

First Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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The Honourable George Hickes
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
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CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
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FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
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STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 11, 2007

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

Bill 212—The Waste Reduction and Prevention Amendment Act

Hon. Jon Gerrard (River Heights): Mr. Speaker, I move, seconded by the MLA for Inkster (Mr. Lamoureux), that Bill 212, The Waste Reduction and Prevention Amendment Act; Loi modifiant la Loi sur la réduction du volume et de la production des déchets, be now read a first time.

Motion presented.

Mr. Gerrard: Mr. Speaker, this bill would provide for the banning of plastic bags in grocery stores and would result in a significant reduction of plastic bags then going into landfill sites and causing problems for us. It's a measure which has been widely supported, in effect already in Leaf Rapids and quite a number of other communities elsewhere and would be a positive step forward in terms of our environment.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

Bill 5—The Public Accounts Committee Meeting Dates Act (Legislative Assembly Act Amended)

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that Bill 5, The Public Accounts Committee Meeting Dates Act (Legislative Assembly Act Amended); Loi sur les dates de réunion du Comité des comptes publics (modification de la Loi sur l'Assemblée législative), be now read a first time.

Motion presented.

Mr. Chomiak: Mr. Speaker, while the Legislature continues its work on modifying and updating its rules, this bill serves as a tacit framework for those discussions by mandating specific meetings. Thank you.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

Bill 9—The Securities Amendment Act

Hon. Greg Selinger (Minister of Finance): I move, seconded by the Minister of Justice (Mr. Chomiak), that Bill 9, The Securities Amendment Act; Loi modifiant la Loi sur les valeurs mobilières, be now read a first time.

Motion presented.

Mr. Selinger: Mr. Speaker, this bill amends our legislation to streamline and harmonize requirements for participants in Manitoba's capital markets and, at the same time, strengthen investor protection.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

Bill 20—The Planning Amendment Act (Deemed Single Operations)

Hon. Steve Ashton (Minister of Intergovernmental Affairs): I move, seconded by the Minister of Advanced Education (Ms. McGifford), that Bill 20, The Planning Amendment Act (Deemed Single Operations), be now read a first time.

Motion presented.

Mr. Ashton: Mr. Speaker, this closes a loophole in The Planning Act and deemed circumstances in which contiguous livestock operations are considered one entity for The Planning Act.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

PETITIONS

Headingley Foods

Mrs. Mavis Taillieu (Morris): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The owners of Headingley Foods, a small business based in Headingley, would like to sell alcohol at their store. The distance from their location to the nearest Liquor Mart, via the Trans-Canada Highway, is 9.3 kilometres. The distance to the same Liquor Mart via Roblin Boulevard is 10.8 kilometres. Their application has been rejected because the store needs to be 10 kilometres away from the Liquor Mart. It is 700 metres short of this

requirement using one route but 10.8 kilometres using the other.

The majority of Headingley's population lives off Roblin Boulevard and uses Roblin Boulevard to get to and from Winnipeg rather than the Trans-Canada Highway. Additionally, the highway route is often closed or too dangerous to travel in severe weather conditions. The majority of Headingley residents therefore would travel to the Liquor Mart via Roblin Boulevard, a distance of 10.8 kilometres.

Small businesses outside Winnipeg's perimeter are vital to the prosperity of Manitoba's communities and should be supported. It is difficult for small businesses like Headingley Foods to compete with larger stores in Winnipeg, and they require added services to remain viable. Residents should be able to purchase alcohol locally rather than drive to the next municipality.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister charged with the administration of The Liquor Control Act to consider allowing the owners of Headingley Foods to sell alcohol at their store, thereby supporting small business and the prosperity of rural communities in Manitoba.

This is signed by Mitchell Zajac, Lanny Kingerski and Shannon Feeleus and many, many others, Mr. Speaker.

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

Provincial Nominee Program

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

The background to this petition is as follows:

Immigration is critically important to the future of our province, and the 1998 federal Provincial Nominee Program is the best immigration program that Manitoba has ever had.

The current government needs to recognize that the backlog in processing PNP applications is causing additional stress and anxiety for would-be immigrants and their family and friends here in Manitoba.

The current government needs to recognize the unfairness in its current policy on who qualifies to be an applicant, more specifically, by not allowing professionals such as health-care workers to be able to apply for PNP certificates in the same way a computer technician would be able to.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier (Mr. Doer) and his government to recognize and acknowledge how important immigration is to our province by improving and strengthening the Provincial Nominee Program.

This is signed by R. De Leon, E. Dimen and B. Quileza and many, many other fine Manitobans. Thank you, Mr. Speaker.

Retired Teachers' Cost of Living Adjustment

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Since 1977, Manitoba teachers have made contributions to the Teachers' Retirement Allowances Fund Pension Adjustment Account (PAA) to finance a Cost of Living Adjustment (COLA) to their base pension once they retire.

Despite this significant funding, 11,000 retired teachers and 15,000 active teachers currently find themselves facing the future with little hope of a meaningful COLA.

For 2007, a COLA of only .63 percent was paid to retired teachers.

The COLA paid in recent years has eroded the purchasing power of teachers' pension dollars.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider adequate funding for the PAA on a long-term basis to ensure that the current retired teachers, as well as all future retirees, receive a fair COLA.

This petition is signed by Bill Shackel, Liz Bronson, Garth McIntyre and many, many others.

TABLING OF REPORTS

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, I'd like to table for the House the Annual Report 2006-07 for Manitoba Conservation,

the Annual Report '06-07 for the Manitoba Sustainable Development Innovations Fund, the Annual Report '06-07 for Pineland Forest Nursery and the Annual Report '06-07 for the Manitoba Clean Environment Commission.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, I would like to table the Victim Services Complaints Annual Report 2006-2007, the 35th Annual Report for Legal Aid Manitoba, March 31, 2007, and finally, Mr. Speaker, the Annual Report for Public Trustee 2006-2007.

*(13:40)

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency Ernesto Antonio Senti Darias, the Ambassador of the Republic of Cuba, who is accompanied by the Honourable Rod Zimmer, senator from Ottawa.

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

I'd also like to draw the attention of all honourable members to the public gallery where we have with us today 28 students from Red River College under the direction of Ida Bear, Karen Favell, Annie Boulanger and David Beaudin, who are the guests of the honourable Member for Fort Rouge (Ms. Howard).

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

ORAL QUESTIONS

Hollow Water Cottage Barricade Cottage Lots

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, we are now into the third week of the blockades at Hollow Water, and we see mounting frustration on all sides of this issue. We see the frustration of those who in good faith acquired cottage lots who are unable to access them as the freeze approaches, we see the frustration of Aboriginal people who feel the lack of resolution to long-standing grievances, and we have the frustration of others, including hunters and other Manitobans who regularly make use of that road.

Mr. Speaker, I wonder if the Premier will take responsibility for the chaos, confusion and conflict that is being created by virtue of the fact that at the

same time as his Minister of Conservation (Mr. Struthers) was handing out and raffling off cottage lots to unsuspecting Manitobans, he was entering into an agreement to grant interest in the very same land.

Hon. Gary Doer (Premier): Mr. Speaker, the factual assertions of the member opposite have been proven false over and over and over again, including—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. The cottage lot expansion across Manitoba, over 1,200 lots that have been made available to the public, have gone extremely well. The additional expansion of camping spots has gone very well. The expansion of endangered spaces in consultation with First Nations and other people has gone extremely well. The protection of Little Limestone Lake that was just recently made with the people in the Grand Rapids First Nation and the chief and council went extremely well, a long-time request.

There were some cabins—potential cottage lots were drawn and that has been put on hold. The other cottage development took place before our government. The majority of those spots were created prior to our government, and certainly we would have preferred to have the success that we saw across the province be the situation in the Hollow Water community.

Our Conservation people have been instructed to deal with each cottage owner to deal with the legitimate issues of protecting their plumbing and other features that could be at risk with freeze-up if they don't have the proper protection. They are dealing on an individual basis with each homeowner.

On the issue of the specific blockade, Mr. Speaker, the responsibility for enforcing the law is with the RCMP. We have said over and over and over again, we do not direct the RCMP. Manitoba is not a police state. The Minister of Justice (Mr. Chomiak) does not tell the police what to enforce and what not to enforce.

As the Minister of Justice has said before that some of his forefathers and foremothers fled countries where the government of the day would send the police force in, for example, into the opposition. The separation of enforcement of the law with police and the parliamentary responsibilities,

that delineation is clear, and we respect that clear issue of those who pass the law are not the ones that enforce it. The police are the ones that enforce the law.

Mr. McFadyen: Mr. Speaker, it's certainly a different tune from the tough talker that was out there announcing more police for Operation Clean Sweep when he was out there directing the police to crack down on what was going on in Winnipeg, Mr. Speaker. He's got one standard for directing police in Winnipeg; he's got a completely different standard when it comes to what happens in other parts of the province.

The fact is that there are parties involved in this dispute. There are people that are involved in the chaos and conflict that is taking place in that part of Manitoba, because at the same time that his Minister of Conservation (Mr. Struthers) was bungling the cottage lot sell-off in Hollow Water, that very same land was a subject of an agreement that his Premier was negotiating, and that agreement says that we're entering into government-to-government relationships, including principles of land and resource co-management. And that land that is referred to in that agreement is the very land that his Minister of Conservation was raffling off in the cottage lot draw.

So will the Premier acknowledge that the conflict and confusion that now exists at Hollow Water is as a consequence of his weakness and mismanagement when it comes to this issue, Mr. Speaker?

Mr. Doer: Mr. Speaker, dealing with section 35 of the Constitution of Canada, the section 35 provisions of the Constitution of Canada, which were the principles of consultation which this government respects, we have had cottage lots, some 1,200 cottage lots, we've had massive expansion of endangered spaces. We've had consultations on preserving the woodland caribou with First Nations people. We've had consultations on the mineral rights for First Nations people that we have put in legislation to protect the royalty provisions. We have had good consultations on taking the static and zero development on Treaty Land Entitlement and moving that forward. Thankfully the federal government now that has put in process, a good process, on resolving Treaty Land Entitlements that are sometimes over 100 years old.

And I would point out, Mr. Speaker, that the law that we are enforcing—and you can actually respect the law and also have more police officers at the

same time. You can actually walk and chew gum at the same time. I would point out that in Ontario with the former Harris government, who the member opposite worked for, the former Conservative government in Ontario, the death of Dudley George at Ipperwash led to a public inquiry that stated the government's role in law enforcement in Ipperwash and made a strong recommendation that the minister not direct the police in matters of law enforcement. The powers and responsibility to direct the police does not include directions regarding specific law enforcement decisions in individual cases.

The bottom line is, Mr. Speaker, that the inquiry has made it very clear, and there's been a parliamentary principle—the member opposite, from Lakeside (Mr. Eichler), might not know this, but there's been a parliamentary principle in place for years that the Minister of Justice does not tell the police to go in and investigate the Leader of the Opposition. That's called a police state. You have a separation between the laws that are passed in this Legislature and the enforcement of the law, but that does not stop a government from adding a lot more police officers which we have been proud to do across Manitoba.

*(13:50)

Mr. McFadyen: Mr. Speaker, we wouldn't even need a debate about law enforcement if it hadn't been for the fact that they created the crisis and the conflict that now exists in that part of Manitoba. And the fact is that at the very same time as his Minister of Conservation was telling one group of Manitobans that they had a right to an interest in land, those Manitobans were putting up their life savings, in some cases, to acquire the land and develop it with the expectation that they would not only have the rights to the land, but the ability to access that land. So that's what his Minister of Conservation is saying to one group at the same time as the Premier is saying to a different group of people that we are entering into an agreement for co-management of the very same piece of land.

You can't help but feel that both parties have a right to believe, in light of what they're being told by the government, that they have an interest in that land. Why didn't they get their act together? Why were they utterly incompetent when it came to the message they were sending both to the people of Hollow Water and to the cottage lot owners, which has led to the current crisis. Why won't they acknowledge their weakness and incompetence on

this issue, apologize and get down to work in resolving these problems, Mr. Speaker?

Mr. Doer: Mr. Speaker, we've had over 1,200 cottage lot developments take place, many of them in and around First Nations communities, with great co-operation. I regret the blockade that is taking place and I regret the difficulties that have arisen from that situation. Certainly, by regretting a situation, the minister put it on hold. There was consultation that took place prior to any decision being made. We would hold all parties to be responsible, including individuals that have put up the blockade, and we also respect the role of the police officers to enforce the law.

Mr. Speaker, the member opposite is really, really flippant with his gratuitous comments on competence. I'd like him to know that a few people I just ran into today thought it was pretty incompetent for him to have a lot more money to run the last campaign. People like Stu Murray thought he should have done a lot better. His cost-effective performance was pretty pathetic in the last campaign.

Hollow Water Cottage Barricade Government's Response

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, this NDP government has made no progress in regard to the negotiations with Hollow Water concerning the illegal barricades. They are still up and there is no end in sight. In the meantime, cottage and homeowners are stopped from protecting their property before winter. Hunters are being stopped from hunting and even our winter roads may not be constructed, all because of the incompetence of this government.

So I ask the Minister of Justice (Mr. Chomiak): When will the barricades come down?

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, it's been made abundantly clear to this member that we're just not going to tell the RCMP how to do their job. The RCMP have a lot of experience with dealing with these sorts of situations. The RCMP know what their role is. We're not going to tell them to go in and take down the barricades no matter how many times the Member for Lac du Bonnet gets up in this House and crows about it. We're just not going to do that.

We're going to continue to work to make sure those barricades come down. We're going to continue to work to enable cottagers to go in and winterize their cabins. We're going to do all those

things, Mr. Speaker, without making the mistake of listening to the Member for Lac du Bonnet.

Impact on Tembec Paper Mill

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, the illegal barricades could cause millions of dollars in damages to homeowners and cottage owners, to our tourist industry and to isolated Aboriginal communities on the east side of Lake Winnipeg and now to the only paper mill we have in Manitoba. The illegal barricades are impeding wood supplies from reaching the Tembec paper mill in Powerview, Pine Falls.

So I ask the Minister of Justice (Mr. Chomiak): Who will pay for the millions of dollars in damages? Who's going to pay for the increased costs for Tembec?

Hon. Stan Struthers (Minister of Conservation): You know, Mr. Speaker, this is typical of the folks from across the way. On the very day—on the very day—that Tembec accomplishes something as positive as getting accredited by an internationally known forestry certification group, he takes the negative path. You know, if there's a fork in the road, the Member for Lac du Bonnet should just take one.

Mr. Speaker, I'd suggest he look at the positive side of this with Tembec because they are a very important employer in our province. They're very important and good managers of our forests. We need to work with them to strengthen that company, not carp about all the negative—

Mr. Speaker: Order.

Mr. Hawranik: Mr. Speaker, the paper production industry in Canada is tenuous at best because of the effects of the high Canadian dollar and low paper prices. The supply of wood is dwindling due to the illegal barricades, and this has simply increased costs to Tembec. Close to 300 residents of Powerview, Pine Falls, depend on Tembec to support their families.

So I ask the Minister of Justice or the Minister of Conservation or anyone who wants to get up over there, the barricades have to come down. Will he do his job before this NDP government's incompetence leads to massive job losses in our community?

Mr. Struthers: I would refer the Member for Lac du Bonnet to my first answer, and the answer of the Premier, and the answer of the Minister of Justice. We've been consistent on this. We've been very

consistently saying that we're not going to tell the RCMP how to do their job.

Mr. Speaker, when I meet with Tembec, one of the things they say to me over and over and over again that one of the real advantages here in Manitoba is the low cost of energy that they need to provide those jobs in this province, the low cost of hydro. Where do members stand when it comes to hydro and how would that impact Tembec if they had their way and they sold the company?

North End Housing Project Recommendations for Board Members

Mrs. Bonnie Mitchelson (River East): Yesterday, in the Estimates process, the Minister of Housing indicated that his department was meeting regularly with the board members of North End Housing Project to resolve the outstanding issues that were there three weeks ago. The issues three weeks ago were that they needed to adjust their operations, secure alternative funding sources, change their costly organizational structure, and meet reporting requirements.

Have they accomplished this through the meetings that the minister's had with North End Housing?

Hon. Gord Mackintosh (Minister of Family Services and Housing): Mr. Speaker, I understand there's—maybe I should say this. Yesterday, the member went around screaming scandal, scandal, scandal. She went into Estimates and, for two hours actually, tried to look for one.

Mrs. Mitchelson: It's somewhat of a scandal when the government doesn't understand the bottom line or have any concern for the bottom line, and taxpayers are paying as a result, Mr. Speaker.

Can the minister indicate today whether all the audited financial documents have been received in order to determine how much taxpayers are at exposure, and what is the financial liability for taxpayers? Has he determined that with his meetings?

Mr. Mackintosh: Mr. Speaker, I'm advised that, for the completed properties, indeed, the statements have been received.

I was at a meeting in the North End last night, and unfortunately, their unparliamentary remarks reflecting on the defamation and the slander of the North End Housing Project in her claim of scandal. If that's scandal, it says clearly what their policy is

and always has been; that is, no investment in older neighbourhoods, no investment in affordable housing, no investment, Mr. Speaker, in strengthening communities because all of the investments in the North End Housing Project are about investing in the well-being of this province.

You know, at the end of their regime, property values in parts of the North End had fallen in half. What was their solution? Bring in a bulldozer, and more recently, the Point Douglas beach resort and marina.

* (14:00)

Mrs. Mitchelson: The scandal in this whole issue is the red flags that continually are ignored by this government, time after time after time: Aiyawin, Crocus and now North End Housing. Red flags were raised, deficits were being run and this government and this minister, or his predecessor, sat on their hands and did absolutely nothing to try to get to the bottom of the financial mismanagement and the incompetence of this government.

Mr. Speaker, can the minister give assurances to this House that all of the creditors and all of the tradespeople that worked on North End Housing projects have been paid for the work that they've completed?

Mr. Mackintosh: Mr. Speaker, what we saw in a remarkably changed housing market with rapidly rising house values, in part because of North End Housing Project, rapidly increasing construction costs, is a cash crunch. The investments that were made by three levels of government have brought on-stream 148 units of affordable housing in the North End. Why did three levels of government continue to work with North End Housing? I'll quote Joy Smith, MP: The strength of Canada is the strength of our communities.

That's why the federal government is continuing to provide support for projects like these ones. With these funds, the North End Housing Project will upgrade and renovate 14 homes. Here in Winnipeg, we're proud to be working in close co-operation. That's why, Mr. Speaker, cause we're builders.

University of Manitoba CAW Strike University's Response

Mrs. Myrna Driedger (Charleswood): Yesterday, almost 500 members of the Canadian Auto Workers Union went on strike at the University of Manitoba. Services affected include maintenance, garbage

pickup, grounds, powerhouse and food service. I know a number of students that didn't have lunch yesterday because of a closure of a cafeteria.

Can the Minister of Advanced Education tell us how the university plans to deal with these services during the strike?

Hon. Diane McGifford (Minister of Advanced Education and Literacy): Mr. Speaker, my information from the university is that management will be cooking, that management will be cleaning and management will be providing whatever services they are able to.

It's also my information that I'd share with the member is that there is, currently, a conciliator working for the Canadian Auto Workers, and we certainly share the member's hopes that the labour unrest—that these issues will be resolved as soon as possible so that operations at the University of Manitoba will continue in the wonderful way that they usually do.

University of Manitoba Faculty Strike Status of Classes

Mrs. Myrna Driedger (Charleswood): University of Manitoba professors have also taken a strike vote and they could walk off the job next week. Mr. Speaker, 27,000 students aren't sure if classes will be cancelled.

I'd like to ask the Minister of Advanced Education today, who must have had this conversation with the University of Manitoba, if she could tell students whether classes will be cancelled.

Hon. Diane McGifford (Minister of Advanced Education and Literacy): Mr. Speaker, the member tried to lure me into making statements that would compromise labour negotiations in Estimates. I want to really discourage her from doing this.

What I can tell her is that in 1995 there was a strike that lasted three weeks and cost the cancellation of the December exam period. So we certainly hope that the mediator, who is working with the Faculty Association and the administration at the University of Manitoba, will be able to effect a solution, and therefore a faculty strike will be avoided, unlike what happened in 1995.

Mrs. Driedger: Mr. Speaker, the questions in Estimates that were asked of the minister were to see what she knew about her department. As it turned out, when asked about what was happening at the university, she didn't know, and she said she didn't

want to know, that she was just going to keep her fingers crossed and hope that there would not be a strike.

Mr. Speaker, 27,000 students are worried because it could affect their tuitions, their graduation rates. They want to know if they are going to have classes next week, which classes will be scheduled, which ones will be cancelled.

Can the Minister of Advanced Education tell us today which classes will not be held at the university? Will classes be cancelled and those 27,000 students be sitting on their duffs next week, Mr. Speaker?

Ms. McGifford: Mr. Speaker, what I can assure the member is that I won't interfere or take sides as former Premier Filmon did in 1995. I have all kinds of quite incendiary remarks that he put on the record. I won't be doing that. I won't be denouncing administration; I won't be denouncing faculty. I will be urging both sides of the table to come together and come to a reasonable solution so that the strike that she's talking about is averted.

Flin Flon Environmental Pollution

Mr. Cliff Cullen (Turtle Mountain): Finally, Manitoba is first in North America in something. We are home to the facility that spews out the most toxic mercury and lead levels in North America. This is the HudBay Minerals facility in Flin Flon, Mr. Speaker. Findings from the National Pollutant Release Inventory confirmed these disturbing facts which raise alarm bells about the environment and public health.

Mr. Speaker, can the Minister of Conservation tell this House what this government is doing to protect the environment in Flin Flon?

Hon. Stan Struthers (Minister of Conservation): First of all, Mr. Speaker, our first priority is to work with the citizens of Flin Flon at the playgrounds, at different parts of the community that need to be attended to so that we can prevent any kind of human health effects. That's our first priority, right down on the ground at Flin Flon cleaning up.

Mr. Speaker, I think it's very pertinent for the Member for Turtle Mountain to know that the licence for this facility was issued in 1990. Maybe he should talk to Jim McCrae or Linda McIntosh and get some answers as to what went on in 1990.

Mr. Cullen: Mr. Speaker, it's clear this government is not concerned about the environment. For example, this Premier (Mr. Doer) is prepared to run bipole 3 through the west side of Manitoba. This would include parts of the UNESCO-recognized Riding Mountain Biosphere Reserve.

This line, of course, would run an additional 400 kilometres through pristine forest. The Flin Flon plant alone releases more mercury than all four of Ontario's coal-fired power plants. It also releases more arsenic than any other plant in North America.

Given that these emissions can cause serious health concerns from brain damage in young children to cancer, what steps is this government taking to protect Manitoba's public?

Mr. Struthers: The Member for Turtle Mountain's a nice enough guy but, you know, he's really stretching it with that kind of an approach to this issue. The first thing, as I've indicated, the first thing that we're doing is working with the citizens of Flin Flon to clean up very specific areas in their communities, things like playgrounds where children frequent, or children play. That's our very practical approach to this. We want to make sure that we can be there to protect the people of Flin Flon and their children, Mr. Speaker. That's first and that's foremost.

We also need to, Mr. Speaker, continue to work with the company to make sure that we get to the source to begin with. The company has done some good work to bring those levels down. We need to do more in that area as well.

*(14:10)

Mr. Cullen: Mr. Speaker, we took this government to task a few days ago when their own report found high levels of arsenic, lead and mercury in those soil samples, and we know those samples came from playgrounds and schoolyards in Flin Flon. This report from the National Pollutant Release Inventory just reaffirms the mercury and arsenic are a real issue and a serious concern.

Will the minister please tell this House what he's going to do to clean up this situation and protect the children in Flin Flon?

Mr. Struthers: Again, Mr. Speaker, I refer to my previous answer and my answer previous to that where I've made it very clear that what we're doing is working with the people in Flin Flon to make sure that we identify the playgrounds, the green spaces, all of those areas in Flin Flon that need to be

attended to, and we're assigning resources to do that along with the citizens of Flin Flon.

Mr. Speaker, in terms of questions that he tried to make, linking this to any kind of a bipole, my money is on the scientists. They're the people who do the work, the people who are experts in the area. When the CEC takes a look at it, they will come forward to us with some recommendations. I'd rather listen to them than any of the members across the way.

Epcot Center Manitoba Representation

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I guess you cannot say that the Minister of Competitiveness runs a Mickey Mouse operation anymore because when Manitoba had a chance to be profiled at Disney World in Florida, they said they did not have the money to be included.

Mr. Speaker, the provinces of Ontario, Alberta and Québec and the cities of Montréal, Toronto, Vancouver and Calgary all took part in a film to be presented at Epcot Center and meanwhile Manitoba was left in the dust.

I ask the minister: Where was the spirited leadership to get Manitoba involved?

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): Mr. Speaker, this member across the way has repeatedly said, stop marketing; don't tell people about the benefits of Manitoba. She has criticized any effort that we have done on profiling Manitoba's advantages, and then on Thursday she says, you should be spending money on marketing.

It's nice to be in the opposition, Mr. Speaker, where most of the time she can say from one side to the other on the same questions. I have answered the questions where we have started working with the business community to market the province and they criticize. Now they're criticizing we're not doing it. Please keep it straight.

Mrs. Rowat: Mr. Speaker, beer and wine for the Premier's Economic Development Advisory Committee, but no Mickey Mouse.

Mr. Speaker, Travel Manitoba said they didn't have the money to be included in the exercise and this process was prior to the Auditor General's study on this, so he's off base. The cost being included would have been one-sixth of the \$3 million wasted on Spirited Energy.

American visitors represent 10 percent of the visitors to Manitoba and 13 percent of the total tourism spending. Manitoba faces increased tourism competition, and this would have been an excellent opportunity to showcase our province.

I ask the minister: Where was he when the decision was made to take part in a global tourism initiative? Was he too busy approving expense claims for beer and wine?

Hon. Eric Robinson (Minister of Culture, Heritage and Tourism): Mr. Speaker, I believe that the member is talking about the 14-minute film montage at the Canadian pavilion at Disney World. It was the determination of Travel Manitoba that the \$250,000 cost that was associated with it would not be a priority for its U.S. marketing dollars in any case, and buying this 15-second spot in the Epcot film would have been minimal potential in terms of attracting tourists to the province of Manitoba.

Manitoba's tourism industry is quite strong as it is and we're very proud of that. The rate of tourism industry in northern Manitoba since 2002 is third in Canada behind only Québec and Alberta.

Mrs. Rowat: Mr. Speaker, they're willing to spend \$38,000 to retain an advertising company per month for this campaign, and they're not willing to look at an opportunity like this for global tourism opportunity.

Mr. Speaker, on page 18 of a Travel Manitoba annual report not only does it say that Travel Manitoba works with the Premier's Economic Advisory Council and worked with the Spirited Energy opportunities, but the Premier's Economic Advisory Council was working with Travel Manitoba on this campaign but missed an opportunity to showcase our province.

Is it true that the Spirited Energy campaign was more about the NDP branding rather than Manitoba branding, like we assumed all along?

Mr. Robinson: Allow me to repeat the answer to the question, Mr. Speaker. Tourism marketing priorities for Manitoba are determined by Travel Manitoba in partnership with the tourism industry. Travel Manitoba has advised that participation in a film would have come with no benefits to our province.

Again, let me reiterate to the member because I do believe that she may have not heard me the first time that Manitoba's tourism industry is doing quite well. As I said, the rate of tourism growth in

Manitoba since 2002 is third in Canada behind only Québec and Alberta.

Standing Committee on Crown Corporations Frequency of Sitings

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, the Doer government's record is an absolute and total disaster when it comes to ensuring accountability inside this Legislature. One only needs to look at the Public Accounts Committee, in which it's widely believed that we have the worst in Canada. Not far behind that, all we need to do is look at our Standing Committee on Crown Corporations. Since the provincial election, 2003, three times MPI has been before the committee. Two times, Manitoba Hydro. Two times, Workers Compensation. Two times, the Liquor Control Commission. Two times, Manitoba Lotteries. That's since 2003. These corporations spend hundreds of millions of dollars every year.

Why does this Premier not recognize the value of having our Standing Committee on Crown Corporations holding these Crowns accountable?

Hon. Dave Chomiak (Minister of Justice and Attorney General): I think I have three responses, three issues, I'd like to discuss in that regard. Firstly, we're sitting more this year than—and I thought we had co-operation from members on all sides of the House in terms of sitting and sitting times, et cetera.

Secondly, Mr. Speaker, when members opposite use their opportunity in Question Period to say things like, ah, to defame and libel people in Question Period, can you imagine the chill it must send throughout the entire community? Can you imagine going to some corporate, or some board of directors, and saying oh, by the way, you have to appear in a committee where an individual just accused someone of defamation? Oh, and by the way, he said he was going to resign, but he didn't resign because, well, he didn't think he had quite done it.

Mr. Speaker, when the Member for Inkster is appropriately dealing with matters, maybe it would be more appropriate. Thirdly, we have a bill before the Legislature to mandate the sitting of the Public Accounts Committee in legislation.

Mr. Lamoureux: Mr. Speaker, I guess we'll have to agree to disagree. When you have a Crown corporation that spends hundreds of millions of dollars every year that affects every person living in this province of Manitoba, it's just not good enough to have them come to this committee twice since 2003, whether it's Manitoba Hydro, whether it's

Manitoba Lotteries. I would argue that Manitobans as a whole would not support the lack of commitment from this Premier in ensuring accountability inside this Legislative building.

My question to the Premier is very specific: When is this Premier going to ensure that there's more accountability of our Crown corporations by having this Committee meet on a regular basis, Mr. Speaker?

Mr. Chomiak: Mr. Speaker, I thought we were in a process with the opposition to redefine the rules and work on all of the committees in this House. I thought that the member went to Regina with a member of this side of the House and that side of the House to look at rules, and we were talking about redesigning the rules to meet on a regular basis. I thought I was in discussion with members opposite about regularly scheduling these meetings. I guess the Member for Inkster is on a different thought plane, and you know, that's been identified many times. I thought we were having discussions on these issues.

* (14:20)

Mr. Lamoureux: Mr. Speaker, I'm glad to see the Government House Leader wants to see the Standing Committee on Crown Corporations a part of the agenda and all of those other committees a part of the agenda.

What I'm looking for today from the Premier is a commitment of the value of the standing committees being able to deal with our Crown corporations. Since 2003, that's been a total and absolute failure. The way in which we can ensure more accountability of our Crown corporations is by having those Crown corporations come before committee. I make no apologies for holding government agencies and Crown corporations accountable for the actions that they take.

The question to the Premier is: When's he going to have the courage to bring these Crown corporations before committee on a regular basis?

Hon. Gary Doer (Premier): Mr. Speaker, I would point out that the member opposite likes to grandstand. I remember he signed an agreement—*[interjection]*

Some Honourable Members: Oh, oh.

Mr. Doer: It might be a surprise to people.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable First Minister has the floor.

Mr. Doer: I remember that he asked not to meet in the summer after the 2003 election. Then we signed it off, but apparently it was in disappearing ink because then he had a press conference after and condemned the number of days we sat.

I remember reading this summer after our House Leader offered a Public Accounts meeting, I read in the paper that there had been no Public Accounts meeting. I went back and read his letter and he'd already offered the Public Accounts meeting. A little bit of grandstanding.

If you'll read *Hansard*, the Leader of the Opposition (Mr. McFadyen) and I—and I know he doesn't read *Hansard*—but the Leader of the Opposition and I did agree that we should have a Hydro meeting. We're working with the senior Hydro people, and I do believe that we should have regular Public Accounts committees. That's why we're putting in legislation because we don't want to propose a date and have the member opposite say, oh, I can't meet now, and then stand out and have a press conference after. We have to put it in law so he'll come to the meetings.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Southdale Constituency Report

Ms. Erin Selby (Southdale): Mr. Speaker, my constituency of Southdale is just one example of the growth and prosperity happening throughout Manitoba. The new Sage Creek neighbourhood being developed in my constituency will serve as an example for other jurisdictions on how to build housing responsibly. Sage Creek will be a neighbourhood designed for leaving the car at home and getting out and exercising with friends and family.

Thirteen thousand people will be moving into Sage Creek adding to the vibrancy of Southdale. The population in Southdale is up 70 percent, Mr. Speaker, and the housing starts are just the beginning of the changes. With sound environmental planning, new communities in Southdale will be shiny examples of sustainability and economic opportunity. Neighbourhoods all over the province are

booming, and I am pleased to be representing a community that is growing responsibly.

Over the last five years, Manitoba's population growth has been five times larger than the previous five-year period. This is a population trend that has not been seen in Manitoba for 25 years. In 2006, Manitoba's population increased 2.6 percent from 2001 and this is in contrast to the 0.5 percent increase between '96 and 2001.

The most exciting part of things is that young people are staying. According to Statistics Canada, Manitoba has a net gain of more than 3,000 people aged 15 to 24 between '99 and 2006. Mr. Speaker, between '92 and '99, Manitoba saw a net loss of 2,579 young people.

Manitoba is an exciting place to live, work and raise a family, and we continue to gain momentum. We have increased immigration levels, reduced taxes, invested in infrastructure, and the results can be seen by every resident in Southdale as they witness the numerous housing starts throughout our province. Manitoba truly has a bright and exciting future. Thank you, Mr. Speaker.

Fire Safety Month

Mrs. Mavis Taillieu (Morris): I would like to take this opportunity to provide an important reminder to Manitobans that October is Fire Safety Month.

As we prepare for the coming winter months, it is imperative that we take the time to renew our awareness of fire prevention strategies, ensure our homes are equipped with proper and well-functioning safety devices, and that we have well-prepared strategies in the instance of an emergency. Fire emergency preparedness is the most essential insurance against fire that we could choose to adopt for our families. In order to ensure that we are protected to the greatest possible extent, it is important that we update our fire safety education. If we are to take the time to listen to firefighters before a fire, with good fortune we will not have to ask them to be our heroes later.

The incessant bustle of our day-to-day lives can often overshadow the seemingly distant importance of fire safety. However, it is the fundamental purpose of Fire Safety Month to mitigate the inherent human propensity for procrastination and to take the time to ensure that the proper measures are in place to both prevent and deal with an emergency.

We only need to consider the potentially devastating financial and, more importantly, human costs to fully appreciate the significance of the simple act of preparedness. Ultimately, the importance of fire protection extends beyond our own family welfare, but it is an effort that affects our entire communities.

