to \$5 million in terms of the projected losses. The city is indicating it is \$15 million, 50 percent of which will be ours, so you think they are too high by \$2.5 million?

**Mr. Stefanson:** Mr. Chairperson, that figure—I have not had a discussion with Mr. Frost or the mayor. I have read through the media some of the amounts that have been indicated as being the city's number or contribution, but I think, my impression was much of that was speculative by some of the councillors. There was a \$17 million figure in one of the papers last week, but the short answer is, yes, we have factored in a total cost of \$10 million.

**Mr. Doer:** One last question for the Auditor in preparation for their report to us, and again, I want to thank the Auditor. One of the proposals that is in the public arena that has been proposed in the debate, if you will, is to have a tax-deductible bond for possible funding of a capital asset called an arena. It is our calculation that a \$100 million capital bond would cost the federal taxpayers approximately, if it is tax deductible, \$35 million. Obviously there is a variance depending on the tax laws, carryovers of various participants in this, and would cost the provincial government approximately \$17 million.

Sometimes we hear this proposal as, this does not require any taxpayers' money to it. This is a taxpayer-free proposal. I was wondering if the Auditor, just assuming that a capital investment is \$100 million—I know there are numbers that will go from something less than that to something more than that, but it would be interesting for the public debate about what would be the loss, particularly of the provincial government treasury, for that kind of issue.

I just leave that with the Auditor if it can be performed because when we are discussing the various alternatives the provincial government has to deal with, and again we want, on this one, the government to succeed. We want the Jets to stay in Winnipeg. How they are doing it, we disagree, but we think that that would be an important financial—because there is a proposal for tax-free bonds. Some of them are in the \$100-million range and some are very, very high, which we cannot even begin to understand.

I do not want the Auditor to duplicate what other committees are doing in terms of costing various proposals, but just that whole concept of a tax-deductible bond, I think, has implications for the provincial treasury. I think it is an important point here in the debate.

**Mr. Stefanson:** Mr. Chairperson, by and large I agree with the Leader of the Opposition (Mr. Doer) without necessarily agreeing with the dollar amount that he has utilized, but certainly the principle that whenever we are looking at any solutions to this issue, the concept of an interest and tax-free bond, obviously there is a cost. If it is to an individual, the cost runs about \$2 to every \$1 federal-provincial. So I think in terms of looking at the issue, anybody who is proposing that kind of a solution, or if that is ultimately put forward as a portion or an approach to a solution, you would have to factor in that cost as being contributions by levels of government.

**Mr. Jim Maloway (Elmwood):** Mr. Chairperson, I have a question, and it stems from the questions and answers that were provided by the minister in the last few days. It concerns the Workforce 2000 observations that were made.

The Auditor was concerned about certain things and indicated that there was a need for an overall program evaluation of Workforce 2000, and her concern rests in the fact that there is no plan in place to complete the evaluation. Now the response of the minister was that a comprehensive evaluation of the program has taken place and resolved the Auditor's concern. So what I would like to ask the minister is whether he would be prepared to release a copy of the evaluation.

**Mr. Stefanson:** My information is that the Minister of Education (Mr. Manness) is currently giving consideration to the tabling of that report.

**Mr. Maloway:** Well, I would like to ask the minister then when I could expect to receive a copy of that evaluation report.

**Mr. Stefanson:** I will undertake to follow up on that matter with the Minister of Education.

**Mr. Maloway:** Well, the reason I am concerned, I believe that this minister is showing some signs of improvement over the previous Minister of Finance in that he seems a little more willing to respond to members of the committee.

We have had the experience in the past of the previous minister promising things and never delivering and so on, and that is what concerns me, Mr. Chairperson. This minister seems to be more willing to—if this minister now is prepared to say (a) that he would release the evaluation and (b) he would do it today, I might be more inclined to believe that something might be done.

\* (1100)

What he has done is he has said that the current Minister of Education, the former Minister of Finance, is thinking about releasing something. We have just all sorts of experience here of that minister promising to do things that he did not do, and so I am concerned that we are going to once again see nothing come of this request. So I once again want to ask this minister whether he himself today would promise to release the evaluation and give me a date as to when I am going to see that evaluation, because I do not really trust the other minister to provide or follow through on any requests.

**Mr. Stefanson:** Well, Mr. Chairperson, I obviously have the opposite view of our current Minister of Education (Mr. Manness) and the former Minister of Finance that when he makes commitments, he does follow through. He has indicated that he is currently reviewing and considering the release of this report, and as I indicated here, I will follow up with him on that issue, particularly in light of the fact it has been referred to and somewhat commented on by the Provincial Auditor in the Auditor's Report.

So I will undertake to follow up with the Minister of Education, and as we have indicated at the start of these committee hearings, obviously, wherever possible and appropriate, we will be releasing the maximum information available.

**Ms. Jean Friesen (Wolseley):** Mr. Chairperson, my question is also on Workforce 2000, and with respect, I would beg to disagree with the minister. The Minister of Education, in fact, has given no evidence that he is prepared to table this report. You can see in his written report, his written response to the Auditor, that he addresses one issue but not the other and that, in questions both in the House and elsewhere, he has not given any indication that he will be tabling that report.

