

**Second Session - Fortieth Legislature**

**of the**

**Legislative Assembly of Manitoba**

**DEBATES**

**and**

**PROCEEDINGS**

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Fortieth Legislature**

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## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 17, 2013

*The House met at 10 a.m.*

## ORDERS OF THE DAY

*(Continued)*

## GOVERNMENT BUSINESS

## COMMITTEE OF SUPPLY

**(Concurrent Sections)**

## HEALTH

**Mr. Chairperson (Mohinder Saran):** Order. 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 Health. As had been previously agreed, questions for this department will proceed in a global manner.

The floor is now open for questions.

**Hon. Theresa Oswald (Minister of Health):** Yes, and I appreciate the member for Morden-Winkler (Mr. Friesen) allowing me to start this morning.

I did want to begin the morning on a solemn note. News reports this morning are identifying the passing of a great Manitoban and great Canadian, Elijah Harper, and I just want to extend our heartfelt condolences and, indeed, deep appreciation for the profound and meaningful change that Elijah brought to—well, our world, really.

Secondly, Mr. Chair, I do have some information that the member requested yesterday, and I would be quite prepared to put that information on the record today before we begin our line of questioning. I'm acknowledging his consent.

I did want to say that the chief financial officer of Health baked a pie last evening, and we do have said pie for the member for Morden-Winkler. This—she works fast, and indeed we have information here showing the pie chart—

**Mr. Chairperson:** Order. Order. Before the minister wants to keep—continue, I think the member for Lakeside wants to say something.

**Mr. Ralph Eichler (Lakeside):** Yes, Mr. Chair. Just before the minister started on the next chapter, I thought it was important that we all agree in committee of the contributions that Mr. Harper made

and certainly want to pass on all members' condolences to their family, of course, and thank the minister for her opening remarks. I think it was very timely and very appropriate and, certainly, I think all members of the House want to ensure that Mr. Harper and his family just appreciate how much we all have to offer, and thank the minister for her comments.

**Mr. Chairperson:** Honourable minister, to continue.

**Ms. Oswald:** Yes, I thank the member for those words. They're very generous and compassionate, and they're much appreciated.

To continue, then, Mr. Chair, last year we know there were two pie charts summarizing the distribution of expenditure for Manitoba Health. One chart represented the department, and one represented the Health Services Insurance Fund. The department pie chart does represent less than 4 per cent of the total health budget, whereas the Health Services Insurance Fund represents approximately 96 per cent of the budget, and we have indeed merged those two charts into one. But here, you know, both charts are attached for comparison purposes.

And so I would like to table this particular chart for the member and offer it to him. He will see that we have a distribution of funding to regional health authorities at close to 64 per cent; capital funding, 3.19; Pharmacare at 5.14 per cent; medical at 21.87; and provincial health services at 2.65 per cent. So I will provide that to the member now, and I'm ready to start questions. Thank you very much for the opportunity to put that information on record.

**Mr. Cameron Friesen (Morden-Winkler):** And I also want to express condolences to the family of Elijah Harper, who is an individual and a figure who figures prominently on the landscape of Manitoba and in our history, in the history of this province, who made a contribution that Manitobans will remember. And so today, on learning the news of his passing, certainly the condolences of our party go out, and we join with the minister in marking with sadness his passing.

I thank the minister for providing that information, and I wanted to just go back this morning—I wanted to actually begin by going back a

bit and tidying up a few things from yesterday. And I know that we're not yet in possession of the Hansard from yesterday's exchange, but I thought that I might just ask for a clarification regarding the department vacancy rate. I am not certain that yesterday, when I requested information to be provided, whether I indicated I would like to receive that departmental vacancy rate to exclude Cadham and Selkirk.

Can the minister indicate if that information, the vacancy rate could be provided in a way that would show separately Cadham and Selkirk and then separately calculate the vacancy rate for the Department of Health?

**Ms. Oswald:** I do think that we did cover this yesterday, but let me reiterate that currently there are 100.69 positions or an 8.32 per cent vacancy in the department which does not include vacancies at Selkirk Mental Health hospital, which include 57.2 or an 11.6 vacancy rate at present, nor does it include Cadham Provincial Lab which has 8.1 or an 8.4 per cent vacancy rate. So that should cover that.

**Mr. Friesen:** I thank the minister for that clarification.

Now, also on that same subject, we may have asked this, but I may have also neglected to ask yesterday. When we were talking about the employees in the Department of Health, I wanted to also ask about contracts that the department is working with and I wanted to know if there are—if the Department of Health has a process of contracting out for work that is done and, if so, now if the minister could also supply a list of what contracts are currently in place through the Department of Health. That's probably it.

**Ms. Oswald:** Certainly, we can share with the member the nature of contracts that the department would have, which is to say yes, they do exist. There are, of course, hundreds of contracts concerning drugs and so forth, but I believe the member's speaking specifically about people in this case. And, you know, certainly we have contracts with individuals that will be working on the implementation of the EMS review, for example, or in some cases of northern nursing stations. Those kinds of contracts would exist, so I can signal to the member that I'll have my department work on providing that information to him post haste.

**Mr. Friesen:** And, by post haste, does the minister mean that she can provide the information before the conclusion of Estimates? We're on our second day of

Estimates. Could she provide it by the next time we would go into Estimates, just so I can understand? It might be something I'd like to return attention to at some point in these proceedings, and also, if she's going to supply that information, just to be specific, I would like a list of the names to whom those contracts have gone out to, perhaps the length of the contract, the dollar amount for the contract and also the nature of the work being performed—or the title of that contract.

\* (10:10)

**Ms. Oswald:** Yes, I felt that Monday was a little bit too swift, but the CFO reminded me it's Tuesday. It's great news. Okay. We will try our best; it might be more like end of day so perhaps for the next day. But certainly I have every confidence that the department will do their best to provide the information as requested.

**Mr. Friesen:** Thanks for that commitment, or I thank the minister for that commitment.

I'm back on page 15 of the Estimates and I'm looking at the administration and finance costs. I'm looking at that 15.00 FTE calculation there and we were chatting about this yesterday.

On the way out, leaving the room from Estimates yesterday, I bumped into Keir Johnson, and that reminded me that I had not spoken about Keir's role in the office. Now again because we're asking a lot of questions and a lot of information is being relayed, it may be the case that the minister mentioned Keir's function in her office yesterday, and in my haste to take down names, I might have neglected to do so. But I didn't have Keir's name recorded.

I went back and checked last year's Estimates and there I saw that the minister had indicated that Keir Johnson had indeed left her office, that he had occupied a position of project manager, and then he had moved to Priorities and Planning Secretariat at Cabinet so that he was no longer with the minister.

A number of weeks ago I had requested a meeting with the minister—going back a few months now and it had to do a project taking place in my constituency. And the minister indicated that she was not able to meet in a time period that would probably satisfy the need there, and so instead she sent Keir Johnson to meet with me. And I appreciated that meeting with Keir, and he was able to provide some information to me that was helpful.

I am wondering at this point now, is Keir Johnson back working in the minister's office, and if so, what is his title and has he indeed returned to his former position as project manager?

**Ms. Oswald:** Yes, Mr. Chair, indeed, he is working in the Priorities and Planning Secretariat, as indicated last year. He remains in that post. He does oversee the health files, among others in things in that secretariat. And as you know, he has a great deal of historical knowledge and—well, he's super smart generally, I think we could both agree. And so he does still consult with me and other members of government, but he is in the Priorities and Planning Secretariat.

**Mr. Friesen:** Mr. Chair, could the minister, then, indicate to me, if indeed he is still working out of the Priorities and Planning Secretariat of Cabinet, whether there would be any of his position that would be indicated under executive support, 1.(b), under 21.1 on page 15, or whether there would be no accounting for his position within the framework of the departmental Estimates for Health?

**Ms. Oswald:** No, he's not accounted for there, or anywhere in the lines as described.

**Mr. Friesen:** Mr. Chair, for a moment it sounded like there was just no accounting for Keir, but I understand that that's just having to do with the departmental Estimates for Health.

I wanted to just ask about the position he occupied. Now I know that last year it was indicated that there were three project managers working for the minister. And I believe that those individuals named as Breigh Kusmack, Brad Hartle and Tim Smith; that was in last year's Estimates process.

Are those the individuals who continue under the title of project managers and indeed do we continue with three project managers in the minister's office or has there been a gain or a loss of those positions?

**Ms. Oswald:** Yes, Mr. Chair, as we spoke about yesterday, there are indeed three project managers that work in the office of the Minister of Health. One of those is Brad Hartle, sitting right over there; one is Cotelle Mackintosh; and one is Tim Smith. Breigh Kusmack has left the office, replaced by Cotelle. So though—Brad, Cotelle and Tim are the existing.

**Mr. Friesen:** I thank the minister for that answer.

With regard to Cotelle Mackintosh—so she takes a new position as project manager in the minister's

office, was that position advertised and was it competitive or was it an appointment?

**Ms. Oswald:** Cotelle Mackintosh worked previously in my office as intake coordinator and developed a lot of experience for—or in the context of that position. She is also pursuing education and left the office for some time but, at present, is back in the office on a temporary basis. She is, I would argue, second to none, and I'm delighted to have her back even if just for a while—so it was a direct appointment.

**Mr. Friesen:** So do I understand correctly, then, that Cotelle Mackintosh's position would be a 1.0 EFT on a term?

**Ms. Oswald:** I actually don't know what word they used in the contract or arrangement, but it is for that period of time, end of April, and she'll be here until school resumes in the fall. So that is a term.

**Mr. Friesen:** I thank the minister for that answer, and I'm just wondering then, will there also be—will this position be advertised when Ms. Mackintosh goes back to school? So will that—at that time, will the minister seek to fill that position of the third project manager position?

**Ms. Oswald:** Certainly, we will look at the circumstances that are before us at that time. We know that we went for an extended period of time with a vacancy in my office at special assistant, and it was appropriate for the pacing and workload at the time. We will certainly evaluate, as we always do, and seek to fill the position if necessary. It's really important to me that we have staff available to work with the public on whatever it is that their issues, whether it's a specific piece of casework concerning a health-care matter; if it's a special project that a community group might be interested in; whether it's something from the Health Workforce side, an advocacy group that wants to come forward with ideas about workplace health and safety. Certainly, the Department of Health does an excellent job in co-ordinating and meeting with individuals like this, but folks in my office can provide additional support and interface, and so I always want to be evaluating our ability to reply and to consult in an expedient manner. So that particular situation when it becomes vacant in the fall will undergo an evaluation and we'll make a determination at that time.

**Mr. Friesen:** I thank the minister for that answer.

I'm wondering now, just returning back to our discussion of Keir Johnson, I know that Keir does

have a handle, like the minister says, on a number of the health initiatives, and he's available to give answers on a regular basis and things like that. So I know he's—he occupies an important role with respect to the minister's office. I'm wondering if there are other individuals who have perhaps been seconded or moved to Priorities and Planning Secretariat of Cabinet or other committees, who, then, also lend considerable assistance to the minister's operations, even though they may not appear in the calculation of FTE equivalence of 1.0.

\*(10:20)

**Ms. Oswald:** Well, I think the simple answer to that question is, no, there isn't, you know, anybody that is any—in any sort of unofficial capacity dedicated to the office of the Minister of Health. But, broadly, there are a number of folks across government and across our staff that are of unbelievable help to me, staff that would not specifically be assigned to me. For example, with the Healthy Child Committee of Cabinet, they would belong to a different department—are folks that provide a lot of insight and information to me, so they wouldn't be listed there. But, if I tried to say that, no, they don't help me, that would be foolhardy at best. So, certainly, I get all kinds of help from people, and I make no apology for that.

I think that there's all kinds of wisdom across the government that, with something as broad and as big as Health—the member himself said yesterday that he was somewhat taken aback by the sheer volume and the systems that we're dealing with. So while there aren't official individuals—you know, there aren't official individuals—I do seek the good counsel of folks, whether it is in something like Healthy Child, whether it is from folks in Aboriginal issues, folks that have expertise in communications. You know, there are a variety of people that I think help me every single day, but, no, they wouldn't be written down on this list.

**Mr. Friesen:** I would agree with the minister wholeheartedly that she should not apologize for the people who assist her in her role and neither we ever ask her to do so. We're just simply trying to follow the stated executive support in the Estimates and then consider how resources are allocated to her operations to assist her to do her role. And that gets, you know, from my perspective, you can understand that it gets interesting because we have—government is a big operation, and there are many people who assist and whose duties are defined in separate

categories. And so we're trying to just see who is assisting the minister as she goes forward and fulfills her role.

Just as a point of clarification, I think when I stated yesterday, is I was indeed quite taken back by the volume of correspondence that comes across my desk, emails, phone calls, faxes, and that, you bet, that there's a lot of that that comes with this territory. But, yes, the operation of Health is large as well.

Continuing on, we had spoken yesterday for a little while about the fact that at this point in time the MGEU agreement, that two-year pause on incremental increase is, of course, now over, and I do notice there is a—an increase on that same Executive Support line from 1.012 to 1.035, of course, measured in thousands. I'm wondering, just so I can understand better, I know that the minister has working with her both political staff and then technical professional staff, for lack of a better word—maybe that would be like civil service staff—and I'm wondering, do incremental increases, are they consistent across both of those categories of employees in the minister's office?

**Ms. Oswald:** As I suggested yesterday, I believe the categories are subject to the same processes, increases, constructs as the civil service, but I am going to endeavour to double-check to make sure that that is certain and will report back to the member.

**Mr. Friesen:** Could the minister also indicate, then, and this might be difficult to say without—I don't have a great working knowledge of the most recent collective bargaining arrangements within the MGEU, but could she indicate what the percentage increase was for the civil servants working within her executive support for this past year?

**Ms. Oswald:** I would have to do some homework to find that information. I can get back to the member.

**Mr. Friesen:** I'll try to fast-track this, thank you, Mr. Chair, and just indicate to the minister where I'd like to go in this is is I would just like to understand better in terms of incremental increases to the people who assist her in her role. I would like to establish how much of this increase of \$23,000 for this year would have gone towards technical and professional staff and how much of that would have gone towards political staff, and whether the percentage increase in salary remuneration would have been consistent between the civil service staff that she has and the political staff that she has in her office. If she could

apply—or provide that information, it would be most helpful.

**Ms. Oswald:** Yes, again, project manager staff would fall under professional-technical, but in order to peel all this out, as I said to the member, I understand the question that he's asking and we can commit to get back to him on, you know, where each of those individuals lay. For example, I believe, yesterday, in speaking about political staffing, I referred to the intake co-ordinator as political staff. I do think, in fact, it's admin staff—I made an error when I was speaking about that. So I will embrace the line of questioning that the member is asking me and confer with my officials and get back to you on where—who sits in professional-technical, who sits outside of that, how are they captured by civil-service increases, what those increases were, and the like.

**Mr. Friesen:** And could the minister also commit to a timeline in which—you know, in which she could provide that information. Would she be able to provide it by the next time we sit in Estimates?

**Ms. Oswald:** I believe so. We'll try our best.

**Mr. Friesen:** Thank you. I'm not much of a fisherperson—I guess we say fisherperson these days, but I find that looking through the Estimates, I have to go fishing because I don't always know where to locate certain pieces of information, and I know that we have the right people at the table today who can assist me. I was looking to see if I could discover where the minister's travel would be recorded in the Estimates. Now, I may be wrong here, but I was looking at page 21, and I see under 21.1, administration and finance, there is a line at the bottom of the page that indicates the salary and the executive support and finance and central services. I don't know if central services would be where that kind of expenditure is recorded. So perhaps my question to the minister to start out this area of inquiry would be, where do I locate the expenses for the minister's travel, if that travel was either in the province or out of the province or out of the country, and whether, indeed, that information actually is available as a line item in the Estimates, which it may not be?

**Ms. Oswald:** I believe the member will find on page 25 some information. The information there, though, is the combined expenses and travel of the deputy and the minister which may be less specific than the member wants, but certainly the minister's expenses and travel is posted online, so he can—if he wants to

peel out the exact amount there, he is welcome to do so. I can assure him it isn't going to take him very long to add up the numbers.

**Mr. Friesen:** I thank the minister for that response. So thank you for helping me locate that information. So that's page 25, I'm under executive support, and I'm looking under other expenditures, transportation—is that the line to which the minister is referring and the number which is consistent, I believe, from last year to this year at \$44,000?

\* (10:30)

**Ms. Oswald:** That is correct.

**Mr. Friesen:** Would the minister be able to provide this morning information about what trips that she did make in this past fiscal year and whether those trips were in province or out of province or out of country and the pertinent details of that travel: location, purpose, dates, costs and who went along?

**Ms. Oswald:** I can inform the member that my travel out of province, limited as it may be—certainly, you can have a look at Manitoba Health's website and click on reports and expenses, and what is reported in the most recent quarter is nil. Does it really say that? Nil.

I travel out of province to FPT meetings, which, as tradition, tend to occur one time per year.

And, of course, the Council of the Federation in days past have taken it upon themselves, as a result of—well, really, I believe, some frustration with a change in texture and dialogue with the federal government concerning health, the Council of the Federation have taken it upon themselves to establish two sub-working groups, one on health finance and one on health innovation. And the Health Innovation Working Group, chaired by premiers Wall and Ghiz, is—has called Health ministers from across the nation together, I believe, on two separate occasions thus far. I may stand to be corrected on that. I believe it's two where we have been asked to physically travel. We also have had a variety of conference-type calls.

So I believe in the last year I've attended the FPT meeting and I've attended the Health Innovation Working Group. Either two appear in one year, or one in one year and one in the next; I don't honestly know which way that cookie crumbled, but that would be it for out-of-province travel, and there is no out-of-country travel.