On behalf of all Manitobans, I'd like to thank our professional firefighters. In our rural communities, many of our firefighters are staffed by dedicated volunteers. We have the greatest of respect and sincere gratitude.

Thank you, Mr. Speaker.

World Vision One Life Exhibit

Mr. Bidhu Jha (Radisson): Over 40 million people globally are infected with HIV-AIDS; 90 percent of that population lives in poor and developing countries. In 2005 alone, 2.5 million people in sub-Saharan Africa became infected with HIV. That is in addition to 24.5 million people already affected in that region and almost one million more than the total number of infected individuals in the western world.

Two months ago, World Vision, a non-governmental aid organization, visited Winnipeg with One Life Exhibit program. This well-organized and extremely effective exhibit was set up in a tent at The Forks. Organizers had invited guests to experience the real-life experience of life of four African children living through the most unfortunate and very painful, insecure life. The African village did display one of that continent's greatest humanitarian crises. Pictures of individuals were displayed in separate rooms throughout this exhibit.

Mr. Speaker, it is with a very, very heavy heart that I share that experience in this House. The emotional feelings of witnessing the sufferings of these children literally broke me down and I was deeply saddened.

Although the geographical distance between Winnipeg and sub-Saharan Africa is great, the exhibit reminded us that, because of globalization, the effects of this disease on the African individuals and societies can be felt throughout the world.

Mr. Speaker, all of us, as well as future generations around the world, will be affected by this devastating disease if we fail to act, not stop the spread of HIV-AIDS today.

I thank the organizers, Lina Van der Wel and Nicole Hrehirchuk, of World Vision for their commitments and passionate presentation to make us realize that we truly live in a global village and that it is up to us to accept the challenge to eradicate this deadly disease from the face of the earth.

Let us work together, Mr. Speaker, all of us with the right attitude to treat all human beings as our brothers and sisters and make our—

Mr. Speaker: Order.

Excellence in Aboriginal Business Leadership Awards

Mrs. Leanne Rowat (Minnedosa): I would like to put on the record my congratulations to Pat Turner, Errol Ranville and Andrew Clarke for receiving nominations for the 2007 Excellence in Aboriginal Business Leadership Awards. These individuals are leaders in the business community, Mr. Speaker.

Andrew Clarke, in 1994, opened a financial services business in Winnipeg called Clarke Financial Planning & Insurance Services. It aimed to become the foremost leader in providing Canada's First Nations with group insurance and pension plan solutions.

Errol Ranville is a musician who has garnered Juno Award nominations and has been inducted to the Manitoba Aboriginal Music Hall of Fame. He has helped promote the growth of Aboriginal talent, mentoring and managing emerging artists.

Pat Turner has been a federal civil servant and a Grand Chief, but her main legacy will be her success that she's achieved in the business community. She was also instrumental in the formation of Manitoba's Aboriginal Chamber of Commerce, a first in Canada and served as the organization's interim president.

The Aboriginal Chamber of Commerce is exceeding at connecting Aboriginal business owners, but it is also connecting businesses with the mainstream. Business people are the engine of our economy. The business leaders that were nominated in the 2007 Excellence in Aboriginal Business Leadership Award are providing opportunities and employment for workers in Manitoba, Aboriginal and non-Aboriginal.

I congratulate all of the nominees for this evening's award. I would also like to congratulate the Aboriginal business community for the leadership

role that they are taking in the business community. Thank you, Mr. Speaker.

* (14:30)

Elmwood Constituency Events

Mr. Jim Maloway (Elmwood): Mr. Speaker, I had the pleasure of hosting three community parties in my constituency of Elmwood over the course of the summer.

The first of the afternoon events was held in late June at the old Knights of Columbus hall on Desalaberry Avenue. I was delighted that such a large group of both adults and children came out to enjoy the community event. I was also pleased that the Member for Radisson (Mr. Jha) joined me for the afternoon with community members.

The second party was held in August in the Oakland Gardens' common room. Once again, I was very excited to see so many members of the community who came out to have some complimentary refreshments and partake in the festivities. It was my pleasure to be joined by one of my newly elected colleagues, the Member for Rossmere (Ms. Braun), who also came out for the afternoon.

The third event was held in the Fort Agassiz Apartments common room in mid-August. Once again, many people made time in their busy summer schedules to attend the event. I was joined by a colleague who has been a long-serving representative of this community, Bill Blaikie, the member of Parliament for Elmwood-Transcona.

At each of these events I made a presentation with my colleagues on the provincial government's anti-crime initiatives. The safety of our communities is an important concern to this government, and I strive to keep my constituents up-to-date on such issues.

Mr. Speaker, I would like to take this opportunity to congratulate all of the door prize winners, including Elma Houssin, Pearl Stoter and Mildred Sliwa. I would also like to sincerely thank all the members of the Elmwood community who came out to join me at these three successful events over the course of the summer. Their warm welcome and strong community spirit were greatly appreciated. Thank you.

Mr. Speaker: We will continue Orders of the Day.

**ORDERS OF THE DAY
(Continued)**

GOVERNMENT BUSINESS

House Business

Mr. Gerald Hawranik (Official Opposition House Leader): In accordance with rule 31(9), I'd like to announce that the private member's resolution that will be considered next Thursday is the resolution on TILMA and the Benefits for Interprovincial Trade of Meat and Meat Products sponsored by the honourable Member for Arthur-Virden (Mr. Maguire).

Mr. Speaker: In accordance with rule 31(9), it's been announced that the private member's resolution that will be considered next Thursday is the resolution on TILMA and Benefits of International Trade sponsored by the honourable Member for Arthur-Virden.

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, would you please canvass the House to see if there's agreement for the sections of Supply to sit until 6 p.m. today instead of 5 p.m., with no recorded votes to take place between 5 and 6 p.m. today?

Mr. Speaker: Is there agreement for the section of Supply—

Order, please. I need to be able to hear everything.

Is there agreement for the section of Supply to sit until 6 p.m. today instead of 5 p.m., with no recorded votes to take place between 5 and 6 p.m.? Is there agreement? *[Agreed]*

So we'll continue on to Orders of the Day and we'll now move into Supply. The House will now resolve into Committee of Supply.

Madam Deputy Speaker and the chairs, please proceed to the respective rooms that you will be chairing. Thank you very much.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

FAMILY SERVICES AND HOUSING

* (14:50)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Family Services and Housing. As had been

previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

Mr. Stuart Briese (Ste. Rose): I know this morning we talked somewhat about foster parent recruitment, but I have a few more questions along that line.

I think a number was given for how many new families there were this morning. I'd like to know how many foster families and foster beds there are in Manitoba in total.

Hon. Gord Mackintosh (Minister of Family Services and Housing): We're just trying to get an updated number here but at the end of August 2007, I'm advised that there were 2,515 licensed foster homes. There will be a different number today. As well, though, there were 221 licensed special facilities.

Mr. Briese: You just gave me another question. What are special facilities?

Mr. Mackintosh: Those are specialized beds. They are with, in almost all cases, organizations, for example, Ma Mawi; B&L Homes is another provider. They organize home facilities. As well, I just wanted to ensure the 493 foster beds are beds, not necessarily families, because it's important that we try and get more than one bed in every family because of the demand for sibling placements.

Mr. Briese: Do you have regional breakdowns on those? I don't expect you to maybe come up with the number immediately, but would you be able to provide those? Where, geographically, is the greatest need right now because I presume there are some differences across the province?

Mr. Mackintosh: We would have to make contact with the agencies for a geographic breakdown. It would be interesting to see that. It would be worthwhile to pursue those numbers and we can do that. We can more quickly, of course, provide the breakdown according to the authorities; that is not necessarily north and south because, of course, they have jurisdiction now, for example, in the city of Winnipeg.

When we announced the Circle of Care campaign, we were emphasizing the need for Aboriginal families, for families in more northern and remote and rural communities. We also are identifying a disproportionate need for the southern authority jurisdictions. As well, and I think I said this this morning, but there is a great need still for

specialized homes to deal with the higher-risk, complex-need children. That was indeed one of the challenges with the hotel minimization strategy was with high-need adolescents, teenage years. It has proven to be disproportionately challenging to find long-term placements for that population, especially when they have complex needs.

Mr. Briese: You talked about extra beds in foster homes and trying to get placements that have more than one space. I presume there's a maximum on those and if so, is that maximum exceeded in some places?

Mr. Mackintosh: In the licensing procedures there is a general limit of four in a foster home, but there can be exceptions made. Of course, that would largely be when there's a large sibling group. It was recognized a few years ago the importance of keeping sibling groups together and perhaps for obvious reasons; but historically there wasn't a practice of maintaining sibling groups together. I think there's been a remarkable change in that and it remains a priority and a basis for exception.

Mr. Briese: You're saying to me that that would be the only case there would be exceptions, is in large sibling groups?

* (15:00)

Mr. Mackintosh: The branch advises me that that is the only known exception to that.

The branch advises that there may be the odd circumstance where additional flexibility may be recognized when, for example, there is a child ageing out. There may be some other reasons why there would be an exception made, but that is relatively rare, I am advised.

Mr. Briese: On the issue of ageing out, both in Child and Family Services and in dealing with FASD, are there criteria—I know you have programs that will go beyond the age of 18, but are there transition criteria that are used for the ones that age out?

Mr. Mackintosh: When the child becomes an adult on reaching age 18, it is, of course, necessary for that individual to agree to an extension. So that's the first prerequisite and the most important. As well, there must be agreement by the foster family.

The need is identified by the agency at that level. What is looked at is really, I am advised, whether there's a special need. In other words, is there an ongoing need for in-home parenting? Are there special needs that the child is dealing with? FAS may

be one consideration there, but it is not determinative. As well, there may be the completion of education that maybe is pending, and it's important to stay in that particular home or that particular community in order to finish some months or other periods of education.

It's important to know that at age 16 the practice is that agencies begin to, again based on identifying the need of the child, working with external agencies for adult services so that there is a transition plan in place.

I can also say that there are guidelines. For example, there's the Manitoba Transition Planning Process Support Guidelines for students with special needs reaching age 16. Part of the plan will be perhaps even the extension of some support services, maybe even just extended family, and, as well, the assessment and development of skills for independent living. So all of that goes into the determination by the agencies on the appropriateness of continuing in care.

There has been a very clear pattern over the last short period of time for more and more extensions of care; in fact, some significant increase in the numbers. That's what we're looking for right now. I know they're somewhere nearby. We can provide that to the member later because I think it's important to know that there has been increased recognition of the need to extend care.

Now, the member raised FASD in particular, and I wanted to address that. It's important for him to know that because of the concern around children in care living with FASD, the need for services when there is independent living, the member may have noticed just a few weeks ago there was a call for proposals for what's called Spectrum Connections. It will be a new service that will provide outreach services, a mobile team, to ensure that younger people living with FASD have supports, whether it's housing, employment, employment preparation, whether it's a link to families. It may even be a link back to the foster family from time to time. It may be financial challenges that the individual is dealing with.

So what we're developing here I think is very leading edge. We went by way of a call for proposals because we think it's important that community agencies that have some similar type experience be allowed to submit their proposals. I'm aware of one or two agencies. I know of one for sure that certainly is interested that has an excellent reputation. So that

will be largely focussed on youth who are ageing out with FASD but not entirely. There will, I think, be a broader population as well.

What we intend to do is grow that, so we've carved out a budget allocation, I think, in the range of \$450,000, and we just see that as the beginning, but it's important that we grow this new service. So, if there's any other questions on that, I can see there's some more information available if the member is interested.

*(15:10)

Mr. Briese: I would appreciate that information. You've indicated that the number of cases that fall into that category are growing. I presume you see it as growing some more. Those cases remain under Child and Family Services and the funding, I presume, comes out of Child and Family Services. How long would they be kept in that program before they'd be moved into something else if they required ongoing care?

Mr. Mackintosh: The recognized maximum age in Manitoba is 21, at which time, if an individual was still in an extended program, there would be a link then to other programs for adults. The obvious there is likely to be a supported living program, you know, community living program. As I recall, I think there are other jurisdictions in Canada that have a lower age of majority; I think Saskatchewan is 16 and there may be some other jurisdictions like that. So Manitoba has a more robust child welfare age time frame in addition to the ageing-out option or the remaining-in-care option.

Was the member looking for more on Spectrum Connections and FASD?

Mr. Briese: I do have a series of questions on FASD that I was going to move into after about one more here.

Is there then a specific piece of the budget committed to those aged-out cases?

Mr. Mackintosh: That budget comes out of what's called the child maintenance budget, so it's really based not on a quota but on a demand basis and then we do our best to predict future year demands based on trends.

Mr. Briese: As that number goes up, which I think we've heard it's going to, it would just be part of the global budget?

Mr. Mackintosh: It's part of the child maintenance line, the budget, and that's seen some significant growth over the last number of years, both due to volume and to price increases.

Mr. Briese: I had one more question, Madam Chair, that pertains to some of the things we were talking about earlier, the CFS workers, the case workers and I think, probably, it should overlap into foster homes. It's about criminal record checks and child abuse registry checks.

Are all case workers required to go through those checks? Are similar checks done on foster parents?

Mr. Mackintosh: There has been a concerted effort by the authorities and agencies to complete these checks. There wasn't a grandparenting when the new regulations were brought in, in the 1990s. I think there are some of those workers still in the system, but as I recall, when we did all of the updating—I should say when the authorities and agencies did the updating—I think that those individuals were included in that, even those ones who were grandparented. So, my understanding is, except for the very new hires, that task is completed in terms of criminal record and abuse registry checks, and that, as well, it's my understanding that that's the case for foster homes which is a condition of completing the licensing process.

Mr. Briese: Madam Chair, I'm going to move to several different areas now. One question I wanted to ask was, the previous Minister for Family Services, in a letter in March of '05, stated that she would start a review of The Adoption Act, and stated that it would begin in the fall of '05. I'm wondering if that process has started yet.

Mr. Mackintosh: The issue of adoptions has been an interesting one for me to discover. I've met some people with some strongly and differing held views on this one and I think that sort of is reflected by the approach to adoption legislation across the country.

The importance of adoption, of course, can't be understated. In fact, the need for the adoption, particularly of older and multi-need Aboriginal children is one that has been recognized as an ongoing challenge, and yet, you know we do have a strong subsidy program here in Manitoba. We have an initiative and a new coalition of adoption agencies that, I think, is doing a good job even just with it recently coming together to raise the issue and the attractiveness of adoption for Manitoba families.

Now, when it comes to the legislation, as part of the devolution process, it was agreed a few years ago that there would be a wholesale examination and review and presumably then, a rewrite or amendments to Child and Family legislation, which would include The Adoption Act. The interest, I know by the authorities and many Aboriginal communities, is that it be done holistically, that it be done in a comprehensive way, and that process is scheduled to begin this winter. It's not anticipated that the legislation would be ready for the next session, but the process will be under way.

*(15:20)

Now, in the meantime, we've taken a real interest in recent developments in what's called the Alberta model. There's what's called the Ontario model, which recently had a fight in the courts of Ontario, and so the department is looking at that. There's the big debate around open records and the ability of families or individuals to have veto over access to information in there. Obviously, it's a balance that has to be maintained. We have a system that, I think, has been recognized as good but only for, you know, going back a certain period in time. So it's a question about, should that be changed, and so the different models are being looked at.

I can say, though, that there will be consultations on any move to open up The Adoption Act and to bring in any different kind of regime here, recognizing what the Charter, the law of Canada, has supported and what it hasn't. So I think that explains the time line on that, so the member can look forward to hearing more about the issues that need to be publicly discussed around The Adoption Act and the context then of the review of the whole legislative scheme.

Mr. Briese: Another issue I want to touch briefly on is the income assistance and I know that there's a program called Rewarding Work. What I can observe from numbers and so on that I've seen is that our income assistance numbers are not changing very much. They're fairly stagnant. I'm wondering if the program has—first of all, the cost of the program and secondly, whether it is having the desired results because it would appear from the numbers I'm seeing that it isn't.

Mr. Mackintosh: Charlene Paquin joins us. She is the executive director of the EIA program.

The member will be misinformed with the trend in welfare caseloads. For example, the average

annual number of persons by fiscal year is one of the measures that has been used since 1987 and that indicates that as of August, we're at the lowest level in 20 years, a reduction of 11,700 or so, or 17 percent since '98-99 alone. There also has been an increase—I suspect this goes back a few years—of an increase in caseload for persons with disabilities. That's been a pattern across the country as well.

The Rewarding Work initiative, then, was part of the budget, and there's quite a number of moving parts to that program. The focus of the initiative is to reduce what's been called the "welfare wall." The Rewarding Work initiative, as I said, is designed to deal with what's been recognized and labelled as the welfare wall. Particularly, we've been hearing from single parents of the challenge and the disincentive of getting into the workforce part-time and, especially, full-time.

When people leave welfare, they lose many benefits. That may be surprising to some. For example, if you're a single mother with children, when you get off of welfare, you're not going to get payments anymore according to how many children you have. You get paid according to the job description and your pay scale. You don't get payment for the eyeglasses that your child may need or the dental work, as you did on welfare. You're going to pay more for child care. You're going to have the cost, of course, of getting to and from work. You're going to have work clothing expenditures. So there are many barriers that are bricks in the welfare wall that have to be addressed.

The federal government introduced the Working Income Tax Benefit in the last federal budget which is highly commendable. It is the right thinking. Similarly, we have introduced Rewarding Work here in Manitoba, based on what is, I understand, recognized as best practices, to make sure that we support people moving off of welfare and into work. It really is focussing on the working poor, on low-income Manitobans who aren't on welfare. Although there are some changes to people who are on welfare but are getting into work.

So far, the change has comprised of reducing the child care costs for those who are off welfare; the non-subsidized daily fee is reduced from \$2.40 to \$2.00. That has a fairly significant impact, actually, on a family with a number of children in child care every year. We've also indexed, I think by 13 percent, the subsidy for child care. We've doubled the assets that a person with disabilities on EIA can

have. So, those are some of the pieces that have already been done.

What's next? We're looking at, for example, extending the amount of time that people can get trained up to employment and get out of the welfare trap and into better paying, longer-term employment. Making sure that educational opportunities are better facilitated.

This coming year, as well, we'll be introducing the Manitoba Child Benefit, which recognizes the issue that I started talking about, and that is, there will be a benefit for low-income working Manitobans with children. There are some other jurisdictions that are doing this as well. We're not the first, but we're certainly not the last.

So there are about 100 moving parts to Rewarding Work and the initiatives will be unfolding. As well, I can say that there is a program design completed, or near completion, with the necessary approvals for many initiatives that will help to facilitate persons with disabilities getting into employment, and a number of disabilities, and some programs with a specific focus.

Those are some of the components in the first year.

So, is that it?

Madam Chairperson: Honourable Member for River East, on questions related to Housing?

* (15:30)

Mrs. Bonnie Mitchelson (River East): Yes, I just wanted to ask one question. The minister said there's been a decrease of 11,000 people on social assistance since 1998-99, I believe. Was that the number?

Mr. Mackintosh: There's been a reduction of 11,756. That is the reduction in the average annual number of persons by fiscal year since '98-99. At that time there were 69,302 and now it's 57,546.

Mrs. Mitchelson: Could the minister tell me how many in that reduction number would be single parents? Are we seeing a significant reduction in the number of single parents on social assistance?

Mr. Mackintosh: I haven't done the old calculator on this graph, but this is the number of cases, which is a different measure, but nonetheless it will be reflected in the average annual people. But from 2000-2001 to '06-07 there has been a reduction, and when we're looking at the number of cases here,

there's almost a thousand in the single-parent category.

At the same time it appears that—well the member didn't ask this but just to confirm what I had said earlier, there has been some increase in the persons-with-disabilities category. General assistance is also down.

So there has been that reduction. I say it's not enough, particularly given the need for—you know, there are a lot of job vacancies out there, and it's been recognized the biggest barrier to a strong economy is a labour shortage. So we have to make better efforts.

I think that with this new approach in Manitoba—this is a four-year initiative rewarding work. So we're going to phase in the components, but the initial investment is about 27 million on an annualized basis. So we'll be moving into other work incentives dealing with drug, optical, dental coverage for low-income workers, for example.

I think, too, the need to really drill down for the opportunities for persons with disabilities. There's been rapidly increasing technology to allow those opportunities to be employed. I think, too, there's been growth in techniques to provide vocational rehabilitation and other kinds of supports.

Mrs. Mitchelson: Just quickly for clarification, the minister is saying that there are less single parents and single-parent families on social assistance today than there were back in—*[interjection]* So 1999 then?

An Honourable Member: Yes.

Mrs. Mitchelson: In 1999, okay. Could he just give me, just quickly, the increased number of persons with disabilities on social assistance?

Mr. Mackintosh: In that category, it appears that there is an increase of about 3,200 between '00-01 and '06-07. That is a trend that's been recognized across the country. The one positive trend there is, I'm advised, that the rate of growth, though, has slowed. Perhaps, when the member was in office there, that there were some very rapidly increasing disability caseloads across the country, and, I understand, in Manitoba. So that's an area that needs added attention and Rewarding Work is going to focus on that one. So we hope that we'll be able to speak more publicly about some of those as we conclude our program development and Treasury Board analyses and all those things that are necessary.

Mrs. Mitchelson: What's the difference between caseloads or cases and people? What's the definition of that?

Mr. Mackintosh: Well, individuals are just that. Cases, though, are usually households. So there could be anywhere from one to eight, nine, you know, whatever size of a family might be on a case. So, in other words, there are benefits that are flowing to a family that's on EIA, and so there are two ways of measuring it.

Mrs. Mitchelson: Okay. Just for clarification, then, for a single parent, is the mum or I guess it could be the dad and the child or children considered one case?

Mr. Mackintosh: The numbers I gave in terms of those two trends, the 11,000 was the cases, but there are payments made based on households, and that is what would comprise the number of caseloads.

Mrs. Mitchelson: So, then, the first number the minister gave us was not really comparing apples and apples, if he was comparing people. The 11,000, I guess, just for clarification, what was the 11,700 number?

Mr. Mackintosh: The 11,000 was the average annual number. If you use average annual caseload there is, as well, a reduction of 15 percent since '98-99 to August '07. So no matter how you measure it we're talking the lowest in decades.

Mrs. Mitchelson: Does the minister have the figures for the caseloads and the caseload reduction from—I think the member's just quoting from 1998-99 or '99-2000 until this year?

* (15:40)

Mr. Mackintosh: Yes. The average annual caseload by fiscal year for '98-99 is 36,850, the total, that's both provincial and municipal. As at August, '07, it's at 31,248. Then the average annual number of persons by fiscal year was the number I gave earlier, and, maybe, just to keep it together, for '98-99 it was 69,302, and in August, it was 57,546.

Mr. Doug Martindale, Acting Chairperson, in the Chair

Mrs. Mitchelson: I just want it for clarification because I thought we should be comparing apples and apples.

Mr. Mackintosh: So there are two measures and both, of course, are consistent with the other in terms of the trend. I say it's not good enough. Obviously,

strong economic conditions would play a role, programs to move people from welfare to work would play a role, but there's so much more to do, in our view. I already said it, I think, but the economy really demands that we do something different, let alone just the need to deal with poverty in more innovative ways.

Mrs. Mitchelson: Just one very short question. So when we were comparing the single-parent caseloads, were we comparing apples and apples when the number was provided?

Mr. Mackintosh: Yes, we only talked about caseload there, not number of persons because I don't see that we have the number of persons available. It's the caseloads.

Mrs. Mitchelson: Could the minister undertake to provide the number of people for us sometime in the not-too-distant future?

Mr. Mackintosh: Yes, those numbers, I understand, are available and we'll make them available to the member.

Mrs. Mavis Taillieu (Morris): Just a couple of questions regarding disabilities issues. Can the minister tell me at this present time how many people there are in MDC as clients?

Mr. Mackintosh: My understanding in the 1980s we were about 1,100, something in that range of residents at MDC. I'm advised that at March 31 of 1999, the number was at 482. Earlier today, the Member for Portage la Prairie (Mr. Faurichou) had asked about MDC and I had advised that there were 331 by the fiscal year-end. But I just stand corrected now, there are 349, I understand, so there may be some—but that explains the discrepancy—but that is the more recent number.

So that's a fairly significant decrease since we've come into office, but as I said with the Member for Portage la Prairie, we're continuing our commitment to make safety enhancements at MDC. We see it as part of the continuum of services available to persons with intellectual disabilities into the future.

At the same time, we accept the principle and the objective of community living. In this fiscal year, originally we had planned as few as 10 discharges but we are looking to double that to 20 in this fiscal year. I understand that—*[interjection]*

So far, as of today, there are five discharges this year. We have plans for more than that. So my understanding is that we are on track to achieving

20 discharges in this fiscal year, and we are assigning some personnel to that specifically. It's not easy work. It's very challenging, but that is the decision we've made for this fiscal year.

Mrs. Taillieu: I agree that it's necessary to be moving people out of MDC and into community living, and I'm glad to see that there's a commitment to do that. There must also be, then, a commitment to relocate some of the staff at MDC as the numbers go down. Can the minister say how many staff have been relocated with the commitment of 20 people to be moving out of MDC?

Mr. Mackintosh: There's no downsizing of staff planned in light of the extent of the changing population at MDC. If there is to be an impact on staff, there would have to be a very significant reduction of numbers beyond the amount that has been planned in this fiscal year. In other words, there would have to be, like, units closed down.

In the discussion with the Member for Portage la Prairie (Mr. Fauschou), we talked about our interest in looking at building on the synergies in the Portage la Prairie community, building on the expertise, the caring community that exists there, working with persons with disabilities. We are looking at how we can incorporate that kind of planning into a longer-term vision so that, if there are greater community living options in the Portage la Prairie area, we can ensure that those services can be maintained at a comparable level into the future in Portage la Prairie.

We are keen to see how we can put in place incentives for the development of independent living options in that community, recognizing that families may have different—it may not be that everyone would stay in the Portage area, but we think that there could be incentives and options developed there.

As well, the Member for Portage la Prairie proposed, and we agreed to look at, options about serving other populations, other vulnerable populations. I can just say, the member perhaps wasn't here at the time, but Wes Henderson joins us here at the table here today. He's been charged with the duty to consult with stakeholders and look at best practices and other funding models as well for community living and come back with some options for longer-term planning.

This budget line has increased 184 percent since 1999. It's an extraordinary increase, probably one of the biggest increases anywhere in government for an

ongoing program. It raises questions about sustainability, and are we doing the best we can? Are we meeting the needs of families as best we can? Should we look beyond just the basic group home model that we have endorsed historically in Manitoba, because there are some other jurisdictions that are looking beyond that kind of model? We've had some early discussions with some stakeholders about that.

All this is also about recognizing the needs and wishes of families who have family members at MDC. Manitoba has been providing a balanced approach to this one, recognizing that, indeed, we do have a policy objective of community living that we are taking some steps to enhance, most notably by a 184 percent increase in the budget line for Supported Living.

* (15:50)

Mrs. Taillieu: I've been speaking with a family in which the young daughter had been placed in a group home at the age of 11 in Winnipeg. She had some disabilities, and she's now 30. She was placed there when she was 11; she's now 30. The family has recently decided they would like to become more involved with this woman and has applied to be substitute decision-makers. They were alarmed to find out, though, that when they took her for a visit for a weekend that she was on birth control pills.

I would like to ask the minister if it is normal procedure to place women that are in an all-women's group home, from the time that they are 11 and they're now 30, is it common practice to place these people on birth control pills?

Mr. Mackintosh: I'm advised that there is certainly no policy in place to put group home residents on birth control. If the person was competent then, presumably, that kind of decision is done by the individual, in consultation perhaps with her medical doctor.

If the member is aware of other circumstances that aren't consistent with what I am advised then I'd like to hear about that and we can look further and get back to the member.

The Acting Chairperson (Mr. Doug Martindale): I'm advised that we're going to move to Housing now. So, we may want different staff at the table.

Mrs. Mitchelson: The minister had committed to get me some information yesterday and I'm wondering whether it's available.

Mr. Mackintosh: First off, there were some questions yesterday—we committed to provide information regarding staffing levels for MHRC and MHA. MHRC staff complement is 98 and MHA staff complement is 334, and I understand that that is current.

I also said we would look for information regarding staffing vacancies and reclassifications. I'm advised that, currently, the department as a whole has a total of 131.77 vacancies and that's a rate of 6 percent, which is in the range of what we had predicted yesterday. With regard to reclassifications, a total of 55 positions were reclassified to a higher level in the last fiscal year, '06-07. There were an additional 28 positions reviewed that went down in classification, and—I didn't know that happened—*[interjection]* Oh, they weren't watching—and 83 positions that remained unchanged.

In response to the National Children's Advocacy seminars, the minister, Carolyn Loepky, Linda Burnside, Claudia Ash-Ponce of the Child Protection Branch, and Elsie Flett of the Southern Child and Family Services Authority, had expenses covered by the department. No costs were covered by the representative from the MHRC.

Now, there's also a compilation of documents that the member had asked. There is some information that's still being compiled, but I thought it was best that we provide what is available now. I know that we anticipate that the compilation is completed. So I don't know why we wouldn't be able to, but I'm sure we'll be able to provide that in the coming days. I know there's concurrence if there are questions arising from that, but I think we're in a position to commit to getting that to the member this session.

But I do have housing organizational charts available which are quite detailed and extensive. That was the first question that was asked. As well, there's information from MHRC and MHA about appointments in '06-07 fiscal year and secondments. So that list has been completed.

Now, I was advised that, with regard to the latter, we should just put a caveat—we're just going to double-check on that information just to ensure that it is indeed all accurate, but it's been pushed to get these compilations done. I know that the contract work is under way. So I think we're close to that.

So I'll provide that to the committee. I've got what, four copies. Is that what you need? Or five?

The Acting Chairperson (Mr. Doug Martindale): The minister is tabling four copies.

Mrs. Mitchelson: I guess I'll move on quickly. I know that time is getting late in the day and we only have a few more hours left. I'd like to get on fairly quickly to just some very specific questions.

I'm going to start first with the KPMG operational review. Maybe the minister can explain or indicate to me how long the review—it's taken a lot longer than was initially anticipated. I think the original RFP called for a six-month contract. We are now into a significantly longer period of time, and it seems like it's not complete as yet.

I believe we're now into the transition phase of the contract. Can the minister explain to me how KPMG is involved in the transition phase?

Mr. Mackintosh: The KPMG has been working with MHA's staff to look at how business has been done. One of the focuses has been to look at how we can achieve better efficiencies. We are at, what, some 25,000 people in 13,000 units in MHA.

So, initially, I understand that there was an interest in just providing some review of processes, and then there developed an interest in more what I would call a find-and-fix approach, in other words, using KPMG's finding and expertise to actually address some of the outstanding issues that could be addressed on a timely basis. I haven't had full briefings on all this yet because we're proceeding to share important aspects of this one with my colleagues so that we can let the public see the changes that are under way and the report and so on. But the whole issue of purchasing goods and services was a focus. It was found that we could do better by improving the organization of getting those services and using purchasing power, even bulk approaches.

*(16:00)

There had been practices for certain kinds of goods and services where certain projects would go and, you know, purchase product, and just by amalgamating that the products were lower priced. So we will continue to develop that. That was one of the focuses of the review.

The other one is how to better identify capital needs in public housing and develop a preventative maintenance program. I think for too long it was identified that there was, sort of, a response to capital shortcomings, maintenance shortcomings, and they had a hard look at how we can get ahead of that and

how we can prioritize the needs for upgrades. For example, you know, when you're dealing with the challenges of mould, rather than just wait for calls, complaints and concerns about mould, that we do a better job in what's called envelope repairs, just making sure moisture doesn't enter in the first place. So that's been a focus of capital investments, accordingly. Fire-safety planning as well was an issue that was identified. So now we've got that completed.

So that's what we're doing in the department, and we'll be working with our Treasury people as well just drilling down to determine the cost benefit then of some of these changes, some that have already started and others on a go-forward basis. I think that's sort of an overview of what I'm been apprised of so far.

It's our expectation that we can get the necessary approvals and get this released publicly in the next few weeks, you know, this fall certainly.

Mrs. Mitchelson: Can the minister indicate how much KPMG has billed to date, and how much has been paid?

Mr. Mackintosh: It is my understanding that we may have some information on that, when there have been some billings on an ongoing basis. So we will provide that information to the member.

Mrs. Mitchelson: I do know that according to the RFP anyway that there would have been monthly billings. I think that was stipulated in the RFP, and it's been several months now. So I anticipate that that should be fairly easy to pull together, and I would hope that before we go into the concurrence process maybe I can have a commitment from the minister that that information would be available to me.

Mr. Mackintosh: We'll make best efforts certainly. In fact, that information may be in the contract information.

Mrs. Mitchelson: Also, in the RFP it does indicate that there should be an interim report prepared by the consultant that was hired. Has the department received an interim report to date? It would appear to me that if we've moved onto a transition phase there must be a report with recommendations. So I'm hopeful that the minister can provide that to us.

Mr. Mackintosh: I had a briefing, and I don't know if I could say it was a report so much as it was a briefing from KPMG that outlined some of their initial findings and, you know, parts of the action

plan. So I think that that would be the report. It was one in my office.

Mrs. Mitchelson: Is that anything that can be shared publicly?

Mr. Mackintosh: Well, I anticipate that the information there is going to be reflected in the final report that would be released to the member, to the public.

Mrs. Mitchelson: The three people that were suspended without pay in the department, can the minister indicate where those reviews—I think there were two different internal reviews ongoing. One was with Civil Service Commission, and one was also with, I think, something in the Department of Finance, I just can't recall. Maybe he could indicate to me—I think it's been a couple of months almost since those suspensions occurred. What's the status or the update?

Mr. Mackintosh: The matter was referred to the Civil Service Commission in terms of the HR issues, but as well the matter was referred to the audit services division in the Department of Finance to determine if there were any financial implications as a result of the concerns. I'm just advised that we haven't got any finalized report or any report at this point.

Mrs. Mitchelson: What's the process that's ongoing at the Civil Service Commission, and what would the normal time line of this kind of review be?

Mr. Mackintosh: We were just advised that the investigation is ongoing, so I can't speak to the Civil Service Commission time lines. I presume that they do interviews and look at records, but I'm certainly not going to interfere with that process. It would be my hope and expectation that that would be coming to a conclusion soon as well.

Mrs. Mitchelson: Will both of the reviews be made public?