I wanted to ask the Auditor through you, Mr. Chairperson, about some comments she made on page 49 of her report when reviewing Workforce 2000, when she says that she believes "that the program provides appropriate accountability reporting to program management and to the Legislature on the activities undertaken and results achieved."

I wonder if the Auditor would like to explain how the Legislature receives any information on the results achieved under Workforce 2000, and why does she consider that appropriate?

**Ms. Bellringer:** Mr. Chairperson, given a lot of the comments that have been made recently in the House directly, particularly, I would not want that comment to be taken to extend beyond financial activities and include everything. When we wrote this, certainly, we were looking at it from a very narrow perspective. We looked at the overall objectives that are articulated in the supplementary information for legislative review which supplements the Estimates process, and we compared the objectives outlined in that document with the annual report, achievement of objectives, and we thought that overall that framework was adequate for financial accountability.

The program evaluation, the fact that the program evaluation had not been completed at the time of our audit was fairly significant. In fact, we might have done a full-value-for-money audit at the time, except that the criteria that were already



set out and the program evaluation framework were very comprehensive. We saw a great deal of duplication if we should proceed and then go through that process ourselves. So that was why we did not go that far.

The kind of detailed results information that the Legislature might want—we hesitate to recommend that that kind of information be provided for all programs on a regular basis because it is very time consuming, very expensive to complete and very expensive to include an audit component in conjunction with it. So we do not think it is something that should be made available on all programs all the time, but where the framework has been established and it can be done, we strongly recommend that it be followed through. Particularly when the members are expressing the need for certain information. Then, clearly, we would again strongly urge the government to proceed and so on.

**Ms. Friesen:** What concerns me is the phrase, “results achieved.” Now, results are not financial results. They could not possibly be considered to be financial results either in the context of the Workforce 2000 program or in the context of this paragraph of the Auditor’s Report on page 49, so I wonder what the Auditor had in mind when she was saying “results achieved.”

The difficulty from the perspective of a member of the Legislature is that there is no evidence of any kind of result achieved from any of the Workforce 2000 programs in the small grant category. I am leaving aside for the moment the industry-wide, sector-wide sections, but those which are the grants of under \$10,000.

I am sure the Auditor is aware that in Question Period and in Estimates the minister has not provided evidence and, in fact, refuses to provide evidence of either the training plan or the curriculum of any of these programs.

So I am wondering what kind of results the Auditor can have in mind if the Legislature is not able to find out even what was planned? How can we measure, even begin to measure what was achieved if we do not even know what the goal was

that was set out for a particular company receiving a grant of \$10,000?

**Ms. Bellringer:** Mr. Chairperson, in the narrow context that we had designed the objectives of this audit, we were looking solely at the financial activities, and it was just the financial results, basically what was intended to be spent and what was spent. It did not go to the comprehensive kind of evaluation that overall program results whether—and again, I like the Canadian Comprehensive Auditing Foundation framework which, in fact, ran parallel with the framework that the department had developed which gets into results being measured in terms of the effectiveness where those to whom the program was intended to serve, where they serve, were there secondary impacts, was it relevant and those sorts of things.

So for a full conclusion on overall results, I think you have to go to that more comprehensive framework, and we did not do that, so we were limited solely to the financial results.

**Ms. Friesen:** So it would be more appropriate then, perhaps more precise, too, if this paragraph read, on the financial activities undertaken and the financial results achieved.

**Ms. Bellringer:** That is correct.

**Ms. Friesen:** I had a couple of other questions. I wondered if the Auditor was aware that the minister had said that under this program there were occasions in which training did not even occur. I am using the minister’s own words on this. I wondered if that had cropped up in the audit at all, if there had been any consideration?

**Ms. Bellringer:** I believe the answer is no. I am just waiting for the staff member who did the detailed audit. When I looked at the work that we did, we did not come across anything like that. We would have certainly reported it had we.

**Ms. Friesen:** It may indeed be that the instances which the minister is referring to occurred after your audit. We are obviously some time now from your audit. But if, indeed, there were such instances as the minister has indicated, how would they have come to the attention of your audit?

**Ms. Bellringer:** When we did the audit, if you look on page 48 of our report, we had to define the purpose of the audit, and it could very well be that there were instances during the period that our audit covered where something like that could have happened. We did not look, we did not design the audit to complete a complete compliance, nor to ensure that on a line-by-line basis that the activities that took place were all well supported and so on.

In fact, even with the staff available who work on the Workforce 2000 program, there are certain risk assessments that everybody has to make. I mean, that is just on a day-to-day basis, and certainly as an Auditor we cannot re-perform everything, and we did not do that.

\*(1110)

We looked more systemically, whether there were objectives, the organization of the training activities. The controls that we looked at were more of just the control framework. Did the control framework make sense? We do some testing with respect to that to ensure that for a number of transactions that we do not find any problems, then we can conclude that the control framework is adequate. It is not adequate to prevent 100 percent of errors escaping a system, but rather more reasonably balancing the cost of the control framework against the benefits that it can provide.