**Mr. Friesen:** Now, when the minister and the DM travel—and, again, this might fall into the category of

educating the new guy—would other members of the minister's or the DM's team travel with them? And then, if so, would those travel costs also be captured on this line, or would there be another place in the Estimates where we would refer to for that travel that is incurred by other members of the staff?

**Ms. Oswald:** The answer is one I'm sure he'll love, and that is that it depends.

So, if I have staff that travel with me, it would appear here. If there's staff from the federal-provincial unit, for example, in Manitoba Health, then it would appear in that cost centre. If a deputy minister—assistant deputy minister, pardon me, were to attend, then it would fall under his or her cost centre. So it really does depend on who goes.

And I'm not sure if the member asked this, but there isn't a—sort of a standard team that attends every time. It certainly does depend on the nature of the meeting and the agenda items contained in that meeting, so it does shift from time to time.

And I would add—sorry, Mr. Chair—that I do, as a rule, always take a political staff with me when I travel.

**Mr. Friesen:** And just one last question on that. I see that there is no increase from the Estimates from last year to this year. Is there a—is this number adequate for the purposes of transportation? Does the minister project that next year, again, it will be the same or increasing or decreasing?

**Ms. Oswald:** Well, certainly, the very nature of this book is that it is an estimate, so that's what it will be. Having said that, I am the minister of the largest department in government and I have a 7-year-old. So I haven't exactly gone around the world. If you look historically it's been pretty consistent, my time out of province, and so I don't expect that to change.

**Mr. Friesen:** Just a couple of things to tidy up before we turn our attention to something brand new, and I just wanted to ask if the minister would indicate, please, if she could provide a list of all the fees charged by the department. Are there other fees that the department charges for anything? We're just trying to get to the cost of the department. We've talked about salaried employs, we've talked contracts. Is there any—are there any fees that the minister can indicate that the department charges and the rates of those fees?

**Ms. Oswald:** I'm wondering if I could seek some clarification from the member on the issue of

definition of fee. It's broad, the department. I know that we have, since forming government, you know, worked really hard to do our best to eliminate fees to the patient. We've taken fees off ostomy supplies, for example, and removed tray fees that doctors used to charge and, you know, so we're working in the direction of having previously assigned fees come off. There are other kinds of charges that exist and have existed historically. One could argue, perhaps, that a Pharmacare deductible might be that or a residential charge fee that, you know, since the dawn of time, really, has been adjusted each year.

So could the member just maybe clarify a little bit where it is that he might want to go? I don't want to spend an hour talking about that sort of thing if I'm not getting it.

**Mr. Friesen:** I agree with the minister wholeheartedly, and if she would permit me, we'll come back to this question and I'll dig a little bit more, too, so I can make my questions very clear so that we can spend only as much time as is required on that item.

I'll just proceed on. We're still on page 25. Now, I may have this correct, I see under other—under expenditures that we do also have an allotment for a communication at \$46,000. I'm just wondering, is this a statement of advertising costs through the minister's office? Is that what this item pertains to?

**Ms. Oswald:** My staff have pointed out to me that—was this—wanted me to signal that the executive's support for 2011-12 were, indeed, \$135,000 compared to the estimate which was 164. So they're signalling that actually they did achieve some savings in this area. We're just working at the moment to confirm a page for you, on page 25, right. So, on page 136, the member will find a definition of communication which would include devices, telephone, electronic communication, postal services, advertising/program promotion, that would include things like immunization and get your flu shot and so forth, radio systems and other kinds of devices. That's where one would find that captured.

\* (10:40)

**Mr. Friesen:** Thanks for that answer and, yes, I'm aware of the glossary of terms there and how it indicates what's underneath there. What I find interesting is that—and, of course, as a member of the Legislative Assembly, all members have a similar allocation in their budget where they can charge for things like telephones and electronic communication



services and postal services. What I find interesting in this calculation is that we lump together those technologies along with advertising and program promotion. And of course we're aware of some of these program promotions because we, you know, hear them on the radio and we see them on the TV.

I guess what I'm wondering about is—could the minister then provide a breakdown of this amount at \$46,000? I mean, I know it's a small item compared to the overall size of this department, but I would like—I would appreciate a chance to receive a breakdown of costs, either a dollar amount or a percentage amount that would indicate exactly, in reference to the stated areas of expenditure, how much of that \$46,000 for telephone, how much for electronic communication, how much—because what I'm trying to get at is how much would actually go for advertising and program promotion, as opposed to those other areas of expenditure. Could the minister provide that?

**Ms. Oswald:** Yes, Mr. Chair, we would be happy to work to provide that. I know that the member would be acknowledging that, comparatively speaking, of course, this isn't a large number, but we would be happy to provide the breakdown, and we'll include in that also that our current number, at 46, is just slightly lower than the 1998-99 number of 47.5. So I know that he will be issuing a letter of commendation or some such for the great efficiency that we have been able to work through in that area of communication. But, sure. This—the staff says that they can break down some of it, so that you can understand how much we're spending to help mothers find assistance on breastfeeding and get immunization and sign up to donate an organ and all those other kinds of really good programs that are so important to Manitobans. Yes, we'll be happy to provide that.

**Mr. Friesen:** Mr. Chair, and I know that the minister understands that in no way are we stating that somehow that information should not go out to mothers on breastfeeding programs and all those other very important notices to the public that do go out. But, if the minister could now help me to understand—and I don't want to go exactly into this area right now, but just so I could understand it, and we both understand that this is a very small amount, but that the Department of Health does a lot of advertising on radio and on TV and throughout media for many things, so now where in the Estimates expenditures do I find the much larger budget for communications and advertising that goes

to the many, many other areas of advertising that the department does?

**Ms. Oswald:** Yes, and again I would signal to the member that certainly it would depend on the nature of the communications. For example, if the Chief Provincial Public Health Officer is releasing his report, it would come out of that cost centre, so it really would be dependent on the nature of the communications that were being provided.

**Mr. Friesen:** Mr. Chair, we'll come back to that issue, I'm sure, as we go forward. We understand that a very large amount of the expenditures of the department flow through the RHAs, and we're all aware that the RHAs have their own advertising budgets as well, and so we'll drill down a little further, but not at this time.

I just want to wrap up with some questions on the issue of the department and of staff, and I want to turn our attention just very quickly to the—I have a summary in front of me for the orders-in-council for the Department of Health—and it turns out people do read these—and so, as I've acquainted myself with this role, I've been always interested to see what orders-in-council have been published for the department. We certainly will not go line by line through the orders-in-council of the Department of Health, but a few of them I wanted to flag to the minister's attention and ask if she could clarify it.

For instance, if I start with April the 10th, 2013—we'll just work from the more recent to the lest recent. There was an indication there—this might be redundant because we might have talked about this already. We might now be coming through a different avenue to the same information that was already provided, but it says special assistant appointed to the Minister of Health, and could the minister tell me who that was?

**Ms. Oswald:** Clair Cerilli.

**Mr. Friesen:** And the second question, from November 14th, 2012, the—there's a notice given of—that there's an appointment of member of the Health Professions Advisory Council revoked, and I wonder if the minister could indicate what that was and who that was and why that was revoked.

**Ms. Oswald:** My—off the top of my head, I seem to recall someone that had consented to be involved found some circumstances that did not enable them to continue in that work. I think there was a decision made to avoid a conflict of interest with which—I think it had something to do with a law firm and

conflict of interest. I believe it might be Silvia de Sousa, and so after doing some work and discovering that there may be a conflict of interest the individual had to revoke their consent to serve. I believe that's the case.

**Mr. Friesen:** Thank you for that response, and I would ask the minister just to double-check that and then if it is otherwise, that she could get back to me and let me know. And, if that's indeed the case, that is fine.

Turning the page, on October the 31st, 2012, I see another notice, appointment of member of the Mental Health Review Board also revoked. Again, in this instance, what were the conditions under which this position was revoked? Who was the individual? What was the rationale for the decision?

**Ms. Oswald:** Well, again, we'll have to do some digging to find out the circumstances on this subject. What I can say to the member broadly though, there are a number of boards under the Department of Health, as the member well knows from doing his homework, and we certainly do our best to be proactive in approaching individuals that might be willing to serve. We also have individuals that proactively contact us and say that they are very interested in serving on a board, and through the course of that process we endeavour to arrange appointments onto boards. But circumstances change in people's lives that make them either ineligible in the case of the conflict of interest, or even perceived conflict of interest. We have to revoke names of individuals that pass away and it may be possible that that's the case in this example.

So there are a variety of examples of circumstances that cause revocation having to go through OIC. I honestly cannot recall any circumstances since I've been in the chair. I'm not sure where I—there has been a revocation of somebody on a board because of performance or any such thing there. It's generally circumstances concerning the circumstances in their lives.

\* (10:50)

Okay, I—let me correct that—I was mistaken about the Mental Health Review Board. Their—the revocation also can occur, it's important for me to say, when people reach the end of their terms. We know the office of the Auditor General has done some work in this regard and has asked across government that ministers and departments pay close attention to terms, and so this has to happen as well.

But on the specific one of October 31, 2012, I believe it was Barbara Manning who was removed from the board. She was replaced by Velma Kreshewski, and I believe in this case it was an end of term. So I did misspeak before when I suggested that this was a circumstance of somebody being deceased. That has occurred in other situations; this wasn't that one. So let me just be sure that I'm clear that Ms. Manning is alive and well.

**Mr. Friesen:** I'm sure she appreciates those assurances too. But I thank you for that 'clarificay'—or I thank the minister for that clarification. I wasn't aware that the term revoked was used when an individual would reach the end of their term. It seems like such a harsh word to apply to someone who's performed good service on a board or other agency.

September the 19th, just a clarification I'm seeking here. There is an indication there of an appointment of the executive assistant to the Minister of Health from September the 19th. So my guess is that that could be Sandra Little—I'm just guessing here—or Keir Johnson. Could the minister indicate who that would be on September the 19th who was added as executive assistant?

**Ms. Oswald:** I was going to ask you what the question was—who was added as EA? In the current EA position, I believe, is Sandra Little; that's who it is. So I believe that that's what that particular OIC would be regarding, and I can just go back to the member to answer his question brought up from before. My staff's done calculations, so of that 46K under communication: telephone, 35; postage, 3; public communication, 8.

**Mr. Friesen:** The last one on my list from the order-in-council notices is July the 23rd. There is an indication there of an appointment of—oh, it's another revoked position—appointment of member of the Mental Health Review Board revoked. Again, if the minister has the information, the individual and the rationale for the—why the position was revoked.

**Ms. Oswald:** This indeed was the individual that passed on, his name was Merv Jones.

**Mr. Friesen:** I thank the minister for that information.

So, if I could just ask, then, so I understand the process of this, would I then understand correctly that we then have a vacancy at this point on that review board, the Mental Health Review Board, until such a time as I would receive a notice through an

order-of-council report that would indicate a new one coming on? So do we have this vacancy there, and do we indeed have those other vacancies like the one from October 31st with the Mental Health Review Board?

**Ms. Oswald:** On the issue of committees and boards and so forth, I think we did speak a bit yesterday about providing the member with some details about membership on these boards. I gave a rather exhaustive list yesterday of those kinds of committees, and certainly when we have gathered this information—and we're working as swiftly as we can—we can indicate who's existing on that board, and also we'd be willing to signal vacancies that would be on the board, so that would speak to this case.

I believe you said the Mental Health Review Board was the last one. So we would be happy to provide information on this specific one and on any board.

So we will most definitely get that information to the member and also provide clarity about process as to, if there's a revocation and that position is filled, does it indeed get filled by way of OIC or is there another protocol for that.

**Mr. Friesen:** I thank the minister for providing that information, and I know we could have a very full and long and complete conversation on these things, and I'm sure that, in my role, as I become more acquainted with the work of these groups, I'll have questions, as well, pertaining to those. But I'll—we'll move on for now and I thank the minister for providing the information that she has.

We've been talking—we talked just briefly about advertising and I'd like to return to that theme, but just before we do, one last question pertaining to the—to employees within the department. And we talked about employees, we talked about contracts and we talked about various parts of those. I don't know if I also included a question, a request to provide information about severance packages.

We noted yesterday that the number of employees within the department was incidentally static; it had not changed from a year ago, which is interesting. But, be that as it may, of course, employees come and employees go. Some retire, some leave for other pursuits, and new ones come on all the time.

What is the number of severance packages or incentives that were provided in the previous fiscal

year to people leaving the department, and, perhaps, what is the total envelope for the severance that was provided for individuals leaving?

**Ms. Oswald:** I can confirm for the member that the Department of Health doesn't offer incentives for retirement, so that's a non-issue in terms of the amount. And conferring with my staff, they are not drawing to mind any severance that has been paid over the last year.

\* (11:00)

It would be—it's possible that, in the case of Dr. Joel Kettner, I believe that that may have been captured in last year. We're going to double-check and the circumstances around disclosure of those details I also have to know what, you know, what my responsibilities are concerning third parties and confidentiality. So I will need to review those rules. But, certainly, I believe he would be captured in the public disclosure documents. So I will take that question from the member and review, but from my department right now they don't believe that there are any in the last year. But of course we'll review that.

**Mr. Friesen:** And in the interest of being comprehensive, just so I understand that I've covered the bases, so we have no incentives that are paid out from the department. We have no indication of severance. Would there be any other form of payment or remuneration upon release from contract that I hadn't already asked?

**Ms. Oswald:** Certainly, I am informed that when an individual retires they are subject to, you know, whatever provisions are existing in the collective agreements, like the standard payout of vacation pay and so forth.

And—but no, I don't think that the member is leaving out any nomenclature for a kind of payment that would happen at that time. It would just be standard within the collective agreement.

**Mr. Friesen:** I thank the minister for that response.

And the reason, of course, I ask it is because in lieu of the fact that the minister disclosed yesterday that the current vacancy rate for positions in the Department of Health is in excess of 8 per cent, I wondered if there had perhaps been any kind of an internal strategy to provide an incentive or to give employees an option as has been done many times within both public and private sector. People who are approaching retirement or maybe on the verge or—and it's a legitimate way of realizing cost savings

within departments. It can result in bringing new people on and removing some of the salaries and other expenses that are paid at the very top of the scale, and it sounds like that is not being done in this case and there's no framework within which that is being done. So I thank the minister for that response and I'd like us to move along.

We were talking earlier about advertising and so I would like to just turn our attention to advertising. Of course, as the minister knows, we regularly request and receive information that has to do with advertising. But I want to transition to a conversation about RHA advertising, and perhaps on the basis of that we could segue into a conversation about other themes within the RHAs.

And so if we could start with advertising. I know that the minister often makes a note of the fact that she says that Manitoba has one of the—well, I won't put words in her mouth. But let's just say—let's talk about the advertising costs within the RHAs because we were talking just previously about the advertising costs as a line item within Executive Support.

So everything changes now, of course, because we're combining 11 RHAs into five. But I noticed that I have information here indicating that the total cost if we combined them and we took all of the previous 11 RHAs, that the total cost for advertising in the year 2010-11—now that's not completely up-to-date—that was \$3.6 million, approximately, and then that for 2012 that number has again gone up.

I wonder if the minister could indicate—and I know this is going to get challenging in our discussions as we proceed, we now have five RHAs—but what would be the total allotted cost to advertising for the combined new five RHAs, and is that information at this time available?

**Ms. Oswald:** Yes, Mr. Chair, certainly, as we said before, there is a considerable budget that is available from a variety of sources for advertising information in the case of the Health Department and the RHAs. We know that there are a variety of circumstances under which we have public awareness campaigns that are launched, campaigns that are launched at the request of our medical officers of Health or the Chief Provincial Public Health Officer, things like West Nile virus or Lyme disease or, you know, that—the nature of that kind of advertising that is health promotion and prevention.

Certainly, there are advertising budgets in our RHAs that are very aggressive in terms of

recruitment for front-line staff. That would be a very important component of the advertising, and I'm sure that the member would agree that we want Manitobans to have the best possible information available to them about protecting themselves and their family, and so that's why we see an advertising budget of that nature.

I can inform the member that the new RHAs are just going through their year-end audits for their first year of existence, and so we anticipate that information such as this on advertising will be available, likely towards the end of June. So those audits are currently under way.

**Mr. Friesen:** And I would thank the minister for providing that information when it comes available to me for the—to show a breakdown of the advertising costs for each of the new five RHAs, and then we can derive some numbers out of that.

On the same subject, I wondered if this would probably be the appropriate time to bring to the minister's attention. I filed a FIPPA request on February the 1st to the WRHA to receive information on advertising for 2011-12, and the reason I brought to the minister's attention the 2010-11 numbers for advertising is because we received them; we received numbers for each of the previous RHAs, including the WRHA. And, in 2010-11, that number was stated for the WRHA as \$338,000. That was the advertising cost by that RHA.

Now, that's—it's interesting to me because that number is far less than other numbers stated, like Parkland and NOR-MAN. I just can't understand why that number would be so low. But, be that as it may, when the request was put in on February the 1st, it was returned with a statement that said that the request could not be met, that the request was declined, and the rationale given was that if the request was repetitive or incomprehensible or is for information already provided, that it would not be made available.

So I'm wondering if the minister could indicate why it was the information was requested and received in the previous year and then, all of a sudden, it was met with a response that it was repetitive or incomprehensible. What changed in the time period?

\* (11:10)

**Ms. Oswald:** I thank the member.

On the issue of information being provided at one time and then not subsequently being provided, I'll have to do some investigation about why that is so. You know, I would just ask the member to give me a little bit of time to do that particular investigating. My folks says that I might be able to provide you with some more detailed number-type information in just a moment, but, rather than sitting and waiting, we can move on and I can either get back to him in the, you know, as this session unfolds, or as soon as we can.