Mr. Mackintosh: The usual treatment of these reports is that HR issues aren't publicly released, but we anticipate that any conclusions may well be releasable. That's an important question that I'll have to address to a greater extent. I mean, the member raises a valid point. So, obviously, if there are any terminations, it would be an important question to address. Can you then make explanations or not, you know, if there was a lack of following a process—it's an important question as to whether we can speak publicly about it. So I guess there's a fine line

between the HR issues and then accountability issues and making explanations for the public, so we'll address that. I think that's the best answer I can give at this time. It's not an area that I have addressed in my experience in the past, so we'll have to turn our attention to that.

* (16:10)

Mrs. Mitchelson: I would hope that, given that it certainly is an issue that Manitobans would want to hear some answers to, I'm hopeful that there will be some explanation publicly as to the resolution of both of those reviews.

I just want to move on to the money that's been flowing to the department through The Loan Act authority over the last number of years. When did the practice of using The Loan Act authority start with MHRC?

The Acting Chairperson (Mr. Doug Martindale): I would like to ask the people at the table to keep it down a little bit so that the minister can hear the questions.

Madam Chairperson in the Chair

Mr. Mackintosh: At the table is Joy Cramer, the ADM of Housing, and Henry Bos, the acting executive director of Land Management.

I'm advised that it has always been the practice to use capital for MHRC projects.

Mrs. Mitchelson: What activities within the department, then, would fall under the parameters of The Loan Act authority?

Mr. Mackintosh: I'm advised that, historically, it's for new construction. More recently, it also includes major capital improvements.

Mrs. Mitchelson: Is that capital improvements for the whole housing stock, or is that Manitoba Housing Authority or MHRC properties that were transferred from the federal government under devolution? Is it a combination, or is it only one of those?

Mr. Mackintosh: Well, in addition, MHA stock, new builds and, I'm advised, mortgages for non-profits. As well, I'm advised, Waverley West land development.

Mrs. Mitchelson: I notice there has been—I mean, I haven't gone back to the years we were in government. So maybe the minister would like to go back to those years and indicate—or maybe his department. I don't know if there is any information

back, but I have information from the year 2000 and 2001. It's certainly recorded publicly in the Estimates how much The Loan Act authority was used for. I won't indicate the years, but it was 5 million, over 8 million in 2001-2002; in 2002-2003, it was 55,000,500.

I wonder if the minister could indicate why the significant jump. What new builds or what upgrades to the MHA stock were done that would have warranted such a significant increase in The Loan Act authority?

Mr. Mackintosh: It's my understanding those would be deferred expenditures or holdovers, and they would accumulate in that year.

What year was the member asking about with the 55?

Mrs. Mitchelson: Madam Chair, 2002-2003.

Mr. Mackintosh: We'll let the member know specifically for that year. I'm advised we don't have any documents that would answer that question for that fiscal year.

Mrs. Mitchelson: It went down in 2003-2004 to about 20 million. The next year it was over 13, then 14 or 15 million. I think, last year it was around 12 million, but, again, this year, The Loan Act authority, I believe, is around 41 million, in that ballpark. Could the minister indicate what activities will be funded through The Loan Act authority in this year's budget?

Mr. Mackintosh: We can provide a breakdown for this year, but I can say that there are two developments that are significant as compared to the previous fiscal year which largely accounts for the change.

First of all, under the HOMEWorks! initiative, that's the Affordable Housing Initiative, once again, there will be some MHRC builds and there is a new capital allocation for builds to be done. As the member knows, we've had this discussion in the House, but over the last number of years, there's been a focus on grant funding to non-profits to create affordable housing options for Manitobans. In addition to continuing with that kind of initiative under HOMEWorks!, there's going to be, now, an infusion of capital part (b) expenditures where there will be MHRC owing the building.

* (16:20)

I'll just add, by the way, that we are wedded to the development of affordable housing using up community development lands, but in some communities, we have found that there's a lack of capacity. As well, we want to ramp up the affordable housing options in certain communities and for certain populations.

So we are working around the MHRC build, community involvement, and, as well, sponsor management, hopefully, for these developments. So that's one. Once again, there's going to be some MHRC builds as part of the continuum, the options for building affordable housing. Two, under the other pillar of the Housing first program, building foundations is increasing the capital investment in public housing that's already existing from, I think, around 12 million last year to about 24 million. So there is about a doubling of the capital investments. A lot of that will be, as I said earlier, to deal with leakages, you know, roofs, furnaces, a lot of boilers, there's siding, building envelopes they're called. Those are the two main reasons for the increase year-over-year.

Mrs. Mitchelson: Could I get a commitment from the minister to have something in writing from he and his department around the history of The Loan Act authority that goes back before 2000-2001, and to look at the amounts in all of the years, because I know it's not information that you've got available here today. What in the past, where was The Loan Act authority used? I haven't had much of a chance to even get into sort of the budget of MHRC at this point in time and look at what falls under MHA and MHRC. If I could get the commitment to have that in writing from the department, I would really appreciate it, so that I have a bit of a chronology of what that money has been spent on.

I would like to know, under Loan Act authority, how is this money supposed to be paid back under the legislation? Is there a requirement of MHRC to pay back the money under Loan Act? How or where would this money be found?

Mr. Mackintosh: Yes, there's a payback, for example, through rents. It's based on amortization periods that would be applicable to different projects. There's a formula, I understand, of usually about 15 to 25 years. There's a tangible asset capital policy that the Province has in place. So that's how the repayments are calculated.

Mrs. Mitchelson: Would the minister agree to provide the tangible capital asset policy to me?

Mr. Mackintosh: Sure, yes.

Mrs. Mitchelson: I'm going to turn questioning over to the Member for River Heights for a few moments.

Hon. Jon Gerrard (River Heights): I have a question, and my colleague from Inkster has a couple so—

Madam Chairperson: If you could bring your mike up just a little, please. Thank you.

Mr. Gerrard: We don't have a lot of time, so if the minister can answer them and keep fairly short.

A question relates to Lynn Lake where there's sort of a disaster in a sense in terms of housing at the moment. When I was up there, there was a family of 11 living in a boarded-up house. I'm told that there are people who have been put out of homes and there's an inadequate situation in terms of housing there now.

I'm asking the minister, what is his intention with respect to the housing situation in Lynn Lake and what he'll be doing?

Mr. Mackintosh: I was looking for a recent note on that one, but it's our understanding that four homes have closed there. We understand that three of those families have found places. I'm not sure that they're permanent relocations, but the role of the department has been, through the EIA program, to help people find alternative accommodations, I understand that we've actually provided some financial assistance to house people in hotels, some of these families. So that's the latest that I have on that, but, if there's some further information in my note, I can let the member know that. I'm advised by a note that the families have found alternative housing.

Madam Chairperson: Order, please. I'm sorry. I'm having trouble hearing the speaker, so I am going to ask for order at the table, please, so that I can hear both of the individuals speaking.

Mr. Gerrard: I'm going to turn this over to my colleague from Inkster for a couple of questions.

Mr. Kevin Lamoureux (Inkster): Madam Chair, I will just take a couple of questions to the minister. The first is in regard to MHRC property north of Old Commonwealth that's in excess of 100 acres. I wonder if the minister can indicate if the government is still receiving proposals on that property or what is the status with regard to it.

Mr. Mackintosh: Is the property the member is referring to commonly called the Meadows West property?

An Honourable Member: Yes.

* (16:30)

Mr. Mackintosh: I understand that there were some inquiries a couple of years ago, but there haven't been any proposals provided to the department. We understand that there's been a development, Santa Fe, I think it's called, adjacent to this land. So now our Housing people are actively looking at options, and there may well be a proactive call for expressions of interest, but that has not been concluded yet, but that is one option.

If the member has some advice, we will listen to it now, but we're eyeing up what may be some realistic options.

When I say that we're looking at options, the key part of that is to have a good assessment of demand in that part of the city, in the northwest.

Mr. Lamoureux: Finally, and I appreciate the minister's comments, I do have a very strong interest in that area as I've indicated to former ministers and would welcome any sort of dialogue with MHRC with respect to that particular property because I've had a couple of public meetings in regard to that empty lot. There are some good things that I think should be happening, major component of low-income housing, other types of facilities. It's really the last residential area in that northwest end of the city, which really complements not only the entire city but particularly The Maples and Inkster.

So I'll just leave it at that because I understand that we want to go line-by-line .

Mr. Mackintosh: No. I'll pay some personal attention to that. I really have an interest as well in seeing north Winnipeg develop and provide more options for housing for people in that part of the city. So stay tuned.

Mr. Briese: That, I think, concludes the global part, and we're ready to go line-by-line.

Madam Chairperson: Thank you.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$38,739,000 for Family Services and Housing, Housing, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$597,598,500 for Family Services and Housing, Disability Programs and Employment and Income Assistance, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$344,958,100 for Family Services and Housing, Child and Family Services, for the fiscal year ending March 31, 2008.

Resolution agreed to.

I'm going to ask for the courtesy of all members so that we can pass these resolutions, please.

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$126,031,300 for Family Services and Housing, Community Service Delivery, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,066,100 for Family Services and Housing—excuse me, I'm going to correct that.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,076,100 for Family Services and Housing, Costs Related to Capital Assets, for the fiscal year ending March 31, 2008.

Resolution agreed to.

The last item to be considered for Estimates of this department is item 9.1.(a) Minister's Salary, contained in resolution 9.1.

At this point we request the minister's staff leave the table, which has already happened. Thank you.

The floor is open for questions.

Mr. Briese: I move

THAT line 9.1.(a) be amended so the minister's salary be reduced to \$1.

Madam Chairperson: We need that motion in writing please.

It has been moved by the honourable Member for Ste. Rose

THAT line 9.1.(a) of the budget for Family Services and Housing be amended so that the minister's salary be reduced to \$1.

The motion is in order. Are there any questions or comments on the motion? Seeing none, is the committee ready for the question?

Shall the motion pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Madam Chairperson: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

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

Some Honourable Members: Oh, oh

Madam Chairperson: Order, please. I will do this one more time.

All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

Mr. Briese: I would like a recorded vote.

Madam Chairperson: Do you have support from two members?

Mr. Briese: Yes, I do.

Madam Chairperson: Seeing support from two members, this section of the Committee of Supply will now recess to allow this matter to be reported to the House and for members to proceed to the Chamber for the vote.

The committee recessed at 4:37 p.m.

The committee resumed at 5:08 p.m.

Madam Chairperson: We are going to return to the Committee of Supply on Family Services and Housing.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,211,100 for Family Services and Housing, Administration and Finance, for the fiscal year ending March 31, 2008.

Resolution agreed to.

This completes the Estimates of the Department of Family Services and Housing.

The next set of Estimates to be considered by this section of the Committee of Supply is the Department of Intergovernmental Affairs. Shall we briefly recess to allow the minister and critics the opportunity to prepare for the commencement of the next department?

INTERGOVERNMENTAL AFFAIRS

* (17:10)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order? This section of the Committee of Supply will now consider the Estimates of the Department of Intergovernmental Affairs.

Does the honourable minister have an opening statement?

Hon. Steve Ashton (Minister of Intergovernmental Affairs): Yes, I do. I look forward to bringing up a brief statement to the introduction of the Estimates and to the opportunity to answer questions.

I just want to indicate that Intergovernmental Affairs is an important department and works very closely with our partners, the 198 municipalities. There are a number of key things that this department does. I just want to give a brief summary. I realize in the interests of time I won't read an extensive set of comments, but I do think it's important to mention a number of key themes in terms of what we do.

One is the financial side. I think that's important, both in terms of community revitalization and of economic development. We provide significant support to local governments. In fact, we continue to lead the country in innovative funding partnerships. We provide the broadest support of any province through the sharing of income tax, fuel tax, VLT and gaming, and provincial fine revenues.

We continue to be the only province that shares income tax revenues with the municipalities. This

actually goes back to the Schreyer government in the 1970s, and it is something that municipalities across the country are still working toward. We continue in this budget and these Estimates to provide significant support to municipalities.

We share gaming revenue. That is a significant revenue source. This year, for example, Winnipeg will receive an additional \$1.6 million in shared VLT casino revenues as well. That will help, in fact, will directly fund public safety initiatives, including 14 new police officers, including five for the city's stolen auto unit. This is in addition to the 46 officers funded in 2006 through a similar funding arrangement. Municipalities outside of Winnipeg will receive an overall increase in unconditional VLT payments, averaging 17 percent, to help address local funding priorities and plan improvements to community services.

The Building Manitoba Fund continues to be an important source of funding for municipalities. The overall average increase is 5 percent per capita in general assistance payments to municipalities outside of Winnipeg. This is the third year in a row that we've seen unconditional increases on this side. There was funding under the new Municipal Recreation and Library Fund, a total of \$7.4 million, which is going to be a source for recreation and library improvements across the province, \$3.8 million to expand firefighting, paramedic and other essential services in Winnipeg, along with new funding for rural firefighting in Brandon, Thompson, Portage and other rural centres. This is, in fact, the first time that we are providing this kind of funding. I think it's going to be very important to allow our firefighting services to provide proper fire services in the municipalities affected.

There is provincial support for two more police officers in the city of Brandon. That's on top of the additional Brandon police officers funded in 2005-2006.

We are also providing \$21 million in new funding for road improvements in Winnipeg as part of a two-year \$50-million provincial commitment. This recognizes the needs in the city in terms of infrastructure and the fact that, actually, there are no provincial highways in the city. I think it's a very important recognition of the degree to which we as a province are partnering.

Very significant in terms of transit funding. Starting in 2007, we have the 50-50 transit funding partnership restored with Winnipeg, Brandon,

Thompson and Flin Flon. That is something that was taken out in the 1990s. These cities will also receive a share of a new three-year provincial special transit allocation to augment their federal gas tax allocation for transit infrastructure. Other communities offering Handi-Transit will also benefit from a share of \$5.4 million in new funding through the federal transit trust in 2007. That's something that's a pressure across the province in terms of Handi-Transit.

The Province also shares 100 percent of provincial fine revenues with the municipalities, and that continues to be a significant form of funding.

In terms of infrastructure, we, I think, all recognize the importance of investing in infrastructure. We're certainly doing that provincially with our own investment, particularly in terms of highways and bridges. In building on the \$50 million in support provided for Winnipeg road improvements, we're also extending the commitment for an additional three years, providing the City of Winnipeg with \$125 million over the next five years for road repairs. This enhanced commitment is very important to the city's plans to be able to upgrade and maintain the infrastructure.

I want to also point out that there's a record \$33 million under the cost share agreements to advance infrastructure parties. This includes Grand Rapids sewer and water project, wellness and recreation centres in Swan River, The Pas and West St. Paul, support for municipal sewer and water projects through the Manitoba Water Services Board. Our government has also increased funding for CDs. In that particular case, obviously, municipalities are a key part of that.

We're also administering the federal gas tax and federal transit funding on behalf of Canada. That is going directly to municipal roads, public transit, water, sewer and other projects.

We are very proud of our commitment to neighbourhood revitalization. This year we have announced, in addition to the Neighbourhoods Alive! being in Brandon, Thompson and Winnipeg, that we're expanding to five new communities. I have attended four of the meetings. The only reason I won't attend the fifth is that it's taking place in 15 minutes in The Pas. I can tell you there's a great deal of interest in all of the communities that are being added. It's had a very important impact already, and we consider this to be a very significant new initiative. There's additional money—\$400,000 to be

exact—that has been added to the budget to allow for the new communities to be able to bring forward proposals and funding partnerships.

The implementation of our \$14-million Building Communities partnership with the City of Winnipeg continues and that is impacting on neighbourhoods. The Building Communities initiative is implementing over a hundred public and community infrastructure projects. I'm very pleased the provincial government, our government, and the City have agreed to commence negotiations on a new Building Communities initiative. I think the second round of this particular initiative will be very significant in terms of its impact in the city.

Economic development is another area that is very important. We have a 25-year history now of working with the federal government and the City of Winnipeg. We're now in the fourth year of the tri-level partnership, the \$75-million Winnipeg Partnership Agreement. There are four component programs: Aboriginal participation, building sustainable neighbourhoods, downtown renewal, and innovation and technology. In addition to the specific initiatives that have taken place, I think it's very notable that we're seeing some real turnaround in neighbourhoods that had been somewhat depressed in recent years. I am very excited about what I see happening and a lot of the potential ahead, and I'd certainly welcome any questions that members will have about some of the initiatives that are taking place.

We're also seeing municipalities using the ability to have one of the municipal act changes in 2004. The Town of Russell, for example, is using tax increment financing, which was brought in under that legislation, and the City of Brandon's innovative program in terms of tax credits.

There are a lot of other supports beyond funding. We continue our own initiatives to reduce property taxes. We're working with local governments to build local government capacity and working, particularly, with municipalities and the Association of Manitoba Municipalities.

I just want to briefly mention, too, some of the key initiatives taking place in terms of emergency measures. We had another challenging year, obviously, with tornadoes, floods and, to some extent, with forest fires. We have had two disaster financial assistance programs this year. One of the initiatives that we'll be following through with in the upcoming year as a result of what happened with the

tornadoes is a review that I've asked AMM to bring forward in conjunction with EMO of any and all of the kind of measures that we need to look at in terms of warnings. That includes, also, the weather warning side of it as well. Our commitment there is to always try and move forward in terms of that.

We, also, obviously play a key role in terms of planning. The new Planning Act has a key component which deals with water protection. We're continuing to work with municipalities and planning districts in terms of planning.

* (17:20)

We've had a number of changes to the provincial land use policy that I give clear guidance in terms of livestock operations. We're now involved in the review of the nine provincial land use policies, so we're continuing to bring good planning to the Province of Manitoba. Thank you very much.

Madam Chairperson: We thank the minister for those comments, and I'm just going to ask members—I just need to be able to hear the comments, so if for all honourable members just to keep the level at the table relatively quiet.

The honourable Member for Carman, do you have an opening comment?

Mr. Blaine Pedersen (Carman): I have a very brief opening comment. I would just like to thank the minister for the briefing that he gave me soon after we started here in September. It was very much appreciated. Also, this morning I had a briefing also with his assistant ministers—or deputy ministers, pardon me. I had a lot of information gathered there, and they jokingly said that would be the end of Estimates because they answered all my questions. But I told them that was not to be; we were still going to go through the process.

Thank you for your co-operation. I appreciate that.

Madam Chairperson: We thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate on the Minister's Salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 13.1.(a) contained in resolution 13.1.

At this time we invite the minister's staff to join us at the table, and we ask that the minister introduce all the staff in attendance.

Mr. Ashton: What I'm going to do is that just to make sure that the record is clear in terms of the official titles of all the staff, we're just going to get a list. I do have my deputy minister here, Linda McFadyen, so rather than waste the time of Estimates, perhaps after the first question I'll do the formal introductions. As the critic will know, as a minister you know what people do, but, when it comes to the formal designation that's the last thing you worry about when you're having departmental meetings on issues. So I would suggest we move right into questions. Certainly, I'm more than open to however the critic would like to proceed, whether it's in terms of general questions or line by line.

Madam Chairperson: Does the committee wish to proceed through the Estimates of the department chronologically or have a global discussion?

Mr. Pedersen: We would like to proceed globally, please.

Madam Chairperson: Is it agreed the questioning for this department will follow in a global manner, with all resolutions to be passed once the questioning has been completed? *[Agreed]*

The floor is now open for questions.

Mr. Pedersen: I would just like to defer to the Member for Arthur-Virden.

Mr. Larry Maguire (Arthur-Virden): I appreciate the Member for Carman (Mr. Pedersen) allowing me to ask a question as you begin. I wanted to just ask the minister, I know he's been dealing with emergency measures and the clean-up from some of the tornadoes that went through the country. Of course, one went through the region that I represent, as well as the Member for Turtle Mountain (Mr. Cullen) and others. I'm speaking of the one that went from virtually the Saskatchewan border through Cromer, Pipestone, Hartney over through south of Elgin and Minto and over to Baldur at the end of June. I just appreciate the response that I got from the minister when I wrote him the letter in regard to support programming. Some of the programming has been made available for sure in that area. I know it's been taken very seriously, and many members, many farms and local people have had the opportunity to access those funds.

There was one question that I had in regard to the clean-up. Basically, I'm speaking of the damages from uninsured situations. There was a situation that I've spoken to the Minister of Conservation (Mr. Struthers) on, privately as well, but there's an area of

clean-up that would be beneficial, and it's in regard to the clean-up of some of the trees, mainly poplar in that particular area. Some of that tornado was so bad that there were broken-down trees in the pasture so bad that the cattle can't walk between the trees, and I know the pastures have gone unused. Many, many broken-down fences, that sort of thing, that have been repaired.

But I'm wondering if there was a way to utilize those trees. That's the bottom line. We have pulp industry in Manitoba. We have a situation where, I don't know, it would almost take a picker to go into some of those areas and pick them because it would be unsafe to go in there with a chain saw with the pressure that is still on some of those trees. I guess my thoughts are that next spring would probably be a soon enough time to do that, as opposed to this winter, unless there could be something done yet this fall, or maybe there has been. The minister can inform me of that if there has been a program put in place to reclaim some of the devastation from the broken trees in that area. If he could respond to that, I would appreciate it.

Madam Chairperson: Honourable Minister of Intergovernmental Affairs, first to introduce his staff, and then to answer the question.

Mr. Ashton: I'll just, in addition to the deputy minister I've already introduced, there's Denise Carlyle, Director of Municipal Finance and Advisory Services; Laurie Davidson, ADM of Provincial Municipal Support Services; Beverley Kachanoski, Manager of Human Resources; Chuck Sanderson, Executive Director of EMO; Brian Johnston, Chief of Financial Services; and Claudette Toupin, Assistant Deputy Minister of Community Planning and Development.

To answer the member's question, first of all, I do want to comment that the response I know that took place was quite incredible. It's not that we don't get tornadoes, we do. We get probably around 25 in the average year. There's obviously the concern that with climate change that may be increasing, but this year it did hit some populated areas. I don't think people realize the degree to which, in southwest Manitoba where it did come in, couldn't be a worse place. It wasn't, obviously, an urban area, but there was some pretty significant damage to a number of properties there. I just want to put on the record that, certainly, the municipalities did a great job, along with all the staff.

In terms of the specific question, we are looking at that. I know Conservation has been looking at both in Westman, also in the Whiteshell. One of the key areas that we were involved with through the Disaster Financial Assistance program is actually, in this case, clean-up. I know the member would be aware that, ironically, tornado damage is generally insurable. Apparently, it's not considered an act of God, whereas flooding is. Apparently, there's a reason. It comes out of the insurance industry's experience with dealing with both areas. But, our DFA program, a lot of the coverage was actually for clean-up, and I do know that was a huge challenge. I talked to a number of people, including municipal officials and they were saying it was unbelievable. I know the member knows from first-hand experience. So we will be looking at that option both in the Whiteshell and Westman.

Mr. Maguire: Just one supplementary to that if I could, Madam Chairperson, and that's just to bring it to the minister's attention. Of course, I'm sure he's already aware that it hasn't been as big a problem this year with those trees being there. Of course, the pasture was lost. It's unbelievable that you would have an uninsured claim on pasture because of a disaster, but it's due to the broken-down trees and the density of them in those pasture areas that trees are so intertwined that they look like pick-up sticks, if I could use an expression, and the cattle can't get between them; humans can't walk in through some of that area as well.

If left, because of the tall grass that will grow in those areas, and another year if it was to get dry, there could be a forest fire situation with burning prairie, I guess, in some of that area as these trees dry out. So what I mean, it's not as big an issue right now as those trees are still mature trees that were broken off this year. They're going to continue to dry out and each year they're left there, it's going to be a bigger problem in that area which is a conservation area, Sandilands area, as well, west of Hartney and that area.

* (17:30)

So I just wanted to bring that to the minister's attention and see if there was anything that we could do, or that the government could do in regard to talking to some of the lumber companies that we have in Manitoba that clear-cut in some other areas. Maybe there's a value that they could utilize this particular kind of wood for because I know that there is clear cutting in some of the other parks, Turtle

Mountain, for example, and some other areas. I just wanted to bring that to the minister's attention and thank him for looking into it.

Mr. Ashton: Just briefly, in response, most definitely, and I do appreciate the member's point about the potential risk down the line as the downed trees do dry out. The real difficulty in terms of clean-up, even to get to the point we're at right now, a lot of property owners had to spend a considerable amount of time, and there was quite a bit of resources that were put into just the ability to even get back to some form of crop production this year, because I know there was a real problem with downed trees, particularly in the member's constituency.

We'll make sure that we continue with some of the discussions on that, and, in fact, we'll also keep the member informed as to any results on that. I'll send them. On the record, very good suggestions.

Mr. Pedersen: Would the minister provide us with a list of all political staff, including name, position, and whether they're full time?

Mr. Ashton: I'm sure the member knows the normal structure of the minister's office. Currently, there's an executive assistant who is part time, 83 percent, to be specific. In terms of the minister's office, there's an administrative secretary to the minister; there's a special assistant, which is full time; and there's basically a professional officer, part time. There is an executive assistant. There's planning and program, or PM2, and a further PM2, both full time. If the member wants any more information, I have also the specifics of the salaries, et cetera.

Mr. Pedersen: Could I have a list of that sent over to me?

Mr. Ashton: Yes. That, by the way, is not just the minister's office here in the building. It also includes the Cabinet office and the position of the executive assistants in northern Manitoba as well. I can provide a list of names and positions.

Mr. Pedersen: I would like to know, Clif Evans, I met him when we had our briefing a few weeks ago, what his particular position is.

Mr. Ashton: Clif Evans is municipal liaison. The member may have seen the Order-in-Council that basically established the position as a position working with the municipalities. Mr. Evans, of course, in addition to being a former member of the Manitoba Legislature, is a former mayor of Riverton

and has extensive knowledge of and contacts with municipalities and has been involved in a wide variety of issues related to our municipalities.

Mr. Pedersen: When Mr. Evans was hired, what was the procedure for it? Was it an open position, an advertised position?

Mr. Ashton: It was an Order-in-Council.

Madam Chairperson: Honourable Member for Carman.

Mr. Pedersen: Sorry, Madam Chairperson, we'll get the routine down here.

What is his salary?

Mr. Ashton: I'll give you the specific position. It's a PM2, which is \$59,000 approximately.

Mr. Pedersen: So this list that you have, does this include the deputy minister's office too?

Mr. Ashton: This includes the minister's office and the Brandon Cabinet's office and, actually, one position that is with the northern Cabinet office as well, and, of course, Mr. Evans' position which was referenced earlier. So this is actually the minister's office plus the Cabinet offices, not the deputy's office.

Mr. Pedersen: So there's a separate list then for the deputy minister's office? Can you provide that?

Mr. Ashton: But there not political staff. The deputy's office are civil servants. This includes the Order-in-Council or, in some cases, term positions that are either connected with the Cabinet offices or in the minister's office.

Mr. Pedersen: So what is the number of staff currently employed in the department?

Mr. Ashton: We have a total of 284.43 FTEs and, of that, 281.5 are regular, 2.93 are term.

Mr. Pedersen: Would the minister please provide me with the names of the staff that have been hired in 2007-2008, and also whether they were hired through competition or appointment?

Mr. Ashton: Just to clarify, is the member looking in this fiscal year?

Mr. Pedersen: We're pushing the clock here after 5, so we'll be patient here. Yes, 2007-2008 fiscal year.

Mr. Ashton: Does the member wish name, title? I can run through. It's sort of detailed information as well. But I'm just trying to get some sense if the

member would like the names of the people that were hired, the positions.

Madam Chairperson: Prior to recognizing the honourable Member for Carman, I am going to ask just if I could have the level of background noise at the table just a little bit less, please, for all members.

Mr. Pedersen: Perhaps, if he could just read into *Hansard* just the number of people, but if he could provide me with a list—before I asked for the list of all staff—if that would work. Give me the number so we have the number in *Hansard* and then we have a reference point, rather than reading out a whole bunch of names.

* (17:40)

Mr. Ashton: Yes, there were 13 appointments through external competition. There was one position through internal competition.

Mr. Pedersen: I can have a list of that? You'll supply me with a list of that?

Mr. Ashton: No problem. We can provide a list of the specific candidates and positions.

Mr. Pedersen: Could you provide me with a description of any position or positions that have been reclassified? Again, we're talking 2007-2008.

Mr. Ashton: There were classification reviews completed on three new positions, and 10 existing positions that were classification reviews. That's the 2006-2007 fiscal year.

Mr. Pedersen: If the minister could indicate a listing of all the vacant positions, how many vacant positions there are now and what they are?

Mr. Ashton: There are 26 vacancies. Does the member wish me to read the specific vacancies? That information is also available and, of course, the vacancies do fluctuate.

As the member will know, a number of the positions are in the process of being filled, but, certainly, there are 26 vacancies.

Mr. Pedersen: If the minister would just provide me with that written list just so we can have it on record. But, really, the question is, is that high, low? How does it compare with other years? Are there any particular issues in terms of filling positions? Just looking for general comments on that.

Mr. Ashton: I'm advised that it does fluctuate, but it's around average, currently, the 9 percent level. Actually, there aren't particular issues that are

involved. Obviously, in some cases you'll have retirements, which is a challenge for the civil service generally. Some of the more technical positions, they're ongoing recruitment challenges, but there's no particular pattern here. It's basically within the range that we normally see vacancies. In the list we will provide you'll see that it really does range in everything from some regional manager positions to drafting positions, various assessment officer positions, so it's across the board. It's not concentrated in any one part of the department.

Mr. Pedersen: I was at the Central RHA meeting last night in Carman and, in the central region RHA, there's something like 3,300 positions, I'm just generalizing here, and 700 of those positions are due for retirement within the next three to five years. Obviously, it creates a huge logistical problem for them to maintain staff. I was just wondering if your department is like this also. Do you see a logistical problem coming up? We know we're in a tight labour market and that provides challenges in itself, but I was just sort of looking for a kind of a look in the future here for your department.

Mr. Ashton: Actually, the member raises a very good point because across government, over the last number of years, we have been really anticipating the current demographic reality, and that is that you have a lot of people that started working for government in the '60s and '70s who are now reaching retirement age. I think it's going to continue to be an issue over the next number of years.

In fact, we're looking at 25 percent over the next five years; 25 percent of our workforce is eligible for retirement. That doesn't mean they are going to retire. Certainly, we do encourage our employees to remain within government and many are doing that. It's both a challenge and an opportunity as well. We have been quite active in various parts of the department. I look at, for example, the assessment side of the department in terms of recruiting, mentoring and encouraging people to look at that as a profession.

You'll see in the process, too, that we are also focussing on ensuring that we look at equity considerations because that, again, is not only something that makes sense in the sense of having broad representation of diversity of the province, but there is a real opportunity. There are groups in society that have not necessarily had the opportunity in the past, but we believe that, through appropriate personnel management and broadening our approach

in terms of contacting various communities, we can actually improve on that. That provides another source in terms of employment.

One of the advantages we do have in the province, for example, is we have the second youngest population in the country. We're behind only Alberta. It's an ageing population. On the one hand, it is one of the youngest, but we see some real opportunities to meet the retirement challenge by reaching out and involving sectors of our society that have not traditionally been represented in the workforce. That is a high priority for myself as minister, and for our department as a government. But reality is, bottom line over the next few years, there's going to be a major focus on not only recruitment but retention as well. Obviously, and you mentioned the RHAs, you want to make sure that people will consider a longer term career. I recognize the reality has changed somewhat. A lot of our employees that are retiring now after 30 or 35 years service really entered the workforce at a time when it was considered to be a career path.

I look at my son, for example; he's an engineering student. He's going to graduate this year. I look at his colleagues in university and they're not necessarily thinking of a 35-year time frame, and that is a challenge for us as a government. My view, civil service is an excellent career option for a lot of young graduates. It does offer some fairly significant stability. We haven't seen major layoffs in the last number of years. We're unlikely to see layoffs with the demographic situation. So I think there are some real opportunities there. I think, partly again, it's reaching out to a lot of the new grads. So there will be a lot of work done over the next period of time.

We're also working, by the way, just one final quick comment. One of the key elements within government, now, is working within. We're encouraging people who are already employees to perhaps look at additional training and look at some of the potential opportunities they have. That's going to be really important as well. Certainly, people I know in the civil service, there are a lot of people, with the right degree of support and right opportunities to get the training they need, could move into positions that offer, perhaps, more challenge, more remuneration as well. I think that's another source that we're going to have to look at.

It's a challenge, and I would say our department is probably average in terms of that challenge. There are some departments facing the challenge probably

even more so than us. The member is probably aware of some of the professions. But, when you have a worldwide shortage, for example, of engineers, engineering is a challenge. You'll find a lot of the technical areas as well, that we're running into some real challenges.

* (17:50)

Mr. Pedersen: Just another side note that I picked up last night from the RHA meeting is that they're now going in to what we traditionally thought of—in rural Manitoba, as you are aware, we've had a tremendous problem trying to keep young people in our communities. They are now into talking to grade 7 and 8 students in terms of career choices for the health-care field. Every other field is probably doing the same. It's very competitive out there. They are even talking about going down to grade 6, so maybe pretty soon in kindergarten we'll be—we're getting to be more like the Europeans all the time where you're choosing a career path very early in life. That's not all bad, but it's just the way it is.

But, really, you mention training. Are there training programs for upgrading skills? Within your department, do you have specific programs for training? It's obviously encouraged, but is it working?

Mr. Ashton: Yes, in addition to the broader civil service side, we are focussing on assessors, and we're doing our own internal training of assessors. It's a very specialized field, as the member can appreciate. That is very important. We're also looking at, obviously, development plans, learning plans, leadership programs. We have initiatives in place to deal with that. I'm not sure if maybe the member thinks it's a good idea. It might be a tough sell to go to grade 6 kids and sell them on the idea of being a municipal assessor down the line. You know, when I grow up, I want to be a municipal assessor. But it may be worth consideration.

I will say, by the way, in all seriousness, the mentoring in schools is critical. Unrelated to this department area, I'm struck by the way that the success some communities have had in getting more medical graduates from their school system to get through, become doctors and then return to community. I think Portage is a good example where that is happening. So we can learn, you know, from that experience. I think sometimes it's identifying with kids, what they're interested in and what it takes.

I also think, by the way, some of the areas in this department, like I mentioned assessment as a good example. There is a real need for assessors and there's pressure to go to greater numbers of assessors. You know, we're now moving to an enhanced cycle of assessment with the City at their request. There's a real need out there.