**Ms. Friesen:** One of the tasks that the Auditor set herself was to review the appropriate performance criteria, to see that they were in place to monitor achievement of results. I wonder perhaps if we could discuss that a little. These are the issues which continue to concern me. In the majority of these cases we have no sense of the goals, we have no sense of what was taught, we have no sense of who the teacher is, what the qualifications are, what the final result is in terms of certification or in terms of skills achieved.

The Legislature as a whole and the public as a whole has no way of knowing that for the majority of Workforce 2000 programs under the small grants section, so I wonder what the Auditor would consider appropriate performance criteria in this kind of program.

**Ms. Bellringer:** What we looked at when we were looking at the performance criteria was the information provided in the annual report, and I have got the copy here. We looked at the number of employer contacts, employers contracted, trained, and that there is numbers in terms of target versus actual. We saw this and it was in our view at the time to be an adequate summary level of information.

Obviously, there is a lot of detail behind all of that, and it is that kind of detail that we are suggesting where members believe that that information is important to the information that they are looking at, that it be made available but not necessarily within the annual report or it gets unwieldy and at too detailed a level.

So we looked at it and saying that we looked at the information provided here and audited it against the detail and said that, yes, it was supported by the detail, but that detail was not provided in here.

**Ms. Friesen:** Well, essentially, the audit looked at whether money was given and received, and whether some event took place.

**Ms. Bellringer:** Yes, it was a very limited focus. The conclusions were very much at that high level, and I believe that the program evaluation report, that would deal with a lot of the more comprehensive issues that are being raised.

**Ms. Friesen:** Was the Auditor satisfied with the process of evaluation by the department then? Since the audit itself, the provincial audit, is not going to look at that level of detail, presumably the Auditor would want to look at the process that the department has in place for evaluating what kind of an event took place for the \$10,000 or \$8,000 or whatever the grant was. My concern has always been that it appears, given the very minimal information that the Legislature is able to get on this kind of program, it appears that the evaluation is frequently done by a phone call from the person who in fact delivered the event.

I mean, I do not know whether to call it education or training, because we simply do not know what it was. In some cases we know that these events have been motivational speakers, and

the evaluation is then, as far as I understand from the department, a phone call from the person who conducted the event or course of training, whatever it was, to see if people were satisfied. Is that, in the Auditor's view, an appropriate level of evaluation for a department to be concerned with?

**Ms. Bellringer:** Again, Mr. Chairperson, our conclusions, we had to make some judgments in terms of—we saw some exceptions from what we would have expected to be an ideal world in terms of how some of the training activities were organized and controlled. We thought overall that we believed that it was adequate. We did find some exceptions, which we reported to management, and we believe that there has been adequate follow-up.

In fact, we met with the internal Auditor where we—this was a very good example of how the internal audit department and our office worked in conjunction to follow up some of the more detailed office issues on their part, and looking at it more from the perspective of the Assembly from our part. So there were some detailed exceptions that they have and are following up.

**Ms. Friesen:** My question was in fact upon the process and the standard routine of a department and a program which evaluates, uses the person delivering the course as the only source of evaluation, frequently not a written evaluation but rather a telephone call from the evaluator, from the deliverer/evaluator. I was asking if the Auditor thought that this was an appropriate level of evaluation for the department.

**Ms. Bellringer:** A more complete answer might be obtained by the department directly, but from the testing that we conducted, what you are describing was not the standard. It was something that did occur from time to time, and the standard in place was, we found, to be adequate. As I say, I cannot describe in detail what that standard is, what the standard practice would have been, but it would not have been limited to just obtaining a verbal conversation with the trainer.

**Ms. Friesen:** Well, I am really puzzled now. If your goal was to decide appropriate performance criteria are in place, if I am told by the minister in

last year's Estimates that it was a telephone call by the evaluator was the kind of criteria which they had, and yet I can find out neither from the department nor from the Auditor what in fact the standard process of departmental evaluation is for this program, I am wondering how it is at all accountable to the Legislature.

Perhaps I could be more precise. Why is it not possible for the Auditor to tell us now what the standard method of evaluation was for the department in this program?

**Ms. Bellringer:** In fact, if I could ask, Mr. Chairperson, could the staff member who conducted the audit respond for our office, please?

**Mr. Chairperson:** Is the committee agreeable to this? [agreed]

**Ms. Bellringer:** Just running through the procedure in place at the department, certainly, we can provide you with what information we do have. I do not know if it is the complete information. We do not have the files with us at the moment, but certainly from his memory—if I could ask Mr. Ormonde, it is Brian Ormonde, who is an audit manager with our office who completed that audit.

Mr. Chairperson, would it be possible for the question to be repeated? Sometimes we get a different perspective when it is us answering.

**Mr. Chairperson:** I will ask Ms. Friesen if she would like to repeat her question.

**Ms. Friesen:** Well, I have been concerned for a couple of years now about the way in which the Workforce 2000 program has been monitored and evaluated by both the department and the Auditor.

My concern has been that when I have asked questions about this in Estimates, for example, last year, I was told that the evaluation of each section of the short, the smaller grants, that is, the under \$10,000 grants, that is the segment I am talking about, were often evaluated by a phone call from the person who did the training.