**Mr. Friesen:** I thank the minister for providing that information, and it is more than a curiosity to me, if I could just take us back in time. And I know that sometimes ministers of this government love to take the Chamber back in time, and so, perhaps, today she'll indulge me to go back in time a little bit.

When I look at the information that I do have in front of me, the information that compares the 2009-10 expenditures for advertising to the 2010-11 figures for advertising, what I notice is that advertising is a little bit up and a little bit down depending on the RHA you're talking about. But, by and large, it's consistent and there are small increases and small decreases, with the exception of the WRHA where we have stated advertising costs by the RHA in 2009-10 at almost a million dollars—901 and change—and then the same RHA declares advertising costs of \$338,000. So this is a tremendous—this is a significant decline in advertising over one year. Except, that if I remember back, I don't seem to remember any kind of perceptible decrease in what I would see as the public advertising, the public activities of the WRHA. The printed materials I would see. The radio advertisements—and I'm wondering if, indeed, what we are seeing is a realizable savings within the WRHA, a determination to significantly drive down the cost of their advertising or whether, instead, perhaps the advertising expenses were captured elsewhere and not reportable in this framework. Could the minister speak to that?

**Ms. Oswald:** Yes, again, I will commit to the member to, you know, provide him with more details about the nature of the advertising that was done and if, indeed, there were, you know, other lines or places. It's not my understanding that that is true.

I do believe in relation to some of the FIPPA's that were being cited comparing rural and WRHA, that you mentioned a few minutes ago, I do believe that there was an issue with FIPPA responses that

had been corrected. And I want to make sure that (a) in fact, is accurate, and (b) that information that the member is in possession of is the most up to date.

So these are some of the issues that my staff is working through right now trying to seek clarification on—bad sentence. But, certainly we will provide that information and ensure for the member that he has a good understanding of what it is that our RHAs are communicating with the public about, whether there're messages in promoting, you know, public health messages, whether there are, you know, notices of a more urgent nature that go out concerning of—protecting the public, notices about immunization, or access to QuickCare clinics, or what have you. We want to provide for the member an understanding of the nature of the work that's going on, and if there are fluctuations in the different years from year over year, we certainly would want the member to know that. We do know that there are circumstances existing over time that cause, you know, a need for very intensive and heavy communications. A very good, somewhat recent example of that would be H1N1 where there were bits of advertising done, more than once a week in some cases, about the availability of vaccine, about information concerning symptoms and information about—for the public to be very aware of for at-risk populations, if they were to have any kinds of symptoms that they would need to seek emergency care without delay. So comparing a year like that to a year where there is no pandemic issue or, you know, very low risk of West Nile, for example, these are the kinds of things that can show really considerable fluctuation.

But, in the name and the spirit of answering the question as the member has asked it, we will certainly have a look at the information that was FIPPA'd, the veracity of responses, any amended responses that were provided and, indeed, an overview of the nature and the kind of advertising.

And I think the heart of what the member is trying to get at here is why does there appear to be such a shift, in particular in the WRHA, and I commit to the member to provide him with as best a rationale for that as I can.

**Mr. Friesen:** And I concur with the minister that the scope of my questions in that regard were not as to the, you know, the rationale undertaken for the—for particular advertising endeavours or initiatives but more exactly, as she says, toward the fluctuation that we see from 2009-10 to 2010-11.

And then, of course, I'm sure the minister would appreciate that, as the critic, then, you know, my curiosity is piqued when our request for information the following year comes back and says, we can't provide you that information. So we look forward to receiving the information about the total amount spent on advertising the WRHA for 2011-12 and be able to compare some numbers and see where we are with that. And we don't—we would hope that, in the future, that when this request will again be made it won't be met with a refusal to provide information.

So, if we can segue from there, then, into a discussion that will take us into adverb—sorry, administrative costs for the RHAs, I would like to turn our attention briefly to a discussion about administrative costs as a comparison of overall expenditures in the RHAs.

And I know the minister has made, on occasion, the statement, even recently, that she says we have one of the lowest administration rates of any Canadian jurisdictions. As a matter of fact, I think she made the statement only recently in Hansard. Yes, here it is, and it says: Today we are, according to the Canadian Institute for Health Information, among the lowest in hospital administration costs.

And I would like to look at administration costs and maybe unpack this a little bit so I can understand to what the minister is referring when she makes that statement.

I'm aware of the fact that, as a party, we've requested for a long time to know administrative costs, but specifically to be able to determine the specific costs of corporate administration. And, while I can appreciate that the minister and the deputy and the department want to measure administration across the board in all areas of operation within the framework of health care, it's of particular importance to understand what corporate administration accounts for as a measurement against the total administration costs.

So we used to request and receive that information. As a matter of fact, in 1999 the WRHA admin costs were just under 6 million, about 0.6 per cent of the costs. I see in my notes that by 2003 that cost had risen to 16.6 million, and then after 2004 we could no longer receive administrative cost as a separate line item.

So I know that, in 2010-11, the WRHA reported administrative costs—administrative costs, all combined—as \$105 million, and I have the

information here that's received from a FIPPA that would indicate the same, that it had risen from—in 1999 they indicated 5.6 and then up to 105 million.

I guess what I'm wondering today is, is it possible to return to a time in which the minister would disclose corporate administration costs for the WRHA, and if, indeed, there is an apparatus there that would allow her to capture that data, because I can assure her we'd be interested in receiving it.

\* (11:20)

**Ms. Oswald:** Yes, I can inform the member that corporate and administrative costs are reported in the regions' annual reports each year.

**Mr. Friesen:** The minister says that those costs are reported in each of the regional health authorities' annual reports, which is great. Can I clarify then—would the minister clarify and indicate that that is—that would not be costs for hospitals, as she has made statements about lowest admin—some of the lowest administrative costs, I think she said, in hospitals, but this would be a separate item that would indicate the corporate costs within the administrative structures of each health authority, and that's the information that would be captured. If so, can she share today what that number was for the previous year?

**Ms. Oswald:** Yes, so, again, just to make sure the record is clear, it is not me saying that Manitoba's hospital admin costs are the—among the lowest in the nation. It is the Canadian Institute for Health Information that is reporting that and I'm just reading from their report, so I do want to be explicitly clear about that.

Again, I can say to the member that corporate costs and admin costs are in the annual reports each year, and we could get a copy of that for the member. Certainly, though, it does speak to the issue that I've spoken about with the previous Health critic, you know, arguably for 25 hours, but let's just go down this road now for a little bit.

Certainly, at the national level, there's a lot of conversation going on about the definition of corporate and admin costs. And across the nation there is some concern, I think, about how various entities report or define what these items are. You know, is the assistant who produces material to recruit doctors in an RHA or is directly involved in doctor recruitment, you know, would—is this a corporate position? This is a position that directly affects the provision of care on the front lines. And so, there—I don't purport to have the answer to that. It

is certainly my view that an individual such as that is very, very different from an accountant responsible for, you know, board expenditure, for example. They're very different definitions of what directly affects the front line and what is a corporate expenditure.

So it certainly is why, in our Regional Health Authorities Act, we wanted to ensure that, as accurately as possible, we were able to peel out the front-line kinds of services versus what I think the public would more traditionally define as corporate. And it's why, of course, we have given our—our RHAs' a corporate spending cap, the RHA being 2.99 per cent and they are falling below that now, we're pleased to say. So this is a discussion that's going on in the national stage so that there is consistency and validity in 'comparassing'—comparing jurisdiction over jurisdiction in this regard. It's a conversation that I think is critically important as we continue on a dialogue about the sustainability of publicly funded health care. So, what I—again, I can say to the member is that the WRHA shows their facilities and, indeed, the non-devolved facilities separate in their annual report. And you can see corporate and you can see admin there, and we can endeavor to provide copy of those, you know, for the member, or he can—you can also get them online, I believe, so.

**Mr. Friesen:** I thank the minister for providing that information, and I'll be interested to check there and we could perhaps bring this conversation back there.

I will go back, though, one more time, to the minister's statement that I find in Hansard—and I've heard her say it publicly in the community as well—that indicates that yes, and, as she says, according to CIHI, she quotes them as saying we're among the lowest in hospital administration costs.

I also make extensive use of the CIHI database, and I find different conclusions there than the ones that the minister has drawn and put on record. As a matter of fact, in information that I've just brought in today, information that is current as to 2012, it shows here that Manitoba still has more administrative expenditures than seven other provinces and territories, which would mean that we are not in the low range, but rather we're kind of more in the middle of the pack and not exceeding many jurisdictions. We're not even in the upper range of those six other provinces and territories, you know, that do a better job.

If you take out the territories, from the information that I have, which comes right from their database and information current as of 2012, we are right in the middle, at No. 5. Manitoba, with a population of 1.267 million, reporting administrative expenditures of \$257.4 million as a line item. So this is—it's information that CIHI captures. They indicate administration and then capital and then drugs in hospital and down in goes; I know the minister's familiar with this information.

It also shows, year by year, annual increases in the cost of administration that seem to exceed the actual increases to the Health budget, and I would have to check again to make sure I'm accurate in saying the latter. But certainly it seems to be that I'm accurate in making the former assertion that Manitoba is not at the bottom.

Could the minister respond to that statement of this information that I clearly see coming from CIHI, that shows us as leading not a lot of jurisdictions?

And perhaps I could just add, when I said it was coming from CIHI, it's coming from the National Health Expenditure Database.

**Ms. Oswald:** Yes, again, Mr. Speaker, and—

**An Honourable Member:** Chair.

**Ms. Oswald:** Chair, Mr. Chair. It's a force of habit, you understand.

Yes, so, again, I would say to the member that certainly we have, from a decade ago, according to CIHI, gone from among the highest to among the lowest. It does fluctuate, that's for sure, and I will commit to the member to review the items that he's speaking of today in this item.

But what I would go back to is this whole issue and this discussion that I've had with the previous critic, concerning the measuring of these costs that certainly does—that came out of the external review of regional health authorities, and what that regional health authority review said is that there is considerable confusion, I think, about how administrative costs are portrayed and how they're defined. And this, as I say, is a conversation that's going on at a national level, but we know that the external review—RHAs said, without a doubt, that all RHAs have taken actions to reduce administrative costs and that there's a constant focus on cost savings and evidence of reduced costs.

\* (11:30)

But they did raise concerns in that external review about the wide scope of the administrative cost indicator and that it includes patient-related functions that may not, indeed, by the general public, be considered to be bureaucratic spending. And they recommended improved transparency and the proviso of a—of corporate cost indicator, and that was developed to separate out this corporate executive kind of cost from patient care: related admin functions like infection control and quality assurance and doctor recruitment, as I said before.

So we want to ensure that as we're measuring, where is the money going? Is it going directly into that which affects a front-line person? Is it going directly—oh, a front-line patient, I should say. Is it going more towards that which would be by the broad public considered corporate? So we have worked very hard to make sure that we're providing the kind of definition that the external reviewers, led by Jerry Gray, dean emeritus of the Asper School of Business, the kind of definition that we recommended that we use and the kinds of definitions now that are being recommended on the national stage.

So, again, we know that the reviewer saw admin costs as an old definition, if you will, trending down across the regional health authorities and that there was a constant effort. And we're also seeing now being able to define in a more precise differentiation between patient-related functions and more typical corporate-related functions, we are seeing a decrease happening in that regard as well.

So I take the member's suggestion that I need to review this particular database in the context of hospital costs, and I would—will do that, of course. And, at the same time, I would suggest to the member that we are also acting—as are the RHAs at our insistence—are acting to respond to what the external reviewers ask them to do and to be clear about administrative functions related to patient care and more traditional corporate functions that may be less so. So though—that kind of innovation has happened, and we think that that's the kind of information that's useful to the public which is why it's contained in their annual reports.

**Mr. Friesen:** I thank the minister for that response and for her commitment to go back and review that data, because as I've mentioned, as I've heard her say that we are among the lowest—I think the word among can be somewhat misleading. It would be analogous to the Liberal Party saying they are among

the parties with the highest number of seats in the Manitoba Legislature because they're in the top three. But I think it is important, and we know, across the board it does—as the minister say—it does depend what you measure. And I thank her for that commitment to go and look again at that.

I think that provides an excellent segue to my next area of inquiry today. The minister has said that there is—she used the term considerable confusion when it came to figuring out what would fall within the scope of administrative costs. And, certainly, for us in the Estimates for this year, as we move forward the minister would've probably projected that we would have a discussion about the regional health authorities and the amalgamations. And what I have noted is it provides a real challenge to me, but I know it also provides a tremendous challenge to the people who are working with the minister who are tasked with bringing together all of the apparatus of 11 agencies into the context of new—a new five agencies. But I wanted to focus our attention—and I should say, of course, like, that would've been a function that was largely undertaken by areas like the Health Workforce and I imagine that there were to be other ADMs and I'm sure the deputy minister has been up to his eyeballs in a lot of the work that goes with all of the mechanical aspects of bringing this together under new five RHAs.

But on that theme of considerable confusion, what I have been trying to do, and what I hope that we can do better today, is to arrive at a clearer understanding of the indicated cost savings that the minister has stated—I heard her state for the first time in her response to the Budget Address. So in budget debates a few weeks ago, the minister stated: I am pleased to report to this House, Mr. Speaker, that as a result of these mergers—those being the mergers of RHAs from 11 to five—we've already eliminated more than 100 board and executive positions and we have indeed saved \$11 million in our first year alone, two years ahead of schedule, and those savings are being reinvested to support front-line care.

I believe that that statement of the minister's would provide a good foundation for us to proceed in a discussion right now, and I can indicate to the minister there's just really no good way to go through this. I've been trying to think of a way we can efficiently move through this. And I'm aware, as she has said just earlier, that we are exactly at that stage in the game where we're only going to be now looking at the financial statements for the previous



year, for the first year of operation of these new RHAs. So there is incomplete information for us today simply because those calculations are still being made.

But what I have in front of me is the—is basically the organizational chart for each of the previous 11 RHAs. And when the minister makes this—the statement that we have reduced the number of executive positions and board positions by 100, and I look at the previous organizational charts for all 11 RHAs, I think it'd be worthwhile exploring this to find out where were those savings achieved. I'd be very curious to know a number of things. So, then, rather than asking a very large question, I'm going to try to chip a little bit off at a time and ask some very specific questions about how we can get to where these savings have been achieved.

This is a, I guess, in the minister's eyes, a tremendous success story. I'm a little reticent to accept, on its face, the idea that we've managed to save \$11 million in the first year. So I just want to know that we're comparing apples and apples, and I also want to be sure that our discussion will be a fulsome discussion and it will also include other areas of expenditure that may indeed have arisen as a result of the decision to amalgamate RHAs.

So can I start here? Could I start by asking the minister just to indicate for us, in the previous Assiniboia RHA, how many positions would there have been on the—in the corporate executive? So that would be the CEO and the senior vice-presidents. Basically, if I use the minister's own terminology of executive positions—and the reason I'm going to proceed this way is you can imagine, as I've gone through the RHA organizational charts, there didn't seem to be a standardized format. It's alike—a lot like going to the—to use your bank card at a business and you notice there's just no standardization across those machines, and so it's a little bit more difficult to find the buttons. And so, when I look at this sheet, I noticed there wasn't a standardization. There were some of these former RHAs that had a great way of stating their org chart. In other cases, I find myself—found myself a little confused about how to understand who was a VP and then who might not be included as a VP.

So, using the minister's own statement of senior add—no, not senior administration, what was the term used—it was executive positions. Could the minister indicate, in the former Assiniboine Regional Health

Authority, how many executive positions were there as of most recently, just prior to amalgamation?

\* (11:40)

**Ms. Oswald:** I can let the member know that the Assiniboine Regional Health Authority had six executive positions, Brandon had seven and Parkland had five, for a total of 18 executives. The new Prairie Mountain region now has seven, which was a net reduction of 11 executive positions, and, of course, correspondingly, those boards will have been amalgamated into one board.

*Ms. Sharon Blady, Acting Chairperson, in the Chair*

**The Acting Chairperson (Sharon Blady):** Member from—for—for Morden-Winkler

**Mr. Friesen:** I wasn't going to save you on it. Thank you, Madam Deputy Chair.

Just to clarify—and I thank the minister for providing the information. I missed the first part of it. I heard Brandon had seven, I heard Parkland had five, and I missed the statement of what Assiniboine had. I think the minister indicated Prairie now has a total of seven, which would have resulted in elimination of 11, so excuse my bad math, but could she just indicate one more time what was the previous Assiniboine?

**Ms. Oswald:** I'll just repeat what I said to make sure that we're on the same page. Assiniboine had six executive positions, Brandon had seven, Parkland had five, for a total of 18. The new Prairie Mountain has seven, for a net reduction of 11 positions.

**Mr. Friesen:** Now, so that I understand correctly, if I compare the minister's information to the most recent copy that I have of the organizational chart for Assiniboine—I'm just trying to understand and, like I said, there isn't a uniformity about the way these things are represented. Some I found to be more transparent, others a little bit more hard to read. If I read this org chart correctly—and I apologize for not bringing copies I could have just sent over the table. I know it's difficult to have everything at your fingertips when we're coming into this kind of environment and there's only so many briefcases you can bring into the room with you.

But what I see here is there is a statement that shows a VP of community health services and a VP of corporate services and on and on, so I see one, two, three, four, five, six executive positions. But, in addition to that, I'm wondering if the minister could

indicate, is the CEO included in the calculation of the executive positions?

**Ms. Oswald:** Yes.

**Mr. Friesen:** Is the medical officer of health included in the calculation of executive positions?

**Ms. Oswald:** I'm almost positive I heard what you said. The Chief Medical Officer is indeed not considered an executive position.

**Mr. Friesen:** The minister's correct. I mentioned medical officer of health. I'm not sure if the term chief is attached to the medical officers of health that are—that exist within the apparatus of the former RHAs.