We're also involved with career fairs. We do participate in them and we do hire summer students. One of the key things to my mind, and I think this could be expanded across government, is in terms of internships. I think there's a real need to get new grads some exposure of what their career opportunities are within government. We do have internship programs currently, but I've been a great believer in the fact that, if you want to get people to know what really is there in the way of opportunities, it starts by working directly in the department. You know, I think in many cases, we're finding now if we do get people interested, that that exposure can get really put a different light on it.

The reality is that I know some assessors personally, you know, good friends and it's an interesting profession. It can be kind of difficult at times. It can be stressful. I know that's what they tell me, but it's the same with our planners. There's a lot of passion in planning, I'm told. Certainly, I see that at some of our meetings. Part of it too is making sure people realize they may have misconceptions about what the job really entails and may miss also in the fact that the public sector offers not just a career, but offers some real career development opportunities.

One of the things that I think we're going to see because of this shift is, people tell me, and this is before, certainly, my time, but in the '60s people were able to get hired. They had their choice of employment in many different areas and moved up the ladder very quickly because of the fact that there was a shortage of employees. We're going to see that, I think. You're going to see people who might have taken 10 or 15 years to get through a career level achieve it in five or 10 years because of the retirement. So it does offer some opportunities on the other side as well.

Mr. Pedersen: Madam Chair, could the minister tell me please how many positions have been relocated in 2007-2008, specifically relocated from rural or northern into Winnipeg or relocated around the province? Hopefully, they don't all go from rural to Winnipeg; some go from Winnipeg to rural.

Mr. Ashton: To my mind, this is a very important question because certainly coming from a community where having civil servants is important for services, it's also an important part of the community. I'm a strong supporter of what's often called decentralization but, to my mind, is more about common sense. There actually have been no positions relocated to new geographic locations. There have been some secondments for various different reasons; two were from rural Manitoba into the city; once again these were secondments, not a moving of the position. But in other cases we had one position that went from The Pas to Brandon on a secondment, Beausejour to Steinbach, Souris to Steinbach, Swan River to Morden, and Souris to Dauphin, so these were within rural Manitoba. We've actually added one position for Neighbourhoods Alive!, recognizing that we have now five new communities. That has been added in northern Manitoba. So there's one net new position that's outside the city of Winnipeg.

Mr. Pedersen: The secondments, this is a temporary basis, or a specific term on them, or is it filling empty positions that—I guess the concern is are they going to come back to where they were.

Mr. Ashton: Basically, these are more work-related secondments and the positions have most definitely not been moved from rural Manitoba into the city, and I can say, quite frankly, on the record that there'd have to be a really good argument for any movement of positions and including within rural Manitoba because we recognize certainly the importance of the positions, also stability for families in a lot of cases as well. That is a real issue. The reality, too, for this department, we serve 198 municipalities, whether it be through IGA or through EMO, and those municipalities are across the province. So we see an important aspect that the location of our staff as being that contact. That's why we did an additional Neighbourhoods Alive! person in northern Manitoba to serve the two new communities in that area, and we will continue to be a department that's got a significant presence throughout the province.

Mr. Pedersen: Ministerial travel: How many out-of-province trips has the minister taken in the past year?

Mr. Ashton: There were one, two, three, four out-of-province trips in 2006-2007, and I can give the member details in terms of costs, et cetera. That includes the federal-provincial-territorial ministers' conference in Vancouver. I should also add, by the way, that we did host the conference this year for

local government ministers. So there was no travel required for that. If the member wants the total, we can provide the total in terms of dollar amounts, details of trips, et cetera.

Mr. Pedersen: Perhaps I should have given you the whole question then. We could have—provide pertinent details, purpose, dates, who went, who paid, and what were the costs.

Madam Chairperson: The time being 6 p.m., I am interrupting proceedings.

The Committee of Supply will resume sitting tomorrow at 10 a.m. (Friday).

Thank you very much.

WATER STEWARDSHIP

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order.

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

The floor is now open.

Hon. Christine Melnick (Minister of Water Stewardship): I'd like to talk a little bit about a question that was asked previous to our break around the recent fish kill. There was a question of monitoring of the waters, et cetera, and so I'd like to provide some information to the committee.

Beaches on Lake Winnipeg near Riverton are monitored once per week throughout the recreational season. Additional sampling is conducted when algae blooms are detected during routine monitoring.

Six beaches are monitored north of Gimli, including Sandy Bar beach at Riverton and Black Point, Grindstone Park and Gull Harbour beaches in Grindstone, Hecla provincial parks. Three weeks prior to the report of the Member for River Heights (Mr. Gerrard) of the dead fish at Riverton, which was on August 29, only one bloom was detected along the six beaches sampled. An algae bloom was detected at Grindstone Beach on August 7.

Levels of the algae toxin microcystin-LR were 0.1 milligrams per litre, well below the recreational guideline of 20 milligrams per litre and below the drinking water guideline of 1.5 milligrams per litre. The densities of bloom algae cells were also only 1,420 cells per millilitre, well below the recreational

guideline of 100,000 cells per millilitre. The information suggests that this was a fairly small algae bloom. This was the only bloom observed between July 30 and August 20 on the west side of Lake Winnipeg.

During June, July and August 2007, microcystin-LR concentrations remained below the drinking water guideline of 1.5 micrograms per litre at all times at beaches on Lake Winnipeg. This is also well below the recreational water quality guideline of 20 milligrams per litre.

Algae samples are also collected when algae blooms are reported by cottagers, regional staff, general public, et cetera. No algae blooms were reported during August on the west side of Lake Winnipeg. Staff from Water Stewardship collected samples from the south basin of Lake Winnipeg during the weeks of August 6 and 13. While some algae blooms were detected in the southern basin during this period, the concentrations of microcystin-LR were low, at less than 0.5 milligrams per litre.

Mr. Cliff Graydon (Emerson): Madam Minister, I'd just like to go back for a bit on the loading of phosphorus on the lake. Keeping in mind that we're all concerned about that, 50 percent of that loading you indicated was natural. I need to better understand. Fifty percent is representing how much loading on the lake when we go to parts per million or milligrams per litre?

Ms. Melnick: I'll just quote the source that I'm pulling information from. It's the Lake Winnipeg Stewardship Board final report. It's page 25 of the report, and it's table 4: Summary of estimated annual phosphorus loading to Lake Winnipeg 1994-2001 (tonnes per year, rounded to the nearest 100 tonnes), and the source is the Manitoba Department of Water Stewardship. Overall, an annual total of phosphorus load to Lake Winnipeg is 7,900 tonnes per year. So the natural would be half of that, which would be 3,950.

Mr. Graydon: So we really don't know what the parts per million are. I suppose, in reality, that they will vary from year to year on the level of the water on the lake.

How is that water controlled on the lake? Or is it at all controlled, the level of the lake?

Ms. Melnick: Could you please clarify your question a little bit more?

Mr. Graydon: What I'm trying to ascertain is what the 79,000 tonnes or thousand pounds of phosphate actually means in the loading on the lake. I would assume that the lake will vary, the level will vary from year to year. The dilution rate changes periodically.

Now are there any regulations on the lake? Are there any structures that restrict the outflow of the water on the lake?

Ms. Melnick: The regulatory regime is actually administered by Hydro. So, really, your question would be better put to the Minister of Finance (Mr. Selinger) who's also the minister responsible for Manitoba Hydro.

Mr. Graydon: So, then, if I understand the answer correctly, there are structures that restrict the flow of the water or have an effect on the flow of the water from the lake.

Ms. Melnick: Again, that would be under Manitoba Hydro, and so your question would be better put to the minister responsible.

Mr. Graydon: Thank you, Madam Minister, for that.

Maybe just switching gears a little bit, not too terribly much, though, I would like to go to the regional wastewater facilities. Is that the responsibility, to monitor the effluent that is released from there and the amount of phosphate and/or nitrogen in those facilities, is that your department, Madam Minister? If so, is that done on a regular basis?

Ms. Melnick: Again, that falls under the responsibility of the Minister of Conservation (Mr. Struthers), and the question would be better put to him.

Mr. Graydon: Getting a response from Manitoba Conservation that would indicate—what is a safe level that would satisfy your department that it would be a safe level, that the plant is doing what it's supposed to do and not contributing further to the deterioration of the lake?

* (14:50)

Ms. Melnick: Our role is to provide advice to Conservation, which they would use in issuing environmental licences to small or large wastewater treatment plants throughout the province. So, again, I'll go to the Lake Winnipeg Stewardship Board final report and the section 14, which is: Nutrient

abatement options for small wastewater treatment facilities. I think you focussed on the small wastewater treatment facilities in your question. *[interjection]* Okay, small and large.

I'll start with small wastewater treatment facilities. We have accepted the recommendation 14.1: "Small municipal and smaller industrial facilities should meet the standard of 1 mg/L of phosphorus as those for large municipal and industrial facilities. Reducing nitrogen discharges from these facilities may also receive consideration should it be determined that further nitrogen removal is necessary for the health of Lake Winnipeg."

We also talk about working with small communities, working with all communities, but it is anticipated that, as we work with communities, small facilities will be encouraged to utilize engineered wetland treatment processes similar to those currently found in Clandeboye and Grand Marais, in which case, both phosphorus and nitrogen reductions will be achieved. So that's for the small facilities.

Then I'll go to—again, I'm in the Lake Winnipeg Stewardship Board Final Report, and it's recommendation 11: Development of nutrient abatement plans for large wastewater treatment facilities in Manitoba communities. There is a series of recommendations, which, perhaps, I'll just share with the committee: "The Province of Manitoba should continue to require that nutrient reductions be implemented as quickly as possible at the large municipal and industrial wastewater treatment facilities in the cities of Winnipeg, Portage la Prairie, and Brandon.

"11.2. Nutrient reduction strategies for large facilities, such as biological nutrient removal, chemical treatment, effluent irrigation, constructed wetlands, and other proven technologies, need to be evaluated for their effectiveness and practicality given Manitoba conditions and economic circumstances. Source control pollution prevention plans should also be implemented as measures to reduce nutrient input.

"11.3. The Province of Manitoba must finalize its Nutrient Management Strategy along with developing a comprehensive prioritized plan for nutrient abatement for all wastewater treatment facilities in the Manitoba portion of the watershed.

"11.4. The Province of Manitoba should set limits for nutrient reduction that meet or exceed

those in neighbouring jurisdictions, and at levels that are adequate to protect Lake Winnipeg."

Finally, "11.5. The Lake Winnipeg Stewardship Board recognizes that the priority for nutrient abatement at municipal wastewater treatment systems should be on phosphorus first with nitrogen as a second priority."

Mr. Graydon: Thank you, Madam Minister.

We've talked in the past about the phosphorus level and the dishwasher detergent, and you've indicated that you will be bringing forth legislation to deal with that in the future, or you would like to. You would like that to be a national plan.

What I would ask the minister is: Is she aware that there's a certain amount of phosphate used in the city of Winnipeg and, perhaps, in other cities to line the water pipes? The question I would like is: What does that contribute to the loading in the lake, and if there's any legislation coming forward to deal with that as well?

Ms. Melnick: Again, I'll go to the Lake Winnipeg Stewardship final report and its recommendation 27: Phosphoric acid use in water supplies, 27.1: "The Province of Manitoba should initiate a project to identify the number of communities in Manitoba, in addition to Winnipeg and Portage la Prairie, that are using phosphorus-based strategies for lead control in water mains, and in collaboration with each community, determine the amount of phosphorus loss to receiving water. This evaluation should consider phosphorus removal plans being implemented for these wastewater treatment facilities and examine alternatives to phosphoric acid."

Mr. Graydon: I agree that it needs to be reduced; however, if we have no way of measuring it, we probably won't know exactly if it has helped any or if it is been reduced, Madam Minister.

On a different theme, I would ask in her department throughout rural Manitoba, are there any staff openings that haven't been filled? If they are filled or some of these are filled are they filled with term positions or contract positions?

Ms. Melnick: I just want to respond to the question previous and then we'll get to your current question, is that the phosphoric acid would be removed in the wastewater treatment process. So it would not be making its way into the waters.

Now, I'll work on the second part. Last fiscal year, 14 new positions were created, full-time

positions. This year's Estimates show 11 new positions. Many of those are the announced water resource officers. So they're newly created positions; they're full-time.

* (15:00)

Currently, we have 44 vacant positions: 35 in Winnipeg, two in Brandon, one each in The Pas, St. Laurent, Ste. Anne, Arborg, Dauphin, Swan River and Neepawa. Of those, approximately half are in the recruitment stages, processed for recruitment ongoing in approximately half of those. They're all full-time positions, no contract and no terms.

Mr. Graydon: Madam Minister, in Morris, Manitoba, do you have offices in Morris?

Ms. Melnick: We share an office in Morris with MIT, and our employee there is a water resource officer.

Mr. Graydon: That is your employee? That's your staffperson?

Ms. Melnick: The water resource officer is Water Stewardship, but there is also staff there from MIT.

Mr. Graydon: Right, and pardon my ignorance, but MIC?

Ms. Melnick: Manitoba Infrastructure and Transportation, MIT.

Mr. Graydon: Madam Minister, does, then, maintenance on drainage come under MIC?

Ms. Melnick: MIT. Yes.

Mr. Graydon: Thank you, Madam Minister. We've talked a bit about the phosphorus and some of the staffing. One of the issues that's becoming increasingly visible is that, outside of the city of Winnipeg, the bedroom community has been expanding at an exponential rate. I would ask the minister how her department will deal with the effluent from the lagoons that have been expanding there. Does she have in mind a large regional water treatment plant outside of the city of Winnipeg? I'm speaking to either side of the city.

Ms. Melnick: The planning that you're speaking of, the communities around Winnipeg, is handled by the Minister of Intergovernmental Affairs (Mr. Ashton). While we make recommendation on planning through The Planning Act, the actual licensing of lagoons is under the Department of Conservation.

Mr. Graydon: Thank you for that information of the licensing. The question, have you any plans in the

near future for any development? Those recommendations would come from your department, as I understand the answer.

Ms. Melnick: Again, it is the department of IGA that actually puts the planning into place. But we plan to go out for consultations in the spring on the adoption of the water quality standards, objectives, and guidelines, as a regulation under and in accordance with section 4 of The Water Protection Act, which will provide the water quality standards, objectives, and guidelines which we'll make into regulations, as well as standards used in approvals for adoption under—

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order. Thank you.

The honourable minister has the floor.

Ms. Melnick: Also the standards, et cetera, for use in approvals under other acts, such as The Planning Act, which would be section 4(2): "A regulation under subsection (1) may provide that a person issuing an approval or making a decision under The Environment Act or any other specified Act or regulation must (a) consider the standard, objective or guideline; or (b) in circumstances specified in the regulation, refuse to issue an approval or make a decision unless its effect will ensure compliance or consistency with the standard, objective or guideline."

So it is anticipated, again, that we will be going out for public consultation on this in the spring of 2008.

Mr. Graydon: Mr. Chairman, is it the responsibility of Water Stewardship for licensing drainage?

Ms. Melnick: Yes, we do license drainage.

Mr. Graydon: Is it also the responsibility of Water Stewardship to license filling in drains?

Ms. Melnick: Yes.

Mr. Graydon: Thank you, Madam Minister. The reason I asked is because that issue has come up recently in my constituency.

How open is the minister to delegations from municipalities with issues that they want to deal with, with your department?

* (15:10)

Ms. Melnick: Well, I attend AMM every year and meet with municipalities there. It's always a good

place and time to get together with particular municipalities. If your municipality is wanting to meet it would be appropriate to send a letter requesting a meeting, but I should also tell you that we do work through the local CDs around a lot of issues of drainage. We have brought in a model of watershed-based management, and there are seven integrated watershed management plans currently under way, which are being worked on by eight CDs throughout the province here. We're really moving to a model of working in greater co-operation with the CDs.

So, it may also be appropriate for the municipality that you might be referring to, to also work with their local CD in developing an integrated watershed management plan.

Mr. Graydon: I certainly agree with the minister when she talks about the CDs. Back in 1985, I thought it was a good idea, and we promoted it at that time with the organizations that I was with, as well as being on council at that time. However, not all municipalities belong to that, and it's come to my attention that a municipality has made written presentation to you to ask for a meeting four times in the last year and a half.

You have letters that would indicate that they have, and they've had no response.

Ms. Melnick: Can I ask which R.M. it is?

Mr. Graydon: The R.M. of Franklin.

Ms. Melnick: Okay. Well, I'll look into that then. That's not sounding familiar to me, but we'll look at it.

Mr. Graydon: Yes, I would ask you to do that. I had that checked out this morning and apparently that is the fact. I don't have it in writing in front of me, but if you would do that.

I'd like to switch gears a little bit, again. Because I represent the Emerson constituency and we have 120 miles of U.S. border, we have a concern in the valley for a number of things. We have a concern that the water flow on the Red River may not be adequate in dry years to satisfy the needs for the valley for their potable water, and that's where they draw it from.

We're also well aware that we've had in the past, near past, a number of floods. So people, maybe, have forgotten or underestimate the damage of drought. I have also read in the paper that there is an issue at Devils Lake and the Manitoba government.

So I'm wondering, firstly, if we have some type of a consultation process within departments of the government that would look at issues such as providing water for the valley, potable water for the valley because that's an economic-limiting factor, also look at some of the local flooding, some of the flooding along the border, for instance, that's caused by, perhaps, the Pembina River. Also, we could bring recreation into that, as well, if there's co-operation between the departments of Government.

We're willing to look at the benefits, possibly, of building a dam on the Pembina River in co-operation with our American neighbours, perhaps two dams, one of them being for recreation, and the other for flood control. Perhaps, that would alleviate some of the expenses that we've incurred from flood damage, but we can also use that as a guaranteed or a possible guaranteed flow on the Red River in drought years.

Is the minister open to that type of discussion with her colleagues?

Ms. Melnick: There is quite a long history in regard to the dam that you're referring to. There was a study done some years ago, and the U.S. Bureau of Reclamation determined that the cost benefit was not large enough, so they decided they would not be part of the partnership. I know in your question you asked about a Canada-U.S. partnership. So the U.S. has said, no, through the Bureau of Reclamation.

We are working on an agreement on the sharing of water under the umbrella of the IJC, International Joint Commission, with the states of Minnesota and North Dakota. So we're working on an agreement there. There is a drought management plan that is being worked on through the Red River Basin Commission that also has interjurisdictional implications.

When you talk about the recreation, I think you had, kind of, a vision of recreation being part of the development of a potential dam. I'm not sure if that's what you were referring to. That would be the department of STEM where they would have economic development. So that would be where, if you were looking at a plan for that, that's where that would be delivered, economic development, yes.

Mr. Graydon: Mr. Chairperson, I'm aware of that study. At the time that study was done on the Pembina River, you're absolutely right, there was some question whether the cost benefits would be there that were necessary. But, at that time the study

was done about that dam, the dam's sole purpose was for irrigation.

Today, we have a different situation with flooding in the valley that costs millions of dollars. We have a situation where that recreation, at that time, was not taken into consideration. We know from experience that many, many people drive thousands of miles or hundreds of miles every weekend for recreation. So I think that recreation dollars would make quite a difference, as well. It, I think, would be a project that needs to be revisited and needs to be revisited by all departments when we're looking at what the ramifications are on the Red River and the surrounding area, and economic losses to agriculture throughout there, plus the inability for industry to count on a water supply out of the Red River for economic purposes.

*(15:20)

Ms. Melnick: It's very helpful to have the Minister of Agriculture (Ms. Wowchuk) as part of our committee today. She has indicated to me that, in fact, her department would be the department to talk to around a development like that under the Rural Development section of MAFRI.

Mr. Graydon: I was hoping that the minister would take that initiative to talk to all of the departments in her government to initiate a discussion in regard to this important issue. That was what I was referring to and hoping that the Minister for Water Stewardship would lead that charge. Thankfully, the Minister of Agriculture is sitting here and has heard that, and perhaps she can pick up the reins, since she hasn't much to do for the rest of the day.

Ms. Melnick: Yes, I did take the opportunity to share with the Minister of Agriculture your vision.

Mr. Graydon: Water retention is an issue. I think it's an important issue, and it's one that I think needs to be addressed. I think we've heard many times in the past short while that, as we drain a certain amount of land, we lose the filtering systems for the phosphorus. We actually create a problem and, I would say, also, that we have the ability to produce the required amount plus food on the arable land that we have today.

Some of our problems in flooding and some of the problems in phosphate could better be addressed by creating some wetlands. Is the minister and her department willing to maintain or create certain water retention areas and compensate those land owners with enough money that they could buy land

somewhere else and start their operation? This would certainly help the loading on the lake.

Ms. Melnick: Well, certainly, the Department of Agriculture has been very active in the ALUS project, which is in the R.M. of Blanchard. It's a pilot project and is being seen to be very successful. This, I think, is the type of initiative that you're referring to. So it's already happening under this government.

Again, I'll go to the Lake Winnipeg Stewardship Board final report, recommendation 36: Natural wetlands as nutrient abatement options. Again, we are looking at the construction using natural wetlands, as you have suggested, innovative options to preserve and protect wetlands for drainage, consider options to share the cost of preserving these wetlands more broadly throughout society as a whole, and undertake an in-depth review of the effectiveness of natural wetlands to reduce nutrient loading to Lake Winnipeg.

Again, I'll look at the ALUS project and also do a very complete study on the historic role of Netley-Libau Marsh reducing nutrient loading from the Red River into the basin. I believe there is work being carried out on that.

We're also looking at retention basins as a nutrient abatement option, which is recommendation 37: take "a focused review of the effectiveness and appropriateness of using retention basins as a nutrient abatement option." That's something that I've been talking with CDs about, and there certainly is a lot of interest in that.

Hey, wake up, you guys. I haven't got all day.

Mr. Leonard Derkach (Russell): I thank the minister for her admonishment, Mr. Chair, but I do have a few questions for her. The questions I have surround the area of the Shellmouth Dam and the Lake of the Prairies. I would like to, first of all, ask the minister whether it is her department that has the responsibility for the levels of the lake behind the Shellmouth Dam and also the appointment of the advisory board to the lake.

Ms. Melnick: Yes to both questions. I just would also like to take the opportunity to inform the committee that shortly after the recent election, I, with the Premier (Mr. Doer) and the Minister of Agriculture (Ms. Wowchuk) spent a day out in Shellmouth. We were given a very good tour. We met with a lot of the key players in the Assiniboine Valley producers' group.

Of course, the Minister of Agriculture recently announced a package for the individuals who are experiencing flooding as a result of the flow from the Shellmouth Dam. We keep in very close contact with the AVP. I think that by working together we're seeing a lot of progress that was not seen in previous years, and we'll continue with that commitment.

Mr. Derkach: Madam Minister, I've had a significant number of concerns expressed to me and continue to be expressed about the membership on the advisory committee, and also the influence of the Assiniboine Valley producers' committee. The concerns, I think, are legitimate, and I think there probably are solutions and some more dialogue has to be held.

The specific concerns relate to the fact that the Assiniboine Valley producers are largely made up of farmers who are below the St. Lazare, if you like, area. The set of circumstances below St. Lazare are entirely different than they are in the area between St. Lazare and the dam. The reason I say that is because there is the contribution of the Qu'Appelle River that impacts on the flooding below St. Lazare. The flooding that occurs below the dam and between the dam and St. Lazare occurs because of the relatively flat area. The water in that region, on an annual basis—and this is the argument that we get into about artificial flooding—is such that the way the dam is regulated causes water to remain on the land for longer periods of time. This is expressed by all of the producers in the area. I think they all have the same view that this has been caused since the, if you like, augmenting of the water leaving the dam. The last few years have been problematic because a lot of the water has been forced to go over the spillway rather than through the gates and this in turn causes problems as well.

The advisory group feels that there isn't proper representation from the producers on the advisory board from the area below the dam at St. Lazare. As a matter of fact, a couple of the representatives, as I understand it, and I haven't been involved in this to any great extent, they tell me that the conservation district has representation on the board and they are basically employees who have never lived in the area, don't understand the area and are supposed to give advice on the regime of the dam.

So I'm just raising this as an issue, and I'm wondering whether or not the department, perhaps, could take a look at this and see whether we can, perhaps, change the membership on the board so that

it truly reflects people who have lived and understand the area, rather than employees of the conservation district who come from an entirely different region, don't understand the area and really have no stake, if you like, in that region.

* (15:30)

Ms. Melnick: Sure, we can have a look into the issues that you're raising. I also was out. The CDs put on an annual tour every year, and it was in your area this year. So I did spend the day with a lot of the folks there, and I thought I might be able to spend the day with you as well to talk about issues, but I guess you were unable to make it. So I'm glad you're raising the issue today.

Mr. Derkach: I certainly want to thank the minister. I knew that she was out there. I wasn't in the area during that time, but I thank the minister for being out in the area, because it is a significant area when it comes to water development in the area below the dam including Portage and Winnipeg.

But I want to ask the minister why it is that the levels of the lake have been kept so high through the summer months for the last two years. Now, I understand that two years ago there was an excessive amount of water in the lake, but what we have been seeing is that the water has been kept high even in this past summer, and we have a tremendous amount of erosion that is occurring around the lake with trees now falling into the lake and going down the river. It appears that there is I guess an intent to keep the water levels high through the summer months, and it's causing some concern for people who have established cottages, cottage development sites, marinas and other infrastructure facilities along the lake.

Ms. Melnick: The department does, in fact, consult on an annual basis about how much to draw down, when to draw down. You're right in saying that there has been a large amount of water that's been flowing down, so what we've been working on is more of a year-round draw-down this year. We started in January, for example, so that there would be more of a level flow over a longer period of time.

What we really try to avoid is flooding in the summer months when we know that the crops are growing, that there are periods of time that we want to have the least amount of water as possible. So when you've got a lot coming in from Saskatchewan and beyond in some cases, you've got to try to monitor and level it out, and that's what we've been

working on. So there is, in fact, ongoing consultation.

Mr. Derkach: Well, I guess my issue here is that there has been a historical level that the lake has been drawn down for the summer months. There's a summer level that the lake is supposed to be drawn down to. I think that was an agreement that dates back well into the '70s for that matter, and it's one that has been ignored specifically in this past year.

Even though the river itself could have held a lot more water through the summer months, the gates were closed, water was being forced over the spillway and water levels were kept very high all around the lake. This caused in this particular year a huge amount of erosion around the shoreline of the lake to the extent where a lot of vegetation is now falling into the lake. This is going to cause a problem with algae formation, and when we talk about cleaning up Lake Winnipeg, this is hardly the way to do it. When the dam was formed there were crews that cut the trees to ensure that trees would not be flooded and start to decay in the lake.

Today we're seeing quite the opposite, and I know this because I live in the area, and I've gone for a tour right around the entire lake and the amount of vegetation that is falling into the lake is quite surprising and has to be taken account of.

I'm wondering whether or not, in the coming year, the lake level for the summer-level months is going to be respected or whether it, once again, is going to be kept artificially high.

Ms. Melnick: Yes. We have not changed the summer target level. We've continued to draw down to get to that level. I believe we achieved that in September. We don't have the actual data here—*[interjection]* Well, there's a lot of water. You know there was a lot of water coming in going over the spill gates. So, what we had to do was balance to get to that summer level while making sure that we're not flooding the crops that are downstream. So it is a balance when you're getting a lot of water coming in. You have to deal with it in a way that is going to be least intrusive upstream, and, certainly, least intrusive downstream to make sure that we're respecting the crops.

Mr. Derkach: In previous years, we've seen as much water in the dam as there was this summer or this spring, last spring, I should say, and we have been able to manage to draw the water down to the summer levels in July, not in September.

The problem this year and the last year has been the amount of debris that has been swept into the river below the dam. Now, when the dam was built, there was an agreement that wasn't completed and that was to clean the river channel between the Shellmouth Dam and Highway 16. That was never done. Now, two years ago, it was understood that water levels were extremely high because there was an extreme amount of water in the dam, but over the course of time the debris in the river is causing the river to back up the water and the water spills out on the land. So as time goes on less and less water is able to leave through the channel because the channel has been blocked with debris.

Now, I know that there is mitigation money with PFRA and with the Government of Manitoba to address the downstream issues. Two years ago, I think, the federal government under the PFRA did settle with landowners in the Kamsack area, but the mitigation money that was supposed to be identified for the Shellmouth area has never been tapped into and never spent.

So I'm wondering whether the minister can tell us whether or not there are plans to clean the river channel or to start using the money that was left for mitigation for farmland flooding for the Shellmouth area to be tapped into in the next year or two.

* (15:40)

Ms. Melnick: We have not received any evidence that the downstream capacity of the Assiniboine River channel has been diminished, but I can have a look into that. Certainly if the member has any more information about it, I'd be happy to receive that.

Mr. Derkach: Suffice it to say that the Shellmouth Dam and the structure in the water has been a huge benefit to Manitoba as a whole. The unfortunate part is that there are a few landowners below the dam and people who live in the development that has been happening around the dam are starting to bear the brunt and bear the cost of us as a society providing water where it's needed. There's no question that we should share that resource and that resource belongs to everybody, but I think people in that region have to be treated fairly and equitably and reimbursed in times of loss.

There are several circumstances which come to mind. If you were to go to St. Lazare, there's a home that has been established for, I guess, more than 50 years, a yard that today is being threatened because of the erosion that occurs because of the amount of

water that comes out of the Shellmouth Dam and the Assiniboine River. The residents don't know what to do. They have applied to emergency, whatever it's called—

An Honourable Member: EMO.

Mr. Derkach: EMO, but they have not been given any consideration in terms of mitigating the erosion that is occurring on their property. They live on a bend in the river, and I specifically talk about there's a CN bridge that is threatened right now in St. Lazare as well as this yard. I'm wondering whether the minister can tell me whether her department has had any contact with St. Lazare or with those individuals whose properties are being threatened right now.

Ms. Melnick: The department informs me they're not aware of any contact in the situation that you're talking about. Also, I think it's important to recognize that the Shellmouth Dam has actually helped to reduce the downstream erosion because of reduced flood peaks. Erosion, as we all know, is a naturally occurring event, especially in a prairie river such as this where oxbows can be created very quickly. So, by mitigating the flow by reducing the flood peaks, it's actually helped to deal with erosion problems. But that doesn't mean that issues don't arise on private lands.

Mr. Derkach: In theory, the minister may be right. In practice, if you were to come with me, Madam Minister, we would probably see a very different set of circumstances. I'm not suggesting that that happens all along the river, but there are places along the river where that indeed is enhanced, probably because of, not necessarily in peak times of flooding, but, when the water starts to recede and the river channel starts to go down, that's when the major amount of erosion occurs.

I think it just is something that we have to recognize that needs to be mitigated in some way. It's not an issue that's going to cause a huge cost on the government because I can probably identify two properties that are being threatened right now and will probably be gone in to the river in the next five years if something isn't done. So those people are feeling the brunt of it. They've lived there a long time; they've never seen it like this before. I have been out there in June, May, July—I've been there probably every month of the year—to see what really is happening in that area.

We'll leave that now, I understand that if the department hasn't been apprised of this, then how

could you do anything about it. But I do want to ask the minister about the leaf gates on the Shellmouth Dam and whether that's an area under her control and responsibility.

Ms. Melnick: At this stage, we are active participants with PFRA. There are, right now, discussions going on and a consultant has been retained for the comprehensive environmental impact assessment phase. Field work for the assessment has been completed, and it is expected that the results will be ready for review within the year. Preliminary engineering studies on spillway gates, other alternatives, assessment of downstream water demands, hydraulic impacts upstream and downstream from the dam are ongoing currently with environmental studies, and it's expected that they will be completed within the year as well. Public consultation will then commence.

Now that's one phase. If it is agreed that the gates will, in fact, be constructed and operating, the responsibility would then move into the department of MIT.

* (15:50)

Mr. Derkach: I thank the minister for that information.

Can the minister indicate whether or not there will be a consultation process held specifically for people and for residents of that area who live around the lake and below the lake, and whether that consultation process will be done following the disclosure of the findings by the engineering firms who are doing the studies at this time?

Ms. Melnick: The process we're now in is the environmental impact assessment phase. As I had finished my previous answer with, at the end of the development of the studies there will be public consultation and, of course, that would include the people who would be most directly impacted.

Mr. Derkach: Can the minister tell me whether or not all property owners along the lake and below the lake will be consulted in the environmental impact assessment phase?

Ms. Melnick: Are you talking about a one-on-one or what are you actually?

Mr. Derkach: I'm not being specific to the format, whether it's done through a series of meetings with groups of landowners, property owners or whether it's done individually through open houses or whatever the process is; I'm not dictating that. I'm

just asking a question whether or not every individual who owns property along the lake will have an opportunity to have input into the environmental impact assessment phase.

Ms. Melnick: Are you talking about before or after the studies are complete?

Mr. Derkach: I'm asking whether or not their consultation is going to be done as a part of the study.

Ms. Melnick: Yes, there will be full public consultations after the current studies have been completed, but before any decision has been made.

Mr. Derkach: Well, I want to ask the minister, again, because these are environmental impact assessment studies that are being done at this time, individuals who own property have a right to have input into that environmental impact assessment because it impacts on their environment.

I'm asking the minister whether these individuals will be consulted, not the public. I'm talking about individuals who have a vested interest, who own property and who have a right, I guess, either through consultation or through direct involvement in terms of the environmental impact assessment process.

Ms. Melnick: I think I've answered this question a number of times now. I'll try again. Yes, the people who are most directly affected will have opportunity for input.

Mr. Stuart Briese (Ste. Rose): My questions are related to conservation districts. I have three conservation districts in my constituency, the Whitemud, Turtle Mountain and Alonsa-Turtle River—pardon me, and Alonsa. All three are responsible for infrastructure on the drains and the crossings. I believe there are only a very small number of the conservation districts that do that, but all three in my constituency do.

In the Whitemud Conservation District, there are 1,100 miles of drains and there are over 1,200 crossings. The capital budget that's allowed into that district from the Province, or their capital budget in that district, is less than 1 percent of the cost of refurbishing those crossings. In other words, it would take 100 years if you had to replace them all, and most culverts have a lifespan of about 40 years or maybe a little more. So there are concerns in those districts about the capital projects in the districts and their responsibilities. I know that last year in the

budget there was some money earmarked for capital projects, but it was, I believe, earmarked toward big projects. The Rossendale Drain is one, I know. There were some projects around The Pas, and I don't know the status of the ones around The Pas. I understand the work has just recently begun on the Rossendale Drain.