So my question—it was my same question to you, to the Auditor, last year—is that the person who is delivering the course is also evaluating the reception of that course. I have no problems with

that as one element of evaluation, of course. You know, anybody who does give or teach a course would want to have some kind of evaluation, but for the \$10,000 of a government program, particularly a new program, particularly one that is relatively experimental, I would think that the department would want to have in place some more formal and more systematic evaluation, and that is what I have been asking for.

\* (1120)

**Mr. Brian Ormonde (Audit Manager):** I can describe, Ms. Friesen, the department has developed a form which was used. It was a one-page form that was used for all of the training grants that you describe. It was completed by the Workforce training consultant. The situations that we examined were done on site, but we did have some concerns with that process not being done in a very comprehensive manner, and that was included in our management report and discussed with the manager and the assistant deputy minister responsible for Workforce. We thought it was a fairly comprehensive evaluation of the trainer. You would ask questions about whether the person felt the training was delivered effectively. As I said, their standard was by phone or in person. They were concerned that they did not have the resources to do it all in person, due to the initial volume of training contracts, and that our concern was that it really was not being done on a uniform basis.

**Ms. Friesen:** Mr. Chairperson, if I could ask Mr. Ormonde, when he says that this was done by the Workforce training consultant, does he mean a member of the staff of the Department of Education and Training, or does he mean the contract person who was in fact hired to do the training?

**Mr. Ormonde:** The Workforce training consultant.

**Ms. Friesen:** Well, who is that?

**Mr. Ormonde:** He works for the province.

**Ms. Friesen:** Is it possible to have a copy of the evaluation form that the department used?

**Ms. Bellringer:** Again, we would suggest if that cannot be made available from the department we could see about making it available, but certainly we would recommend that that be requested first of the department.

**Ms. Friesen:** Is there anywhere in that evaluation where there is an indication of what additional skills have been achieved? The questions, for example, that you have read out so far dealt with the effectiveness or the perception of effectiveness of the trainer by those who received the training. Do we have any sense of what changes were achieved in those people who were learning?

**Mr. Ormonde:** I am sorry, I do not have the form in front of me, Ms. Friesen, but I believe that was one of the questions that was asked, how did this increase your effectiveness on the job.

**Ms. Friesen:** I recognize that you do not have the form in front of you, and effectiveness on the job is not necessarily the only way of evaluating this. It is one way certainly. So it seems to me very important that we do have copies of that evaluation form, and I will certainly ask the minister for that in Estimates or in the House.

The second issue is the comprehensiveness and the consistency of this kind of evaluation, and the Auditor indicated that there were some concerns with this. I wonder if perhaps the Auditor could perhaps tell us more about this. What would be considered comprehensive in the Auditor's sense?

**Ms. Bellringer:** One of the concerns I have with making a recommendation that the training activities be more tightly controlled in that sense is the cost associated with that, because clearly it would involve additional staff.

We looked at it. As you say, it is one component of measuring the effectiveness of training. Some of the issues that the overall more comprehensive program evaluation could have gone into the kind of systemic or, you know, the time line issue of after a period of time where the training activities seemed to have improved performance later on or, you know, are the people still with the company. Those kinds of questions could not be dealt with on the training evaluation form, which was very much more of a short term, short period of time

following the training. Again, I believe that that training form was adequate to do what it was designed to do, which was the short-term evaluation just to ensure that the training took place more so than an overall comprehensive evaluation of whether the focus of that specific training activity is providing this enormous benefit to the corporation. That would be the kind of thing we would have categorized in the overall program evaluation and not within the detail that you are asking the questions with right now.

**Ms. Friesen:** The Auditor also had some concerns about the fact that these evaluations were not applied systematically. Could you perhaps elaborate on that? Was there a process of selectivity? For example, was every tenth grant audited? Was it a question of the availability of particular companies to answer the grant? Was there a reluctance on the part of some companies to respond to questionnaires? What is the basis of the Auditor's concern?

**Mr. Ormonde:** I think our concern really was because when we asked why is it done on certain firms and why it seems to be done very unevenly, the question really was answered in that we just do not have the time to do it. It was addressed as a resourcing issue more than an inability of the firms to respond.

**Ms. Bellringer:** If I could just add to that, that in looking at what we had reviewed during the audit there was not anything that gave us any reason to believe that there was something, when we say systemic. There was not any concern in terms of noticing a pattern that we felt needed to be followed up, and so on. Rather, that it just was not done 100 percent and that it was done on a judgmental basis.

**Ms. Friesen:** If it was not done on a 100 percent, and if the department recognized that it had resource difficulties in evaluating everything, what decisions would be appropriate for the department to make on how to use those resources in a systematic evaluation? Was it, for example, one in 10? How did they choose who to evaluate? Or was it haphazard?

**Mr. Ormonde:** I would say it was, from what we saw, it was certainly more than one in 10, Ms. Friesen. In fact, we did a sample, and for the sample ones that we looked at, the evaluations were all on file, but the staff had indicated to us, just in our conversations within, that they were concerned with the adequacy of the monitoring. So we did expand our review somewhat, but we, in fact the department themselves, took it upon themselves to the training co-ordinator to get copies of all the evaluation reports that had been completed and put them in a central file so that the program managers could take a look to see where, if there were some major grantees that had not been evaluated. So it was on that basis that they were taking some action on it. It did not get into our report to the Legislature. It was reported just internally to the management.