Could the minister indicate if the chief officer for EMS is considered to be an executive position within the framework of the RHA?

**Ms. Oswald:** Thank you very much, Madam Acting Deputy—fabulous Chair. Sorry.

The chief EMS individual would not be considered executive. That individual would report to a VP and so that's what would be counted as an executive. It's also worthwhile to note—perhaps as an aside—that as a result of recommendations from the EMS review, that we are going to be looking at consolidating and amalgamating these positions as well, which I think will be good.

**Mr. Friesen:** Right, so I think I'm learning as I go here, in terms of how to read your organizational charts—and this is very helpful to me.

So then, Madam Deputy Chairperson, if I can just concentrate again on the Assiniboine Regional Health Authority organizational chart—and I'm sorry; I should have indicated to the minister the most recent one we had in our position was 2010-11, that might have—there might have been a more recent one, from '11-12, prior to the amalgamation, I know that was done mid-year.

But, if I read this correctly, then, let's say I take a look at that same VP position for community health services. Now there's a number of roles that are articulated under the authority of the VP for community health services. Those roles are public health services, home-based care services, community mental health services, Aboriginal health primary care services; now, those positions would then exist within the administration of that RHA but those positions—am I correct in assuming they would each—that title would then correspond to a particular

officer? Those functions would not all be housed within the work of one VP for community health services, can't imagine that would be the case, but that these other five areas I mentioned just now—Aboriginal health, primary care services—those would not be considered to be executive management team positions? VP and up would be the executive management positions.

**Ms. Oswald:** Okay, I felt we went down the rabbit hole for a minute there and I got a little bit off the track. But I think I can answer this question by saying that the positions that we are speaking about, in terms of those that have been eliminated over the overall in the RHA amalgamation, indeed, were senior management positions.

Now, as we go through the process of this first year and there's new leadership and there is a new streamlined senior management, it certainly may unfold that there will be restructuring that may naturally evolve.

But, when we speak about over a hundred executive and board positions having been eliminated, we are talking about the boards—that's obvious—but we are talking about senior management positions. Does that answer the question you were asking me?

**Mr. Friesen:** Thank you, Madam Deputy Chairperson. That's helpful. Can the minister also clarify for me, then, when we were—terminologies are important—so when we're talking about senior management, that is analogous to saying executive position. Senior management and executive, those are the same terminologies—we can use those interchangeably?

**Ms. Oswald:** I would say, yes, we could.

\* (11:50)

**Mr. Friesen:** And at risk of going down the same rabbit hole one more time, let's say I was that individual who was working in that former Assiniboine Regional Health Authority, and it was my responsibility to co-ordinate home-based care services and that was what my business card read and that's what it said in my title, and I had my desk and my office and my—the resources that flowed to me to do that job. I would be considered to be management within the structure of the RHA, but I would not have been considered to be senior management nor would I have been considered to be executive. That would have been on the organizational chart the individual above me, the

individual to whom I report. In this case that would've been called the VP for community health services. Is that correct? So, if I'm in that position, home-based care services, I'm management, I'm administration, but I am not senior management, I am not executive.

**Ms. Oswald:** I would say that what the member is saying—if I'm understanding him correctly—is mostly accurate. I don't think that we would refer to somebody in a managerial role of a program like the one he described as administrative. I think we would refer to that person as a manager. But, when we are speaking about senior management or executive it tends to be those that have a direct report to the CEO. I hope that that helps to clarify.

**Mr. Friesen:** That is very helpful for me to clarify. So—and I thank the minister for providing that information about Assiniboine and Brandon and Parkland.

If we can proceed then. We talked about Brandon. We talked about Parkland. Could the minister indicate in the former Burntwood RHA how many positions did exist in senior management, and indicate for us—yes, that information to begin.

**Ms. Oswald:** Burntwood had six executive positions and NOR-MAN had nine executives for a total of 15. The new northern region has seven for a total net reduction of eight executive positions.

**Mr. Friesen:** I thank the minister for that information.

Now, a supplemental question, I guess, would then be—and that explanation makes sense to me because it seems consistent with what I read just as I'm reading it on the organizational chart that I have which is effective March 31st, 2011, for Burntwood.

But so that I understand it correctly, would an executive assistant position or a communications officer position, which are sometimes indicated on these organizational charts above the vice-presidents, would those positions also be considered to be executive management team, executive assistant or communications?

**Ms. Oswald:** In the case of an executive assistant, the answer to that question would be no.

It is my recollection, however, that there was in the NOR-MAN Regional Health Authority, a communications person that was at a senior level, and so they may have been captured in that way. I do want to go back and double-check that fact. But, as a

rule, someone written as executive assistant would not be captured in that definition of executive or senior management.

**Mr. Friesen:** Could the minister indicate, for the former Central RHA, the number of senior management positions?

**Ms. Oswald:** The former Central Regional Health Authority had nine positions. The former, I'm guessing, South Eastman—you want me to go there—had six positions. The new Southern Health, Santé Sud, now has seven executive senior management positions for a net reduction of eight exec positions.

**Mr. Friesen:** I thank the minister for providing that information.

I'm seeking a clarification with regard to Central's stated senior positions? Because the math doesn't jive with what I see on their organizational chart, and I'm just checking again to make sure.

I see vice-president positions indicated for corporate services, finance, human resources, medical services, planning, northern services, mid-central services, southern services, the position of the CEO, and then a communications officer as well. I mean, it would amount to nine as long as there wasn't also a communications officer or anyone else that would be captured. We know that the medical officer of Health does not exist in that calculation of management positions. We know that the chief officer for EMS does not exist in that position. But is it—can she just, once again, state whether that number was nine or 10?

I may have failed to state one more position—maybe I state it right now, I'm not sure. Communications and french language services, that seems to be the additional—from what I can see, that would be the additional position that would make the calculation higher than what the minister indicated, by one.

*Mr. Chairperson in the Chair*

\* (12:00)

**Ms. Oswald:** And we're having a debate over here, to be frank, about communications, French language services and VP medical, which we did not count as—you know, in other circumstances. So we're going to work through this. I believe this number is correct, but I want to be absolutely sure and clear in my explanation of how that unfolded. So I will commit to the member to come back with that information when we next meet.

**Mr. Friesen:** I thank the minister for that commitment because, yes, if I read it correctly, then Denis Fortier was in—VP medical services, Claudette Lahaie was in communications, French language services. So, if those positions were not included in the calculation of executive management team, we would arrive at a number of eight. If they were included we'd arrive at 10, and then I'd invite her to get back to me with respect to that. We can clear up that number.

Let me say, as an aside, I really like the centrals—the Central RHA's organizational structure as stated on the website. Now that was clear, and my compliments to whomever the—whoever the web designer was who put that information up there. Positions, the individual staffing, the position and very clear, and then on a separate page an indication of who some of those managers were on that thing.

**Ms. Oswald:** I will be sure to send hearts and flowers to the Central and South Eastman Regional Health Authority. I would, of course, point out that both of us coming from the educational field, you know, we all learn in different modalities. It's entirely possible that the member for Lac du Bonnet (Mr. Ewasko) beside him might indeed find the chart from the northern region to be one that he would embrace. So it's quite interesting that, you know, we all learn in different ways, but I certainly do embrace what the member is saying about consistency and standardization, and I am—I will take his advice forward and his vote. And, if we are going to standardize what these charts look like across the regional health authorities, that the new southern health one certainly does get his vote and I will take that to heart.

**Mr. Friesen:** And in the spirit of that kind of broad based co-operation, let me also state for the records, it's not just the critic for the portfolio that finds the information presented in that way to be helpful, but I know I have had compliments from the community as well because the community and individuals seek this kind of information. And it is always good when more information can be provided in a comprehensive and clear way, and I certainly think that website goes there.

Let's move along and I'll just ask the minister to provide an indication of how many executive management team members there would have been for the Churchill RHA—in the former Churchill RHA.

**Ms. Oswald:** So the former Churchill Regional Health Authority had five positions in it: CEO, chief

financial officer, a director of clinical services, a director of human resources and director of community services planning.

And at that point, I would humbly ask the committee if we might be able to take just a brief recess.

**Mr. Chairperson:** Is everybody agreed? *[Agreed]*

Okay. Five minutes recess.

*The committee recessed at 12:04 p.m.*

*The committee resumed at 12:08 p.m.*

**Mr. Chairperson:** Order. Committee resume.

**Ms. Oswald:** Oh, thank you very much, Mr. Chair, on so many levels.

Yes, to resume, I want to correct something that I said before. I did note from the original process of amalgamating regional health authorities, the medical officers were not counted as part of the corporate structure. As we went forward and the regional health authorities were starting to reformulate and reshape, it did become evident to those working on the ground that peeling out VP medical or VP and chief medical officer was becoming confusing in the communication, so it did actually transition into an executive position in the count. So I gave you information from the beginning of the journey and did not update what has been subsequently decided, so, in fact, as our numbers are differing here, it is on the point of including the VP medical.

\* (12:10)

So I apologize to the member. I did misspeak about that, but, indeed, there had been a change in protocol on that. So, going back, I believe, to the Southern Health issue, I can clarify now that—and maybe the member can help me if I'm not fully clarifying this issue—that the Central Regional Health Authority had counted as senior management positions: CEO, VP corporate; VP finance; VP human resources; VP planning; VP programs and mid-central services; VP programs and north services; VP programs and south services; and VP medical.

But, indeed, as the member enquired, communications and French language services were not captured in that group. So I hope that that helps to clarify the calculation of nine.

**Mr. Friesen:** I thank the minister for that correction because that does actually take some questions off the table for me.

Now, do I understand correctly, then, that as we were discussing the complement of senior executive member–management team members for Assiniboine and Brandon, Parkland, Burntwood, NOR-MAN, as well, is there a correction to be made in the numbers that she supplied as to the executive management team members who are on those groups? Because now that we've made that correction, I'm wondering, if I go back to that same organizational chart for Assiniboine, I don't see the numbers adding up any more according to the amount of stated positions. I still see one, two, three, four, five, six, seven and then I see an eighth position for Assiniboine if we are indeed counting the medical officer of health as executive management team. The number I originally was supplied was six. I count eight. But I do see a note in the chart that says the VP capital planning and support services position was vacated and not filled.

So all things considered, it would tell me we have a discrepancy of one position, unless we're now just adding on one more because we're going to now factor in the medical officer of health, and I would invite the minister to clarify that for us.

**Ms. Oswald:** So I believe that what I heard the member ask me–thank you, Mr. Chair, by the way–I believe what I heard the member ask me or state as a reclarification is accurate now that we count the VP medical. But I am going to go back and review the Hansard of this to make sure that what I'm confirming for him now is true. There was a rather long list of items there. So I just want to be clear that it was decided through the process, based on communications with the communities and with people in the region, that it was difficult to communicate that when there were a list of VPs and then there was one that had VP Medical, it was difficult to differentiate and so that change was made during the process. So I believe what the member has stated is correct. But I am going to go back and read it back and make sure that that corresponds with the numbers that I have. So I will do that.

**Mr. Friesen:** In an endeavour to just tidy up our numbers then, then I would also invite the minister just to come back with an updated number, because then in Brandon I would count eight instead of seven and in Park–sorry, in Burntwood I would count seven instead of six if we are indeed including that

same medical officer of health. And I do note that on the organizational chart for Burntwood, I do notice that they actually did connect that box with a line and that might have been an indication–because that was a more recent organizational chart–that they might have been including that in the calculation. And so I think as we continue on we'll come back to those numbers perhaps in the next day of Estimates and that will provide a good clarification. But I would maybe suggest that today we just push on so I have a framework of understanding. We're almost there in terms of going through the former 11, and so I think even if we get a number–one position clarified back or forth for the next day would be helpful. But at least we can get on paper today just so that I'm understanding correctly what that total envelope would have been for executive management team. So I'll allow the minister to add a clarification here, and then I will soldier on.

**Ms. Oswald:** Yes, I thank the member for that, and I'll be brief.

I think, in this conversation, the issue of the transition midway through the process on the issue of VP medical is one issue. I also think the fact that I'm looking at a list and he's looking at a chart might be muddying the dialogue somewhat. So what I'm going to endeavour to do for the next time that we meet is to be able to provide the member with a copy of the sheet from which I'm working, and we should–*[interjection]*–yes, you can give me the charts–no, it's okay–and we should be able to have clarity on that.

I would also just ask–we can push on to finish this conversation as the member has suggested. I wanted to say I do have a brief update on another question he asked me from yesterday; if we can leave a couple of minutes at the end, that would be grand.

**Mr. Friesen:** So, yes, we'll leave a few minutes at the end to provide an opportunity for the minister to give that clarification or that update and then we will continue on.

We had just finished talking about the Churchill numbers, and I will go to the Interlake numbers and ask the minister just to supply the numbers for the total executive management team for the former Interlake RHA.

**Ms. Oswald:** The former regional health authority for Interlake had–let me start again. The Interlake Regional Health Authority had six positions: CEO, VP planning, VP health services, VP corporate services, director human resources, VP medical.

The former North Eastman Regional Health Authority had six positions: CEO, VP finance and support services, VP quality and organizational development, VP programs and services, director of human resources and VP medical.

In the new Interlake-Eastern Regional Health Authority, there are now seven executive senior management positions, for a net reduction of five senior management positions. And, just for the record, I'll state, then, that the existing now in the Interlake-Eastern RHA: CEO, VP acute health services and chief nursing officer, VP community services, VP primary care and chief administrative officer west, VP finance and chief financial officer, VP corporate services and chief administrative officer east, VP and chief medical officer.

**Mr. Friesen:** I thank the minister for providing that information, and I neglected to state earlier when the minister agreed to provide those lists of information, she's going to provide both those lists for the former RHAs and also ones for the new-formed five RHAs because that information we have had a dickens of a time trying to find just online somewhere to find where it's stated with the organizational chart for these new five RHAs. We would welcome that information. Can I say dickens of a time in the record?

And, just to clarify, if that information could also include not only the title of the position but the name of the individual who occupies that role.

**Ms. Oswald:** Yes, we can do our best, and I want to apologize for the aforementioned dickens that the member had to go through to get that information. We will endeavour to provide that in the form that he's requested.

**Mr. Friesen:** I'm seeking just a small clarification in relation to the Interlake RHA. I thank the minister for indicating those positions as well in the calculation of the number of former executive management team positions. I do count seven; she stated six.

I was wondering if the vice president of medical services was included in her calculation of VP positions, because I would get VP planning, VP health services, VP corporate services, VP medical services, medical officer of health, human resources director—as she stated—and CEO for seven. So, if, indeed, the medical officer of health is included in this calculation, I'm arriving at seven.

\* (12:20)

**Ms. Oswald:** And may I just confirm that the member's speaking about Interlake-Eastern still?

**Mr. Friesen:** I was speaking about the former Interlake RHA.

**Ms. Oswald:** Not to confuse matters any further—I think this is clear—VP medical or chief medical officer would be counted as senior management. But a medical officer of health is a public health part of that branch and so would not be considered counted in the senior management.

Does that clarify what the member's asking? Did I hear him correctly?

**Mr. Friesen:** I actually think that the minister's statement just now is not consistent with the ones she made a few minutes ago. Now, I might be misunderstanding, but I made notes about the fact that we were now including—because of a shift, we were now including the medical officer of Health under that umbrella of executive management team. I think I heard the minister now say that although the VP of medical services would be included, medical officer of Health would not. I thought we had come to the conclusion that it would be, so I am seeking that clarification one more time.

**Ms. Oswald:** Yes, if I misspoke earlier, I apologize to the member. But I can state clearly for him that that which is listed as VP medical or chief medical officer, CMO, would be—would indeed be captured as senior management, but medical officer of Health not. And I apologize if I misspoke a few minutes ago.

**Mr. Friesen:** I think that as the minister stated previously and as we agreed, we'll get these numbers exact in the next day of Estimates. That's going to help us a great deal. This is just—we're ballparking for now. We're—we understand it, and I'm working from materials that do—they are a year old, and so there might have been positions unfilled.

So I do appreciate that. I think there was a slight lack of consistency. I had made some notes to clearly indicate for Assiniboine starting—I crossed out medical health and I added it back in and said, yes, include it under executive positions. So we will—we'll figure that out as we go along, and I'll thank the minister for providing that information as we continue.

Just to clean up our list then, I think we have already talked about NOR-MAN, we have already talked about NEHA, we have talked about Parkland—

yes. We have talked about South Eastman, and we have talked—we have not talked about the WRHA. I believe that the WRHA is the final former RHA, and, of course, now, the scope of that, when the WRHA doesn't change per se, but it takes now Churchill—lists Churchill back in, so there are structural changes to that group as well.

I have a more recent organizational chart, and I thank the WRHA IT people for providing that one. Could the minister indicate then, for the organizational structure of the Winnipeg Regional Health Authority, what is the complement of the executive management team there for the former region?

**Ms. Oswald:** Mr. Chair, I can confirm for the member that there's actually no change, so this is the easiest one of all.

I would note, though, that we do have, living in Churchill, an individual that functions as a chief operating officer because I am sure the member would agree how important it is to have leadership in the Churchill community as we go through this change. This would not be considered part of the senior management, however. It would be very much like a chief operating officer of one of the hospitals here in Winnipeg, as—in terms of their reporting relationship up through the senior management.

But we very much do embrace and value the people of Churchill broadly, and also the importance of having leadership on the ground in Churchill to be managing the health services that are offered there and, of course, we service individuals from Nunavut and the surrounding area in that environment. But that chief operating officer certainly does play a hugely important role in understanding the unique needs and challenges of the folks that are living in that community.

So, while the structure of executive has not changed per se, there is an important role that the leader in Churchill is playing now and will continue to play into the future.

**Mr. Friesen:** Mr. Chair, so the minister indicates there's no change in the size of the WRHA corporate structure, the senior management team. Could she indicate that's no change from what? So what was the number that we were at?