Can you inform me if there's any movement toward increasing those capital budgets on the regular infrastructure projects that these CDs are responsible for?

*(16:00)

Ms. Melnick: As I announced on April 18, 2007, in keeping with the Province's water-management objectives, I announced that there was an increase of \$1.2 million in funding to support conservation districts in Manitoba, of which \$800,000 will be allocated to capital infrastructure projects for those CDs that maintain provincial waterways. So there is an increase. We are running it through the CDs. Total provincial funding of \$5.6 million will assist conservation districts to develop and implement cost-shared programs directed at sustainable water and land use.

Mr. Briese: Mr. Chair, I know in the Whitemud Conservation District they have, as I said, 1,200 crossings. Their projects for the next five years are 14 crossings and that will use up their total budget. So 14 crossings in five years goes even beyond the hundred year, goes below the one percent. I think there's going to have to be a lot more attention paid to that.

One of the other concerns that I'm hearing out there, and I'm hearing quite a few of them: Is the engineering going to stay with your department on these projects or is it moving over to Infrastructure and Transportation?

Ms. Melnick: That will stay with Water Stewardship. In fact, we have at the table here now the manager of the Water Control System Management area of the department and that's part of his responsibility.

Mr. Briese: Thank you, Minister. The one other question I have, because I don't understand the meaning of the word, I guess, is what we're hearing talked about all the time now is an integrated watershed management plan. What exactly is an integrated plan? Does that take into consideration the things like shelterbelt planting and the small dams on

the escarpment and all the various projects that these districts have done over the years?

Ms. Melnick: The original conservation districts were formed on the basis of rural municipalities and the boundaries of rural municipalities. We've been working with the MCDA and I'd like to take this opportunity to thank the MCDA and all the conservation districts and all the folks involved with them for the good work that they do. We have moved from a R.M.-based boundary system to a river basin boundary system, so you're going to be seeing some conservation districts may have more than one watershed basin within their jurisdiction. You're going to see conservation districts working co-operatively because they share watershed basins.

The integrated watershed management plan is to identify and document current watershed health, create a drinking source water protection plan and provide a management plan for other local water-related issues. So that, I think, would certainly include the elements that you named just a few moments ago, as well as several others.

Mr. Briese: It sounds like—and I guess this really isn't a question. It's more of a comment, but I was part of the consultation on sustainable development implementation, and it sounds like you, finally, maybe, are moving a little bit toward what we suggested way back then. By the way, the Whitemud Conservation District is a watershed—it's a total watershed—but we suggested that there be an overall plan on a watershed, and that plan didn't need another level of bureaucracy or anything. It just needed probably the people from the local area developing a plan for that watershed, and then municipalities, planning districts, and conservation districts could all refer to that plan. It probably would need upgrading year to year, but once it was in place it shouldn't be too costly to handle.

Ms. Melnick: Well, if you have any more good ideas, let me know and maybe we'll take that as a compliment instead of a comment.

Mr. Briese: I will take quite a bit of the credit for that one. Thank you very much.

Mr. Larry Maguire (Arthur-Virden): I'd just like to ask a couple of questions to the minister in regard to some water issues. As she knows, there are a number of biofuel projects around the province that are in developmental stages. Some of them are much further on than others. I've got three in my own southwest area. There's a group in Boissevain-

Killarney that's been working for a number of years on a project there as well as Virden. Some of the neighbouring towns in Saskatchewan, actually, have co-ordinated their efforts, but the main one that's further advanced right now is the Clean Country Resources.

I know the minister has sat in on a presentation by them last April, I believe it was, with the minister of industry, and there was much concern as she knows around the product that they were going to use as an energy source being coal at that time.

I'd like to inform the minister, and of course, I want to say because she's here in the room today. As well, the Member for Swan River, the Minister of Agriculture (Ms. Wowchuk), has met with these folks and I asked her a few questions a week or 10 days ago on it, but this would pertain more to the area of water, and I just wanted to assure the minister, as I did previous, that coal is off the agenda for this group. They're moving forward with other energy sources, more clean energy sources meeting the requests of the government, and they're quite amiable to do that. They have some water testing to do this fall in order to get their permits in, or their applications in I should say, and they are endeavouring to do that.

I just ask the minister, because they will be presenting those to the department at some point this year, this fall, I'm assuming from my information with them, that they would be presenting that to the minister or to the government this fall as well. I think they're looking for a time frame. Can the minister indicate to me just what a normal time for moving those types of proposals forward would be?

Ms. Melnick: Yes, while the Member for Arthur-Virden was putting forward his question, I asked the department if we've heard from this group at all, and I don't think we've received anything from them, so.

Mr. Maguire: No, that's what I indicated. Pardon me, I'll clarify that. They have not moved it forward yet as far as I know, to the department at least, and they will be putting their water—they're trying to get their program together this fall. As I indicated to the minister, there's some tests they'd like to get done before freeze up which would then allow them to have the information that's required. They've already done some testing but there's a formal larger site that they have to do with, as you're aware, of getting the cribs in and that sort of thing to actually do the full testing. The preliminary tests indicate there's lots of water there and they're spreading it out. They're

doing a very good job of not taking all of their source from one hole, if you will. They're spreading that out over a number of areas. The aquifer, they have complete co-operation of the Oak Lake Aquifer group and the communities and municipalities around there.

The R.M. of Cameron has already looked at putting up, I think it's a hundred thousand dollars between the R.M. and the town, towards this project to help make it go, and I wanted to just—My question was just on normal timing. Once that comes in, if they can get it in by the end of October, probably get something done by Christmas anyway.

Ms. Melnick: I couldn't give any indication there.

*(16:10)

Mr. Maguire: Can the minister indicate to me what the time would have been on the Minnedosa plant then? Because this is a project of equal or bigger capabilities.

Ms. Melnick: Yes. I'd just like to welcome to the table Rob Matthews, manager of Water Licensing Regulatory and Operational Services.

Are you talking specifically about an application for a water rights licence? Is that the process you're asking about? Okay. So I've just been informed by Rob Matthews that once we receive a proposal or an application, it takes perhaps three to four months. Does that answer your question then?

Mr. Maguire: Yes, thank you, Madam Minister. That's, I believe, the proper terminology for the project that they'd want to put forward, and of course you really cannot go out and raise funds until you've got a project of this nature licensed and okayed by the government to move forward, so they are meeting all of the requirements that have been put to them at this point. I know the Minister of Agriculture (Ms. Wowchuk) indicated that she's working with them in their department as well, and so I look forward to them being able to move that forward.

Certainly, as you know from their presentation, their project is moving forward with a minimal amount of water to be used in a facility like this of any place in virtually North America with the technology that they're going to use, so it's a very minimal use water facility as well for the project that's ongoing. So thank you for your time.

Ms. Melnick: I just want to make clear I'm not confirming that there would be a specific time line or

that a licence would be—you just asked about the process. So I just want to be really clear.

Mr. Maguire: I thank the minister for that. I know that depends on the load of the time and that sort of thing, but I think their concern would be that they'd like to be able to move forward to start raising the funds so that they're ready to go in the spring with the project and it's just that they would, I'm sure, try to have a meeting with the minister at that point to present their views as well. So thanks.

Mr. Cliff Cullen (Turtle Mountain): Mr. Chairman, just to follow up on some of the comments made by the Member for Arthur-Virden, there's another group in the Killarney area, Turtle Mountain area that are endeavouring to develop an ethanol plant in that area as well, and they're currently doing some ground water testing and aquifer in that particular area.

I know some of the frustration coming from the community. It took, I believe, at least three weeks just to get approval to drill testing wells, so, certainly, hearing that it might take three or four months for an approval process, I think it's important that the community and the proponents are aware of that particular situation. As the member did point out, it's a fairly substantial capital investment that is required, so I just wanted to encourage that the minister and her department work co-operatively with those proponents in a timely fashion.

Ms. Melnick: I've just been informed that the proponents actually never did make an application, that it was made through the R.M. and the town and that the permit has, in fact, been issued already—the development permit, right? Yes.

Mr. Cullen: Okay, I thank the minister for that comment. That's my understanding, too, is that it's being through the town. Actually the town and the R.M. are now one entity, so that's good to hear. I will certainly look forward to that development as it goes forward.

Your department is responsible for The Water Rights Act, the enforcement, and therefore a big concern in rural Manitoba is the time it takes to get approval for a drainage licence. And, unfortunately, because it's such a long lag time, some of the people that are endeavouring to do drainage sometimes take those efforts upon themselves before they actually acquire a licence from the department. So it's very frustrating. I know the Whitemud Watershed Conservation District had what seemed like a fairly

effective strategy for dealing with licensing drainage. Obviously, the department was involved in that. But the level of frustration at the end of that trial period there, not even at the end of that trial period, was such that the Whitemud basically decided to back out of that particular project.

So I'm just wondering what the minister has planned in that regard to move the licensing process forward and hopefully in an expedited manner.

Ms. Melnick: Well, again, the announcement that I made on April 18, 2007, focussed specifically on a lot of the elements that you're talking about. I'll just share some of that with you. The announcement was about increased staff for drainage licensing and enforcement as well as the additional funds for the conservation districts. Manitoba Water Stewardship established a dedicated water control works and drainage licensing branch with 25 staff, including the addition of 14 new water resource officers, which I think you may have referred to as the water police a little while ago. They will be located at various points in rural Manitoba over the next few months. Not one will be sitting behind a desk in the city of Winnipeg. Both new and existing staff are currently receiving concentrated regulatory and enforcement training and training that focusses on the principles of integrated watershed management.

We're also working to amend the offence notices regulation under The Summary Convictions Act to allow for more efficient and timely enforcement for certain offences under The Water Rights Act. Now designated officers will be able to issue tickets with projected fines, increasing to over \$2,000 per offence. A single unlicensed drainage work may incur multiple fines should compliance not be achieved.

We also are developing a practical manual of environmentally-friendly approaches and designs for drainage projects that will be available very soon to municipalities and landowners alike. This will focus on protecting water quality and fish habitat while meeting the needs for land drainage. The budget 2006 doubled the drainage budget throughout the province and this year's budget continues with an investment of over \$4 million to support these drainage projects. Again, there was an increase in funding to the CDs of \$1.2 million to support their various activities, of which \$800,000 is currently allocated to capital infrastructure projects for the CDs that maintain the provincial waterways.

So we're coming at what we know has been a long-standing concern, and we're coming at it from various different angles.

Mr. Cullen: I thank the minister for that, recognizing that there's more staff and money going into the department. Ultimately, what people in the field want to hear is: how long will it take for my application to be either approved or revised? Just adding money and staff isn't necessarily going to do it.

Has the department actually put together a time frame and said, okay we want to have these particular applications turned around within two or three months? Has the department set those parameters?

Ms. Melnick: We're confident that the measures that we have recently undertaken will help to reduce the wait times. We're very sensitive of the issues of drainage throughout the province, which is why we've brought on this multi-pronged approach. Again, I want to reiterate that the 14 new water resource officers will be residing throughout the province, and perhaps I could just be a little bit more specific. There will be officers in Morris, Gimli, St. Laurent, Grosse Isle, Ste. Anne, two in Gimli—actually, two in Morris—two in Arborg, three in Brandon, one in Dauphin, one in Shoal Lake—pardon me, two in Dauphin—one in Swan River, one in Neepawa, and one in Deloraine, so we believe that we're covering the province and people will soon see some relief.

* (16:20)

Mr. Cullen: I thank the minister for that comment. And she did mention the changes that were made to the Water Rights Act and the fine and notifications. I'm just wondering where that particular process is at. The other part to that is, once individuals or corporations are fined under that particular legislation, what happens to the money and those fines that are going to be paid?

Ms. Melnick: The fines collected under this act will go into general revenue. This is actually an act under the Minister of Justice. Our expectation is that it will be in place by spring of '08.

Mr. Cullen: As critic for Manitoba Hydro, I just want to try to figure out the role your department has there in terms of licensing hydro development in Manitoba, what kind of relationship we have with Manitoba Hydro, and if your department actually has a plan of where Manitoba Hydro wants to go in the

future. So, if you could briefly explain where things are at. We know we have the Wuskwatim Dam in the works and there's a couple of other potential dams there. Is your department actively reviewing proposals from Manitoba Hydro?

Ms. Melnick: Well, our government has a plan for the development of hydro, a clean, sustainable, renewable resource, which is certainly the way that the world appears to be moving toward. Certainly we're at the forefront of that. So we work most specifically with the minister of Hydro, and any specific questions really should be directed to him.

We have issued Wuskwatim an interim licence, but again it's the overall commitment of our government to build Manitoba and to make sure that this precious resource is developed and built for the benefit of all Manitobans.

Mr. Cullen: Thank you, Mr. Chair. The other thing that we've been discussing lately is development, of course, along the east side of Lake Winnipeg, and development within First Nations communities. Obviously water is a very important part of any planning process.

So is your department engaged with some of the First Nations communities on that side of the province in terms of planning issues going forward and how that water resource would be used in the future?

Ms. Melnick: The east-side planning process is under the auspices of the Minister of Conservation (Mr. Struthers).

Mr. Cullen: Well, I recognize that being the case here. In fact, on page 74 of your supplementary information it talks exactly about "conducts First Nation and Aboriginal community consultations respecting water power development impacts to treaty rights."

I was just kind of wondering how those discussions happen, how they developed, and if the department is actually engaged in some of that discussion right now.

Ms. Melnick: That's referring to water power licensing. We went through section 35, review on Wuskwatim. That's what that's referring to.

Mr. Cullen: Okay, I just have a few comments I'm going to try to put on the record here just to advise the minister of some local issues that I have, in the essence of time.

First of all, I know the Member for River Heights (Mr. Gerrard) has raised the issue of Killarney Lake and we brought it forward to the minister's attention in the past. We certainly believe that Killarney Lake acts very similar to what Lake Manitoba does and Lake Winnipeg, albeit on a smaller basis. Given that it's a smaller watershed, we think the opportunity is ripe for some investigation, some research in that particular lake. It does have the farm watershed, it does have the town of Killarney right adjacent to it, and I know the minister is talking about bringing in that legislation for nutrients on lawns. I think it just might be a real opportunity for us to really gain some scientific information in terms of that particular watershed and then relate it back to Lake Winnipeg.

Another issue is Pelican Lake. We have had a couple of major winter kills of the fish stock there. We have had some support from the Province in terms of restocking that fish and doing some trials with aeration. It certainly is an important resource for the entire southwest part of Manitoba from a tourism point of view too. There has been some very substantial development around that lake and around Rock Lake. So it's a very important economic driver in that part of the province. Again, I would certainly encourage the minister to get out and have a look at those lakes in southwestern Manitoba so she can see first-hand just how significant they are. Again we do need financial assistance and resource assistance from your department in dealing with those specific lakes. I think we've established a fairly good relationship with the conservation districts there and some members of your department, so we certainly look forward to some further support in that regard.

Also, I know McCain in Carberry—just so the minister's aware, and this is on the wastewater treatment side of things, but there's going to be some uses for that wastewater as well. It's a very substantial undertaking both at the Carberry plant and in Portage. I'm just going to give the minister the heads-up that we'll be following up with some correspondence to see if there's anything that her department could do in assisting us in this endeavour. My view here is that there's a lot of different technology out there available that hopefully we could incorporate and bring back to Manitoba for the betterment of all Manitobans and some of these industries that are trying to move ahead.

Just on one final note, I know we talked a little bit about it before and it relates to the Lake

Winnipeg and it's the wastewater within the city of Winnipeg. I know the Province, as far as the regulation's concerned, they're pretty fixated on removing the nitrogen from the wastewater as well. We know, from a financial perspective, it's very, very substantial in terms of the City's investment in that wastewater plan. My view, along with some of the specialists in the field, would be to focus on the phosphorus because we recognize that phosphorus is an issue in Lake Winnipeg and other lakes and then worry about the nitrogen at a later date. Then by expanding and focussing on the phosphorus now and make that investment soon, I think that might be in our best interests.

I'm sorry, I have to leave, Madam Minister, but I'll certainly look forward to reading your comments.

*(16:30)

Ms. Melnick: Well, it's interesting to know the Member for Turtle Mountain (Mr. Cullen) is in cahoots with the Member for River Heights.

On the issue of Killarney Lake, we certainly have been active on that. The Killarney Lake Water Quality Committee was established in 1981, and there is inclusion of the Turtle Mountain Conservation District, which we partially fund. As well, we provide in-kind support. There is water quality monitoring in Long River and Killarney Lake, including regular monitoring for algae. There's a sanitary survey to determine the level of compliance with applicable regulations, and there's also a public education and awareness of water quality issues that is available in and around the area.

As far as Pelican and Rock Lakes go, we're very aware of the issues. We do annual stocking and winter aeration, and we also are encouraging all stakeholders in both watersheds to undertake appropriate riparian protection practices to reduce or eliminate sediment and nutrient loading throughout the respective watersheds.

On the issue of the wastewater environmental licensing of the City of Winnipeg, we do have a plan that would include the removal of phosphorus first, and a long-term plan for the removal of nitrogen. We recognize that science people have all sorts of different opinions. The expertise in our department has told us it's important, yes, to deal with phosphorus, but also to move on nitrogen in the long term, and that's what we're working on.

Mr. David Faurichou (Portage la Prairie): I'm glad to see the Minister of Agriculture (Ms.

Wowchuk) here because it also is something that I'd like to ask the minister here that was also asked in Agriculture, and that is the development of potential water bodies that would provide additional irrigation waters for the higher value crops now growing in the province and hoping to expand on that.

One proposal that is before the department and is underway for study, hoping to get resources from government to complete the study, is the Treherne Dam. That project is one that has been discussed for as many years as I can remember and is also mentioned in the report as a very important project that was tabled back in 1988. That is the Assiniboine South Hespeler report which was a six-volume undertaking that was presented to the former Pawley administration in 1988. I know that it is something that has been gathering dust in the archives, but I'd like, on the record, to ask the minister that perhaps she might take opportunity to unearth that report because it is very much of value to long-term planning because of the extensive research that went into that report.

Now, if the minister would like to comment in regard to the Treherne Dam proposal, the Minister of Agriculture did state that there is money set aside for an environmental impact study. Is the department also working with the Department of Agriculture in this endeavour?

Ms. Melnick: Well, there is currently a committee consisting of the South Norfolk-Treherne Community Development Corporation, the Pembina Valley Water Co-op, PFRA, MAFRI, and the KGS Group, which is the engineering consultant to the committee. They are reviewing the water supply allocation and water demand on the Boyne River and updating the 2002 feasibility study for the Treherne Dam. MAFRI is actually the lead department on this issue in our government, but we would play the role of reviewing the Treherne Dam proposal to ensure that the potential impact of the reservoir on the Assiniboine River flows is acceptable from a water management point of view.

So your question was well placed with the Minister of Agriculture.

Mr. Faurichou: Madam Minister, as you mentioned, the flow and supply of needed water to Portage la Prairie comes by way of the Assiniboine and we are very concerned that that supply not be interrupted or too great a demand placed on it. However, I do believe in positive management of our water resources in the province and would very

much encourage further storage facilities be developed in southern Manitoba, whereby we could withstand a drought situation which, year in, year out, is the potential.

I want to take this opportunity to also compliment the staff from your department because this year was the very first year that we saw a newly constructed drainage ditch on the south side of the Trans Canada, on the east side of Portage la Prairie. It was in 2005 that we had a very large nursery completely inundated with flood waters in 2005. The department staff came together with Highways Department officials and the Rural Municipality of Portage la Prairie and actually was able to, in about the span of about three days—because once you inundate nursery stock, it doesn't take too long before that nursery stock does die off. We were looking at millions of dollars of damage.

It does re-instil my faith in government officials and civil servants that are truly dedicated that we can come together and get a project done in short order for the betterment of everyone. It was primarily constructed in 2005, fully constructed in 2006, and in 2007 we were able to see that drainage ditch work perfectly. The Portage Miller's Campground, as well as the Jeffries Nurseries were not affected by the higher waters that we saw earlier in the season when we received a lot of rainfall and spring run-off waters combined. So compliments to your staff, for the record.

I would like, also, to ask, specifically, the conservation districts that now number 18. Not all conservation districts have the responsibility for drainage. Could you name the four, as I understand, that have that drainage responsibility.

Ms. Melnick: First, I'd like to thank the member for acknowledging the good work of the department. It's an honour to be the Minister of Water Stewardship. We have absolute top-notch people who have dedicated their lives to the betterment of life in Manitoba. So thank you for acknowledging that.

The four CDs that currently have responsibility for drainage are, I believe, the four original CDs: Cooks Creek, Whitemud, Alonsa and Turtle River.

Mr. Faurchou: The trial plan for actual licensing that has gone awry with the Whitemud Watershed Conservation District: Is it the intention of the minister to revisit that in order to be able to, perhaps, re-instil that responsibility with the necessary resources? Because from my perspective, they are

hands-on, very responsible organizations that have first-hand knowledge and truly could administrate the drainage licensing program in a very cost-effective manner.

*(16:40)

Ms. Melnick: Well, certainly, as I announced in April of this year, we have increased funding to the CDs to the tune of \$1.2 million, \$800,000 of which has been protected for drainage projects. Yes, the department, under the auspices of Rhonda McDougal, has been working very well with MCDA as an association, but with the individual conservation districts as well. I, too, am very aware of the expertise in these conservation districts and really do believe that people who are living in the community know it far better than, if I may, any of us sitting around this table, even. So, I really believe that working with front-line people is the way to go.

Mr. Faurchou: Yes, I appreciate the additional resources that are coming to the CDs, but again, you want to make absolutely certain that enough resources are provided so that the CDs do not have to take from other allocations in order to take on the responsibility of drainage licensing, and so I ask the minister to be cognizant of that.

The allocated monies that we've seen come to the CDs and through her department, I'm wanting to ask the minister: sometimes it is more cost-effective to be able to tender a project that is in its entirety, that is a complete project. When the contractor comes in and just has to do the first three kilometres of a six-kilometre drainage ditch, it's more cost-effective for a tendering process to recognize that it is a six-kilometre drainage ditch, and let's do it all at once. Maybe the monies are not there to accommodate in that year, but has the minister spoken with—and I have seen this happen on occasion that the monies are not able to be spent in that particular allocation year. And so, the question I have for the minister: Is it possible for her department, in co-operation with the Finance Department, to recognize carrying forward allocated monies to another year to effectively and cost-efficiently see the projects through to conclusion?

Ms. Melnick: The question of the spending, the contracting, the tendering, et cetera, is it within MIT, where they're the ones who carry out the actual construction? So perhaps, your comment might be better placed with the Minister of MIT.

If it's the CD monies that you're referring to, those are given in grants on an annual basis and they determine how that will be spent. There's no condition that the money be spent in year. If they do have a project that spans two fiscal years and they can carry money over, that's okay.

Mr. Faurichou: Yes, I was referring more to the infrastructure monies that are put forward for major drainage projects and dam construction, water retention projects as well, that I have seen because of, perhaps, even the forces of Mother Nature that work has been unable to be completed in a given year. Then essentially, the money does lapse and goes back to general revenues. Then, once that happens, even though the project has been allocated, the money does as a rule return, but then we should have had more money. It should have been added on top of the existing budget. I've seen, yes, the budget gets expanded, but not even to the greatest degree of the lapsed money, to equate to the lapsed money.

So, I'm asking the minister, on behalf of everyone that is there.

Mr. Chairperson: Order, please. A recorded vote has been requested in another section of the Committee of Supply.

I am therefore recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

The committee recessed at 4:45 p.m.

The committee resumed at 5:09 p.m.

Mr. Chairperson: Will the Committee of Supply please come to order.

The floor is open for questions.

Mr. Faurichou: Mr. Chairperson, I know we had some discussion about the CDs with the drainage responsibility and looking forward to essentially revamping and providing the necessary resources to those identified CDs because I believe we're both in agreement that the front-line CD personnel are probably the best and most well-versed and acquainted with the necessary projects, and how might they be constructed and also, too, a time element. As my honourable colleague for Turtle Mountain (Mr. Cullen) mentioned earlier, there is a great deal of concern about the amount of time that is required to get authorization to construct drainage,

and in this country we can all appreciate that there is very limited time to get projects done.

* (17:10)

We were talking also about carry forward of monies and I was trying to impress upon the minister that she speak with her honourable colleague of Finance to consider, in regard to drainage projects that are potentially delayed by weather, that those monies not be lost and be added to her budget or to the Infrastructure Minister's (Mr. Lemieux) budget in the following year. Is there any further comment by the minister? No. Okay.

I would like to move forward then to the co-operation and co-ordination that we started to speak of regarding the Department of Agriculture and the Treherne Dam. It was also mentioned in the minister's dialogue there that entities such as PFRA are integral parts of making projects come into fruition.

There is though, as I understand, from the federal government a resurgence of commitment to PFRA funding. That entity had seen a lot of their resource monies go elsewhere away from the prairies into the Maritime provinces, and I believe it was through frustration that one PFRA official did state that if resources were not increased, it would be more than 80 years for them to complete the existing applications. That's without adding one single additional application, but the federal government is now looking to recommit greater resources.

I would like to have the minister's commitment that not only working with the federal government but working with other departments that there is indeed a very co-ordinated effort to make certain that valuable projects to communities go ahead in a timely fashion.

Ms. Melnick: I'm not sure if there are some specific projects that the member is referring to. Could you be a little more specific with what you're—was that an end comment or did you want to talk about a specific project? I'm not sure.

Mr. Faurichou: No, it's more in general because PFRA and municipalities and conservation districts have an immense backlog of well-thought-out projects that either are going to contribute to ponding of water, the additional drainage projects, but I just look to the expansion perhaps of the Stephenfield Reservoir or the Roseisle dam or the Treherne Dam and also in my backyard, the Rat Creek proposal. These are all projects and my honourable colleague

from Pembina is going to bring forward even one that is very pertinent and vital to the sustainability of water supplies for a very growing region of our province.

It is very important that we don't stumble along in between departments, that there is a very clear pathway, that projects can go forward and receive approval and support and go ahead. I'm looking for the minister's commitment to make sure that that takes place.

Ms. Melnick: Well, certainly in our government we work very closely with related departments on a project on an initiative that our government is bringing forward and co-ordinate activities, co-ordinate time lines, and we'll continue to do that.

Mr. Peter Dyck (Pembina): Just to piggyback on the comment that the Member for Portage was talking about, water retention. Of course, the ability to have enough water for communities to continue to grow is a huge issue for the area that I represent. Of course, with that, we look at the Pembina dam. I know that's been in discussion for years and I'm just wondering if the minister and the department has at all reviewed that.

My basic philosophy would be that rather than send all the water north, as we're doing, it does two things. First of all, the water retention would keep the water back which could be used for potable use and also for fisheries and so on, for recreation. I know that while that's taking place, there's flooding as well, and I know that during the '97 flood, the stats that came out were that about a foot of the water along the Z-dike, the north end of that floodway there, was attributed to the water coming through the Pembina River.

I'm just wondering where they're at with that.

Ms. Melnick: When you're discussing the Pembina dam, would that be on the Canadian side or are you referring to the—*[interjection]*

Okay, is there something more that you are wanting to put forward on that? It's not under active consideration at the moment within the department, but I'm not sure if you're bringing forward new information.

Mr. Dyck: It's not new information. I would ask the minister and the department whether they are, in fact, supportive of it. There was a plan out there years ago. I know that just after the '97 flood, it was looked at again. There was real consideration given. It's

really three different governments that need to respond to it. It's the Canadian government, the federal, provincial, of course, but also the U.S.

Just for the minister's information, there are drawings out which would provide for a site just one mile north of the U.S. border, and, of course, the Americans were looking at putting one down which was just a little west of Walhalla.

An Honourable Member: That's the one I'm familiar with.

Mr. Dyck: Yeah, okay. So there were two sites that were looked at.

Just further to that, I would also ask the minister that the Pembina constituency—and we just got the stats out of Statistics Canada for the '06 year. We've had growth there at 12.5 percent, so we do need water.

I guess my follow-up question would be, if this is not under consideration, where is the water going to be coming from for that region?

Ms. Melnick: The dam on the Canadian side which I think is the one you're specifically referring to. In years past, there has been work on a cost-benefit ratio that didn't validate the building of the dam, and environmental concerns were also raised at that time. So it is not under active consideration at this time within the department.

* (17:20)

There is currently underway the development of—when we look at the whole Red River basin—a drought management strategy as well as water retention. So we're trying to plan, if you will, for feast or famine. We've had some pretty feastful years recently. The long-term projection is that we could be moving into—the next decade could be drought or drought-like conditions. So what we're doing is working with our partners south of the border to put together a strategy around water; should there be a lot of it, should there be a lesser amount of it. That of course would take in, I think would fully encompass, the area that you're referring to specifically, which is the area that you represent.

Mr. Dyck: Just for more information. I know that there's a study out there, but there was one done later on. The first one did not encompass this whole cost-benefit ratio of the growing region. Industry has moved in, the opportunity for wet industry, but the one that was not looked at at that time was recreation. We're all aware that that of course is

being utilized more and more all the time, so I would encourage the minister to follow through on that. I think that came through the Joint Commission, the study that was done with the U.S. and Manitoba several years ago.

But just further to that, though, I can appreciate the challenges that are out there, but for a region that is continuing to grow—and I've been given the understanding that the department has, in fact, decreased the amount of water that can be taken out of the Winkler aquifer—somewhere they are going to need water if they are going to continue to expand.

You know, on the one side, we encourage growth, immigration, et cetera, which is good, and I applaud that. I'm not counter that, but on the other hand, we do have to provide water for the communities so that, you know, they can continue to grow, if that's what the Province is looking at doing. I know certainly, the region is looking at doing that.

I'll just make one more comment. Right now the study that is out there showing that whereas; this is specific to the city of Winkler, but Winkler is now a little over 9,000 people, they are expecting within the next five to 10 years, it'll be at 13,000. Thirty new industries came in last year and the year before. The last five years, we've had that kind of an average growth. So, we do need to be proactive and looking at making sure that there is a water supply out there.

Ms. Melnick: I'm sure the member's aware of the Winkler Aquifer management plan which was begun in '97. We've been working with them to reduce the draw of water to about 400-acre feet. Currently they are 400-acre feet plus 155. It's our understanding that the Town of Winkler will be submitting a plan to the department in December of this year, so we're waiting to have a look at that plan and review it and to continue to work with them.

Mr. Dyck: Yes, you know that's fine and dandy, except that they do need water and you need to continue to work with them. I'm glad that's taking place.

I guess the one thing that we find somewhat interesting is that the aquifer itself is fuller than it has been for many years. That again, as you indicated, it's the feast or famine. I know that back in 1988 it was drawn down a fair bit. I realize also why you don't want to draw it down too far because you get the salt water coming up.

But my understanding of it from the local area is that right now it is fuller than it has been in many years. So it's interesting that the draw would be restricted when, in fact, the water is there.

Ms. Melnick: Well, again, I think we're recognizing the pros and cons of drawing too much, not drawing enough. So we are going to be working with them again after we receive the plan in December of this year, have a look at that plan, and work on a long-term plan for times of feast and times of famine. So, that's what I mean by working with them.

Now, you know that there are years when the aquifer is going to be very full; there are years when there could be concern about draw-down. So I think that we need to take into account the growth of the community, the growth of industry around the community, water usage, what is a reasonable water usage for the community at any given time, and then look at what is actually available for that.

So, when I talk about working with them, these are the sorts of things that I'm talking about. I know that we have Don Rocan here. He's been at the table a couple of times. He is the manager of the Office of Drinking Water, and it would be through his office that such a long-term plan would be developed, again, with the council with whoever they would like to put forward to work with us.

Mr. Ralph Eichler (Lakeside): I have just two questions. They are both probably quite substantial, but short in question. But, we'd like an update on where we're at with the regulations with regard to the water bill. The second question is if the minister could highlight us as to where the Water Stewardship is at as far as the CEC hearings with the environmental study that's been done on the hog moratorium.

Ms. Melnick: Could I ask for clarification. What piece of legislation are you referring to specifically?

Mr. Eichler: For the water amendment act that was brought in that we've been waiting for the regulations to come through on.

Ms. Melnick: Are you talking about the water quality management zones, under the water—

An Honourable Member: Yes.

Ms. Melnick: Okay. Yes. We're currently working with the Department of Agriculture to enact the

regulations. There will be a compensation package, and we want to bring that out together.

And your second question, was the current CEC under the hog pause? Is that what you're referring to? *[interjection]* Okay.

The CEC falls under the Minister of Conservation (Mr. Struthers), as you know. We have not played an official role in that. The CEC did consult with us around some technical issues, but that's the only role that we've played.

Mr. Eichler: With respect to the regulations, does the minister have any indication through her or through her staff on the anticipated time line when the regulations might be able to be handed down through the negotiations with the Department of Agriculture, when those might be proposed to be enacted?

Ms. Melnick: Well, I believe we could certainly look at early spring.

Mr. Eichler: I know that I met with some of the farm groups over the past few months, getting ready to come into session, and they're very anxious to see that the regulations come forward. There was an extensive consultation process that had taken place last spring before the moratorium came on. Are there going to be any proposed changes, or is it pretty well the recommendations that came forward as a result of that committee? Could the minister highlight on that?

* (17:30)

Ms. Melnick: I, too, have met with the groups that I think you have as well. We did receive feedback on the posted regulations, and we have made changes that we believe will be acceptable to the major stakeholders in this.

Mr. Eichler: Will those proposed changes be run by the various groups before they do have the opportunity to at least have some feedback with the minister or with her department before they're enacted? We know sometimes, once regulations do come into effect, it's too late to make those changes, so we'd like to see the consultation process be followed through before they actually become regulations.

Ms. Melnick: We've had three rounds of consultations on these regs. At some point, you've just got to move forward with it. We've been very sensitive to the information that's been brought forward, the issues that have been brought forward,

and I feel quite confident that the regs as they stand now do reflect those concerns. I think that the producers will be seeing their concerns reflected in what we currently have in our regulations.

Mr. Faurschou: Madam Minister, we have approximately 25 minutes remaining and, just as a heads-up to your departmental staff, I want to—just only a little bit further about the feast and famine, the proposals for water retention, then I do want to move into the fish and fish habitat and stocking and hatcheries after that.