**Ms. Friesen:** I want again to draw the attention of the Auditor to the fact that the public and the Legislature have, at the moment, no access to those evaluations, no access to even the form, no access to the training plan, no access to the qualifications of the trainers or indeed of the curriculum which they are presenting. I think without that information it is very difficult for the Legislature to evaluate this program. I am sure that there are good parts to this program, and one of the difficulties, in fact, is in sorting out where it was valuable and where it was not. That makes it extremely difficult, and one wonders what the government, in fact, is gaining by this level of, from my perspective, secrecy about this program.

**Mr. Stefanson:** Mr. Chairperson, I do not want, in any way, the impression to be left that there is secrecy around this program. I think the member for Wolseley (Ms. Friesen) knows some 70,000 to 80,000 Manitobans have been trained through Workforce 2000. It is now being reviewed and in some respects modelled by some other provinces. I think Ontario, as one province, is utilizing a very similar program that they have put in place.

I did indicate to a question from the member for Elmwood (Mr. Maloway) that the evaluation report has been completed. It is in the possession of the Minister of Education (Mr. Manness), and he is currently reviewing the issue of tabling that

report. As I indicated, when we started dealing with this initiative, I will follow up on that issue with him.

The member has had the opportunity to ask some very detailed questions of the Auditor, which I think have been helpful, and obviously we will agree to disagree in terms of the value of this report, although I was pleased that she did indicate that she saw some value to the Workforce 2000 initiative. I would suggest there is a great deal of value to it, but we will follow up on that whole evaluation report and, again, we will agree to disagree that I think we will know. I think the 70,000 or 80,000 Manitobans who have had the opportunity to be a part of this program, they certainly know, as do their employers, as do many Manitobans.

\* (1130)

**Ms. Friesen:** Mr. Chairperson, perhaps just to respond to the minister, I think what he is talking about is anecdotal information that may indeed be available to his cabinet members but is certainly not available to the public of Manitoba. He did make also a reference to the Ontario program, which is not an imitation of Workforce 2000. In fact, I believe Workforce 2000 derived its original purpose from the Ontario programs, but he should be aware that the Ontario programs are very clearly tied to measures of both productivity and job creation, neither of which are a factor in the Workforce 2000 programs.

**Mr. Maloway:** Mr. Chairperson, I would like to ask the minister whether he could tell the committee whether any sort of needs assessment is done on applicants for the Workforce 2000 program, because my colleague the member for Wolseley (Ms. Friesen) has dealt with a number of the other elements to the program, but I was interested in the needs assessment of the company because presumably, before the government freed up money for any kind of program, there would be sort of a needs assessment of the company taken into account.

**Mr. Stefanson:** Mr. Chairperson, I think obviously in terms of detailed information on the program, there is the opportunity right now,

actually over the course of the next few days, to ask questions of our Minister of Education (Mr. Manness) as he is currently in Estimates. When the member for Elmwood (Mr. Maloway) is referring to needs assessment, is that financial needs of companies? Is he suggesting that this is only tied to the ability to pay, of companies, or what is his definition of the needs of the company?

**Mr. Maloway:** Mr. Chairperson, with that in mind, I am interested in knowing, for example, what the needs of the Society Hair Salon were when they applied for I think \$7,000 to send 13 stylists to hear a speech by Tony Robbins, the "feel good" guru. What sort of needs assessment was done on this hair salon to determine that they needed a motivational speech? What were the results of this motivational speech? Did they cut hair a little better because of it? That is, I think, what we are trying to get to the bottom of here. We have not been able to obtain any real information from the Minister of Education. That is why we are asking, at this committee, the Minister of Finance (Mr. Stefanson) because so far he appears to be a little more receptive than the Minister of Education (Mr. Manness). I see no point in us going back to Estimates and dealing with the same minister who has stonewalled us on various issues for more than two or three years. I see that as counterproductive in trying to get answers from somebody who will not provide them.

**Mr. Stefanson:** Mr. Chairperson, obviously I do not have all of the cases in front of me. In fact, I have none of the cases in front of me of firms that have received support from Workforce 2000 nor individuals that have, and I think if we were to go through all of those applications, we would find the vast majority being extremely positive in terms of what they did for both employers and employees. Without being repetitive, obviously an overall evaluation of the effectiveness has been done, and I will follow up on that issue as I have indicated on a couple of occasions today.

**Mr. Maloway:** Mr. Chairperson, is the minister then committing to providing committee members with a copy of the evaluation form in this particular case?

**Mr. Stefanson:** I know the member for Elmwood would like that kind of unequivocal commitment. I have not given that. I have indicated that I am aware of the report. I am aware it has been completed. It has been referred to in the Provincial Auditor's Report. My understanding is the Minister of Education is currently considering tabling the report, but I will certainly follow up with him on that issue.

**Mr. Maloway:** Mr. Chairperson, I have many more instances to discuss with the minister, but I have just one final one for today that I would like him to also put on his list of things to search out and bring back information on. That is the question of the grant given to Keystone Ford last year which was, I believe, \$10,000 to train car salesmen. We asked the former Minister of Education at committee last year, and she did confirm that it was the training of car salesmen.