I'm looking at the organizational chart here and I have an idea of what that number should be according to what I see. Can she provide a number for us?

**Ms. Oswald:** Yes, so the former—Winnipeg had seven senior management position; it has seven today. So, combined, the Winnipeg-Churchill RHA would see a net reduction of five.

**Mr. Friesen:** Now, I know we wanted to leave time for the minister to make a—some final statements about some information she wanted to leave, so why don't we—I would ask the minister at this time if she has other information to share. I would welcome that at this time.

**Ms. Oswald:** Yes, I thank the member for affording me this opportunity. We had some discussion yesterday about the Blue Cross medical claims processing system. We—I can confirm for the member that the amount that we estimated for Manitoba Health's costs in 2013-14 is \$606,000, which does find itself under the budget for the Insured Benefits branch.

I can just elaborate a little bit and let the member know that the medical claims system, of course, is used to process billing by Manitoba doctors and other providers. The current system is old, sort of from the time of disco, needed to be replaced and it is not a small cost, of course. So, we announced last year that we're partnering with Manitoba Blue Cross, as the member knows, non-profit, health insurance organization to build that new system together. We estimate that the—by developing the new system together with Blue Cross we're going to save roughly \$3 million for taxpayers.

The Blue Cross also needs a new system, so we are collaborating and joining forces to share the costs and save that money. Manitoba Blue Cross is building the system and will provide system services to the province, while Manitoba Health is leading in the policy development for medical claims and will continue to process all Medicare claims in-house with provincial employees.

So the new system itself will allow for faster processing using much more modern technology to deal with the claims electronically, but it will still, indeed, maintain the security of provincial data.

I think that should do it, unless you'd like me to go on about how nice we think the people are at Blue Cross and the work that they do and the fact that they form such a—

**Mr. Chairperson:** Order.

The hour being 12:30 p.m., committee rise.

**FINANCE**

\* (10:00)

**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 Finance. As previously agreed, questioning for this department will proceed in a global manner and the floor is open for questions.

Technically, I understand the minister might have some answers that were carried over from yesterday so we will begin there.

**Hon. Stan Struthers (Minister of Finance):** That was a good start to the morning, wasn't it?

**An Honourable Member:** Choked up already?

**Mr. Struthers:** Yes, that's right. The coffee went down the wrong pipe.

Good morning, everyone, and, yes, we do have some follow up from some of the questions that the member for Charleswood (Mrs. Driedger) asked yesterday.

One—the one question that we haven't yet got information on and it'll—it will take some time is on the advertising campaign for this coming year. Yesterday, as you recall, we talked about a projected number, a number that we're forecasting that we'll be spending on the campaign. We'll—until we get some actual invoices and bills and things, then, we can—at that point we can come up with a more precise number. But for now the projected number is what we're working with.

She had asked about infrastructure and a breakdown of the \$1.8-billion number, a breakdown of capital and operating. What we have for the member for Charleswood emanates from the budget document that we were working from yesterday, which I see she has in front of her right now. Roads and highways, including preservation and winter roads: the budget number was \$622 million, 468 of that is capital, 154 is operating. University, colleges and public schools: the budget was \$228 million, capital 216 and operating 12. Health facilities: the budget is \$350 million with a \$350 million in capital and zero for operating. The Manitoba floodway and water-related infrastructure: 48 is budgeted for that category, \$37 million in capital, 11 in operating. Housing: \$333 million budgeted, \$332 million capital, \$1 million operating. Assistance to third

parties: \$123 million is budgeted, \$9 million is capital, 114 is operating. And I'll see that the member for Charleswood gets that in hard copy as well.

The member also asked about some flood-related expenditures. Some Part A operating expenditures from the emergency expenditures—a number of projects that fall into that category. Again, this a number that we project for this year and it is dependent on the types of emergencies, whether they be fire or flooding or who knows what these days with climate change developing as it is. But we budget for that amount and then we see how—what Mother Nature throws at us.

Under DFA expenditures, there's \$2 million. The continuation of 2011 flood recovery and restoration work at \$23 million. The Department of Infrastructure and Transportation, there's \$3.7 million in flood mitigation initiatives. Of the Department of Local Government, building of municipal dikes, and that's funded through the Building Manitoba Fund, at \$15 million.

There's some Part B, capital investment through the Department of Infrastructure and Transportation, \$35 million in several projects. The member for—members for southwest Manitoba would be interested in this. There's a—work on PTH10 at Souris River, PTH2 at Souris River, PTH21 at Souris River, PR227 at the Assiniboine River Diversion, and PR251 at the Souris River at Coulter. So those have been identified under the \$35-million infrastructure in Part B.

And there's some water-related infrastructure, \$17 million, and those are for Assiniboine River dikes, the Portage Diversion and the Oak Lake Dam. And, as I said yesterday, \$9.3 million connected to the floodway here around the city of Winnipeg.

I have also—there was some questions about the prebudget consultations that we had done. And I have here, for the member for Charleswood, two copies of the worksheet that people were given at the consultations themselves. And also two copies of the slide presentation, the one that the member for Tuxedo (Mrs. Stefanson) has—could of shared, I suppose, with the member for Charleswood, but for some reason, doesn't. I don't mind helping them do their homework over there every now and then, Mr. Chairperson. I—it would be nice if they'd shared amongst themselves, but obviously they don't. I will point out, though, that for the member for Charleswood, hers will be in colour as opposed to



those black and white ones that were flashed around by the member for Tuxedo. So nothing but the best for my colleague from Charleswood, you know.

The other thing we have is a—we were asked about attendance at the prebudget consultations. On Wednesday, January 3rd, we were in Brandon, we had 69 citizens come to that meeting and 44 questionnaires were filled out; Tuesday, January 29th, we were in—up in the northeast quadrant—I know the member for River East (Mrs. Mitchelson) was asking about this yesterday as well—34 citizens came out and 19 questionnaires were filled out; on Monday, January 28th, we were in—we're just north of God's country, up there in Swan River, 33 citizens came out to that meeting, 24 questionnaires were filled out; on Monday, January 28th, later that—earlier that day actually, we were in Flin Flon, 15 citizens, 14 questionnaires; Wednesday, January 23rd, we were in Niverville, 19 citizens braved the very cold evening that evening and came out to speak with me there and they filled out 15 questionnaires; we were in Gimli on the 22nd of January where we had 17 people come out and 17 questionnaires—good for Gimli, 100 per cent filled out their questionnaires; Monday, January 21st, we were in the south end of Winnipeg, Fort Garry, 29 citizens came out and 26 questionnaires were filled out there.

The total number of people who signed the sheets as they came in was 216. Not everyone signed the sheets so that number would actually be a little bit higher than that. It wasn't mandatory that people sign in. It wasn't mandatory they fill out the questionnaires. So this is what we actually obtained from those consultations.

\*(10:10)

What I can do is to—for the assistance of the member for Charleswood and her colleagues, I'll give them all this in hard copy. Do you want it now? Okay.

**Mr. Chairperson:** Would the minister like this to be officially recognized as tabled documents?

**Mr. Struthers:** Sure.

**Mr. Chairperson:** So be it.

All right, so while the hard-working person who knows what's going on better than anyone in the room deals with the paperwork, I'll—we'll return to the floor being open for questions if, Minister, you were done.

So questions from honourable member for Charleswood.

**Mrs. Myrna Driedger (Charleswood):** I do want to thank the minister and the department for pulling all of that together overnight. That might be the first time, as a critic, that I have had things returned to me, period—or so quickly. So I appreciate that there was some work that went into this after 5 o'clock last evening. So I thank everybody for that.

Something came out this morning, and I just want to quickly touch on it and see what the minister has to say in terms of our inflation numbers. They came out this morning from Stats Canada saying that Manitoba once again is tied for the second month with the highest inflation rate amongst the provinces.

Can the minister give us some indication of the analysis that his department might have done this morning to explain that?

**Mr. Struthers:** Well, obviously, I think every Finance Minister—Canada, the provinces—I think we need to keep our eye on the inflation rate. We need to see inflation as part of the overall big picture and not simply hive it off as on its own. I think we need to make—all of us across the country need to make decisions that have a positive effect on inflation, and I will say that my colleagues right across the country, including the federal minister, do watch carefully this as one of the rates that we make decisions by.

Manitoba's rate, at 1.6, is the same as it was last year at this time, at 1.6. So, if this morning's numbers had showed a wild departure from that, I think it would be more of a worrisome number, but it has remained fairly stable over the course of the longer term.

We are tied with Newfoundland and Prince Edward Island at point—1.6 and virtually no different than Nova Scotia and Québec at 1.5. So, again, if we were wildly different from the other provinces, that would be something that we would be concerned with. It's not that we're not concerned about the rate of inflation, but it does look like it's pretty much within the norm as compared to other provinces across the country.

So, if another number comes forward at a later date that shows us out of whack, then I think we would view that differently than this number that seems to keep us placed competitively amongst other provinces.

**Mrs. Driedger:** Well, another number's going to come forward right away. The minister said 1.6. My information from Stats Canada this morning is that the inflation rate was 1.8.

Can he explain why his number is not the same as what Stats Canada is reporting? And this is for April; are we talking about the same month?

**Mr. Struthers:** Yes, the 1.6 number is actually a better number to use. It is averaged out over the course of a longer period of time, over the course of a year. The 1.8 number is simply a month-to-month comparison. What we look at is how Manitoba stacks up with all the other provinces on a more reliable kind of an annualized, year-to-year basis. So that does explain the difference in the two numbers.

**Mrs. Driedger:** But does the minister not have some concern, because this is the second month already with Manitoba having the highest inflation rate amongst the provinces, and year over year, this is 3.5 times the Canadian rate? Does he—is he actually saying that he has a comfort level with this?

**Mr. Struthers:** Well, I think every Finance minister in the country is concerned, and every Finance minister in the country looks for the trends that are happening. Whenever you look month to month, you're going to—whether it's inflation numbers or whether it's employment numbers, it doesn't matter what numbers you want to take, you're going to see more volatility in every province when you look month to month. If this was a—if what she says is a trend and is something that's long-lasting, then I think that requires a different response than simply kind of knee-jerking it and, you know, making decisions based on very short-term, narrow kind of analysis.

What is very apparent when you look at the Canadian number, the Canadian number is an average of all of those kind of variables up and down month to month across the country. So if a province somewhere is really—really struggles and really has a tough time, that has a negative impact on the overall Canadian number. If another province, especially a bigger province, is pretty stable, that has a positive influence on the Canadian number.

What we find in Manitoba is that our variance doesn't vary much in terms of the longer term, year-to-year kind of approaches that produced, I think, better decision making.

\*(10:20)

**Mrs. Driedger:** I need to go back to just seek some clarification from the minister from yesterday's questions, and just so that I'm clear, I did go home and I looked at all my numbers. As I said to him yesterday, I'm a rookie at this so this is all new for me. So I'm just wanting to be clear as to my understanding.

So if I—if he can indulge me a little bit. With the PST increase it's—it is going to be \$277 million. Yesterday he indicated that that is collected and it goes into general revenue first. Is that correct?

**Mr. Struthers:** Yes, the 277 is the annualized number over a year that we will correct—collect as of the 1 per cent increase. It goes into general revenue and then the equivalent amount is forwarded on into the Building Canada Fund—plan—the Building Canada plan, sorry.

**Mrs. Driedger:** And the Building Canada plan, that's not right.

**An Honourable Member:** Can I correct myself there?

**Mr. Struthers:** My—I'm not—I guess I'm not much more of a rookie than the member is. I misspoke there.

It—the money, \$277 million, is an annualized number that is collected into general revenue and then it's passed on to—that's right—an equivalent amount is spent through the Building and Renewal Plan.

I have the federal plan on my brain. Sorry about that.

**Mrs. Driedger:** Okay, so I understand that that plan is a fund that is guaranteed to go into infrastructure. Is there a specific line in the budget that actually shows this, or how will it actually be visible to people?

**Mr. Struthers:** The money—the 2 per cent equivalency that we were talking about yesterday, which this year comes to \$512 million, is collected into general revenue. And that is according to the generally accepted accounting principles that we adopted, I believe, in 2007. We've adopted those principles so we follow those principles of GAAP. That money, then, is earmarked for infrastructure in Manitoba.

We were—we spent some time yesterday on page 17 of the budget, the \$1.8 billion and the categories that I read into the record and handed to

the member here this morning. Between that and the Manitoba—the Building Manitoba Fund, which is also dedicated to infrastructure, that is where that money will go from the PST equivalency that we've been committed to earmarking for infrastructure. That's what will happen as a result of Bill 20, our commitment to earmark money for infrastructure in Manitoba.

**Mrs. Driedger:** The minister was indicating yesterday and referencing page 17 and indicating that \$1.8 billion is set aside for infrastructure, and last year he had indicated it was 1.4. Can the minister then explain—I went back to the books from last year and from last year, if I looked at those numbers, it's 1.7. So where does he get 1.4?

**Mr. Struthers:** Yes, when we budget, we deal with forecasts. We deal with setting a number that could be attained in terms of infrastructure. What we found last year was that a number of projects that were to be undertaken, because of weather conditions or because of ground conditions, engineering advice that we've got, either started late or were delayed or didn't get off the ground at all. So every year that we put out tenders, we put out—do all the things we need to do to get the ball rolling and get the project done, if Mother Nature doesn't co-operate, then we don't spend that money.

We don't want to spend money on, you know, something for nothing, so we—if we're not—if it's not—if conditions aren't there to do the projects, we save the money and we build it into the next round of infrastructure development.

I know a number of road projects last year that just couldn't go because of the wet conditions that we had early on and some of the weather conditions that prevented companies from actually—construction companies from actually getting out there and doing the work.

**Mrs. Driedger:** But I'd say to the minister that \$320 million then of infrastructure did not see the light of day. Can he provide then a breakdown of those projects that were listed last year and did not happen, to the value of the \$320 million?

\*(10:30)

**Mr. Struthers:** Yes. The difference that the member for Charleswood has put her finger on, is—would be part—part of that number would be projects that did not see the light of day. Some of them would be simply projects that were delayed, that were cash-flowed but not actually completed and held off

and completed in the next fiscal year, so it'd be a combination of that. If these—if they were roads or highways that were in that category, she'd need to get the details from MIT—*[interjection]* Well, yes. We don't have the information here. That's—we cash-flow the big number just like we were talking about yesterday. We make available the cash. If Mother Nature gets in the way, there's not too much that the Department of Finance can do about that, but we make sure that we have available the cash that's necessary to do these infrastructure projects.

**Mrs. Driedger:** And my colleague from Tuxedo makes a good comment here—where did that money go then? We're talking about a difference here of \$320 million, what happened to it?

**Mr. Struthers:** Well, Mr. Speaker, what the—this department does is provide the authority to spend that cash up to that certain limit. We don't give them a bunch of cash. We don't give departments a bunch of cash and tell them to go out and spend it and then they keep the money somewhere if they don't spend it. We give the authority to spend the money that then—and then cash-flow that as it's required after that. So the—it's not like there's pots of money out in departments hiding somewhere. I'm certain if there was pots of money, that this fine crew of people that I have with me would find those pots of money and save the Manitoba taxpayer those dollars. But it's a—we give authority to spend the cash; we don't actually give out the cash.

**Mrs. Driedger:** Then how does the minister account for it? Is it carried over in infrastructure budget, or where would that money actually then show up? Like, where does that go?

**Mr. Struthers:** I want to stress again that this is—we're not dealing out dollar bills to people. This is authority—this is authority to spend money up to a certain limit, and every year every department goes through Estimates, and in those Estimates they determine what their priorities are. If they have a project that, for whatever reason, can't move forward, it's not that they have—if it's a hundred-million-dollar project, they don't have a hundred million dollars sitting in their—sitting on their desk to be used on another project.

Well, we have the authorities to—we give them the authority to spend up to that limit. If they don't spend that, say that \$100 million as an example, they then have to make a determination in their next round of Estimates whether they want that to go towards that same project, or working within their

Estimates is there something else that they can 'prioritize' and have that money go towards.

Priorities do change in given conditions, especially these days with the kind of, you know, flood events that cost us a lot of money in terms of infrastructure. So every year the—every department has their Estimates that they go through. Every year they have authority to spend money that we give them from Finance. But, again, we don't just give them a pot of money and then have them take care of it from there. We give them authorities to go up to certain limits. If they don't go to those limits then the next year they deal with that in their Estimates. We—I think it's the fiscally responsible way to do that. I don't want little stashes of money all over the government. We need to be able to, as Finance, as the co-ordinating department, we need to be able to have control of that and that's what we do.

**Mrs. Driedger:** Okay, then, between last year and this year—well, in 2011-12 the Estimates for capital investment for the Department of Infrastructure were \$749 million. This year it's \$636 million. So that's a decrease of \$112.5 million.

Is that factored in, then, to what we're talking about right now? If they didn't spend \$112 million in infrastructure, is that part of the 320 then that didn't get spent? So that was infrastructure, so then there should be an accounting through other departments as well that didn't follow through with their infrastructure spending.

**Mr. Struthers:** Yes, and I want to stress again, what we're dealing with—from this department—is authority to spend money. We give that authority to each of the departments. I think MIT is a good example for us to understand this by.

\*(10:40)

The other thing I do want to say is that sometimes when we do projects they actually do come in under budget. That makes the Finance Minister very happy when that happens. But that doesn't mean if a budget—if a project comes in \$10 million under budget, that doesn't mean that department gets to grab that cash and spend it on something else. They have the authority to go up to a certain limit. If they come under that, then that's not—that's a savings to government overall, I guess you could describe it.