Madam Minister, you did talk about a cost-benefit analysis of any proposals. I wonder whether the minister is aware that the former Minister of Natural Resources asked the department to formulate and prioritize based upon a developed cost-benefit ratio to analyze more than 400 potential water retention sites throughout the province. So that data already exists, and it's very interesting that projects such as the Holland No. 3 dam, the Zelena, the Holland No. 3 being on the Assiniboine and the Zelena dam being on the Shell River. It is something that ranked extraordinarily high. In fact, the Holland No. 3 dam would retain, using the high level construction proposal, would be three times greater than that of the Lake of the Prairies in the Shellmouth Dam that exists today. So, it's a substantive quantity of water which afforded amazing opportunities for virtually any imaginable use of water and a continued supply to the city of Winnipeg.

The most notable point that I picked out of the presentation in 1999 was the capture of the outfall from the Carberry aquifer, very pristine waters that could provide Winnipeg with quality water supply virtually in perpetuity because it's outfall from overcharged cells of the aquifer.

So I want the minister and the minister's department to make sure that they don't reinvent the wheel on this one because your undertaking to mitigate the feast and famine as it pertains to the water resource in the province is definitely a necessary one, but let's not waste valuable resources on something that's already been done.

So I leave with you with the bottom line. Head and shoulders above all other projects on the cost-benefit ratio was all in No. 3 dam and, just on the side, would afford a tremendous addition to the cottage lot draw that the Premier (Mr. Doer) makes very great length of. Within an hour-and-a-half's drive of the city on provincial trunk highways

would—I don't even know how many miles of cottage lots. I think the landowners now are looking at the value of their land as it would pertain to cottage-lot or water-frontage property as far exceeding anything they could imagine earning from agriculture.

If the minister wants to comment, she may, but I'll keep going. [*interjection*]

Thank you. The minister replied that she will take the comment under advisement.

Now, moving further to the departmental responsibilities, and that is for fish. It is something that I believe this province has a tremendous potential, far exceeding most persons' comprehension. As the fish stocks dwindle worldwide, and the minister is probably aware that the international, ocean-going fishing fleets are now in the Indian Ocean, and that is the last remaining body of water on the planet that has fish stocks that can be drawn down. Elsewhere on the planet they've all been depleted or harvested under very restrictive guidelines. So that, here in Manitoba, with the fresh water being the greatest amount of fresh water per capita of any jurisdiction on the planet, I think that it's incumbent upon us to work towards a management strategy for fish.

So, we might just start first off about the relationship that the department has with the Fisheries and Oceans Department of the federal government. We do have the responsibility for water and fish, but the fish habitat definition has seen the federal government enter into our jurisdiction to effectively try and preserve. Is it the department's will perhaps to see those responsibilities taken on by the department, because I do know that there were negotiations a number of years ago that the federal government could consider the Province having the responsibilities that federal Fisheries and Ocean personnel now enforce.

*(17:40)

Ms. Melnick: Well, I would like to welcome to the table Joe O'Connor, the director of the Fisheries branch.

I agree with your comments about the quality of fish here in Manitoba. I think it's a bit of a hidden industry, quite frankly.

Last year, I was very pleased to establish the Minister of Water Stewardship long service commercial fishers award and was particularly pleased that we had 99 applications. The criterion is

that people had been fishers, either fishers' helpers, what have you, involved in the fishing industry here in Manitoba for 50 years plus. It was a wonderful evening that we had out in Portage la Prairie where we went, and it was wonderful to talk to not only the fishers but their families. It was a very proud moment for them, and it was really a wonderful evening. I remember a fisher from Gimli telling me that he had his licence, his father's licence, and his grandfather's licence. So there really is a legacy of inland fishery here in our province.

I kind of jokingly—I talk about really selling our product to the world as a class A product, and I kind of liken it to the lamb in New Zealand where I think there are about a million New Zealanders and about eight million sheep, and I think there are about a million Manitobans and maybe about eight million fish so I think we're on par there. I think that we have a product in the same way that the New Zealanders have a product, a quality product to sell and share with the world.

Your question specifically was about assuming responsibilities around fish habitat currently held in the DFO area of responsibility. During the '90s, the Liberal government of the day was talking about that, in fact, but they didn't get very far because my understanding is that there was some push-back from within their own caucus not to make that move. We haven't heard any such consideration from the current federal government, but what I'd like to share with the committee is that in late fall, myself, Joe O'Connor, I think Don Norquay was there at the meeting with the federal minister—Don wasn't there at the meeting with the federal minister—I know Joe was there for sure with the federal minister, and we in fact talked about various ways that our departments could work better, could work closer, and I also shared some of the issues that we have here in Manitoba.

The federal minister, Loyola Hearn from Newfoundland—actually is the MP for the area that I used to live in when I lived in St. John's—was very open to the discussion, understood where we were coming from, and we are now working on a bilateral agreement. We hope soon to have a memorandum of understanding in place and, in fact, I just sent him a letter yesterday. In about three weeks' time, I'll be meeting with the federal minister as well as Fisheries ministers across Canada. We're going to be having an FPT hosted by myself and the federal minister here in Winnipeg. So I'm sure we'll have more discussion, and after that, more action.

Mr. Faurshou: Yes, I appreciate the minister and what is going on with discussions, but if you don't ask, you won't receive. I believe it needs to be coordinated, because I've got a very specific example to leave with the minister, and that is your reservoir upstream of the flood control dam on the Assiniboine at Portage la Prairie. It's used for recreational purposes throughout the summer, and there are a number of encumbrances within that reservoir, with large trees that have embedded themselves in the very shallow reservoir. It is very dangerous for pleasure boating or those that are water-skiing.

Fisheries and Oceans said, by all means, it's not a problem to take it out, pull the trees out, and also, too, it was surprising that everyone was ready to go with this and it was your department staff that came along and said, no, no, no, this is fish habitat, and put a stop to it.

So the encumbrances are still there to this day. We're hoping to get it straightened out because Fisheries and Oceans staff said, by all means, it's not a problem. So it is interpretation, and we're hoping to get those pulled out before they freeze in the bottom of there. But having so many fingers in the pie is problematic, because we're looking at the same definition, and definitions are always up to interpretation. I can only leave it to that assessment, because we have two persons citing the same fish habitat area and coming to the different conclusions. So need not comment on it, but that's reality, that's an experience of just not more than three weeks ago.

Ms. Melnick: If I could comment—I've asked the director—our understanding is habitat is certainly left to DFO, that we wouldn't have made a comment like that, but we'll have a look at it. So thank you for raising that.

Mr. Faurshou: I may be in error of stating the rationale but it was a provincial departmental personnel that did say no they had to stay were they were. So I leave that topic.

Now moving further, though, is to a presentation that I received about fish stocks from Dr. Gordon Goldsborough, a very well-renowned expert in water and fish in the province of Manitoba. It is through his studies that he has documented a continuous decline of fish, regardless of species, perhaps with the exception of—oh, it will come to me anyway as we proceed through here—bottom feeding fish that have caused all kinds of concern in the marsh—*[interjection]* Yes, it was a carp, yes.

It leads me to the question in regard to the department's responsibility for fish hatcheries that operate in Grand Rapids, Whiteshell and Swan Creek. The Grand Rapids one first, is that the Hydro hatchery? Has the department taken that hatchery over?

Ms. Melnick: Yes, we manage it and staff it but Hydro actually operates it.

Mr. Faurshou: I appreciate the understanding of you that you manage it. Well, the question that I have for the minister of these hatcheries, managed by the department: At what percentage of capacity are these hatcheries operating currently?

Ms. Melnick: They are operating at full capacity. I just wanted to clarify, we are in the process of transferring the hatchery in Grand Rapids to Hydro, so they will in fact own it.

Mr. Faurshou: Well, I am pleased to hear that the department-managed hatcheries are running at full capacity but then that begs the question: Where are we going to get more fish hatched out in the province if we're going to stem the decline of fish stocks in our major lakes?

* (17:50)

Ms. Melnick: Well, certainly we've been seeing record catches in Lake Winnipeg over the last five or six years so there seems to be a healthy stock there, but, again, I did announce close to a million dollars of funding for pure science in Lake Winnipeg, and certainly the fisheries would be one of the areas that would be well-studied in that. We are in the process of developing a quota review for Lake Winnipeg in which we will be bringing all the stakeholders together and there will be very good discussion about quota, the review, the system. We really want to bring everyone around the table and have good consultation and have good discussion and look at how we can work well with everyone on the lake.

We also are going to be rolling out a governance review that would deal with more than Lake Winnipeg, that would deal with the various lakes throughout our province, maybe not all hundred-thousand of them but certainly the big ones. Again, we'll be looking in this governance review for a collaborative approach. There's a lot of tremendous knowledge that can be generational. I just talked about the fisher with his licence, his father's and his grandfather's. Well, within that family there's tremendous knowledge, tremendous expertise that I think is important for us to recognize and to make

sure that we're working together and bringing everything that we can to make sure that we're creating a sustainable fishery for the long term.

Your question on hatcheries: Hatcheries are focussed particularly towards small recreational fisheries. No large fishing lake can be sustained through a hatchery system. For that, again, we have to look for sustainable development. We have to look for healthy waters. We have to look for reasonable quotas. We have to look for governance models that afford what can be taken from the lake on an annual basis, but also we must sustain for the long term.

So those are some of the initiatives that we currently have on the go in Fisheries.

Mr. Faurshou: I disagree with the minister insofar as where hatcheries play a role. I think that we can indeed build our fish stocks through an intense program of hatcheries and developing the fry and growing out to the fingerling stage where they have a greater survival rate. I think that we can look to building our fish stocks substantially here in the province to take advantage of the worldwide demand for fish.

The question I have for the minister, in the study that she's now engaged in, are you considering the sustainable capacity of fish stocks for a given water body?

Ms. Melnick: I think you're referring to the reviews that I—[*interjection*] Yeah. Well, that has to be the overriding dimension here. Sustainability in the long term has to be what drives everything that we do today.

Mr. Faurshou: The actual capacity of a water body, lake, creek, pond, what can actually be sustained in there.

We have a very short time period here after the minister's comment. I do have further questions to ask, but for the interest of making certain we pass the departmental expenditures, perhaps we could move up to the point of the Minister's Salary so that we can conclude before six.

Ms. Melnick: Yes, that would be fine.

Mr. Chairperson: Seeing no further questions, we'll move to Resolutions.

Resolution 25.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,639,700 for Water Stewardship, Ecological

Services, for the fiscal year ending the 31st day of March, 2008.

Resolution agreed to.

Resolution 25.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,494,200 for Water Stewardship, Regulatory and Operational Services, for the fiscal year ending the 31st day of March, 2008.

Resolution agreed to.

Resolution 25.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,047,700 for Water Stewardship, Water Stewardship Initiatives, for the fiscal year ending the 31st day of March, 2008.

Resolution agreed to.

Resolution 25.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$310,700 for Water Stewardship, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2008.

Resolution agreed to.

Mr. Chairperson: Consideration of Minister's Salary.

Mr. Faurshou: Two questions to leave with the minister.

As we've discussed on fish management here in the province, many jurisdictions have gone to an aquaculture under the direction of the Minister of Agriculture (Ms. Wowchuk). So in other jurisdictions we see, not only agriculture, but we also see aquaculture. Has the minister had any discussions with her colleague in the Cabinet as to this concept?

Mr. Chairperson: Just before I recognize the minister, I will suggest that after this question, the staff can certainly leave as we begin discussion on the minister's salary.

Ms. Melnick: Yes. We are working with MAFRI under the REDI program, and they are working on an aquaculture project program. Water Stewardship will retain the regulatory abilities there. We want to make sure that people aren't bringing in invasive species. We also want to make sure that water quality is maintained, particularly when dealing with the affluent in any sort of aquaculture undertaking.

Mr. Chairperson: Moving to consideration of Resolution 25.1. Thank you, to staff.

Resolution 25.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,492,900 for Water Stewardship, Administration and Finance, for the fiscal year ending the 31st day of March, 2008.

Resolution agreed to.

This completes the Estimates of the Department of Water Stewardship.

The time now being 6 p.m., as has been agreed in the House, committee rise.

EDUCATION, CITIZENSHIP AND YOUTH

* (14:40)

The Acting Chairperson (Mr. Daryl Reid): This section of the Committee of Supply has been dealing with the Estimates of the Department of Education, Citizenship and Youth.

Would the minister's staff please enter the Chamber.

We are on page 72 of the Estimates book, and the floor is now open for questions.

Mr. Kevin Lamoureux (Inkster): I thank the Member for Springfield (Mr. Schuler) for affording me the opportunity at this point just to pose a couple of questions. I understand that they might be out of order, but I would appreciate it if the Minister of Education can still deal with the questions, and if he's unable to, he can maybe get back to me in a written format.

Just, as I say, a couple of questions. The first one's dealing with acceptable codes of behaviour in our classrooms, in schools or on school grounds. Generally speaking, my understanding is that it's the school divisions' policy to come up with these codes of acceptable behaviour. Is that correct?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): The member is correct that the difference between now and a couple of years ago, though, was that it wasn't a requirement of legislation. We, of course, brought in the Safe Schools Charter, and the Safe Schools Charter established the criteria around the codes of conduct, around emergency response plans, policy statements that were expected with respect to drugs and alcohol use, weapons issues, et cetera, et cetera.

But we also recognize that the local boards in local schools are best equipped to develop the policies working with parent councils, working with

the school board, working with students. They're best equipped to deal with these issues locally. But we do have guidelines in place as to what our expectations are around school safety.

Mr. Lamoureux: That was going to be my follow-up question, but before I do that, would racial behaviour, racial actions, discrimination, that sort of stuff also be included?

Mr. Bjornson: Mr. Acting Chair, I would suspect within the definition of bullying you might see a variety of different interpretations of harassment and bullying and how that might relate to issues such as those.

Mr. Lamoureux: So then now, based on the first answer the minister gave me, you do have some form of a template or a guideline in terms of expectations as to what you would like to see as a starting point, and then the school divisions can kind of pick up on that, but the expectation is that they would meet that guideline.

If in fact that's the case, I'm wondering if the minister, at some point between now and let's say the end of the year, could provide me a copy of that.

As we wait, Mr. Minister, what I'll do is ask, and this one's more of, again, a general question. Parent councils take a huge interest obviously in the children, but they also take an interest in school grounds and things of this nature. Recently, I was approached by the president of one of our school councils, and he had indicated that they would like to be able to fix up some of the school grounds, anything from putting flowers and things of this nature. I had thought that the most appropriate place might be through community placements from a provincial point of view for grant assistance.

Are there any other areas in which he might advise his parent councils in his own area or what parent councils that are looking at that physical structure of improving their school premises where they might be best to look?

Mr. Bjornson: Well, I certainly value the work that many of the parent councils do and the interest that they take with respect to their school community, whether it's supporting resources or programs, whether it's supporting after-school activities, whether it's supporting the esthetics in the school. I have seen a variety of examples of all three of those efforts on behalf of the students by the parent advisory councils. I am aware that there have been projects that have been partially funded through

Community Places that have been found through the Community Services Council, I believe, as an additional source of revenue. I could get back to the member if I've made an error with respect to that particular granting body.

Essentially, these projects are partnerships, whether it's with the school division itself or community foundations or not-for-profit organizations or groups such as the Kinsmen Club in my experience as a member of the Kinsmen Club at Gimli and some of the partnerships we've contributed to playground equipment at schools and so on. So there's a variety of different methods to apply for funding and partners that could be part of it, depending on the school if it's in a Neighbourhoods Alive! area, for example. That's something that Neighbourhoods Alive! has supported with respect to improvements in the school grounds and what not.

Again, I'll check if I'm correct to say it's the Community Services Council, but the parent advisory council can talk with the Culture, Heritage and Tourism Department with respect to the Community Places grants and they will get pointed in the right direction.

Mr. Lamoureux: Mr. Acting Chair, actually that would be it for the questions. I know that the change of staff has been here. If the minister just wants to comment on the second question I posed in terms of the guidelines, the second or the third question I posed.

Mr. Bjornson: Back to the question asked previously, I do have the criteria. The common elements that we expect in the code of conduct, I did reference the fact that it would, I suspected it took on a different look, perhaps, in each of the policies that are developed with respect to discrimination. But, indeed, one of the common elements that we do include in the code of conduct is a statement that it is unacceptable to discriminate on the basis of a person's race, culture, religion, gender, language, disability, sexual orientation, or other attribute. It's unacceptable to bully, abuse physically, abuse sexually or psychologically any person; to use, possess, be under the influence of alcohol or illicit drugs.

These are expectations under the code of conduct that school divisions do work to develop their own statements with respect to these particular common elements, but they also are the body that would work toward the appropriate responses to any such incidents as outlined in the code of conduct and

the common elements that we expect to be included therein.

Mr. Lamoureux: Recently, Sisler High School had a lockdown, and I received, virtually within minutes of that lockdown, a text message from my wife indicating that Sisler is in lockdown. It came because we have a daughter that goes to Sisler. Great inside source, I guess.

Having said that, one of the things that surprised me was that the following day I had asked in terms of whether or not she had known who the person was that ultimately caused the lockdown. It was a stabbing incident. There was a knife incident at Sisler. To the best of my knowledge, I don't believe that they've shared the name of the individual that would have used the weapon on the school grounds.

Is there a reason why they would do that? If one thinks in terms of the students' best interest from a parent's point of view; in this case, I'll put on my father's hat. I would be interested in my daughter knowing who the individual was because of a future potential incident or something of this nature, just out of concern more than anything else. I wonder if the minister could comment on that.

Mr. Bjornson: I thank the member for the question. Certainly, with that particular incident, I do know that the Child Guidance Clinic was on site the very next day offering support for students. I know that the school plan that was put in place did work and was very effective in terms of the procedure for the lockdown. I know that the students—the school plan was put in place to provide counselling on an as-needed basis and, in particular, for one of the students who was directly involved in that situation.

My department did offer assistance. I'm not aware if they had actually taken us up on the offer. To my knowledge they had not because their procedure worked and there was immediate support offered to the division and to the school.

The Winnipeg Teachers' Association and MTS were also quick to offer their counselling services. I must applaud everyone who was involved in responding to that rather unfortunate incident by the way they responded and how quickly they responded.

With respect to the individual in question who had committed the alleged assault, there may be legal reasons why the name could not be released to the student population. I'm not sure if it had been reported publicly in the paper, if the individual had

been identified by name, but with an assault of this nature there would be a police investigation.

*(14:50)

I would suspect, if the individual was still in the school, appropriate risk assessment would be taken. That is one of the requirements, that appropriate measures would be taken to ensure students' safety. From what I understand, however, I believe that this alleged assailant was no longer a student at the school and had simply shown up because he knew the person he was looking for would be there. So that's my understanding of that incident. Again, I can't say enough about how well the procedures worked. I have to applaud the school and the division for the way they handled that very serious matter.

Mr. Lamoureux: Well, in most part, I would concur with the minister's comments. You know, I suspect that George Heshka who is the principal over at Sisler High School, who dots every i and crosses the t's, understands what's important in everyday school life. I would have been disappointed had it not been done because I know George and he is very much into the details. It's reassuring that the administration did everything that it could. It seemed to have done everything by the book in a proper, orderly fashion.

Having said that—and this is again, it's more as a policy than anything else, because whether it's a Sisler or any other high school where you have an individual that causes a lock-down, I know at least for the short few days afterwards there were rumours of, was it this kid, was it that kid, this youth or whomever type of thing because the student body didn't know. So, you know, I'm not going to push the questioning, but rather, I just raise it so that the administration gives consideration to the pros and cons. You know, I sit on a youth justice committee and I'm very much aware of young offenders' rights and the importance of keeping names in confidence, but there's also the potential danger. So I just raise that for what it's worth.

The next series of questions is in regard to mandatory exams. I'm wondering if the minister can just update me as to what are the mandatory exams that are administered through the province today?

Mr. Bjornson: First of all, and I know he didn't ask for additional comment on that particular issue at Sisler, but there are protocols in place to deal with how that is managed with respect to an offender, whether the offender returns to the premises or is indeed, part of those premises in the first place. As I

said in this case, I believe that the individual was not a student in the school and it's regrettable that a rumour mill had perhaps caused the students some cause for concern.

I agree, Principal Heshka is a tremendous administrator and a tremendous asset to the community of Sisler High School. In the four years that I've been minister, he's been retiring every year. It really speaks to his commitment to his students and his community. I have a tremendous amount of respect for the work that he has done to create the culture and the community that is Sisler High School. I can assure the member that if the individual in question did pose a potential risk to students, a risk assessment would be done.

There are also issues around situations that may occur where public knowledge of the individual who is responsible for the incident might put that particular student in jeopardy with respect to retribution and things of that nature. Not to say that that would be the case here; as I said, in this case, this particular alleged assailant—as it is still a matter before the courts—this alleged assailant, from what I understand, was not a student of the school. There is an information-sharing protocol between police, Justice and Education with respect to when there is potential for concern for other staff and other students. So that protocol is in place.

With respect to testing, we certainly have taken a multi-dimensional approach to testing in the province. It used to be standardized tests in grade 3, grade 6, grade 9, and grade 12. However, our decision to go to province-wide assessment testing for grades 3, 7 and 8 is one that's based in research that looks at assessment as learning, for learning, and this is something that we strongly feel more proactively supports student learning in that assessment done prior to the completion of the school year. That is to say most of the assessment is done at the beginning of the school year. It allows teachers to identify areas where the student is particularly strong, and it allows teachers to identify areas where the student might be weak and, as such, adjust their teaching and their lesson plans accordingly to accommodate those students' needs.

So we test at the beginning of the school year. That information gives parents and teachers the information they need to work with the student during the school year and, again, decision making around programming. It's also more cost-effective, and here we are talking about budgets. This is a

win-win with respect to, for lack of a better expression, bang-for-your-buck. It's a very cost-effective method of assessing the student's performance and thereby determining program needs and supports and individual needs.

So we do the assessment at grade 3. We, also, through the grade 3 assessment, identified the need to perhaps provide more resources, and we provided a grade 2 summer learning calendar to encourage students to recognize that some of the activities they were participating in over the course of the summer would support their learning and their knowledge-based needs when they got back to school in the fall. So that went out to all grade 2s across Manitoba. It's a resource where they identify activities that they participate in that unbeknownst to them might actually be connected to some of the math curriculum or the science curriculum. So we've provided that support.

The assessment is also standardized testing in grade 12, and that is in math and English. We also have increased funding to provide a bigger picture of the externally administered tests through the PISA program, the Program for International Student Assessment, and that is through the OECD. The OECD testing, or assessment, actually shows that Manitoba is doing very well. Canada, as a nation, is doing very well. Manitoba ranked second in reading, third in math and third in science. The PISA results are for grades 10 and 11, I believe. The PISA alternates between those two grades and different subjects, and that's part of our regimen of testing and assessment.

So not only do we have assessment in grades 3, 7 and 8, testing in grade 10 and 11 on a rotating basis depending on PISA's specific subjects that they're testing and, of course, grade 12 standardized tests.

The one thing that I should also point out to the member, which you might find quite interesting, and it's something I'm very excited about as a teacher, is the fact that we're assessing for the first time student engagement. There's been a lot of research with respect to the adolescent learner. We've certainly put a lot of emphasis on supporting adolescent learning needs. One of those supports is the experiential learning grant. It's an opportunity to provide, on a per-student basis, funding to support teachers to provide hands-on active learning opportunities.

* (15:00)

I know, from my own experience in the classroom, that that can have a profound impact on a student's ability to learn and can really engage them in a subject matter that they might not ordinarily have been engaged in. A lot of the research on adolescent learning is suggesting we need to look at what it is that engages our students in their learning. So we're actually assessing engagement this year in grade 7. I'm really looking forward to the results of that particular assessment, because research also suggests that students begin to mentally drop out of school in the middle years, so we need to find ways to make sure that they're active and engaged. As part of that, we're providing a variety of different supports to do that.

So I thank the member for that question.

Mr. Lamoureux: Finally, Mr. Acting Chairperson, for a number of reasons, some of them personal, I'm a strong advocate of home schooling and do believe that the individuals that are responsible for home schooling, the administration of it, have been doing an absolutely wonderful job in administering given the resources that they have. Just to indicate to the minister that, obviously, people take home schooling for a multitude of different reasons, and home schooling, I'm talking about the elementary and secondary levels, and we just encourage the government to look at providing more resources and maybe looking at a model like what Alberta does in terms of providing supports for the future of home schooling in the province of Manitoba. I think it'll help out with a lot of our young people. Thank you.

Mr. Bjornson: Thank you for the question. We do of course have a home school liaison officer who does provide assistance to those parents and/or guardians who would choose to support their children and teach their children in a home-schooling environment. I believe that that particular system serves us very well. Certainly, I'm aware of the way the Alberta model works. However, I'm quite confident that the model that we are currently using serves the needs of the parents and the needs of the students well. The home school resource officer will point out where supports are available and assess the situation to ensure that the students are getting the education that they need.

Mr. Ron Schuler (Springfield): I would ask the minister if he would open up his Seven Oaks School Division, Swinford Park Subdivision Future School Site financial statements, and I think it's the second last page called Future Costs. The first sentence, the

division also anticipates incurring costs of approximately \$40,000 related to construction of a nature pond in the spring of 2006.

I was wondering. Has that been completed?

Mr. Bjornson: Is the member asking then about the pond? Is that what he is referring to here?

Mr. Schuler: Yes. There is a sentence here, and it says that another \$40,000 are going to be spent related to construction of a nature pond in the spring of 2006. I was just wondering if that's been completed.

Mr. Bjornson: I'd have to check *Hansard* but I believe this morning the member said that the pond wasn't complete. So I'm curious if he's asking if the pond has been completed if, this morning, he alleged it wasn't complete. Again, I'd have to check *Hansard*.

Mr. Schuler: No. I'm having some difficulty. I went to the site and couldn't find a pond. That doesn't mean that in the last two weeks it may have been dug. I mean, they may not have started it when I was there. I just am wondering, that \$40,000 construction costs of a nature pond, is that pond now complete?

Mr. Bjornson: I suspect the member would have to check with the developer. I don't see that anywhere in my Estimates lines here, that expenditure or that project.

Mr. Schuler: Again, the problem herein lies that the developer is the school board. This is a cost that the division has to incur, and it is something that is outside of financial statements. I would just be interested in knowing where that cost will eventually show up. That's the reason why I ask.

Mr. Bjornson: When the situation arose, we conducted a review which stated that this was clearly outside of the parameters of The Public Schools Act, and as far as the school board acting as a developer, we had asked them to divest themselves of all properties and they complied. This issue of the pond, I suspect, remains a responsibility of the developer.

Mr. Schuler: The developer is the division, because it states clearly in the financial statements, the division anticipates incurring this cost. If you look at the entire sentence it says, "future costs."

I could not see anything resembling a pond and I guess my question is: Why would the school division feel they needed a pond, or what was the rationale for having to dig a pond on school property? And

furthermore, if you are planning on putting a school on this site, why would you want a pond nearby?

Maybe I'm doing like my colleague from Inkster; I'm starting to put on the hat of a father with a 10-year-old son who would find a pond on the school site very intriguing, and between him and his buddies, I'm sure would find it like a magnet. It would be one of these draws. I guess I just don't know if a pond next to an elementary school is necessarily the best thing to do. I mean, I could see little activities happening around the pond and inevitably somebody falling into the pond.

To me, it's just such an odd thing that it just begs the question: (a) has the pond been dug, because I actually went out there to have a look at this pond. Maybe it's something that I've been missing in my four years as school trustee. Maybe it's something we should be building next to all the schools, so I wanted to see it for my own eyes. It wasn't there. It's a hefty, hefty price tag, so we're not talking about a swale. I thought maybe they meant, you know, they were going to do a drainage swale of some kind.

Forty thousand is a substantial construction project, so again I ask the minister: Wherefore goeth the pond?

Mr. Bjornson: Well, and my apologies to the member. Indeed, that is on the school site, so I'd have to apologize for that. I will say, though, that when I was on town council in Gimli and the government announced the construction of the Sigurbjorg Stefansson Early School, with apologies in advance to *Hansard*, the school—[interjection] They will call me indeed—but the school and the division and the town had a development agreement that dealt with the construction of a berm and a tree line that needed to be planted for privacy concerns for the individuals whose property backed onto the school site. There was an agreement for a curb and gutter and paving that had to be done on public property for the approach to the school. We also requested in that development agreement that the school division provide sidewalks connecting the Sigurbjorg Stefansson Early School to the recreation centre and/or to the existing sidewalk by the high school, so these types of things are not unusual.

* (15:10)

I've also been to schools where they've created tall grass prairie habitat; they've created a variety of different natural—or re-created more natural environments which become part of the outdoor

classroom philosophy, that we use the resources available to us to provide learning moments and learning opportunities for students. Certainly, that's not unusual in urban settings. I've seen tremendous park lands created as part of the school setting in the school environment. So, with respect to the cost, I haven't built a pond myself lately, so I can't speak to that amount whether or not it's—without knowing the scale and the scope of that particular project. But certainly due diligence in determining the costs and determining the value of each of these projects is part of that process. As far as future costs are concerned, it is an anticipated future cost, but we will check where it will be located and how that money would be allocated. If you look at the last sentence of the paragraph, it is estimated that it relates to the residential development; \$32,000 and \$8,000 relates to the school site.

Mr. Schuler: There is on the site plan, which I happen to have a copy of, one section has a protected natural area. I don't know if that's over and above. Anyway, again I'm happy to hear that the minister is going to look into it.

I was wondering if he could let me know where they're going to account for it because \$32,000 will then change the \$514,000 profit and the \$8,000 is going to add even more debt on to the \$819,000. So, I mean it does just change the numbers. I just think for protection of the taxpayer, obviously it's got to show up somewhere, and I suspect it won't show up in either of the two books that have been run on this development. So I suspect it would have to be run in the school division's budget. I'd be interested in knowing where that is. Let's make sure that the taxpayer is protected; it is a substantial project.

I do have a few other questions relating to page 21 of the Auditor General's report and she has decided that she was not going to name names. I know I've asked the minister if he would try to find out, of the mass amnesia that took place at the Public Schools Finance Board, which board members remembered and which ones didn't, he was going to look into that. On page 21, sort of the last bullet; there are three bullets on the page. It states: On this same day April 3, 2003, a Seven Oaks School Division staff member and a Public Schools Finance Board staff member met with the planner and discussed the planner's recommended process for the public sale.

I know the answer already but could the minister tell us who the SOSD staff member is and who the PSFB staff member is?

Mr. Bjornson: First of all, perhaps I could give the member the opportunity to correct *Hansard*, where he said the \$8,000 would be added to the \$812,000 debt. Perhaps he'd like to speculate that that \$8,000 might cut into the \$512,000 profit. But it is purely speculation with respect to future costs, because, as I've said several times in the Chamber today, it is not a debt. I don't recall, I will check *Hansard* but I don't recall the suggestion that I would find out who these individuals who were identified anonymously as such in the Auditor's report were. I didn't think I committed to do so. The Auditor's office had their reasons for not identifying them by name, I suspect; otherwise, they would have. But, no, I cannot tell you to whom the Auditor's report is referring as it is anonymously stated and generically stated as a staff member or a staff from the Seven Oaks School Division.

Mr. Schuler: Again, we always want to make sure that we do get this right. Without instant *Hansard* in front of us, I just want to be very clear back to the minister's original point. The cost of this pond estimated at \$32,000 relates to the residential development. So that will come off of the \$512,000 surplus and \$8,000 will go against the \$819,000 loss. So it will drive that \$819,000 loss higher.

Again, if I did misspeak myself then I thank the minister for having pointed that out. In case I didn't get that right, then its properly written up in *Hansard*.

I was wondering if the minister then could confirm on page 21, bullet 3 talks about an SOSD staff member. So it's clear we're talking about Seven Oaks School Division. Can the minister tell us, is that staff member one Brian O'Leary?

Mr. Bjornson: I cannot tell you the name of the staff member.

Mr. Schuler: Is it that the minister can't tell me or is it that the minister won't tell me? There's a little bit of a difference there.

Mr. Bjornson: It is that I can't tell the member. I do not know to which staff members these are referring. This is the way the Auditor chose to report the findings and did not identify individual staff members by name.

Mr. Schuler: Could the minister find out and let this committee know at a later date if that was, in fact, Brian O'Leary?

Mr. Bjornson: This is a confidential report. The Auditor General conducted the report as such and individual names were not included in the report. As far as I'm concerned, the whole issue has been dealt with and it's no longer an issue.

Mr. Schuler: So then we've moved from can't to won't. I guess that's fair. I guess the minister then—even if he could, he won't let us know who that individual is.

Mr. Bjornson: As I've said, this is how the Auditor General chose to report the information. It's the Auditor General's decision and it's confidential with the Auditor General. I know the member is trying to spin another conspiracy here as the members have not been kind in this Chamber to Brian O'Leary, who's a very respected member of the community, who's shown tremendous educational leadership in the community.

I know they're looking for more conspiracy here but the issue has been dealt with and the Auditor's report is clear. The Auditor has praised the work of staff and the PSFB for their co-operation and has praised the co-operation of all parties in this particular matter and I'm just looking forward to the next conspiracy question, Mr. Acting Chair.

Mr. Schuler: Again, the Auditor in my meetings with her has made it very clear that she does not view herself as a watchdog. She does not view herself as taking on that role. She's made it clear that she views the role of the office of the Auditor General—and I take it that is the feeling of the office; it's not just her. I should say the office, meaning all those involved believe that they do an audit of what's there but they are not a watchdog, and she made that very clear. She said the watchdog role is one that the opposition provides. It's a legislative job not the Auditor.

* (15:20)

Again, I appreciated the frankness. She made it very clear. They went through; they did the audit; laid stuff out. We are here at the Legislature to make sure that there is full accountability, and, in all kindness, I just point out to the minister that he should not be hiding behind the Auditor General's report. She wrote it in such a fashion that it was an audit. It's not a watchdog report. She did not go into

a lot of things because she did not feel that was her role, and I respect that.

The minister, however, I am asking very direct questions in a legislative session as a watchdog, as an opposition member, and that's why I asked that question. I know that he won't release that and all the way through the audit it references individuals, and I accept that those will be left anonymous in her report. I think it's very important for the public, for transparency, to know who the players were, and unfortunately, nowhere does it even have a list of boards or who was on what board. Again, I know why it was done; it was because the Auditor does not view herself as a watchdog. Rather, it's just an audit, and that's why no names appear.