Since this particular dealership has gone to a one-sticker pricing system, I would be very interested in knowing how many of these, what sort of training this was. We wanted to know what the curriculum was, what sort of training was done, and what are the long-term effects of this training? You have a dealership that has gone to one-system pricing, which in the United States, at least, ends up with a reduction in car salesmen or a total elimination of car salesmen. So the point is, why are we training car salesmen for a system that really does not require car salesmen? That gets back to the needs assessment as well. Would the minister commit to get back to members of the committee with copies of the needs assessment in that case, as well, and the evaluation form?

**Mr. Stefanson:** Mr. Chairperson, the member for Elmwood raises an issue that, I believe, he has raised before in Question Period and probably other venues, a very detailed, specific question about one particular application, and I will take that as notice and follow up on it.

**Mr. Conrad Santos (Broadway):** Mr. Chairperson, I just heard the MLA for Elmwood saying that it is an exercise in futility to persistently ask for information from someone who does not really want to provide information.

So I would like to open up the broader issue of accessibility to public information with respect to the expenditure of public money. In other words, is there or is there not a public right to know to the representatives in the Legislature? I would like to direct that question to everyone to answer from the part of the government or the Auditor's office.

**Mr. Stefanson:** Mr. Chairperson, I can certainly go first. Yes, there is, and I think our process—again, the Provincial Auditor can probably speak better to it in terms of a comparison of Manitoba to other jurisdictions in terms of the kind of detailed information that is provided in our Supplementary Estimates books to all members of the Legislature, the kind of annual reports that are ultimately prepared by all of the departments of government that go to all members of our Legislative Assembly, that we provide significant information in those areas. Yes, I would agree that, by and large, information is made available to all members of the Legislative Assembly. There obviously are occasions when that is not in the overall public interest to do that because of certain types of issues that are being dealt with by governments. But as a fundamental principle, the vast majority of information is made available to all members of the Legislative Assembly.

**Mr. Chairperson:** Ms. Bellringer, did you wish to add to this?

**Ms. Bellringer:** Certainly. In our report this year, we felt it was necessary to start articulating some of the issues surrounding accountability at a sort of a higher global level. Clearly, information should be made available. It should be relevant. It should be sufficient. It should be complete and yet not so complicated you get tangled up in the detail. At that level, it is very simple to say that.

When you get down to a more detailed level and you are now looking at a particular program area, it is not always as easy to translate that into something meaningful. So we felt it important to start establishing those standards—excuse me, not establishing the standards, but again articulating what we believe the standards to be. Because in terms of the actual decision as to what those standard are, that is clearly in the hands of the

Legislative Assembly, and the starting point is legislation. The Financial Administration Act sets out a number of accountability issues and other pieces of legislation as well.

When we get on to a more detailed program level, where we see the complications arising are particularly in the delivery mechanism. Where it is something that is delivered in the central core within a departmental operation, the accountability is more clearly set out within the legislative framework.

When you move outside of that core and into agencies, it is somewhat dependent on the legislation establishing that agency, and it differs from one agency to another. When you get outside of the agencies and into joint venture arrangements, when you are into a 50-50, if you will, joint venture arrangement with, say, the federal government; and beyond that even further, when you get into recipients of public monies, transfer payments to hospitals, the health care sector, educational institutions and so on, again it is even less clear.

That is not unique to Manitoba. That is just a phenomena of accountability, and it is an issue not just in Canada but internationally as well.

\* (1140)

Our recommendation, whether we have said it explicitly or if it is just implicit in that piece on accountability, is to start exploring those areas so that the Legislature has a framework in place that is clear to everybody, that meets the needs of the members, so that when we get into the more detailed program areas, it is easier to come to terms with exactly how much is enough and is it being obtained on a timely basis and so on. Because the time frames as well are established in the legislation.

**Mr. Santos:** Having asked and having received the confirmation that there is such a general public right to know at the broad level, I want to ask if they see any limitations of that right, the public right to know, and what they are, if any?

**Mr. Stefanson:** Mr. Chairperson, I think again, as the Provincial Auditor has touched on, when you

get into some of the detailed aspects of a particular initiative that there might well be reasons that that information is not in the overall interest to make public potentially at a given point in time. Certainly, when you are dealing with whether it is personnel matters, whether it is property matters, certain financial matters and so on, there is a series of individual initiatives and transactions that occur between the public and government that, as I say, at a particular stage can do more harm to the transaction or the individuals involved by making that information public at that particular point in time, not to say that at some subsequent date it does not become public information and be able to be obviously judged in and assessed by the public in terms of the decisions made at the stage of the process.

I think, as the member can probably appreciate, I am as much drawing on my municipal days from the City of Winnipeg in terms of many initiatives around personnel issues, around disposition or acquisition of property, where obviously there is sensitivity in terms of that becoming public at a particular stage. I think, with those kinds of restrictions, would be examples of what I would see as being issues that there should be some confidentiality built around.

I do not know if the Auditor has anything to add or not.

**Mr. Santos:** What about the Auditor's office, any limitations that they see in the public, taxpayers represented by their people in the Assembly, of their right to know?