On page 133 of the Estimates, which I think probably is where the critic is getting her information from, it's under Part B, capital investment, capital

assets, it shows there several different things. The total at the bottom of the page, from the '12-13 budget to '13-14, it shows an increase of—from \$479 million up to 507. When you look at the numbers that get you to those totals, you'll see some are up and some are down. I would point out the—under (b) infrastructure assets, highways infrastructure, was a large increase from \$425 million up to \$468 million. A couple numbers below that, airports and water stay the same, then she'll notice a decrease with the floodway expansion from \$25 million down to \$9.3 million.

That project is coming—is wrapping up. It's coming to an end. It doesn't have the kind of expenses that were projected—it was projected to have, which, you know, from this stingy Finance Minister's perspective, is good. You don't need to—well, I'm—but—yes, I—but I'm not going to spend money on a project if it doesn't need the money. That's not being responsible with taxpayers' dollars.

If I can then increase the authority for MIT next year to take on more projects, then that helps us solve the infrastructure gap that exists out there. So we're always looking for ways to minimize the cost on a project-by-project basis, you know, still working with engineers to make sure the projects we do are safe and the rest of it.

That's why we brought forward the P3 legislation that we did, to make P3s open and transparent so that if there's some savings through that course of action we can take advantage of that for the people of Manitoba, either save them tax dollars or get more projects for the same amount of money. So I think we need to keep looking for those kind of opportunities.

But what we do is we set the authority to—for departments to spend money. We set it at a certain limit, and, you know, the department works hard to make sure they're under that limit. That, of course, depends on the tendering process and all those sorts of things, and sometimes tenders come in higher than what is expected, but what you can see in that chart is that there're some areas that are up, some areas that are down.

What we look at is the overall number and the overall number shows that we've increased, as a matter of fact, every year that we've been presenting budgets we've increased our commitment of resources to capital every year. And what's also very clear is that the 2 per cent equivalency of the PST, including the 1 cent increase this year, will be—every

nickel will be dedicated to infrastructure in Manitoba.

**Mr. Cliff Cullen (Spruce Woods):** Just so I'm clear on the numbers here, and I'm looking at last year's budget and the budget for capital investments was 1.719, and my understanding is you're saying you only spent 1.4, leaving us a difference of \$320 million. Is that correct?

**Mr. Struthers:** Yes, we had, as we have talked about, we have—we give authority to all the departments to spend and they have to prove their spending through their Estimates, each of their budgets. The—what we had done last year was we gave several different departments the authority to spend to a total of \$1.7 billion, that's—Health would have authority to build hospitals, Education with schools, MIT with a—yes, and universities because there's a lot of projects connected to universities—MIT with roads and bridges and those sorts of things. So each of those departments would be given authority from our—through our main budget, to spend up to those limits.

That total came to around \$1.7 billion. For one reason or another, my understanding, mostly weather related, the—there was delays on projects, some projects wouldn't have moved forward, other projects would have been cash flowed in a more spread-out fashion. For a number of different reasons, the projection at third quarter was about 1.4 billion, for the year. So, that would account for that difference that the member's touching upon here.

**Mr. Cullen:** So the projects you said, then, that weren't completed last year, will those projects be carried forward this year?

**Mr. Struthers:** They might be. Every year the department sits down and they look at their Estimates to determine what the priorities will need to be and then they make decisions with us to cash flow. It may be—let's take the Women's Hospital as an example; that's not a one-year project. That's a big project that's spread over a number of years. So that cash flow, then, would flow over a number of years. So part would look—you'd find part of that in one year and part of it in the next and depending on how many years it takes, you cash flow it over that period of time.

If there were, in a multi-year project, you might find that there are smaller delays within that project that forces you to carry more money over into the next year. Obviously, in that example, the

Department of Health, from one budget year to the next in their Estimates, they're going to keep that as a priority because if you're partway through the project in one year, you're not just going to walk away from it and leave it hanging. You're going to include it in your Estimates the next year. But it's very important, then, that that discussion happens in the Estimates of, in this case, the Department of Health to talk about what those priorities would be.

But it's—that money could actually, as the member's getting to, that money could actually be cash flowed over a two-year basis or more, rather than just being every year a cash flow.

**Mr. Cullen:** Well, and that's why I think it would be incumbent on the Department of Finance to monitor those capital projects. And, you know, if the minister said earlier that there's not a close relationship between each of these departments as per the list in your Estimates book, you know, why isn't the Department of Finance keeping track of capital projects on an on-going basis?

\*(10:50)

**Mr. Struthers:** Don't misinterpret what I'm saying. I mean, we co-ordinate, we work very closely with each of the departments. They come to Treasury Board with their plans. They come every year. We go through every department with them and their Estimates. We—I've never indicated that it's—that we're not closely working with departments on that. That happens all the time. That happens on a daily basis. It happens on a weekly basis through Treasury Board. There's lots of mechanisms by which we keep our heads wrapped around these projects. It becomes frustrating when, you know, we have so much infrastructure that we need to be investing in, and tenders come back showing us rising costs and how a dollar doesn't go as far as I'd like it go when it comes to financing these projects. So I want the member for Spruce Woods to—rest assured—that this department, Treasury Board, MIT, and Health, and Education and any department that's working through Estimates and in this project management the relationship is good and it's close and we keep an eye on these things.

**Mr. Cullen:** Well, that's encouraging to hear. I would suggest then it would be fairly simple for the minister to provide us a list of the capital projects that were completed the last fiscal year, the capital projects that'll be carried over this year. That should be something that would be fairly easy for him to provide to us.

**Mr. Struthers:** Well, like we went over yesterday, we work very closely with each of these departments, and we give them the authority up to certain limits to deal with each of their departments' capital projects and their capital priorities. They—the departments work with that level of detail. We work with them to make sure that they have—their general approach is solid in terms of managing these projects. We don't micromanage through this department. Every project in every department, that's what the departments' jobs are. If they run into problems on different things, they come to us at Treasury Board and we work with them to try to problem solve.

But as we went through yesterday, and the answers on those kind of specific projects are rightly posed in the Estimates of each individual project—each individual department to get answers on individual projects.

**Mr. Cullen:** I'll ask the minister, how many staff does he have in his department?

**Mr. Struthers:** Yes, we have 474.20 staff.

**Mr. Cullen:** Now, I'm putting forward to you, Mr. Chair, we're having a hard time getting our answers for some of these, to me, which are basic, fundamental questions. You know, you're allocating \$1.7 billion out of your budget, and we're just asking for the major capital, you know, investments here and departments. I would think out of the 474 staff, that you could have someone put together a briefing for us in terms of what those capital projects look like and where they're at in those capital projects and where your allocations for the \$1.7 billion are for this year—[interjection]—1.8.

**Mr. Struthers:** Well, I want to assure the member for Spruce Woods that all of those 474.2 staff are very busy people. They're working very hard; they're doing a good job. They're doing a good job on the job that is given to them according to their job descriptions. What I'm trying to get across to the members opposite is that those 474 people are not the ones we would be asking to get that kind of information. In other parts of the government, there are staff whose job that is, and what I've described between yesterday and today is the job of these folks is to—is a coordinating position.

It's a position that sets authorities for other departments to get more specific on their responsibilities. That's not the job of the 474 people that he's asking about. It's—we don't weigh-in in the

departments and micromanage these projects. We have our job and our people are very good at doing that job, and we'll continue doing that.

I understand the frustration—I understand the frustration yesterday of the brand-member for Brandon West (Mr. Helwer) looking for answers in his constituency, but I'm telling members opposite quite clearly that we'll deal with the jobs that we have and we'll give him as much information as we can on his questions, but what you're asking for is something that we don't—it's something that just—that we don't do.

Other departments do that, that's their responsibilities. And, if he wants to drill down into some of those kind of details, if it's an MIT question, he should bring that up in MIT's Estimates. If it's a Health capital question or an Education capital question, he can talk to those folks and I'm sure they'd help him out.

**Mr. Cullen:** I appreciate what the minister is trying to do, and we just thought it would be easier for someone in your department to make that co-ordination between the various departments. You know, they've got eight line items where you're investing in infrastructure, we thought it would be easier for you just to pull that information from those respective departments.

I'm going to put it to the minister, he underspent the capital budget by \$320 million last year. If the minister would've spent that full \$320 million, would our provincial deficit then—it would've been \$1.3 billion.

**Mr. Struthers:** The shortest answer to that is just no. The—first of all, we're not going to move forward with projects that physically can't be done. And I would go back to what I said earlier, we gave the authority to spend up to \$1.7 billion. If everything had worked out fine, if there were no delays, if the—everything had been—could be cash-flowed as budgeted, then the—that would've been shown in the amortization and interest part, because these are capital projects, right? So they would've been shown there, but it wouldn't have been—he just can't add that onto whatever deficit is run by a government.

**Mrs. Driedger:** With the \$320 million that was underspent, does that mean then the debt of the government—because the minister has indicated that's their policy, to debt-finance—does that mean then they didn't have to borrow that extra \$320 million?

**Mr. Struthers:** Well, we—that would've been considered in terms of what we would need to borrow for our cash requirements. We build those in—we build those into our forecasts. That—I'm convinced that what we have is a solid approach in terms of doing that.

\* (11:00)

We—there's some—I—in my mind, there's some very basic things that we need to accomplish when we go looking to borrow funds. We—first of all, we have to be very certain that what we're borrowing the money for is a priority of Manitobans and not going out to borrow for the sake of borrowing. We have some very good people who follow up on that. Once a decision is made that we need to borrow a certain amount of money, then, and based on, I think, some good proper fiscal analysis, we do that. We do it in such a way that we keep our borrowing costs to a minimum. And, again, I can't say enough about the people who borrow that money and get the good rates and the good deals that we get in Manitoba. In my mind, we punch above our weight class consistently on that issue.

Every year we pay down part of that principal. We continue to do that. In the years in which we balanced our budgets and had surpluses we took money out of the surpluses and held it for times like this when we are in a different economic situation and can apply that money to paying down debt which, I think, is a very prudent approach on the part of our government. I think that's the way households in Manitoba work, Mr. Chairperson. When you've got some money flowing in, you set a little bit to the side for when times are a little rougher. We are clearly in a time that's a little rougher. So I think it's a good fiscal policy to continue to pay down some of that debt, try to manage that debt so that it doesn't climb fast, try to minimize our borrowing costs and, then, make it so that that money can either be saved on behalf of the taxpayer or plowed back into front-line services. So I think that's a good approach and that's the approach that I think we should continue in this budget year as well.

**Mrs. Driedger:** With the government underspending in their capital budget last year, then, by \$320 million, what guarantee is it, then, that the \$277 million that he's going to get this year that is supposed to go to infrastructure—what guarantee is there, then, that that is actually going to happen?

**Mr. Struthers:** Well, let's look at the flip side of that coin. If we don't do what's necessary to obtain the

\$277 million in revenue, then I can guarantee that that money is not going to infrastructure. We would be in a position where we would have to choose between what fewer infrastructure projects could we do without that revenue.

We have a bill before the House, Bill 20, that guarantees that every nickel of the 2 per cent equivalency that we've spoken about will be going into Manitoba infrastructure. We've had a good discussion, I think, here about what that infrastructure would be and it—hospitals and schools and roads and bridges and the kind of things that we've been talking about over the last couple of days. Without undertaking the cent increase in the PST there would be that much less going into infrastructure in Manitoba or, I suppose, to be fair, we could do what the member for Charleswood's Conservative Party has said they would do, and that is cut that out of departments such as Health and Education and other priorities that Manitobans say they want to maintain.

So our choice is clear, that we will do a cent increase to the PST. We've been clear in the bill and transparent and accountable through the bill, saying that by law that that money will go into Manitoba infrastructure. It's very clear in this discussion that that's what our plan has been, that's what we're doing and we'll continue to have that plan unfold.

**Mrs. Driedger:** Well, the minister just did put some misinformation on the record, and, again, he's going down the path of fear mongering in terms of what the Progressive Conservatives would do with any cuts. The cuts, as we've clearly indicated, are more to do with advertising by the government, by the 192 communicators, and it goes on and on in areas that are view—in our view, non-essential. And there has never been any, any discussion put forward by us that there would be monies taken away from front-line services. What we were looking at is non-front-line services and looking at where we could find some opportunities there.

But the minister also did not answer the question. He's saying that he's going to guarantee that all 20—\$277 million is going to go to infrastructure, and, I guess, you know, my question is how can he guarantee that when he underspent—or his departments underspent \$320 million, and he said it was because of things out of his control, you know, like due to weather or whatever might delay projects. And so those seem to be things that—you know, he's saying there are elements out there that sometimes

can affect the moving forward of capital projects. So how can he then guarantee by law—and we know how he does look at law in this province—so how can he guarantee by law that \$277 million are going to go to infrastructure when there's so many variables that then moves infrastructure forward?

**Mr. Struthers:** Well, let's deal with a couple of things there. First of all, it's quite interesting that ever since her leader, in a Thursday morning scrum about a month ago now, stepped forward and said that they would do indiscriminate, across-the-board cuts, 1 per cent cuts, right across the board. They have been trying to run and hide from that statement ever since their leader made it. The leader hasn't even addressed it; he's ducking and dodging the issue every chance he gets, Mr. Chairperson. They said it, they trying now to pawn it off as something that's non-essential and 192 spinners, as they call it.

Well, Mr. Speaker, let's look at who those 192 people are and I'll let the people of Manitoba decide if they're essential or not. Let's just look at two positions in that 192—public health officers. You know, Mr. Chairperson, I can't think of many positions more integral to a Manitoba family and the health of a community than the public health officers. These folks do very essential work in my view. Maybe not in the view of members opposite, but in my view, they do very essential work.

\* (11:10)

And for heaven's sakes, Mr. Chairperson, flood forecasters, who are also part of that 192 that's listed by members opposite, you know, we've been under threat three of the last five years for major floods in Manitoba. We live on the—kind of the wrong end, I guess, of a huge, big watershed that causes us all kinds of problems and we accept water from everywhere from the Rocky Mountains to the Dakotas to Ontario, and we have—every year we concern ourselves and prepare for floods. We—two years ago we had the worst flood in the history of our province, and members opposite are suggesting that we could do with less flood forecasting. Flood forecasters are part of the 192 that members opposite consider non-essential.

Mr. Speaker, they can run, but they can't hide from their own policy statements. I don't intend to let them forget that they chose to cut deeply into health care and education. I don't think Manitobans want us to just ignore policy statements made by the fellow who thinks he can be Premier.

The beauty of democracy, the beauty of working in this building is that we get to put our vision forward and defend it, and everybody else who wants to replace us has to defend their policies as well. And the one thing I agreed with the member for Fort Whyte (Mr. Pallister) yesterday was that there are two very differing visions in the Chamber these days. And I'll take our vision over their vision any day, Mr. Chairperson.

We have put forward our vision, and that is that we will raise revenue and dedicate that revenue, through law, towards infrastructure, supporting health-care capital, supporting education capital, supporting roads and bridges. We, Mr. Speaker—or Mr. Chairperson, we think that that is the right way to go. We think that protects Manitoba families. We think that that helps to grow our economy and keep people working, keep people employed.

As opposed to, you know, the vision that was put forward at that Thursday morning scrum of their leader who said that they would cut. He said it very clearly, he said it very transparently; give him credit for that. The problem they don't—the problem they have with it now is being accountable for what they said they'd do, and now they're running for the hills. Their poor leader's standing out there saying that, oh, we're going to cut, cut, cut, and they're all scurrying off to the hills someplace and won't actually stand with the poor guy. Because here they are in—yet again, here in the committee, running away from what they said they would do. And I don't know why people would be surprised.

This is an ideological position taken by an ideological party. It was the same thing they did in the 1990s. They're guaranteeing to people that, yo, we'll do it again; give us the chance, we'll do it again like we did back in the '90s, firing nurses, laying off teachers.

If we were to look at the actual numbers and actual people that would be lost to Manitobans based on what the leader said last month, we would again lose 700 nurses. We would again lose teachers. We would lose 135 social workers from the department of Child and Family Services, Mr. Chairperson. We would—as I've said, we'd lose public health officers and flood forecasters.

What the members opposite won't actually admit to is that the communications staff, the so—I suppose more accurately, communications spinners, to use their word—the communications staff today is exactly the same number as it was when Gary Filmon was



the premier in 1999—exactly the same number. They don't want to admit that; they would rather bump up and inflate the number to 192, which is ridiculous. But what they do is they include all those other people, public health officials and flood forecasters, Mr. Speaker—Mr. Chairperson. It's not a very upfront, straightforward way to do it, I think.

But we have said that we will increase by 1 cent on the dollar the PST and that money will go towards infrastructure. That is on top of our commitment that we made earlier that an equivalency of 1 per cent would go towards infrastructure as well. So, in effect, what we've got is an equivalency of 2 per cent of the PST being collected and then being directed towards Manitoba infrastructure. It's going to—it'll be guaranteed through law, through Bill 20—which I look forward to having passed in our Legislature—and I would draw members' attention to clause 67.3(4) of that proposed act, of Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act. Section 67.3(4), the title is "Excess infrastructure funding revenue," and it says: If an amount is reported under clause (1)(c) as excess infrastructure funding revenue, the government's Estimates of expenditure for the next four fiscal years must include infrastructure expenditures referred to in clause (1)(b) that exceed, in total, its estimated infrastructure funding revenue for those years by the same amount.

So what we're saying is that what—we guarantee that the full amount of the money that we collect, that we've said we were collecting—and we will—that full amount will be dedicated towards infrastructure in our province. And then we've also said that we will report on that every year. That's also contained in Bill 20. Every year we will, in a transparent, accountable way show Manitobans how we spent every nickel towards infrastructure. What it says is that if we come across these circumstances which, as the member has said, is out of the control of anyone, contractors or government, if there are reasons why there—there is delays in the project, if there's—if it's a weather-related event, or if it's just cash flowing a multi-year project, whatever that reason may be we guarantee that we make that up so that every nickel does go towards infrastructure, and it's guaranteed in this law.