I would like to ask the minister if he would turn to page 22, and it's another one of these areas where I have difficulty by what took place. If you follow the bullets to the fourth bullet, in the fourth one it says, SOSD placed ads in the *Winnipeg Free Press* on June 7 and June 21, 2003, seeking tenders for the sale of residential lots in Swinford Park. Tender packages provided to prospective bidders stated that residential single family lots offered for sale in phase 1 would be serviced by the school division which prepaid city and utility services. Tenders closed July 17, 2003.

So they did a call for tenders, and that's usually what's done. They laid out what the school division would be providing for services and tenders closed.

On July 23, 2003, after analyzing the tenders submitted by builders and individuals for purchase of the Swinford Park lots, the planner recommended to SOSD that all tenders be rejected. The planner believed that if the tenders were accepted, the builders would take an unreasonably large portion of the profit. His view was that it would be more profitable to SOSD for them to complete the development. He also noted that the two major builders had indicated an interest in negotiating agreements with SOSD for the purchase of all the lots.

That gets to the border of bad ethics. A tender goes out. The planner, who is not named in here, goes to the board and says, yes, I've gone over this. Man, this is lucrative. Look what we've just learned. You know what? If we just dump all these tenders and do it ourselves, we can make a killing. That certainly gets to the border line. Plus, now that we sort of know where the market is on this, we can go

to two major builders and negotiate agreements with them for the purchase of all the lots.

I don't know if this leaves the minister with a lot of comfort. It's just one of those odd things. When you read through the report, you go, okay, so you put out for tender, and then you go through all the tenders, and it's when you do this kind of a thing, that you start to spook people because basically what they've done is they'll put in what they think is a reasonable price, and you asked that in good faith. Then you use what they've done, and you dump their tenders, and say, oh, we can do this and just keep the money ourselves. At best, it leaves a bad taste in a lot of people's mouths. It's just really bad practice, and it brings into question, basically, ethics. Basically, what you are doing, is you go out and you learn what other people know, and then just do it yourself. I don't know how comfortable the minister is with this.

Mr. Bjornson: Mr. Acting Chair, clearly, when this was brought to our attention and a legal opinion was sought to determine the legality of this subdivision and the role of the school division, it was obvious that this was beyond the scope of The Public Schools Act. I can't speak to what happened at that meeting or at the meeting on the 23rd of July, 2003. I can't speak to that and the motives of the individuals that were involved. I can't speak to that.

What I can speak to is the fact that the legal opinion advised that this was contrary to The Public Schools Act, and once that was brought to my attention, we acted immediately. We asked the Seven Oaks School Division to divest itself of the property. They complied. We had undertaken a review of the PSFB board structure and restructured it, and we certainly came forward with a lot of initiatives to improve transparency and accountability with the school divisions with respect to the acquisition of property and the disposition of property.

So I can't speak to what happened specifically at that meeting or what the individuals were thinking as they engaged in that discussion, but I can speak to the fact that recognition that this is not congruent with the act resulted in very quick action in response to that. And the Auditor's findings are clear. As KPMG went through this process, they conducted the audit in accordance with the Canadian generally accepted accounting standards. *[interjection]*

Again, I hear the member saying, both sets of books. But here's myth buster No. 4. There was only one set of books with two financial statements for clarity which apparently have caused some

confusion, and I apologize for that. The intent was to provide transparency around the costs associated with the school site and the costs associated with the land development. That was the intent, to provide clarity, but, again, I understand it's caused confusion.

But, as I said, KPMG, having gone through the process they're required to plan and perform the audit to obtain reasonable assurance whether the financial information is free of material misstatement—it's right in the letter—such an audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used in significant estimates made by management as well as evaluating the overall presentation of the financial information. At the end of the day, in the opinion of KPMG, once all is said and done, this financial information presents fairly in all material respects the financial position of the school site as at January 31, 2006, in accordance with Canadian generally accepted accounting principles.

So, as I said, I believe the issue has been dealt with. The Auditor has made recommendations. We're following those recommendations, and the Auditor also did suggest that we were very quick to respond even before the Auditor was to undertake the investigation that the Auditor did.

Mr. Schuler: There is a planner that's referenced in this section of page 22 that I read for the minister, and I'll go back on it. It's bullet No. 1, 2, 3, 4. Bullet No. 5: July 23, 2003. After analyzing the tender submitted by builders and individuals for the purpose of these Swinford Park lots, the planner recommended to SOSD that all tenders be rejected.

So all these came to the planner. Again, because we get not a full picture of all of the information—as the opposition I don't have the same rights as the Auditor to go in and see all the information. If you look at both of the sets of the books that were audited, and we've got them both: One is residential development; the second set of books is the future school sites.

* (15:30)

We have project consulting fees. First set of books for the residential subdivision, \$314,427; second set of books for the future school site, project consulting fees, \$78,441, for approximately \$392,000. I suspect, I can only try to connect the dots, that would be for the planner.

So the planner looks at all of this and says, you know, I've learned something today. I think we should reject all of these tenders that came in, because we can do this ourselves now that we've learned what people are prepared to pay and we can make all the money. For that, he was paid three-hundred-and-ninety-some thousand dollars. By the way, not the Auditor, because the Auditor made it very clear she's not the watchdog. Not the accounting firm—and I'll make sure I get it right—KPMG, they weren't the ones to look at this kind of stuff. That is something for the Legislature to look at, and this gets on to the border of lying, of being uncomfortable.

The reason why you go to tender is that individuals then have an opportunity to buy lots and do so in good faith. They do so in such a fashion that they feel that if they have the right price they are the ones that get it. If they don't have the lowest price, someone else gets it. I don't think all of these people did all of this work in good faith so that the school division could figure out that there was a lot of money to be had.

I give the Auditor a lot of credit. She put that in here, and I read the sentence again: "The Planner believed that if the tenders were accepted, the builders would take an unreasonably large portion of the profit. . . . it would be more profitable . . . for them to complete the development." I take it that means he and the school division, which we already know he made—from the two sets of books that I can find project consulting fees—something like \$390,000. I don't know if that involves more consultants, or if there were other planners in there, but certainly just, in project consulting fees, are \$392,000 when you add the two up from the two sets of books.

That, I would say to the minister, makes the committee very uncomfortable. Again, this isn't about KPMG; it's not about the Auditor General. This is about this Legislature and about things that should have been done in good faith. That's what this comes down to. People were asked to bid on the lots in good faith and were rejected because they showed that they could make money off of it, and instead the school division did. I take it that the planner then ended up making good money off of it. I mean, yes, he talked the board into extending his job, I take it.

I ask the minister: Does that not leave him with a certain degree of discomfort in the way that was handled?

Mr. Bjornson: As I said when this unfolded and was brought to our attention, it was demonstrated through due diligence and legal opinion that, indeed, this is contrary to the act. That is why we acted.

I should also tell the member I was mentally keeping track of how many times he said two books. I think I heard him say that about nine or ten times. I do not subscribe to the fact that the more often you say something, or the more you say something the more people will believe it. As I have told the member, there were not two books. There was one set of books with two financial statements to clearly identify expenditures related to the school site and expenditures related to the property development. One set of books, just one. One set, not two. So you can say it as often as you want, but I'm still not going to believe you. I mean, we have one set of books and two financial statements. So perhaps the member would like to correct that for the record.

Mr. Schuler: Especially when it comes to our education system—having been involved in the school system, the minister, I'm sure, gets an awful lot of things that come across his desk that are perturbing. I know when I was on the school board there were things that we had to deal with, in-camera issues dealing with students. At all times, especially when it comes to our children and to education, it's got to be in good faith. It sort of has to be above all reproach. I guess that's why I've spent a lot of time on this because it leaves a stain on a beautiful, a wonderful public school system.

Some individuals got so deep into the glue and, frankly, nobody's been admonished for this. Everybody has walked away from it. The minister, yes, he, after the horses ran out of the barn, slammed the door shut. But there still is a mess that has to be cleaned up. I think, just on page 22, and I've laid out in other areas, where there are problems. This has to be cleaned up. The loose ends have to be tied up.

You know, maybe an ethics course is in order here. I don't know. I don't know what it will take. I know when I was a school trustee and I didn't think things were 100 percent right, I said: I'm not going to go along with it. I don't think that's the right way to go.

What amazes me is we have this mass amnesia, mass silence of the lambs. Nobody, nobody raises—all these unnamed people, all these faceless voices, nobody says anything, and that's just amazing, all the way through this. We're not talking about a two-week period here. We're talking about years. In good

faith, you call for tenders. You get them, say: Great; now we know what it's worth. We dump them and say: We can do this and take the money ourselves.

It speaks to a system—there was a systemic problem here. Because you go through this, and stuff walked in at meetings that nobody remembers. Nobody remembers it being walked on. When the minutes were checked, nobody had moved and seconded it. Nobody remembers anything. Nobody remembers documents arriving. Really, that's just amazing. We've done all these reports and everybody walks away, and the reason why I mention this again, through the Chair to the minister, is to make sure that there isn't a systemic problem here, because no one said a thing until they got their hands caught in the till, and then they realized that a school division should not, should not be doing a residential development.

I say luck has it they didn't lose more money than they did. They're lucky that they didn't, all of a sudden, find themselves in the same kind of spiral that took place, right now, in the United States. This could have been an enormous fiasco. I know of developers who have lost a lot of money when an economic downturn came. Yet, at best they lost 300,000; at worst, it might be more than that because all the expenses aren't in. I will continue to refer to the two sets of books.

But that having been said, it speaks to a systemic issue here that everybody thought that this was fine or whoever was doing this, and we have no idea who it is, because the minister won't release their names, that there is a systemic problem. We've had the Auditor do her report. We've had KPMG do their reports.

Now I ask the minister: Now, what's he going to do about this to make sure that this doesn't happen with this same group of people?

* (15:40)

Because there is clearly a systemic issue when the planner can say, recommends, and says: Hey, I know in good faith we asked for all of these tenders. Let's throw them in the garbage, run them through the shredder, and we'll do it ourselves, and we'll take all the money ourselves. Nobody said: You know, are you sure we should do this? Should we maybe check with others? Is that what we should be doing as a school board? It was all fine until that fateful day when a complaint comes in from a resident, and,

all of sudden, all the scrambling which we've already covered takes place.

I ask the minister, what's he going to do with all this? Everybody has done their job. When will the minister now do his?

Mr. Bjornson: Well, where do we start? First of all, there was a reference to people getting caught with their hand in the till, which would imply some improprieties, which would imply theft. The Auditor has clearly indicated that nobody unduly gained from this transaction. There were no personal gains from this particular transaction.

Secondly, to hear a member of the Conservative Party talk about ethics from the party that brought you the Monnin inquiry, there's a lot I could talk about there but I'm not going to go there. When the member asked what we're going to do, clearly the member hasn't proceeded to page 41 of the Auditor's report which talks about the department's operational changes. I'll go through them with the member if he would like.

As a result of the department's internal review in May and June of 2005, school divisions are now required to report to PSFB annually on all land holdings and acquisitions. The report is part of the annual five-year capital plan submission process. Two, the PSFB has reviewed all internal administrative processes and adopted the department's document-tracking system and procedures. Three, PSFB and SFB staff annually review capital fund transactions and the notes to the audited financial statements provided by school divisions for the purpose of identifying unusual transactions and occurrences. Four, regular and frequent communications between the executive director of PSFB and the deputy minister were established as part of routine business operations. This relationship was further formalized when the deputy minister assumed responsibility as chair of the PSFB on June 13, 2006. The legislative changes accompanied this in 2006 with amendments to The Public Schools Finance Board Act. New accountability provisions were added to the PSFB, requiring it to consult regularly with school divisions, develop multiyear operational plans, conduct an organizational and operating review every five years and adopt a conflict-of-interest policy.

Two, the mandate of the Public Schools Finance Board in administering the capital support program for schools is fully described in the act. The board must consider specific factors in making decisions

about capital support. It must also prepare an annual funding plan for the capital support it provides.

Three, school divisions must submit a five-year capital plan to the Finance Board each year. New provisions were added to the act to clarify how school divisions make submissions to the board for major capital projects.

Point four, the school board cannot call for tenders on a major capital project until the Finance Board approves the project.

Point five, the membership of the Finance Board is now three deputy ministers of the government with the chairperson of the board being the deputy minister of the Department of Education, Citizenship and Youth, and in 2006 amendments to The Public Schools Act: School boards are required to obtain financial board approval before acquiring land. A corresponding policy change instituted in 2005 requires school divisions to report annually on all division land holdings.

So I would suggest to the member opposite that many actions have been taken. There were recommendations that came out of the special audit report. The department has responded to those recommendations, reviewing the pertinent provisions of the legislation with its legal counsel to ensure that the intent is explicit and not subject to misunderstanding.

A lot of the issues that the member is raising have been dealt with and have been dealt with appropriately by the department's response, by legislative changes and by our commitment to ensure that this type of thing does not happen again. The Auditor's recommendations that we have acted on, they are the recommendations we will continue to explore and act on.

Mr. Schuler: The minister loves to pick one thing and then take offence to it. I want to point out to him, here we have a planner saying to a school board, the planner believed that if the tenders were accepted the builders would take an unreasonable large portion of the profit with views that it would be more profitable to SOSD for them to complete the development, something that the school division is not supposed to be part of.

When the school division got caught with their hands in the cookie jar, which is clearly what this lays out, it wasn't that the school board was disposing of land; they were now in the money. It's laid out clearly. There it is, page 22.

His view was—and it's bullet No. 5—his view, the planner, was that it would be more profitable to SOSD for them to complete the development, which is what a school division is not supposed to be in the business of. So, all of a sudden now, you have a school board in the money. They are now running a development scheme. Then, when they get caught with their hands in the cookie jar—yes, the school division, doing something they are not supposed to be doing because they thought that they could make a killing off of this—you know, to heck with all the rules. So what with our mandate. No one says anything about potential conflict. Nobody raises a red flag. Most have mass amnesia. Documents fly about. Nobody's recorded them. There's motions made nobody's moved and seconded. Yes. Yes to the minister through you, Mr. Acting Chair. Yes, they got caught. That's exactly what happened. The school division got caught.

What's really too bad is all the way through, they took less than the highest of ethical standard decisions and page 22 is an example as laid out perfectly by the Auditor General. She does not take a side. She is not the watchdog. She made that very clear. That is a job of this committee. And we want to hold an outstanding, stellar education system, No. 1, bar none.

I know the minister has taken some steps going forward, but what about all of these people who are involved with this, who are nameless? We're not allowed to know any names. What recourse do these people have to face, if anything? I ask the minister: After having read all of this, what recourse do these people have to face?

Mr. Bjornson: Certainly, there have been a lot of allegations by members opposite with respect to this particular situation. Of course, I could remind the member that the Member for Charleswood (Mrs. Driedger), the Member for Tuxedo (Mrs. Stefanson), many have put a lot of conspiracy theories on the record and the Member for Charleswood went publicly after Mr. O'Leary talking about that, you know, political favouritism and whatnot. All kinds of things were put on the record.

Frankly, the suggestion that the "caught with the hands in the cookie jar," if you look at the scope of the Auditor's report with respect to what were the objectives of the Auditor's report, first of all, it was to determine whether SOSD was in compliance with the PSA, which clearly we had already determined through our legal opinion and acted accordingly.

Next, it was to determine whether disposition of the surplus lands was in compliance with the PSA and the disposition policy, which clearly was contrary to the PSA, and we acted accordingly.

Third, to determine whether the policies and procedures were adequate. We've acted accordingly.

* (15:50)

Fourth, to determine whether SOSD had undertaken land development activity and was planning any further land development activity. Certainly, as a matter of course, school divisions are required to purchase land on speculation for building schools, but this is the only venture into development as identified and we, of course, have put the guidelines in to ensure that that doesn't happen again.

The other part of the objectives of the Auditor General were to determine if anybody unduly benefited from this particular transaction. The Auditor's report was clear that no one benefited unduly from the Swinford Park project. The transactions between SOSD and the private landowners for the acquisition and disposition of the Swinford Park properties, while complicated, were fully documented, and we found no evidence to suggest that anyone unduly benefited from those transactions.

So, again, a lot of conspiracy theory, a lot of innuendo, but the Auditor's report is clear: no evidence to suggest that anyone unduly benefited from those transactions. When you consider the scope and the objectives in the audit and our response, the Auditor also points out that the staff of PSFB, the staff of the Department of Education who are involved in this process have done tremendous work with respect to participating in this review and also with respect to implementing changes that were necessary to ensure that this doesn't happen again.

Mr. Schuler: Its clear. KPMG does the financial statements. Their job is not to identify players or indicate where individuals had done wrong. Office of the Auditor General makes it very clear. It is not her job to be the watchdog. She lays out a chronology of events, lays it out with great integrity. It is here where we should start looking at some kind of responsibility. I don't expect that from KPMG. I don't expect that from the Auditor. She made it clear; she's not the watchdog.

The minister won't even tell us who the players are, the people who exhibited very, very poor

choices, poor decision-making, borderline on bad ethics. I'll go through and I'll read each one of the examples again. I've now spent almost two days on this to lay out for the minister that there was a clear problem with decision-making, and the minister says, Ah, it's all been gone through just fine.

My question is: Who, who in the end bears some responsibility for this, what should never have happened, very poor decision-making, borderline bad ethics on behalf of individuals who remain nameless? So we don't even know who the players are. We can only assume who the players are. But it's up to the minister. The minister should show leadership and say this was unacceptable. We've made changes going forward, which I understand. However, somebody still has to be held to account for this because when you look and you actually combine both sets of books, there is a loss to the taxpayer.

That is what's so unfortunate. The reason why they ran two sets of books is to make this even more confusing. But, when you go through the Auditor's report, you can clearly see, page by page by page, how individuals have been untoward to this whole project. That's what's so unfortunate. And I've asked the minister for various information, and clearly he doesn't want to dig into this. Why? Maybe because it is Brian O'Leary, the former disgraced campaign manager of the Premier's. Is that why? Nobody's going to be held to account. The horses ran out of the barn, slammed the door shut, the horses are gone, unfortunately, slammed the door shut, put new locks on the door, all the legislation, all the rest of it, but you still got to get the horses back.

Somebody has to be held to account, and I ask the minister again: When is he going to hold these nameless, faceless people who are referred to? I mean, just the kinds of things that the Auditor puts in her report are enormous red flags and should be red flags for the minister, that there's a systemic problem here that has to be dealt with. Is it because it's chock-full of supporters of the NDP party that it has been decided that this is the end of the chapter? The government's going to walk away with this, hope the issue goes away, and, yes, they made very poor judgments, and, yes, there were questionable ethical things that were done, but we've slammed the door shut. Yes, the horses are gone, but we put new locks on, fixed the fence, and that's it. We don't want to talk about this anymore.

Is that the reason why the minister will refuse to do anything and hold people to account for what they did in this situation?

Mr. Bjornson: The question of the players, in your words, the who's who that are not mentioned by name in the Auditor General's report, the Auditor General did not share the working papers of this audit with my office. I do not know the individuals who are referred to as staff of Seven Oaks School Division or staff of the PSFB.

When you talk about responsibility and accountability, I accept responsibility for what has transpired. I accepted responsibility for the fact that when the citizen's complaint was first brought to my attention, I should have asked more specific questions given the response that I had been provided with to provide to that citizen with respect to that complaint. We have taken this matter very seriously. To suggest that there's still potential to let the horse out of the barn, if I can use your oft-used phrase, we have taken all the steps to ensure that this does not happen again.

I'm not sure what the member opposite does not understand about the new policies, protocols, procedures and legislation that is now in place to ensure that this doesn't happen again. It is all there in the Auditor's report, that considerable steps have been taken legislatively, procedurally and with respect to the composition of the Public Schools Finance Board. Considerable steps have been taken to ensure that this type of situation does not occur again.

To hear the member say that we continue to have a systemic problem is a little disconcerting because I know there's been a lot of hard work that has gone into this by the department staff, by the PSFB, by legal counsel, for us to move forward with new legislative and regulatory requirements. I know that the PSFB will be very diligent in ensuring, as our school divisions who were very quickly reminded after this had taken place—they were very quickly reminded what their responsibilities were with respect to the acquisition and disposition of property.

I can assure the member opposite that school divisions clearly know what is expected of them as a result of this particular situation. A lot of work has been done, so to have the member claim that there are still systemic problems, I would have to take exception to that. All the work that we have done has been acknowledged by the Auditor, and other parts of the recommendations that are outstanding we are

continuing to look at how we can improve our policies and procedures to ensure that school divisions are as transparent and accountable in this process as possible.

My suggestion would be to the member who makes, again, allegations of party favouritism and whatnot which has been discredited by the Auditor, nobody unduly benefited from this. There was no partisan favouritism, if you will, with respect to the decision to build the new West Kildonan Collegiate which is another one of the allegations.

Perhaps I can go through the allegations that the member has so flippantly put on the record as part of their conspiracy theory but—oh, yes, the Member for Russell (Mr. Derkach) talked about the previous chair of the board and then talked about Mr. O'Leary as well. That was brought up in the House on a number of occasions, and suggesting that I myself knew that the law was broken at the time this was going on, clearly that has been debunked by the Auditor's report. There's nothing to substantiate or to support that.

* (16:00)

The members continually put on the record false accusations about this particular situation. The Auditor's report is very clear with respect to the fact that, first of all, the member said there's a loss. There wasn't a loss; there was a profit. The members continue to say there's a loss, even though—well, I guess the new theory around the loss is the allegation that there are two books, even though we know there's one set of books with two financial statements. That's a new twist that the members have thrown into this. Perhaps, instead of a pond, they should build a grassy knoll out in the school sites, so members can continue to caucus on the grassy knoll.

I really don't understand the focus on conspiracy theory here when the Auditor General's report has debunked all the allegations that the members have made. It's clear that nobody unduly gained from this. It's clear that the process to determine that the West Kildonan Collegiate would be constructed or would be built was aboveboard and transparent. I, once again, anticipate and look forward to the very next twist in this conspiracy theory that the member's going to provide for me to discuss.

Mr. Schuler: I just want to make sure I focus the minister's attention on to what we're discussing here. This is all about a school board and the

Public Schools Finance Board as it existed before. This is not to do with his department.

I will refer the minister to page 24, bullet No. 5: "Interviews with PSFB staff and a review of documentation determined that the LSAs had been received on May 3 but were not recorded in their mail log as would normally be the case. . . . we were unable to ascertain who subsequently took possession of them."

The last bullet: "In interviews, most Board members could neither recall who brought the matter forward, nor whether they had even seen the LSAs at the meeting."

Page 25, third bullet: "May 5 Motion Record noted above, normally completed at the meeting, did not identify the presenter, mover and seconder." That is really bad news. That is such bad news. That's the culture I'm referring to, whether it's the school board, the Public Schools Finance Board. Nobody, nobody's going to be held to account for this?

I refer the minister back to page 22. They send out tender packages: "packages provided to prospective bidders stated that residential single family lots offered for sale." They were going to offer them to the community. Single family lots would be serviced by the school division, prepaid city and utility services.

The planner gets all of these mom-and-pop kind of offers and says, oh, we can be in the money. We can crawl into the cash register; nay, we can own the till, never mind getting into the till. We can be the till, and everybody cheers and yea. Let's become developers. You know what? They should just have changed their school division name: and Development Inc.

Nobody raises a flag. Then, afterwards, nobody can remember anything; no proper records kept; documents moved back and forth. Nobody records them, all of a sudden. A complaint comes in on Monday. Interestingly, Friday, all kinds of work is done on it. Interestingly.

And the minister says: I know "nuttink," his Colonel Schultz routine. He's not going to delve into this. He's fine. The horse has charged out of the barn. He's slammed the door shut. He's put new locks on, and no. Then it starts to look like maybe what it is. It's protecting the buddies because that's what it starts to look like. That is unfortunate for a great, dynamic public school system.

Men and women out there, teaching, working, ensuring that our children get an outstanding education system. The people who are nameless, faceless in this report should, at minimum, be admonished for their role. The minister is saying, oh, no, it's all fine. We will just, like there was a blanket amnesia, we will give a blanket forgiveness. They can all walk away from this and, the minister, I feel sorry for him. He sits and twists in the wind, twists in the wind, and somehow has to explain himself out of this. That is, Mr. Acting Chair, through you, that has got to be one of the most difficult jobs right now in this building—is the Minister of Education trying to explain and trying to spend two sets of books. Mass amnesia, ethical trip-ups, and nobody, nobody has to pay for it. It's all okay.

That is unfortunate because the school system deserves better. When individuals, decision-makers, should have known better, there should be some account for what they've done. There shouldn't just be a simple: Well, that's it, we walk away from it, because the Auditor has laid clear, clearly out where there were some ethical gaps, where there were some real problems, and she has sent it back to this Legislative Chamber and is saying to us: Now it's up to you to do your jobs and be watchdogs and take on these issues.

That's what I'm going to try and do and I encourage the minister, one more time: Will he please look at this, in light of what we've discussed for two days, and hold these nameless, faceless individuals to account.

Mr. Bjornson: As we sat down for Estimates, at one point today the Member for Portage la Prairie (Mr. Faurshou) and a couple of other members were talking about the possibility that I could, someday, return to the classroom. I'm beginning to question my own teaching abilities because I don't know how many times I've explained the fact, the fact that there is only one set of books and the member opposite still insists that there are two sets of books. I'll try again though. I will try again.

What he has is two separate financial statements, two separate financial statements from one set of books and again, those financial statements were delineated as such for the purpose of clarity. But, obviously, this has confused the member opposite. One set of books, two financial statements. One that would clearly break down the expenditures associated with the school property and one that

would break down the expenditures associated with the development, the land development.

I'm really starting to question my teaching abilities here because, obviously, I'm not getting through to the member opposite. There are not two sets of books. There are two financial statements, one set of books. Now, if I were to assess the member opposite if this was a test, he would obviously get a failing grade here because he does not understand that there's one set of books.

I have, as I said, many times in this Chamber, I have said publicly: I've accepted responsibility. I have said that I should have asked more questions. The Auditor General also points to the fact that, had I received the correct information, I could have acted more appropriately, but the process through that handling of the complaint was undertaken the same way that process had been undertaken year, after year, after year.

In fact, the Member for Russell (Mr. Derkach), in Estimates last year said the same thing. When he was minister he would have done the same thing: send the letter to department, have it go through the department, vet it through the department, get a response and then you proceed.

* (16:10)

I said that I should have asked more questions and had I been provided the appropriate information, then I could have responded more appropriately, and I accept that responsibility. But not only that, the member continues to suggest that there's systemic problems when the Auditor General's report says, we have done (a), (b), (c), (d), (e). We have done legislative changes, we've done changes to the structure of the board, we have implemented internal processes to ensure that the information presented to me has been vetted through a number of different processes so that this doesn't happen again.

So we accept responsibility, and as duly elected officials, the school board trustees will be accountable for their actions and they'll be accountable to their electorate.

Mr. Schuler: The minister is too hard on himself. You see, through you, Mr. Acting Chair, I'm sure this minister is a very good teacher. Unfortunately, he's been put into an unenviable position of trying to spin a sow's ear into a silk purse, and that's where he's failing. It's not as a teacher; it's he is left to twist in the wind to try to explain something that is unexplainable and undefendable.

I know the minister loves to talk about that it's not two audits of two books, rather it's two audits of the same set of books. It's just that we have the bad numbers and the good numbers. You see, that way, when you want to show that this was a good thing, then you lift up audit No. 1 of that book and those are the good numbers. Then, if you want to show that it wasn't good, then you have the other one where you say, no, no, no, on the other hand, it was bad. That's like the minister giving a mark to a student, saying, okay, it was the same test, but I'm going to give you two marks, a good mark and a bad mark, and that just doesn't wash. It just doesn't work.

I would encourage the minister, if he would please have another thorough look at what the KPMG did, what the Auditor General did, and hold someone to a certain standard of accountability, that someone should at least be held accountable for what was done in all the things that I've laid out for him over the last two days.

Mr. Bjornson: Mr. Acting Chair, with all that the member has laid out for me in the last two days, I will be sure that if I ever own horses, I will be sure to lock the barn.

The member holds up financial statement A and financial statement B. Well, let me remind the member that his Auditor General's report, exhibit A, which says, the end result of the Swinford Park land development by Seven Oaks School Division was a net income of \$512,118 to the school division. However, this entire amount, an additional \$307,692, remains invested in surplus land with a total net book value at January 31, 2006, of \$819,810. The end result. Never mind financial statement A and financial statement B. From the same books that—by the way, did I mention that there's one set of books, and you have financial statement A and financial statement B. But the end result is identified by the Auditor General, the end result is identified by an independent audit by KPMG, at \$512,000. Those are the end results.

Mr. Schuler: I was wondering if at this time the committee is ready to go line by line.

Mr. Bjornson: Absolutely.

Mr. Leonard Derkach (Russell): I'd like to ask the Minister of Education a couple of questions regarding the school programming, and also the whole concept that seems to be moving in many of our school divisions regarding further amalgamation of schools.

I know that there have been reports that have been done by individuals regarding the future of school divisions, which is a good thing, but, on the other hand, some of the recommendations that have come out just leave residents feeling that there is no thought being given to the make-up of communities, the demographics of an area. Rather it just seems to be what appears to be efficient from a particular model.

I'm going to ask the minister whether or not he's had any representation from specifically my school division, which is Park West, regarding issues of amalgamation.

Mr. Bjornson: Thank you for the question. I will have to get back to the Member for Russell, if I have, indeed, received some correspondence. I do not recall if I have received correspondence or a report from your school division. I have received a few reports that I've perused that are at this point certainly designed to generate community dialogue on the future of the school divisions. I know that Park West, I believe, has—pardon me, Mountain View has submitted such a report and brought that to my attention.

What I can tell the honourable member is that we have had a request from the Manitoba Association of School Trustees, through a resolution at their annual general meeting, to review the policies and guidelines around school closures. So we certainly have committed to undertake that review and I look forward to the recommendations of that review.

My first concern is that the community should play a very active role in any discussion around school closures. I know that it's not a very easy decision for a school division to make, and I know that that has a tremendous emotional attachment for a community to suddenly face the possibility that their school will close. So we are undertaking a review of the guidelines and the policies that are currently in place.

I will have to get back to the member if I have received any specific letters or requests from the school division. I do not recall if that has been the case to this point.

Mr. Derkach: To the minister, Mr. Acting Chair, the issue out there is, of course, financial and how costs can be trimmed in terms of running the school division and schools, and I can appreciate that. However, it seems to me that school divisions are

going about it independently of each other and independently of the department. I'm wondering whether there isn't a role for some co-ordination to be done from the department so that school division boundaries don't become impermeable so that, in fact, in areas where it might make some sense to look at how we can deliver education across school division boundaries and maybe more effectively, that that should be looked at.

But the way the structure is right now, school divisions are looking at it in isolation of each other, and I think there needs to be a broader view and a broader approach taken, perhaps through a co-ordinating function of the department, because this is inevitable. It's coming down and we know that. But how we do it in a way which impacts least on students is what we should be looking at, and on communities.

*(16:20)

One of the suggestions that came about at one of the public meetings I was at was why we are still locked into having to purchase these huge school division buses, because in some divisions with shrinking populations in rural communities, it probably makes more sense to be purchasing buses that are smaller and buses that don't run empty for miles and miles and miles.

This was brought up by several individuals, well, many individuals, who observe the same the things about transportation, and that is that large school division buses travel empty for miles when we should be perhaps taking another look at how transportation services are provided in rural remote areas.

Mr. Bjornson: I do thank the member for that advice. Certainly, we review a lot of issues with school divisions as they relate to the challenges that they face. We recently held a forum on rural education, as we recognize that there're some challenges specific to rural Manitoba that need us to think of more creative ways to provide educational opportunities for our students. We have been able to maintain some of the schools through our increased funds, whether it's for more occupational—occupancy support, I should say, whether it's for declining enrolment grants that we've provided, and whether it's for increased support for transportation.

So we do have to take a lot of those factors into consideration as school divisions are faced with these challenges. Certainly, I share your concern that there

are some bus routes that are quite lengthy, and I am looking at that with respect to what we can do to address those concerns for parents. If you put an early-years child on a bus and the ride is an hour and a half, that is a significant amount of time for a child that age to be on a bus.

So we are certainly aware of the problems and the issues. I am certainly looking forward to some recommendations or suggestions at the table from the group that has been meeting to discuss rural education challenges. Your suggestions that you brought forward today will be considered in that dialogue, and I thank you for that.

Mr. Derkach: Just very quickly—and I thank the minister for that response—if he could provide me with the formal name of the group that's looking at this and whether or not we can feed in some suggestions to this organization. That would be helpful for us. Secondly, if we can be—because we live in the rural communities, I think a forum, from time to time, on how we can better deliver programs might be advisable. Not that we have the answers, but certainly a dialogue, beginning a dialogue, brings the whole issue to a point where people begin to understand why sometimes decisions that are being made are being made, and for what reasons. So I leave that with the minister, and I thank him for his responses.

The Acting Chairperson (Mr. Daryl Reid): Is the committee ready to proceed with the resolutions? *[Agreed]* We will now move to the resolutions.

Resolution 16.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$27,539,200 for Education, Citizenship and Youth, School Programs, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,118,500 for Education, Citizenship and Youth, Bureau de l'éducation française, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$225,170,000 for Education, Citizenship and Youth,

Education and School Tax Credits, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$981,819,000 for Education, Citizenship and Youth, Support to Schools, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,136,500 for Education, Citizenship and Youth, MB4Youth, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$46,807,600 for Education, Citizenship and Youth, Capital Funding, for the fiscal year ending March 31, 2008.

Resolution agreed to.

Resolution 16.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$445,800 for Education, Citizenship and Youth, Costs Related to Capital Assets, for the fiscal year ending March 31, 2008.

Resolution agreed to.

The last item to be considered for Estimates for the department is item 1.(a). Minister's Salary, contained in resolution 16.1.

We ask the minister's staff to please leave the Chamber.

Resolution 16.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,681,600 for Education, Citizenship and Youth, Administration and Finance, for the fiscal year ending March 31, 2008.

Resolution agreed to.

That concludes the Estimates for the Department of Education, Citizenship and Youth.

The next set of Estimates that will be considered by this section of the committee are the Estimates for Science, Technology, Energy and Mines.

Shall this committee recess briefly to allow the critic and the minister to enter? *[Agreed]*

We will recess for five minutes then, please.

The committee recessed at 4:27 p.m.