**Ms. Bellringer:** I concur with the comments of the Minister of Finance (Mr. Stefanson) in terms of, it is sometimes difficult to balance between—the public needs to know at some point. When that point arrives—certainly there are times when commercially sensitive information, if made public, could put a Crown corporation, for example, in a very awkward situation, personnel issues clearly.

One of the examples that we were recently looking at, and it is relevant to this report in terms of the policy being established for the reporting of fraud and other unusual activities, while one says it



is information that should be brought forward to the Legislature, if you are in the middle of an investigation which is involving criminal activity, it is very awkward—and that is an extremely diplomatic term to use—if you start bringing that information out when it has not been proven one way or the other.

So you have to look at each situation and be very sensitive to all of the implications of bringing information public. We attempt to do that with the reports that we write, keeping in mind that at some point in time we believe that all information should be made available.

**Mr. Santos:** I would like to pursue this matter. Would the member for Elmwood (Mr. Maloway) want the opportunity to ask some more questions? I will just hold on.

**Mr. Maloway:** Mr. Chairperson, on I guess it was April 18, which would be about pushing a month ago, I asked the minister about Clancy's Ventures, a group of restaurants which had closed a couple of months prior to that and were owing about \$350,000 in sales taxes to the province. I would ask the minister when the department realized that the firm was getting behind and what efforts they had made to collect the outstanding amounts. The minister took the question as notice but still has yet to come back with any sort of a response.

I hope this is not indicative of, once again, the way the former minister conducted affairs, because I would not want the two to be two peas in the same pod. This is a chance for the minister to break free from the past and get this information that is, in my opinion, becoming very long overdue.

**Mr. Stefanson:** Mr. Chairperson, I did raise that matter, obviously, right after Question Period that day when the member for Elmwood asked me that. I have just discussed it with my deputy in terms of the status of that. I will get back to him very shortly either in the House or back at this committee.

**Mr. Santos:** The way I pick it up, the limitations of the general public's right to know as the meaningful connotation of the term "public accountability," is limited by such things as commercial sensitivity or other personal sensitivity and personal processes.

Can we have a clarification about this personal commercial sensitivity? I do not understand what it means.

**Ms. Bellringer:** The term "commercial sensitivity" is probably more commonly used in the private sector where most private-sector companies think that everything they do is commercially sensitive and that it gives their competitor something to use against them, if you will, where something in the private sector that we can all relate to in terms of pricing structure, knowing who they are giving what price to in terms of how much a product costs, so you know whether or not they are getting a big markup on the product and that sort of thing.

"Commercially sensitive" translated into the public sector would deal with similar business activities, usually. We do not usually use the term when we are getting into public policy and so on, but the more commercially relevant activities, for example, the utilities, getting into the Crown corporations.

**Mr. Santos:** Are we then translating hook, line and sinker all the practices in the private sector to the public sector?

**Ms. Bellringer:** Mr. Chairperson, I mean, I do not mind answering the question, but I am not really sure if the information I am going to provide is going to answer it.

**Mr. Santos:** I would like to explain the basis and the assumption about the question. There is a distinction in my mind between a private enterprise, given the economic environment in our society about free competition of the market, and the very purpose and very existence of government, which is to provide service to its citizens.

I would like to know if, of course, some of the standards in business administration can apply when we are after efficiency, when we are after effectiveness? I would like to know whether these kind of limitations of the public's right to know and the sense of public accountability of public officials as the stewards of the public interest, can be overcome by sensitivity to some private interests of a limited nature?

**Mr. Chairperson:** It is an interesting question, it is a very general question, and it is one that is sort of open to debate and personal opinion. I do not know whether either the Provincial Auditor or the minister would have any definitive answers to the question or definitive observations. It is a debatable point.

**Mr. Santos:** That is why I am raising it for debate, as to whether such limitation should really be recognized. I recognize the fact that information is the basis of accountability on one hand and information completely specific, measurable, factual, empirical, is also the basis of the true meaning of public accountability and given that some information is not available even. Forms used in evaluation programs and information as to goals and objectives of a specific program are not being made available, and yet they are evaluated as sufficient and adequate and in compliance with public accountability. I find that irreconcilable. That is why I am trying to clarify things here.

**Mr. Chairperson:** I do not know whether either the minister or Ms. Bellringer has any further comment to make.

\* (1150)

**Ms. Bellringer:** Just with respect to, in terms of whether we are making information available. We do not use the commercially sensitive factor in deciding whether or not we as the Audit Office will make information available. What we are more concerned about is staying within the legislative framework which the Legislature, to whom we report, through legislation primarily and regulations and so on has established, and our act is particularly specific in terms of who we can report to and when. There are other jurisdictions where the legislative Auditor, and, in fact, I say other—I think it is only in Ontario where the legislative Auditor can be requested by Public Accounts Committee to conduct certain investigations. It is specifically in their legislation that that is a mechanism by which the Legislature can access that office.