**Mrs. Driedger:** Can the minister, then, indicate where exactly the \$277 million will be spent? He's indicated there is a plan for that and he's just, you know, made some guarantees that it is going to go

into something. So can he specifically put forward this plan in writing of where the \$277 million will be spent?

**Mr. Struthers:** Well, again, I sense the member for Charleswood doesn't—just doesn't believe my good word on this. So let's—*[interjection]* Yes, nodding in agreement, that's fine. Well, then, but maybe they'll believe what's set out in the act that they voted against in the House. The act makes it very clear that the money will go towards infrastructure.

\* (11:20)

On the section—again, section 67.3(1), it's entitled "Manitoba Building and Renewal Plan—report on infrastructure funding and expenditures." That subsection (1) says: "Within six months after the end of each fiscal year beginning after 2012, the Minister of Finance must prepare a report that sets out (a) as infrastructure funding revenue, (i) the amount reported under section 67.1 as the fuel tax revenue for the fiscal year; and (ii) an amount equal to the following percentage of the government's revenue under The Retail Sales Tax Act for the fiscal year: (A) 22.32% for the 2013-14 fiscal year, (B) 25% for each fiscal year after that throughout which the general sales tax rate under that Act is 8%; (b) As infrastructure expenditures,"—so, first we dealt with the revenue, now it's expenditures—" (i) the amount reported under section 67.1 as the fuel tax expenditure for the fiscal year, (ii) the total of the amounts paid for the fiscal year out of the Building Manitoba Fund under The Municipal Taxation and Funding Act, and (iii) the total of all other amounts paid by the government for the fiscal year to reporting organizations or other organizations in support of infrastructure that provides a public benefit and for expenses incurred in support of the government's infrastructure; and (c) the amount, if any, by which the infrastructure funding revenue for the fiscal year and all previous fiscal years beginning after 2012 exceeds, or falls short of, the infrastructure expenditures for those years."

So that, taken into consideration with the clause that I read out just previously, makes it very clear that the revenue that we bring in is dedicated to infrastructure and that the—and that we have set out a duty for the Finance Minister to report on that and be able to show to the people of Manitoba and the member for Charleswood exactly where that money went in terms of Manitoba infrastructure. And that if, for whatever reason, there is a shortfall, then we

have—according to this act, we're obliged to make up that shortfall. It couldn't be much clearer than that than in the legislation.

**Mrs. Driedger:** But, in fact, what the minister just said then, is that his responsibility is to report these expenses after the fact. Is that correct?

**Mr. Struthers:** Well, first of all, there are a lot of ways in which Manitobans can consult with their elected officials and make the case for certain projects to be considered. When we were in Brandon for our consultation there, the Coulter bridge came up, and one of the municipal leaders in the area was asking about the Coulter bridge. That was incorporated into the budget. We will then, at the end of the budget year, we will report on whether or not that money got spent on the Coulter bridge.

But people had an input on that at the beginning. They could see the budget come forward that put the authorities in place to fund infrastructure. They can be assured that the money we collect through the 1 cent on the dollar PST increase will go towards that infrastructure. And then, to be accountable, we stand up and we say, here's where that money went and some of that money went towards the Coulter bridge.

The member for Brandon West (Mr. Helwer) stood up in the House in, well, actually, it was on budget day. He stood up on—in the House and said, we want you to put money into Victoria Avenue, and we did. We listened to people; they said—including the member for Brandon West—we listened to folks in Brandon. They made the case. We put it in the budget and now, according to our law, we will stand up and we will say, here's the money that went into work done on Victoria Avenue in Brandon.

So I don't want—she'll go down this road whether she likes it or not—but I don't want the member for Charleswood to try to say that Manitobans don't have a say in how we spend their tax dollar. What we're setting up is a system that is very accessible for Manitobans, a—we stand up and we say what we're going to do in a budget, and then we are putting in place a mechanism for us to stand up and say whether or not we did what we said we would do in the budget.

So I think that that's a government that's being open and accessible. That's a government that's being transparent and accountable.

**Mrs. Driedger:** Can the minister, then, confirm that there is no up-front plan for where the \$277 million will go, that he will just report after the fact of where

he spent it, but that there is no up-front plan for where the 277 will be spent?

**Mr. Struthers:** No, that would be an incorrect characterization of the plan that we—that we're putting in place. Every department has a capital budget that they work with. That is a capital budget plan that's put together through Estimates, which, ultimately, are accountable to her and others in the House, in our British parliamentary system. Manitobans have the ability to meet with and lobby MLAs and Cabinet ministers and even the Premier (Mr. Selinger) on issues and projects that they want to see included in the infrastructure.

I know the capital plans of departments are multi-year. They are subject to 'repriorization' through the Estimates process, which is a legitimate way to do things in our form of democracy. There's lots of opportunities for Manitobans to have input on that—on the plans and through things like the budget that I presented back in April. We are held to account in the House for the budget that we put forward, and members opposite get to do that on behalf of their constituents, and behalf of Manitobans.

\* (11:30)

We—we're in that process now, here in Estimates, and every department will go through that process, and then we will stand up and we will report at—as per our legislation that is before the House now—we'll stand up and report on where every nickel of that money has gone, and you'll be able to see whether or not we were good to our word, and we'll be held to account for that, too, and that's fine by me. We have said that that money is going towards infrastructure, and that's where it'll go.

**Mrs. Driedger:** Well, it's hard to take the minister seriously when we've seen \$320 million lapse in the last year. So he's guaranteeing something that seems pretty difficult to guarantee. He is also saying two different things. He's saying, (1) there is a copy of the plan and then he's also indicating that, well, no there really isn't, but we're going to say at the end of the year where all that money went.

So I would ask him: Is there a copy right now of a budget for where the \$277 million will go? Can he show us upfront where every nickel will go now?

**Mr. Struthers:** Well, again, the member for Charleswood needs to be careful how she characterizes the discussion that we have at this table. It may fit into her political narrative to refer to this as lapsing money. Mr. Chairperson, we've been

over this several times. There's some very legitimate reasons why a project wouldn't move forward. If it's wet conditions you can't just force a road in over areas that engineers say, don't do it. There are projects that are multi-year that cash flow differently than a one-season kind of a project. So for her to mischaracterize this is just—I would advise against.

We have very clearly said that the \$277 million, as a matter of fact, more than that when you take the 2 per cent equivalency that we've guaranteed going into infrastructure through this Bill 20. We have said clearly and the legislation guarantees that that money will go to infrastructure. Every department have, through their Estimates, plans in place as to where that money would be spent on particular projects. We give them the authority to spend up to a certain limit. As their department, they and the minister in that department makes decisions on priorities of where that money will be spent on project by project.

I know this is frustrating but—for members opposite sometimes—but those departments can talk to members about where that—those specific projects are, and I'm sure they're open for reasonable lobbying in terms of what priorities need to be set by government.

But that's the information that I can give to the member.

**Mrs. Driedger:** Can the minister indicate whether the \$277 million will be used as cash funding to fund a project?

**Mr. Struthers:** Okay, well we—I think we've been over this a couple of times already, but let's do it again.

The number for this year is 198.5 for '13-14 that annualizes up next year—this is the 1 per cent, one cent on the dollar—annualizes up for a full year at \$277 million. When you take into consideration the other per cent equivalency that we've committed to in the past, that brings the number this year up to \$512 million, annualizing up to \$550 million in future years. The—we will obtain that money and—as per the general—generally accepted accounting principles, we will bring it into general revenue. That money will be dedicated to various departments who are charged with infrastructure development in Manitoba. Every cent, every nickel of that amount of money will be spent on infrastructure in Manitoba. It'll be accounted for, whether it's Building Manitoba Fund money, whether it's other—whether it's capital grants, they will be accounted for as per Bill 20 in which we will stand up and we will be held to

account for the dollars that we spend on infrastructure. And we will be able to show that that money did indeed go towards Manitoba infrastructure—hospitals, schools, roads and bridges—as we saw on page 17 of the budget document, parks capital and other capitals that were listed on that page of the budget.

**Mrs. Driedger:** The minister sort of skated around that a little bit, and I'm going to ask him: Is he actually going to cash fund or use cash to finance these capital projects?

**Mr. Struthers:** I suppose the other thing I should mention is that we're accountable—there's two other ways that we're accountable for all of this. One is through annual reports that are put together by every department, that the member for Charleswood has access to, and the other is through Public Accounts which, you know, we—was it last week, I think, we were in Public Accounts? And so we're available through Public Accounts for answering of all of these questions as well.

When the—I'm assuming that the member for Charleswood is asking whether we're going to provide cash for these projects or—as opposed to borrowing. Well, Mr. Speaker, we went through this yesterday too. We borrow money every year like every other government in the country, including the federal government. We borrow money every year to do the things that we say we're going to do. We keep those borrowing costs low. We don't borrow money that we don't feel we need. We think that if we were to go to a cash flow—a cash basis, that you would either have to increase taxes an exorbitant amount or you'd have to do a lot fewer projects to—infrastructure projects.

Now we had a disagreement yesterday as to who's position is what on this one as well but, without going down that road, we will continue borrowing to make sure we meet the priorities of Manitobans and will continue making smart decisions in terms of how we spend that money, and we will guarantee to Manitobans that the money is going towards infrastructure: roads, bridges, schools, hospitals. She knows the list.

\* (11:40)

**Mrs. Driedger:** And as I indicated yesterday too, I don't disagree with the—with government's borrowing money for capital, that makes a lot of sense. So what the minister just did confirm is that the 277 is not cash financing projects. That, in fact, the money for

capital is borrowed money and then this money that the PST will bring in will go against that borrowing. So, basically, what the \$277 million is going to be used for, it's going to pay down the debt or the debt financing that arises because of the fact that the government has borrowed the money to build the capital project. So the \$277 million is just going to go into a fund that basically gets put against all the borrowings for capital. Is that correct?

**Mr. Struthers:** The—no, that's not correct. That would be a mischaracterization of what we've been talking about today and yesterday. I've tabled for the member a document this morning that she'd asked for yesterday entitled "Priority Area Infrastructure and Capital Asset Renewal Budget 2013". That indicated that the—and it's actually, I believe, based on the budget document from page 17 where it listed a number of the categories in which the infrastructure dollars would be spent. The total was \$1.8 billion; \$1.5 billion of that is capital; \$292 million is operating. As is suggested under the generally accepted accounting principles, we must account for amortization and interest and do that in a full and complete way so that the people in Manitoba know exactly what we're spending our money on.

As she can see, there's a huge amount of capital that's found on that page. If we don't raise the revenue necessary to fund infrastructure capital, then that capital number gets a lot smaller. Then we can't put \$1.8 billion into capital in Manitoba, and you don't get to build capital if you don't account for amortization and interest. We are committed that that 277 she talks about, we're committed that this year, the 198.5, we're committed that when you annualize up to the 2 per cent that \$550 million as per our legislation will go towards the \$1.8 billion that we outline in terms of capital in this province.

**Mrs. Driedger:** But the minister is saying that, and am I correct in saying this, and it's what he indicated yesterday, that all capital is paid for through borrowed money?

*Mr. Matt Wiebe, Acting Chairperson, in the Chair*

**Mr. Struthers:** We—the Province of Manitoba receives revenue from a number of different sources. This, by all means, is one of those sources. We receive money, as she's well knows from questions at—in Public Accounts the other night—we receive some of our money through transfers from Ottawa, and there's other sources of revenue too. We collect that—those revenues from all those different sources and then we put out a plan—this budget—we put out,

in that budget, where we're going to spend that money. And that's open and accountable, accessible to everybody and—including members opposite. We take in that revenue from all those sources and we expend that revenue according to what we say we're going to do in the budget.

Part of what we spend our money on is programming and those sorts of things. But one thing we do spend the money on is capital, and we don't get to spend money on capital if we don't outline how we're going to pay for amortization and interests and those kinds of things, that are a necessary part of any plan.

So we've—so what we have done is we have said, the PST, the one-cent-on-the-dollar increase that we have said we're going to do, the money we obtain from that, as per the general—generally accepted accounting principles, will come into general revenue and we will guarantee, through Bill 20, that those monies will go towards providing infrastructure that Manitoba families want us to build.

**Mrs. Driedger:** So the \$227 million comes into general revenues. Then, basically, because the government borrows money for capital because they get a good interest rate on that, this \$277 million will then go towards the debt payment for the various projects that he says it's going to be used for.

But he won't tell us what the plan is. It's a big secret, it seems, as to where the \$227 million is going to go for upfront—or, sorry, \$277 million is going to go for upfront. But he says at the end of a year he will tell us where all that money goes but he won't provide this list of where it's going upfront because it's not something that he wants to share with us.

It seems to be a secret, which makes me wonder then, you know, when will the decisions be made about what projects to fund? Is it throughout the year somehow? Because it seems the minister said there—or he won't give it anyway—whether there is a plan or not. Basically, he's refusing to provide us a plan upfront of where the \$277 million is going to go. So then, I have to wonder, you know, how is the decision made, then, as to what those projects should be? It's become obvious that the \$277 million isn't used as anything but debt payment towards some projects. We're just wondering upfront, what those projects are.

\* (11:50)

**Mr. Struthers:** Well, Mr. Chairperson, if this is an exercise in keeping a secret, then we're going about it totally the wrong way. First, we talked about a consultation process, and I gave the minister—the member hard copies of the exact meetings, exact dates, numbers of people, the whole bit. So that's probably the first mistake we made if we want to keep this secret. We go to the people of Manitoba and we asked them for their priorities.

Based on that and any other consultations that we've had with a whole number of different groups leading up to budget day, we then present a budget. And in that budget we, very clearly, on page 17, we indicate where those infrastructure dollars are going to be spent, and we break it down for the member in terms of capital and operating and give her all of the information from this department that we can. We invite the member for Charleswood to follow up with individual departments to—on individual projects to talk about where this infrastructure money is going to be spent, and she has every opportunity to do that. And every year, that department has to go through Estimates and subject themselves to the scrutiny of members opposite and Manitobans. The department and the minister do that. They come to Treasury Board for approvals. They go to Cabinet. Cabinet considers these requests. Then, in our attempt to be secretive, we publicly put these projects out for tender and companies get to bid on these projects. And that seems to me to be, you know, there's rules regarding the tendering process to make sure that it's open and accessible to everyone. So I guess we blew it there, too, if you want it to be secret.

*Mr. Chairperson in the Chair*

Then we have the—then we put in place legislation, and I know we've been over this before, that there is a piece of legislation called—numbered Bill 20 and it's before the House as we speak, and it makes it very clear that all of that money is going to go towards infrastructure projects in Manitoba. It also makes it very clear that the Finance Minister needs to stand up then and say we listened to you Manitobans. You told us where to put the money. We've put it in our budget, and now, through Estimates, we've spent the money on these projects. And then the people of Manitoba, including the members of the opposition, can say, no, you—good job or not good job, I suppose. They can say why'd you spend it here? Why didn't you spend it there?

My point is that that step that we're talking about now is part of the whole process, and it's the step that

we can point to to say here's how we're being accountable. It's transparency. It's transparency and accountability from the moment we open our first consultation right through to when we report on what we've done. In my view, any other characterization any different than that is ignoring the facts.

**Mrs. Driedger:** Well, after that little rant, can the minister then tell us: Is there an upfront plan that specifically shows where the \$277 million is going?

**Mr. Struthers:** Well, as I said to the member, there—we have included in Budget 2013, on page 17 of that document, clearly where the money is being spent. In all of those categories, we give the authorities to—we give authority to departments to spend up to the limits that you see listed quite clearly on that page. It's the departments, then, through Estimates that sit down with those authorities that we've given them and they decide—the minister and that department decide and recommend to Cabinet what projects—where that money is going to be spent, and then in Bill 20 we stand up and be accounted for that.

So those—the—from the Finance perspective—and we are at Finance Estimates—our job is to give those authorities to departments, and then departments, through an open process, put together and assign the dollars to projects based on the priorities of Manitobans. And they, too, are accountable for that through their Estimates.

**Mrs. Driedger:** Well, I think the minister basically just said that there is no upfront specific plan that he can share with the public. We also know that capital financing is debt finance; that's a policy of the government and that's their right to do so.

So, basically, the \$277 million is money that is going to go into debt payment to pay for these projects he says that they're going to bring forward. And, because they lapsed \$320 million last year in their infrastructure, I guess we can only hope that the \$277 million won't lapse.

But I guess the way he—because he's not being upfront with where that money is going; all we have is his word—and there's some credibility issues around that right now—but all we have is his word that this is going to go into infrastructure. We don't really know if that is going to be the case upfront. So, while he has gone on his rants about accountability and transparency, there is absolutely none when it comes to how the \$277 million is going to be spent.

And it looks like what they can do now with all of that is treat it in a very, very political way too and decide which projects out there are going to get the biggest political bang for their buck and then just say, oh, well, we'll say that the \$277 million went here or here or here, because basically what the government has done, rather than sharing that money with municipalities, is they're looking for a way to get the biggest political bang for their buck on where they're going to spend the money.

\* (12:00)

But, on the other side of it, now that we find out they lapse money, there's absolutely no guarantee that this money is going to be spent on projects that he says it's going to be spent on. It's going into a big debt-payment hole, so, I mean, there is absolutely no transparency with any of this, so there's absolutely no reason to be trusting this minister with what he's been saying for the last couple days on—with any of his answers. So it is—it's very discouraging. I would have hoped that, after all of this, that we would have seen a budgeted plan for the \$277 million. You know, you can't even follow the dollars because all it's doing is going into general revenue and from there they'll use it to pay—you know, make debt payments or pay for debt financing. So there's real—no real way of knowing that, so it's kind of a frustrating exercise to be going through all of this with the minister because there really is no transparency with this whatsoever.