The committee resumed at 4:33 p.m.

SCIENCE, TECHNOLOGY, ENERGY AND MINES

The Acting Chairperson (Mr. Daryl Reid): Will the Committee of Supply please come to order.

The Estimates for the Department of Science, Technology, Energy and Mines had previously been considered in committee room 255 on October 5. It had been determined that the Estimates would be considered in a global manner. Questioning had previously taken place on various aspects of the department, and we are now on page 146 of the main Estimates book.

Would the minister's staff please now enter the Chamber. The floor is now open for questions.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): Before we do questions, I'd like to introduce the staff. We have John Clarkson, who's the deputy minister of Science, Technology, Energy and Mines; we have Craig Halwachs, who's the director of Finance; and we also have Leigh Anne Lumbard, who's the senior financial officer at the table.

The Acting Chairperson (Mr. Daryl Reid): We thank the honourable minister.

Hon. Jon Gerrard (River Heights): My question to the minister: The minister, and maybe his predecessor as well, created some confusion around the tax credit for new media companies by announcing that and then switching over sometime later to a grant program, after having already issued certificates for the tax credit program. I wonder if the minister would at least explain what happened, why the switch in direction, why the confusion, and what he's doing now to sort it out.

Mr. Rondeau: I thank the member opposite for that question. The new media tax credit and program, or the whole program, was initiated because what we wanted to do is grow the new media games industry. And we originally started with the Film and Sound

Tax Credit, not the new media tax credit. And as we moved forward what we found was it was probably far more appropriate to provide grants which would be the same level but be more flexible, because trying to tie the Film and Sound Tax Credit into a new media tax credit became very, very tough. So we thought it was more appropriate to create a new media grant program. It was more flexible, and the honourable member might not know this, but what's happened was we have taken the Film and Sound Tax Credit, it's now being administered, I understand, by the feds.

And so, if we're doing something with the new media companies, which is a growing industry, it's a new industry, the same with the games. That takes a lot of flexibility. It takes a lot of working with the industry, and so we felt it was appropriate to do it through a much more flexible mechanism.

And to let the honourable member know what's happened, the new media is a new industry, and what has happened is the following: The current total of Manitoba game companies that have self-identified as new media gaming is about 79 companies. Of that, 62 are new media, 17 are gaming companies. That's up from 18 in 2005-2006 and virtually none, or just one before that. So the combined growth in the new media industry is 439 percent. If you just take the companies that have identified them as new media, the growth on that would be 388 percent. And also what's happening is this is an evolving industry. There's a convergence of media, whether it's television, new media, games over the Internet, all this is converging, changing, et cetera.

So, if you want a program that can be flexible, if you want a program that can relate to the needs and issues that are involved in the market, then what you need to do is make sure that you have something flexible. The grant program was indeed flexible. It was brought out at the same level as the tax credit and now is much easier to work with, with the companies, and I'm pleased to see that with the growth rates in the 439 percent or 388 percent, that's not too bad.

I know that the honourable member, when you were minister of Science and Technology, if we had been able to move the industry across Canada at those percentages for a few years, you would've been very, very pleased, and so we're pleased with the results so far.

* (16:40)

Mr. Gerrard: Well, the minister certainly created some confusion after issuing certificates for the Film and Sound Tax Credit on the basis of work on gaming, new media projects, and then switching over to the grant. The grant program turned out to be much less bankable, at least in its early phases. That is to say that the banks were quite suspicious of the program, particularly after there had been one switch after another.

But, be that as it may, I want to move on to talk about the Manitoba Health Research Council, which, I think, the minister is responsible for.

There was quite a lot of effort and planning went into a document, I think in 2006, with regard to the Manitoba Health Research Council. It has appeared that that document was deep-sixed by the government last year. Is the government prepared to have another look at that Manitoba Health Research Council proposal and consider it more seriously this time around?

Mr. Rondeau: I was pleased to receive the report from MHRC. If the member has had a chance to read the report, part of the report had asked for a \$6-million funding level, and then what it was talking about is \$20 million that was going to be worked out with money raised from foundations and companies to grow it, to grow the research budgets to make sure that there is additional research.

The plan also talked about a co-operative approach where government was working with companies, with other organizations, with foundations, to increase the research that's conducted and also to work more co-operatively and work better as a group. I don't know whether the member was aware of the fact that we have committed to the \$6 million. We've worked with the MHRC to bring together a committee and we've been working very well with them on working through their issues.

The Acting Chairperson (Mr. Daryl Reid): The honourable Member for River Heights. Excuse me for one minute.

Sorry, I didn't see the member standing.

Report

Ms. Marilyn Brick (Chairperson of the section of the Committee of Supply meeting in Room 254): In this section of the Committee of Supply meeting in room 254 considering the Estimates of the Department of Family Services and Housing, the

honourable Member for Ste. Rose (Mr. Briese) moved the following motion:

THAT line 9.1.(a) be amended so that the minister's salary be reduced to \$1.

Mr. Acting Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested that a counted vote be taken on this matter.

Formal Vote

The Acting Chairperson (Mr. Daryl Reid): A recorded vote has been requested. Call in the members.

All sections in Chamber for formal vote.

Order, please. In the section of the Committee of Supply meeting in room 254 considering the Estimates for the Department of Family Services and Housing, the honourable Member for Ste. Rose moved the following motion:

THAT line 9.1(a) be amended so that the minister's salary be reduced to \$1.

This motion was defeated on a voice vote, and subsequently two members requested a formal vote on this matter.

The question before the committee, then, is the motion for the honourable Member for Ste. Rose.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 17, Nays 28.

The Acting Chairperson (Mr. Daryl Reid): The motion is accordingly defeated.

The sections of Committee of Supply will now continue with the consideration of the departmental Estimates.

The Acting Chairperson (Mr. Daryl Reid): Order, please. Will the minister's staff please enter the Chamber. The honourable Member for River Heights, to resume questioning.

Mr. Gerrard: Question to the minister—are you ready? Okay, my question is the minister has talked about \$6 million for the Manitoba Health Research Council. Was that money allocated in the 2006-2007 budget?

Mr. Rondeau: We've made a commitment of \$6 million. We are going to be moving forward to that. I'm pleased that we've moved forward on the

research money and looking at the plan and following what the plan had advised.

The interesting part is that in the whole research and development, what's happened is that we want to work with groups. So when we received the report, we acted on it by looking at it and seeing where we could work with them. We've been in communications with MHRC and the chair on a regular basis, and we've made the commitment of \$6 million, and that's reflected.

Mr. Gerrard: I would ask, is that a \$6 million annually going forward?

Mr. Rondeau: It's \$6 million annually, beginning in '08-09, but it's also a ramp up to that.

Mr. Gerrard: Can the minister provide some details about how the \$6 million will be broken down? Will it be broken down as in the report?

Mr. Rondeau: If the member had a chance to read the proposal, what they have said is that what they want to do is a more collaborative approach where groups work together on research, where the government is a partner, the foundations and companies, different groups, are partners. What they suggested in their report was that we would provide the \$6 million. There would be a review of the proposals. There would be groups matching funds or bringing funds to the table to ensure that additional funds are used.

So it's not just the government's \$6 million. Different foundations could contribute to the pool, bring resources in for all the research. It would be more collaboratively worked on, more in partnership. What would happen is we would work with the MHRC to develop priorities and to allocate the money out.

Mr. Gerrard: I thank the minister. Certainly, it's about time that we saw an increase in the Manitoba Health Research Council budget. I've been calling for that for some time so I'm pleased with the progress that's being made. Thank you.

Mr. Rondeau: I'm also pleased that we were able to work with the medical community, and I think, from \$1.9 million to \$6 million was a very good step.

Mr. Cliff Cullen (Turtle Mountain): It's certainly a pleasure to get back and discuss some more of the Science, Technology, Energy and Mines Department. I do want to go back to some of the discussion we had last Friday. We talked about the green buildings in Manitoba, and we talked about the

LEED standards, if you will. I just want to bring this to the minister's attention.

Obviously, in Manitoba, we're trying to conserve energy wherever we can. I know Manitoba Hydro plays a role in that. I'm assuming that's because of some government policy, but specifically, these LEED certifications that various—in my case, there are two municipalities looking at constructing public buildings. One, for example, is the Austin community hall. In their initial building proposal, the hall was going to cost in the neighbourhood of half a million dollars. That was a fairly significant dollar figure for a relatively small community.

Then they got involved in discussions about the LEED standards. The concern is now that particular buildings could, in fact, double in cost because if they go to meet the respective LEED standards. I just wonder if the minister is aware of the significant extra costs involved in that particular program.

* (17:10)

Mr. Rondeau: From what I understand with the department and people who have worked with the LEED standards, when you work with an architect and an engineer from the start, and you understand LEED, and you have groups that have used it, in Canada's and U.S.'s experience, there's been about a 3 percent increase in cost for LEED. Okay? So, if you're building a project using LEED standards, you design it right, you're working it right, there's a 3 percent increase. That's Canada and U.S. standards for making it LEED versus normal construction.

The neat part about it is, if you follow LEED standards, capital costs would be easily offset in your operating costs. So, if you take costs, say if you can save a lot on your energy costs and water costs for years, you should be able to recoup that 3 percent in a very quick order.

I would suggest that if you have people in the community that are saying that the costs doubled, they should probably talk to other individuals or work with other people or my department to see where they can get some other advice or support to go to LEED. An example, and I'll use my own personal example because I always like to do that, by going to the geothermal system, it cost me an extra \$10,000, but that's basically paid itself in eight years. The \$10,000 would have been about 5 percent of the building cost of the house, and then the geothermal is saving me money every year. So, it would be important to work with people who are familiar with

LEED. It would be also important to work with the experts, and if you have people who are proponents of the project that wanted good advice on LEED or where to go or where to get support, I'd be happy to steer you in the right directions or at least in some directions.

Mr. Cullen: Well, I would certainly hope that the minister would steer us in the correct direction, not just in any direction.

This particular community hall building committee has been at this project for some time. In fact they've met with government staff, and they're trying to get the best value for their dollar, understandably. I know, in their last meeting with government staff, the LEED program was discussed at length, and the department themselves advised the building committee that a building of this type could be \$160 a square foot, which is approximately double of what they'd originally intended. That's the kind of information that I think the government staff has. So we have quite a significant disconnect there of 3 percent and something in the neighbourhood of 100 percent in terms of doubling the actual cost.

I will follow up with the minister directly on that, his office, directly on this proposal. The question that comes to my mind, and the minister talked about the geothermal issue, if you're a private individual, and possibly a commercial individual, and the minister can maybe clarify for me, Manitoba Hydro, and I believe they may be the only jurisdiction or entity that actually provides loans for the geothermal installation—is the minister aware of any other department within government that would supply either grants or loans for specifically geothermal?

Mr. Rondeau: If the honourable member gives me information as to who the government people were talking to, your local community committee, we'll make sure that they are also steered in the right direction. For me, I looked at it and making my house with the proper insulation and all the rest did not cost me a great deal more on the construction costs but definitely has a good payment back, especially when you're talking life-cycle costs.

So if you can get me the names and all this, we'll make sure that we do the follow-up also on that to make sure the correct information is being provided to the public, because that's always important. If someone is not doing that, we need to correct the record, because it shouldn't make a big difference. What we're talking about is appropriate insulation,

which isn't as expensive when you're building, or appropriate heating systems or more high-efficiency heating systems or more efficient flush toilets.

So the difference shouldn't be a huge amount. They should be very, very reasonable, and if there are people providing inappropriate information, we'd like to make sure that that is corrected.

As far as the other issue, we want to make sure—we'll answer that. That is the first part of the question. You can ask the second, and I'll respond to it.

Mr. Cullen: The second question I asked is specifically on geothermal. I know that Manitoba Hydro I believe through their Power Smart program has a loan program for geothermal installations. I just want to clarify, if the minister does know, if that is the only loan or grant that is available for geothermal installations and, again, whether they be residential or business, or is there another department somewhere that may be available to assist in those programs?

Mr. Rondeau: What I understand is that although I'm not responsible for Hydro and I don't know the programs that they do provide, I do know that they support certain energy things, through Power Smart, et cetera.

The one program that does support geothermal, I understand, is also the federal government right now. They provide I think a \$3,500 loan for existing buildings. *[interjection]* Oh, sorry, not a loan, a grant, a \$3,500 grant, I believe. Now, that's a federal loan and I definitely can't speak for the federal government.

Mr. Cullen: Just to get back to the final comment on the LEED standards. Obviously, they're designed to save energy, and I'm wondering if the government specifically has a policy to assist in the development of the LEED standards and to support communities that want to develop LEED standards. Is there financial support available from the province?

Mr. Rondeau: LEED is an interesting project because what we've done is we've wanted to work with the building community, with the architects, with the people who are building this, to explain to them what LEED standards is. We've also worked with Community Places staff and different staff in government to work with them, because we now have a policy where we want LEED standard.

* (17:20)

But LEED standard, it's more than just energy. It is energy efficiency, but it is also more than just energy efficiency. It's more important on the sustainability, a smaller imprint, a smaller use of resources. So it takes into account whether there's transit access, trails, talks about reusing building materials rather than just all new building materials. It talks about whether you have a recycling and waste plan, whether you just toss things out. It talks about water efficiency. So it deals with lots of things, and it also deals with energy, like whether you have appropriate lighting or heat or cooling and things like this, proper insulation. So it's a package.

So when I say that whether you're developing a plan, if you started from scratch and you're working with the architect or the builders, that's why you can get some real good long-term ongoing savings and less impact on the environment, and so it's more of a concept. A lot of it can be found on the Web; actually, Mr. Acting Chair, when I heard about the LEED standard I spent a weekend on the Web trying to figure out what it is and what it meant. At first I thought it was just energy efficiency and then very quickly I found out that it's a package, and so if you have better waste reduction, better water usage, recycling plans, a trail, local transit, and say if you're wiping out a building and rebuilding, you don't throw out all your—you don't landfill all your construction materials. You might use pieces of them, and then that way you actually get points for LEED in each of those cases. Then you get certified according to how many points you have on what you do.

And so that's when I said when you work with the builder, with the architect to build LEED, it's easier to do because some of it is in operations. Just for my own use, if you have an older toilet, you use tons of water. If you use a low-flush or a dual-choice flush toilet, that makes a big difference. And those are the things that have to be considered when you're building, because when you're putting in a toilet and replacing it, that costs money. But if you put in the water-saving toilet the first time and the water-saving taps the first time, that's where you get the LEED standard and ongoing cost savings.

Mr. Cullen: I appreciate the minister's comments. I think, just for the record here, I'm just going to indicate to the minister some of the frustration and the costs that are associated with this particular development.

I have a letter here from the chairman of the building committee here at Austin, and he's

specifically saying that the certification will cost about \$50,000 alone and that's just the actual—let's see where he words it here: which works out to \$7 a square foot just for the drawing and certification process. So that's fairly substantial, just going through the actual certification process. That doesn't address the issues such as lighting and water and insulation and everything else, so it's a very substantial added cost to that particular endeavour.

In view of that, and I know the province has a policy where they want to see the LEED buildings go forward, in a lot of these public buildings they will be trying to access some infrastructure funding from the province and the federal government. So the question becomes: If a community decides to go with the LEED route through those standards, will those entities be looked more favourably at when they go through the infrastructure grant system? Does the government have a policy on viewing those applications more favourably?

Mr. Rondeau: Mr. Acting Chair, it would be wonderful if I could get a letter from the honourable member about this project. What I will endeavour to do is I'll get my staff involved to work with your community members to see how we can move the project forward expeditiously and financially properly. So we'll see how we can do that, and we can get the community good, solid advice on how to move the project forward.

One of the troubles with going to anything like this is, again, when I built my house, I built it a R2000 standard, which then changed standards. Often, what you want to do is make sure that people understand what the process is, but also understand the savings, and this may cost a small amount up front, but I believe that what you want to do is not plan just for the existing building to go up, because you could build two by two construction. You could build two by four construction, but you build the appropriate construction, you put the appropriate investments up front when you're designing the building and you'll save forever. I know that, when I started my teaching career in 1981, in Norway House, I lived in a trailer that had about two-by-two walls, and the furnace started in September and went off in April. Now I look back at that, and what waste of energy and money. You know, build it right, do it right and then the life-cycle costs more than compensate many, many times the initial investment.

Now, that's a long way of saying, we need to do this the right way and the other way, it is a learning

process. So I would be pleased to have my staff work with the honourable member and his community to make sure that it's done correctly. So, if you get me the letter and the contacts, I will direct staff to work expeditiously to move this project in the right direction.

Mr. Cullen: I appreciate the minister's comments, and we certainly will get him the information on this particular project so hopefully his staff can help us out and get us in the right direction.

I do want to talk specifically about geothermal installations in Manitoba. I know the minister has talked about this quite a bit. I guess, in particular, there's been quite a bit of talk about the Waverley West development and I would like to get a bit of a, I guess, an update in terms of where we're at in Waverley West and how the geothermal applications are going in that particular subdivision.

Mr. Rondeau: The Manitoba Housing and Renewal Corp. is actually doing the Waverley West development, and so it doesn't quite follow into this portfolio.

I'll tell you what we've been doing for geothermal, though.

* (17:30)

Mr. Acting Chair, what we've done is we've been working with the industry to develop training, to make sure that there's people who are trained, legitimate installers. We've been working with different groups to see how we can encourage it. So, although we like the geothermal model—so we've worked to try to encourage Power Smart to adopt encouraging geothermal, and we've tried to bring it into the public so people have confidence that it's a good system that they can rely on. It's not where we've been using as a pull, where we've been encouraging. The neat thing is when you look at the life-cycle costs, Manitoba, per capita, is doing extremely well on the amount of geothermal installations that we've had. I understand there are currently over 4,000 geothermal units across the province.

It's interesting because just among our caucus alone, there are three people who have them. I know the Minister of Conservation (Mr. Struthers), myself, and the Member for Wolseley (Mr. Altemeyer) all have geothermal heat systems. Actually, what's neat about it is works just as well as an air conditioner as it does as a heater. We're all happy with them, and I think it's nice that we're actually, with our extreme

climate, it's a good way of, I call it fixing in your costs of energy because you do save a lot.

We've been using it so that people are confident that there are legitimate installers. We've been working with the training. We've been working on encouraging other groups to provide incentives. That's where we've been functioning. But we don't control the Waverley West development; that's a different department. We wouldn't get directly involved in that, but we have been encouraging them to incorporate geothermal in their design, and the program is, I understand, rolling out through their process.

Mr. Cullen: Now, when you say you've been encouraging them to use the geothermal technology, I'm just wondering what your government policy is there in terms of Waverley West and how actually are you encouraging them to do it. Do you have some kind of programs in place or do you have a legislated mandate that they have to use geothermal in certain sections of that development? How is that process moving forward?

Mr. Rondeau: I can't really speak for Manitoba Housing and Renewal Corp. What we do is, within government, we talk about the technology. We talk about the benefits of the technology. My department is looking more at the—CTT is more looking at the training, different department. As far as energy, we just look at it as pull where it's a technology that can save money, can save energy, and has good economic benefits in our climate.

We're saying that it's something that the public should look at, and we also look at it as a way of being very cost-effective. When we're saying that we're encouraging it, one of the things we believed was when you're investing \$15,000 to \$25,000 on a heating and cooling and a water system, you want to have faith in it. So that's why we focussed on the training project and certification and working with the industry, so that people know that what they're buying will work.

The worst thing you can do is not have faith in the purchase, so we have worked within different government departments to make sure that there were certified installers, that there are certified businesses, and there's actually a training program. That was our first step.

Now, when people buy it, they actually have faith that the system will work, because the worst thing you can do is spend \$18,000 on a system and

not have it work. We wanted to make sure that we had the certification, worked with the industry, so that people would have confidence in the whole program. That was the first step.

Now, the feds have adopted it and are creating it as part of their eco-trust money, or as part of their Green Plan. What we're doing is we're working with other departments and other agencies to see how they can move it forward under their purview. But we don't tell Manitoba Housing and Renewal Corp how they roll it out.

Hon. Dave Chomiak (Government House Leader): I wonder if I might interrupt the committee to recess to have the Speaker resume the Chair.

The Acting Chairperson (Mr. Daryl Reid): Is it the will of the committee to recess for a few moments? *[Agreed]*

IN SESSION

House Business

Hon. Dave Chomiak (Government House Leader): Mr. Acting Speaker, I wonder if there might be unanimous consent for the Estimates sequence to be amended to set aside the Estimates of the Department of Culture, Heritage, Tourism and Sport until Monday.

The Acting Speaker (Mr. Daryl Reid): Is there unanimous consent for the Estimates sequence to be amended to set aside the Estimates of the Department of Culture, Heritage, Tourism and Sport until Monday? *[Agreed]*

Mr. Chomiak: Just under abundance of caution, is there unanimous consent so that the Committee of Supply can sit concurrent with the sitting of the House on Monday?

The Acting Speaker (Mr. Daryl Reid): Is it the will of the House that the Committee of Supply sits concurrently with the House on Monday next? *[Agreed]* Thank you, members of the House.

The Committee of Supply will resume consideration of the Estimates.

Mr. Acting Chairperson, take the committee Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

SCIENCE, TECHNOLOGY, ENERGY AND MINES

The Acting Chairperson (Mr. Daryl Reid): The Committee of Supply will now resume. Will the minister's staff please enter the Chamber.

Mr. Cliff Cullen (Turtle Mountain): I appreciate the minister's comments on geothermal. Just for his information, I know my father installed geothermal back in 1999 when they built a new house on their retirement, and it certainly has worked quite well. I know we have more and more people in our communities using geothermal.

I think the real benefit for geothermal is in the commercial side of things, the larger the building, I think, the more value that we gain through geothermal. As you point out, it's not just the heat side of it but it's the cooling capacity it has as well. So I think that's very important.

The other thing that a lot of communities are doing, recognizing that energy costs are a big component of recreation facilities, they're looking at alternatives to run those particular facilities. I know we have a lot of communities in my particular area, in particular curling clubs and hockey arenas, that are using the geothermal technology to cool the ice and then using the excess energy and the heat there to warm the waiting room. So it certainly is a great technology and obviously has been quite successful in reducing their energy costs.

I guess some of the concerns from the Waverley West side of things is when we get the potential to get a whole bunch of these systems in one area. Do you and your department feel confident in the technology, that we have a good base level, that this technology isn't going to have a negative impact down the road given that we're going to have quite a concentration of this particular technology from one area?

* (17:40)

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): I agree with the member where we have lots of potential for geothermal and other energy-efficient systems. I just look at where we could do lots with water, we could do lots with energy savings, lots with conservation. I appreciate how my department's moving forward with other departments because we sort of push and

pull and work with different groups and different departments and different organizations to get them to learn about the technology and work with the technology.

So it's interesting when you asked the question about the studies. Manitoba Hydro would be responsible to look at the studies. We would look at to make sure they are aware of the studies, they be aware of the heat and energy loss and gain because—and see what has happened in the past in different jurisdictions. But the plans are developed by Manitoba Hydro and Manitoba Housing. What we're trying to do is make sure that the information is available, they understand the technology, they understand what's going on in the world, and encouraging people to adopt the best practices of the technology.

Same thing with LEED. We don't build the government buildings or the communities or we're not the community places. What we are is the group that's trying to get people to look at this and look at the life-cycle costs and change their mindsets. So not always the cheaper; you could spend a little bit more money up front and save for years and years over the life-cycle costs. That's where we're going. We don't do the development in Waverley West. What we're doing is encouraging Hydro and MHRC to do those sorts of things. But not just geothermal; we're trying to say we want you to adopt good energy practice and energy savings and build in life-cycle costs.

Mr. Cullen: In regard to Manitoba Hydro, they are currently building an office downtown there. I know geothermal is one component they're using as far as their energy heating source, heating and cooling source. I'm just wondering if the minister is familiar with how that project's going. I understand there might have been some changes in terms of their geothermal application downtown.

I'm just wondering if the minister is familiar with how that's developing.

Mr. Rondeau: No I'm not, Mr. Acting Chair. Manitoba Hydro would be responsible for that project. We wouldn't be involved in their building or building their building.

Mr. Cullen: Recognizing that Manitoba Hydro are looking at other sources of energy within that building, I just wondered if your department had been involved in any of the discussions or any of their research or anywhere within any aspect of your department had been involved with Hydro in terms

of what energy sources they're looking at and some of the new technologies going on in that particular building. I'm assuming that Manitoba Hydro would have been looking at other jurisdictions in terms of what they could do for the—we'll call it state-of-the-art energy and energy-saving methods. So I just wondered if there was a role for your department in some of that review that has gone on over the last year or two.

Mr. Rondeau: As with any other group, my department would meet with them, discuss new technologies, new initiatives, other things that have happened in other areas. So just like if your community group comes up and wants to know about LEED, there would be some discussions. What we want to do is we want to facilitate the adoption of new technologies or energy-efficient technologies, and so we will meet with different groups and talk to them about best practice.

The one thing that I see as a huge benefit is if we become experts in building energy-efficient buildings, incorporating geothermal, incorporating other technologies, what happens is that other groups around the world will use Manitoba's expertise, our architectural, our engineering, our geothermal expertise. That becomes a huge export of skills. So that's why, when we're doing the geothermal, if we have trained installers that have certification, that do it right, that becomes a very important technology. If we have people who understand and can incorporate LEED at 3 percent more than normal building costs, that will save people for years and years, that becomes an export. The skills, the abilities, the building of those buildings, and doing it right becomes huge.

So when I look at where we're going in the future, I know that when we're out there and people are recognizing that Manitoba is an expert in geothermal heat technology, and that is a huge advantage for our people and our industries. So we become very good at exporting it.

So, again, what we're trying to do is develop it, we're trying to incorporate it and we're trying to get people who are experts at it, that can talk knowledgeably about it. So just like your case, when someone comes up and says: Oh, it's going to be double the cost. We can say: Wait a minute, if you do it like this, it's not going to be double the cost; here's how you can save money on the initial building and save money forever. That's where we want to go.

We will work with any group whether it's Hydro, whether it's a building group, a community group, other industries, businesses, if they come to us and they say: What is this?; We're considering building this. We'll work with them and we're pleased to work with them because it is complicated, and we want to get people to do it right.

As your father, who incorporated geothermal into his house, it's more expensive than the traditional furnace or air conditioner. So you're going to spend an extra \$12,000. You want to make sure it's done right and you want to make sure you know what it's going to do to your house. So that's why we have a lot of it on our Web site. We have a lot of information out there and we'll continue to provide education to any group that we can because that, we think, is the easiest way of getting the technology incorporated.

Mr. Larry Maguire (Arthur-Virden): I appreciate the Member for Turtle Mountain (Mr. Cullen) allowing me a few moments of time. In the previous Estimates with the minister when we were dealing with Competitiveness, Training and Trade, I was going to ask him a question that needed to be asked in this department. So I thank him for allowing me a little bit time to do that today.

This is in regard to the Clean Country Resources ethanol project, at Hartney, that both he and I know, the Member for Kildonan (Mr. Chomiak) that just came in, have had briefings on as well. I know that this plant, just to confirm with the minister, that I appreciated the time that he gave the folks from Clean Country Resources at Hartney with their idea of an ethanol plant back in April, as I did the Member for Kildonan, a year ago, on that issue. They brought forward the proposal on their energy source was going to be coal and, of course, the government has took some year to indicate that that wasn't the case and, rightfully so.

*(17:50)

So I think that the situation now is that they have come back and they're proposing to use a combination of biomass and natural gas, just for the minister's information, at least. They have completely scrapped the idea of using coal, but they do want to proceed with the plant. It is in a stage of water testing. There's lots of water. They have the okay from the Oak Lake Aquifer association to use water from the aquifer. They've got a business plan that will spread the access to the water over a number of wells in the spread out area instead of

taking it all from one, although, they could get enough from one from many sites.

They're in the process of bringing forward their business plans and environmental plans in the near future, is my understanding. There are some indications. I know that they've met with the Minister of Agriculture (Ms. Wowchuk) in regard to a meeting a short time ago, and they wanted to move forward with the testing of water on the larger scale that's needed to get the permit basis. They will bring that information forward, I'm hoping as soon as they get it done, or I'm informed as soon as they can get it done this fall.

Once they do that, they feel that they will have met a lot of the requirements that the government has asked them to do in regard to moving forward with this plant, which is a little bigger than the one in Minnedosa perhaps as far as the plant goes. Then they would need some indication to move forward to get their manufacturing licence before they can really go out and raise funds.

So my question to the minister is just around timing and what might be seen as a normal time frame from the time they put their water package in or environmental licence and their request for that to the government and the normal time that his department might be able to turn that around.

Hon. Dave Chomiak (Government House Leader): Mr. Acting Chairperson, I wonder if the Committee of Supply might recess to have the Speaker resume the Chair.

The Acting Chairperson (Mr. Daryl Reid): Is it the will of the committee to recess for a few moments to deal with House business? *[Agreed]*

It's been so ordered that committee will recess for a few moments.

IN SESSION

House Business

Hon. Dave Chomiak (Government House Leader): I thank the House for their patience in this matter. I wonder, Mr. Acting Speaker, if there's unanimous consent of the House with respect to the sitting of Committee of Supply tomorrow for the House to indicate that there will only be two committees of Supply sitting tomorrow and, as was authorized earlier, that the third sitting of the Committee of Supply with respect to Culture will not sit tomorrow but will sit Monday concurrent with the sitting of the House until the Estimates are complete.

So I wonder if there's unanimous consent for that clarification.

The Acting Speaker (Mr. Daryl Reid): Is there unanimous consent of the House to sit tomorrow in two committees of Supply and that the Department of Culture, Heritage, Tourism and Sport, as previously agreed, will be held over until Monday? *[Agreed]*

Honourable Government House Leader, any further government business?

Mr. Chomiak: No. I thank the House for their indulgence.

The Acting Speaker (Mr. Daryl Reid): Thank you.

The Committee of Supply will now resume consideration of the Estimates.

Mr. Acting Chairperson, please take the Chair.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

**SCIENCE, TECHNOLOGY,
ENERGY AND MINES**

The Acting Chairperson (Mr. Daryl Reid): Honourable Minister of Science, Technology, Energy and Mines.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): Thank you very much, Mr. Acting Chair. I'd be pleased to work with the community, with my staff, to move forward any proposal expeditiously. We will give due consideration to it and, as the honourable member knows, we'll work with our staff to work with the community, with the proponents to move it forward as quickly as possible.

I know these things are complicated because some parts of it are in Conservation, some with Water Stewardship, but what we will do is we will move it forward expeditiously. We will continue to work with that group as well as any other group that comes forward with a proposal. I know we've been in discussions about this. We've had meetings, and we want to see the economics in rural Manitoba grow. We as a government want the value added in rural Manitoba to grow. So, this department will try to facilitate that as fast as possible.

Mr. Larry Maguire (Arthur-Virden): Mr. Acting Chairperson, I appreciate that from the minister. I know that he will move. As he's indicated, they want development. This is a group that has come forward

with a tremendous plan and not asking for a lot of government support but some support in the areas of the REDI program and some of that sort of financing to get those done.

But my question to the minister would be in regard to, I think it's in his area, the area of manufacturing licences in industry. The group knows what they have to meet in manufacturing licences, and they're working diligently to make sure that they fulfil all of the requirements of the manufacturing licence. I just want to make the minister aware that from their particular point of view, and as I read it a bit myself, the act is a bit nebulous in the fact that once you go through all of those steps, the minister still has the right to cancel the project, any project, not just theirs. I wonder if I'm reading that right. I haven't got the exact wording before me but I can supply it to the minister in letter form if he wished.

That's a concern because if you go through all of this, you're going to end up—any organization that's going to go through a project this large is going to end up spending several hundred thousand dollars, if not a million. At that point, if you've met the due diligence in all of those areas that are laid out, you would not want to have it cancelled at that point. Can the minister just give me some indication on that?

Mr. Rondeau: I think what happens is that when you're working with the departments, when you're working with the environmental licensing, when you're working with all the licensing, that's what it means. The department will continue to communicate with me as the minister, will continue to work through the process. We want to work with communities. We've been open and had good communications, good blunt communications working with them.

When the ministry is working with them, the minister is responsible for the department so we're not going to work without the minister knowing about the project and being aware of it. I think it would be very poor to, at the last minute, for no reason, to ever cancel a project. We're in open communications. The staff continue to do that.

Mr. Maguire: I thank the minister for that answer. I just wanted to alert him as well that he made a good point that communities are involved. I want to assure him that the town of Hartney and the Rural Municipality of Cameron, around the town of Hartney where the plant would be located, are certainly onside to the point of putting, I think, some \$100,000 into it between the two of them. They'd

like to see some matching funds, of course. Some of those areas—I think the group involved would put some forward themselves, but they are working diligently in that area just to show you that the community at large is there.

There were many other municipalities in the surrounding area involved at the meeting with Ms. Wowchuk, the Member for Swan River, the Minister of Agriculture, back before the session started. There is huge support for the project in that region, as the minister knows from the group of people that were present when they met with him last April. I know, if the minister was to wish a meeting with these folks at any time again to clarify any issues, they'd be more than glad to come forward, and he can pass that on to any of his colleagues as well. I forgot to mention it to the Minister of Agriculture when I spoke to her a little bit and also to others. If he could take that to his Cabinet, I would certainly appreciate that as well.

Mr. Rondeau: I have to compliment the member opposite because what he did was he brought a community group that had an idea to government. He brought them forward saying we have an idea, what do you think? Then he introduced them to

government, made it so that the project was moving forward as non-partisan.

I know when the general public looks at this, they often see Question Period where there's a little bit of controversy, or it looks like controversy. I think the average person would be very, very pleased to see that many projects such as this move forward with the assistance of the opposition and government to get the right working relationship to do the project right and make sure that the hurdles are blocked. So I have to compliment the member opposite for doing that, and I'll instruct my staff to continue working with this group and any other group that you bring forward.

Mr. Maguire: I thank the minister for those comments, his kind comments as well. I know that they would like to see the project move forward, and that's the ultimate goal. So we'd certainly—I just want to leave it at that, and I know that you're returning to Estimates tomorrow again as well. I think we're just about done here for today so I leave that questioning and thank the minister for his time.

The Acting Chairperson (Mr. Daryl Reid): The time being 6 p.m., I'm interrupting the proceedings. The Committee of Supply will resume sitting tomorrow at 10 a.m. (Friday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 11, 2007

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