That is not the case in Manitoba. So we are often balancing out how much information to provide ourselves, through our reports, and how much

information we believe is outside of that framework, and that it is really not within our powers to do so. So we always work first to encourage the government to report themselves, and we also think that cleans up the accountability relationship in terms of the government being accountable for the performance of programs. We are only putting opinions on the completeness and accuracy of that information and not forming a complete program evaluation. That is another distinction that I would like to bring out that we do not complete program evaluations. I believe to do that our act would require explicit mention of that, and in fact there is only one jurisdiction in Canada who has that in terms of reporting on effectiveness—not reporting on the completeness of the information in order for the members to make that program evaluation but doing directly the program evaluation activity. We do not currently have that capacity.

**Mr. Santos:** I would like to have some idea of the time frame of the committee, because we are committed to passing at least the report for 1992 before we proceed. I want to know when the committee meeting will end, what time.

**Mr. Chairperson:** Normally, we adjourn at twelve o'clock. I think, because of discussions earlier today and at the last meeting, that we will be having another meeting because there are members who have other questions, and I believe the minister himself has some material he wants to bring forward. So normally we would be concluding at twelve o'clock.

**Mr. Santos:** So then we can proceed with that matter and fulfill our commitment.

**Mr. Chairperson:** Okay, is it the wish of the committee then—

**Mr. Santos:** I would like to ask some more questions on the accountability framework and the relationship between performance and the existence of clear criteria and the link between the two.

**Mr. Chairperson:** I see the member, Mr. Lamoureux, indicating he wishes to speak. But is it the will of the committee to pass these '92 reports now? I mean this does not preclude any further

discussion because we have the 1993 reports in front of us.

Firstly then, I have to ask you this individually, shall the 1992 Report of the Provincial Auditor be passed? The report is accordingly passed.

**Mr. Maloway:** Mr. Chairperson, I would like to ask the minister when the next committee hearing will be. Do you have a specific date in mind and time?

**Mr. Stefanson:** Mr. Chairperson, I will work through you as we did to set up this meeting. If we are looking at some alternative dates, it comes down to the availability of the Provincial Auditor and so on, but we set this one up a matter of days after our last meeting, and you and I will undertake to do the same thing.

**Mr. Chairperson:** That seems satisfactory. Thank you.

Volume 1 of March 31, 1992, Public Accounts—pass; Volume 2 of March 31, 1992, Public Accounts—pass; Volume 3 of March 31, 1992, Public Accounts—pass.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, just a fairly general question, and it is directed to the Provincial Auditor with respect to requesting of information. I can recall a while back I had received a letter asking for what we felt as individual MLAs that the Provincial Auditor might be able to do, at least I believe it was the Provincial Auditor's office that sent out this letter. I am wondering if the Provincial Auditor can indicate anything that might be coming up in the not to distant future where she sees a potential expansion of the role of that particular office.

**Ms. Bellringer:** Mr. Chairperson, we do not have any plans to expand in terms of—we work within our budget, and we think that on one hand we can continue to improve and we can continue to staff such that we can most effectively meet the needs of the MLAs. In fact, we have already made some changes in the office that we think will get into some slightly new areas for us, but building on the activities that we have done in the past and without any need to change our legislation and so on.

**Mr. Lamoureux:** The reason I ask is because I know, in terms of the independence of the office, that is there, and we want to be able to maintain that. It is critically important for that. But at the same time, as opposition, particular parties and individual MLAs, certain issues come up for debate and a number of them are extremely political, but there are some issues that are there that no doubt would be in the best interest of the taxpayer to be investigated. As part of the decision-making process, I guess, that the Provincial Auditor and the office goes through in terms of what it is that they are going to be investigating, I am curious as to whether or not the office is looking at some form of an enhanced role of receiving direction from members, whether they are in government, whether they are in opposition, or as an opposition party.

Let me give a specific example. If there is a great deal of concern, like earlier we were talking about the provincial government investing into a hockey team. The outcome of an investment of that nature could be fairly significant and is in fact, many would argue, in the best interest of the taxpayers that at least the Auditor is looking into an issue of this nature.

At least in the six years that I have been here there always seems to be two or three issues that tend to rise from who knows where in which I would think that the Provincial Auditor's office in a nonpolitical way is probably in the best position to ensure that tax dollars are, in fact, being protected. I would be interested in having some possible future dialogue, because we are breaking in about two minutes, on the whole issue of how the Provincial Auditor's office might allow for some recommendations or when an opposition party or an MLA does feel that it is in the best interests for the office to get more involved in a particular area.

**Ms. Bellringer:** Without instigating a long discussion on it, one thing I would like to say, though, is that we have often had members, any member of the Legislative Assembly, calling and asking us questions, and we find that very helpful in terms of directing our audits. We appreciate that often will include some kind of a longer time

frame, and it does not often give us the opportunity to just switch our gears and get into a new program area that we had not intended to audit. So I think it warrants discussion on that, but we certainly encourage the members to contact us.

One of the things that we are looking at in the short term is getting more actively involved with the members not from looking at policies and not commenting on policies in any way, which is something we would never do, but in terms of

understanding how certain things were administered, being more actively involved with the members just to explain some of the things that we said so that it does contribute to a more informed debate when not policy but administrative issues are being discussed.

**Mr. Chairperson:** It is now twelve o'clock. Shall the committee rise? Okay, the committee rises.

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