**Mr. Struthers:** Well, what is absolutely clear to me is that the member for Charleswood had her mind made up before she ever started asking questions. She, as usual, had her political narrative which was different than what the facts are. And, you know, she's totally entitled to her own opinion, it's—the fact is, she's not entitled to her own facts, Mr. Speaker. She had her mind made up before she started asking questions. Nothing of what I said fit into the political narrative that she wanted me to say, which is kind of unfortunate, I guess, but the facts are that we are through Bill 20 totally accountable for the decisions that we make; we're totally accountable in the House with all members of the Legislature asking questions on the budget; we are totally accountable through this process right here, through Estimates, not just this department, but every other department in the provincial government.

I understand—I was in opposition at one time too. I understand that you need to get some things together to go into question period with to try to

score political points. If I was not helpful in that, then so be it. But we have a plan that is very accountable and based on the priorities of Manitobans.

**Hon. Jon Gerrard (River Heights):** Minister, I would like to ask, in terms of this yellow book on page 89, there's an estimate for expenditure of \$500,000 on capital investment. If, indeed, that amount is spent at the end of the year, will that \$500,000 end up in money that would be eligible to be accounted for in terms of money that was raised by the PST under your formula?

**Mr. Struthers:** I thank the member for River Heights for the question. On page 89 under capital investment general assets, the \$500,000—that's where he's asking—it says in there, it provides for the development or enhancement of information technology systems and other capital assets.

The information technology systems don't qualify under Bill 20 as infrastructure. So that would, I suppose—as quickly as I can, the answer would be no.

**Mr. Gerrard:** My next question relates to the expenses on page 75, and in this case we're talking about costs related to capital assets and for the coming fiscal year it would be \$2.979 million. Would that be eligible to be included under eligible expenditures that money from the PST could go to?

**Mr. Struthers:** No, the 2.979, that relates to general assets. Again, the same kind of answer as last time: when it comes to hardware and software and those kind of IT expenditures, the answer would be no on that.

**Mr. Gerrard:** I asked the minister whether—there are minor capital expenditures listed on page 43, page 47, page 55, page 65, page 73, in amounts from \$7,000 up to \$29,000. Would any of those be eligible for eligible expenditures to be included under the revenue generated by the PST?

**Mr. Struthers:** The answer again would be no. This department doesn't have expenses related to capital—sorry, related to infrastructure, to be precise. So, no.

**Mr. Gerrard:** Okay, now, if—again, clarifying what is capital expenditures, on page 109 of this Estimates of expenditures and revenue for the Budget 2013, is capital funding for Health—the capital funding estimated expenditure for 2013-2014 is \$167 million. If one looks on your list on the page 17 list that you provide in the budget papers, there is an expenditure

there listed for health facilities of \$350 million. And I'm just looking for an explanation of why there's \$167 million here and \$350 million there.

\* (12:10)

**Mr. Struthers:** The number that the member for River Heights references on page 109, the \$167 million, that's a combination of a number of things, including equipment, including interest and amortization of—that—they're spent through the health authorities. It's a capital number, on page 17 of the—on the other document, the \$350 million. So they're two separate numbers. One's related to equipment and interest and amortization, and the other one, as you can see on the map—or on the document, is \$350 million on capital itself.

**Mr. Gerrard:** I thank you—the minister for that clarification.

I would like to now go to the housing, which you have got \$333 million on page 17, and in the Housing and Community Development Department, of course, the whole department doesn't spend anywhere near that. So the question is: To what extent would, you know, where are the expenses on housing that are not, you know, listed in this book of expenditure and revenue? Where are they coming from?

**Mr. Struthers:** The \$333 million, 332 of which is capital, that is the authority made available through this budget and is flowed through the Manitoba Housing and Renewal Corporation, which is listed separately from—not listed on page 115 of the budget book in front of the member.

**Mr. Gerrard:** Okay, I thank the minister for that.

On the item list in parks and camping infrastructure, there is \$24 million listed, page 17, and yet when one looks at the Department of Conservation, what is listed there in terms of parks infrastructure is 14 million, 839 thousand. So I'm just asking for where the discrepancy is and where the extra 10 million is.

**Mr. Struthers:** Can you tell us what page you're—in Conservation you're looking at?

**Mr. Gerrard:** Page 60 on the budget of expenditure and revenue, in that book, and the number on page 60 is parks infrastructure, 14 million, 839 thousand toward the bottom of the page for this year, and the item on page 17 of budget documents 2013 is \$24 million. So I'm just trying to figure out where the extra 9 to 10 million is.

**Mr. Struthers:** What I can tell the member for River Heights is that the \$24-million number on page 17 accounts for more than just the parks number in the budget document. Cottage development, cottage—sorry, cottage lot development is part of that \$24-million number, the vast majority of it.

**Mr. Gerrard:** Yes, I'd like to ask about the Manitoba floodway and water-related infrastructure expenditures of \$48 million which are listed in the budget papers, page 17, and ask the minister just where that \$48 million is in this budget of expenditures and revenues?

**Mr. Struthers:** I do know that part of that \$48 million, well, in terms of capital is \$37 million, but part of that number is the floodway but there's a variety of projects that are in the Manitoba Infrastructure and Transportation that the member could probably get a more fulsome answer to in those estimates with that kind of detail. I know it's part of the Manitoba floodway because it's listed here on page 17 but for more specific detail on those projects, infrastructures in estimates is a good place to be.

**Mr. Gerrard:** Yes, I'd like to ask next about the assistance to third party, there's a \$123 million. Could the minister describe what that refers to and where that money would be found, you know, in this budget?

**Mr. Struthers:** These—that \$123 million can be found in various departments. They are capital grants that we, again, set the authority for and then departments work towards that authority. One that pops into my mind as an example, is Community Places, projects that are funded various communities around Manitoba.

**Mr. Gerrard:** In terms of, for example, the Community Places, when you look at—we know what the expenditure is—what—is all of that actually infrastructure or is only part of it? I mean obviously that's something that I would ask in more detail to the minister.

**Mr. Struthers:** I appreciate what the member said about getting more detail through the department and their estimates. What I can tell him is that all that would be reported here, and from finance's perspective is the actual part of Community Places that is capital.

\* (12:20)

**Mr. Gerrard:** Yes, and there's—again, on page 17 of the Budget 2013, there's \$71 million which is spent on public service buildings. I wonder if the minister can indicate whereabouts in this document, budget expenditures and estimates of revenues, that would be found.

**Mr. Struthers:** Yes, this can be found under Manitoba Infrastructure and Transportation, page 133 of the budget document. Under (a) general assets, it says (1) Government Services capital projects, \$112 million. The \$71 million would be part of that \$112-million number.

**Mr. Gerrard:** That's helpful.

Now, in the Agriculture, Food and Rural Initiatives section, page 41, there are listed here money spent on capital grants, which was \$9 million in 2013-2014. Can the minister indicate whether or not that would qualify as an eligible expenditure under the PST money and where it would appear on the—page 17?

**Mr. Struthers:** The \$8.998-million figure, if that qualifies as infrastructure it would be captured and it would be captured in—as part of the \$123 million under assistance to third parties. When we talked about assistance to third parties, I had mentioned that that net gets thrown over a variety of different departments; this would be part of that.

**Mr. Gerrard:** Okay, and on page 17 of the Budget 2013, there's a list of \$228 million for expenditures on university, colleges and public schools. In the budget—estimates of budget expenditures and revenues, under university, colleges, page 39, there's \$11.571 million; under Education, on page 73 there's \$52.9 million. That would add up to about \$64 million. Clearly, the \$228 million is a lot more than the \$64 million. Can the minister provide an explanation?

**Mr. Struthers:** The number that the member for River Heights, \$11.57 million on page 39, that is contained within the \$228-million number for universities, colleges and public schools. The bulk of that \$228-million figure, though, is infrastructure related to—further infrastructure over and above that related to universities, colleges and public schools.

**Mr. Gerrard:** Yes, and that further infrastructure would not actually use PST dollars, it would be money generated by donors or what have you; isn't that correct? I mean, I may be wrong, but—

**Mr. Struthers:** You know, I—donors money is separate from this. This is government infrastructure dollars to reach the authority of—that we've given that department of \$228 million.

**Mr. Gerrard:** Yes, let me move to the \$622 million, which is on roads and highways. The—there's a reference there—a word, preservation—does that mean maintenance of roads? Is that what is being referred to or perhaps the minister could kind of explain what's intended here?

**Mr. Struthers:** Yes, that is part of the \$154 million under Operating that is on page 17, so it's part of the 622. Four hundred and sixty eight is capital and the maintenance preservation is part of the \$154 million. You have this, right, Jon?

**An Honourable Member:** No.

**Mr. Struthers:** Oh, you don't. Oh, oh, I've—I'm sorry, I—that's what I thought you were working from. This is a—I'll make sure you get this too; it's what the member for Charleswood (Mrs. Driedger) had asked for yesterday and I distributed them. I'll be sure you get one too.

It's essentially what's on page 17 in your book there.

**Mr. Gerrard:** So the—what I'm interested in is the \$622 million. When we're looking at this book, the Estimates of Expenditures and Revenue, that perhaps the minister can help me relate this number 622 to the—well, let's start with the capital investment dollars which are \$507 million, in this—on page 133.

**Mr. Struthers:** The \$468-million number is found on page 133 of the budget book, it's under Infrastructure Assets, (1) Highways Infrastructure, for \$468,510,000.

**Mr. Gerrard:** Yes, but on page 17 you've got a number of \$622 million which is considerably larger than the 468.

**Mr. Struthers:** That's why I need to get this sheet into your hands as it's in the member of Charleswood's hands as well. Because it—\$154 million on top of the \$468 million is operating. So the question you asked about preservation and others, the \$154 million plus the \$468 million comes to the total of \$622 million.

**Mr. Gerrard:** Okay, so where precisely is the 154 operating appear in this Budget of Expenditure documents?



**Mr. Chairperson:** The hour still being 12:30, committee rise—[*interjection*] The hour, remarkably, is still 12:30, and the committee is still very risen.

### EXECUTIVE COUNCIL

\* (10:00)

**Mr. Chairperson (Tom Nevakshonoff):** Order. This section of the Committee of Supply has been dealing with the Estimates of Executive Council. Would the minister's staff please enter the Chamber, and the staff of the Leader of the Opposition as well, please.

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

**Mr. Brian Pallister (Leader of the Official Opposition):** Just to continue on some questions about Hydro and, I think, largely just because I'm of a mind that Manitobans haven't really engaged as much as would be merited by the expense we're talking about incurring as a Province on this project, I'm going to continue to raise some concerns raised, in the first instance, by some other observers just to give the Premier the opportunity to respond and to clarify the record in respect of some of these comments and concerns.

We'll start with a—that article which the Premier has now, I believe, by Jim Collinson, who was a strategic energy economy environment consultant, for two terms, president of UNESCO World Heritage committee. This is an article from the Winnipeg Free Press, January of last year, and in it he talks about a number of concerns related specifically to the World Heritage Site application. I guess I—just for background, I just wanted to go back. Is this World Heritage Site application, is it something that the Province of Manitoba is advancing, or who is actually advancing this application for a World Heritage Site?

**Hon. Greg Selinger (Premier):** The first instance, the communities on the east side which have formed this organization known as Pimachiowin Aki, which is translated into English as the land that gives life, is one of the proponents for it. And then, of course, the government of Ontario and the government of Manitoba are supporting the application, as is the federal government.

**Mr. Pallister:** Could the Premier elaborate a little bit on the degree of support of the government of Ontario and the government of Manitoba and the

federal government. Like, in what way are they offering support? Is it technical support or is it cash to the organization to assist them, or what's the nature of the support to the organization?

**Mr. Selinger:** The governments of Ontario and Manitoba, and I'd have to verify amounts, have provided some material support to advance the application. The Government of Canada, I believe, has endorsed it. I don't believe they put any cash into it.

**Mr. Pallister:** Like, what's the nature of the material support, I guess? What—again, is it technical support from people in our civil servants who are assisting them in some manner, or is it cash to offset their costs incurred in pursuit of the bid, or what's the nature of the material support?

**Mr. Selinger:** In the case of the government of Manitoba, the technical support is being offered by our officials through the Conservation Department, and I believe there's some financial resources being made available to the Pimachiowin Aki Corporation as well. And, in the case of the government of Ontario, I think they're similar. I think they're offering both financial support and technical support on the application because part of the UNESCO World Heritage designation goes into the province of Ontario. And the federal government, I don't believe they're offering any financial support, but I'm assuming that they must be offering some technical support because it has to be vetted by their Minister of the Environment's staff, and, of course, the minister himself has to sign on.

**Mr. Pallister:** Is there some type of agreement between—I'll just call them, Ki, I guess. I—how do we refer to this organization? I'll get the Premier to restate that title again if he wouldn't mind—Pimachiowin?

**Mr. Selinger:** Pimachiowin Aki. Aki, A-k-i. And it generally means the land that gives life.

**Mr. Pallister:** So could the Premier elaborate again, is there some form of agreement that—between the Province and Pimachiowin Aki, and also—I may as well lump these questions together just to allow better responses—Pimachiowin Aki, is it a group of bands have joined together to advance this bid, or how is it structured? Who makes up this organization or this group?

**Mr. Selinger:** Understanding is Pimachiowin Aki is a non-profit incorporation, and the five bands that are in the territory of the UNESCO World Heritage Site

are members of it. There has—in terms of an agreement, I'll have to check and see if there's a specific agreement between the corporation and the government. I do know that recently the governments of Ontario and Manitoba have signed an agreement to co-operate on the UNESCO World Heritage Site, and that was a signing that recently occurred between our Minister of Conservation and Water Stewardship (Mr. Mackintosh) who's also the Minister responsible for the Environment. And I believe it was the Minister of Intergovernmental Affairs for the government of Ontario, if not the Minister of the Environment. I think both were supportive, but I think the actual signing occurred with the Minister of Intergovernmental Affairs for Ontario.

\*(10:10)

**Mr. Pallister:** If it would be possible, I'd like to review a copy of that agreement. If that could be made available, that'd be great.

And, secondly, just in terms of the—you know, I have very little depth of knowledge on the nature of these UNESCO bids and how long they take. I understand sometimes they can take quite a while. So it'd be interesting to know the length of the agreement, given the political realities of Ontario, currently. We want to make sure that there was a long-term commitment, or we would hope there'd be a long-term commitment to the project, as it may take quite a while to achieve the goal, end goal. I guess I would just ask if we could have a copy—agreement and also the Premier could comment on that if he would.

**Mr. Selinger:** We'll undertake to table a copy of the agreement with the Leader of the Opposition, and I'll ask my staff to get that for him.

The length of time for an application, there's no—it's variable. It depends on the application process details. In this case, it's a double-barrelled application; it's applying for both cultural and ecological status as a site of outstanding universal value. That's one of the key criterion of any application, that it has to have outstanding universal value. And, usually, it's only on one criterion; in this case it's on two criteria, both cultural and ecological. And there's separate processes for how each of those dimensions or each of those criteria are evaluated, and recently they came back to us and they said that they needed to rationalize those two processes so that they're in—more in harmony with each other. And that was a responsibility UNESCO felt that they had

to take on to themselves, to simplify or co-ordinate better their process. So it's a unique application, in that it's both seeking UNESCO status on both cultural as well ecological grounds, which makes the application process more complicated and has resulted in further review to be conducted by UNESCO and another site visit this year.

**Mr. Pallister:** Just to back up for the sake of clarity, I had asked if there was some form of agreement, and I'm sorry if I didn't stipulate my request, but I'm not clear. There is an agreement between the government of Ontario and the government of Manitoba to support the project, and that's okay, thanks. I like this when we can just communicate without you—nothing personal, Mr. Chairman.

But on the other issue of an agreement with Aki, is there an agreement between our provincial government and that group as well?

**Mr. Selinger:** I'll undertake to verify if there's a formal agreement. I know that there's been close support from our officials with the Pimachiowin Aki Corporation to advance this application. And I'll verify whether there's any kind of written agreement that goes along with that. But I know they've worked closely together to advance this application.

**Mr. Pallister:** Great, if there is such, and I'd also—I'd appreciate a copy of any agreement that's been signed.

In terms of the governance of Pimachiowin Aki, and knowing that there can be turnover in terms of band leadership, and that—because of the—in part because of the frequency of elections, I think. In any case, is there a structure for the organization, a governance structure of some kind, that we—with some ongoing representation from the bands, or how is it determined who is in the leadership role within the organization itself, advancing the bid?

**Mr. Selinger:** I'll undertake to make more information available as to how the governance structure works for Pimachiowin Aki. Usually, non-profit corporations are—select their board of directors through their membership, and the specifics of that I'll have to make available through this discussion we're having today.

And, for greater clarity, there is an agreement between Ontario and Manitoba on co-operating on Pimachiowin Aki, which has recently been signed. And, as I said earlier, we'll see what the nature of the relationship is, in terms of formal agreements between our government officials and Pimachiowin

Aki, but certainly there's been close working co-operation to advance the application.

**Mr. Pallister:** So just again, for clarity then, the governments have agreed to support it and act in support of Pimachiowin Aki in terms of their efforts. Like, they're driving the application—that organization. We're in support of them, or is it a tripartite kind of structure? How does that work, in terms of pushing for this?

**Mr. Selinger:** If everybody's working together on it to advance the application, and I think part of the UNESCO review process is to ensure everybody's working together and is on the same page in terms of advancing it.

**Mr. Pallister:** Thank you for that response. Just an editorial comment, but I know one of the challenges in pushing for a number of issues working with First Nations communities is this frequency of elections, so I plant that seed with the Premier that I think that's a reform that's long overdue in terms of the number of elections First Nations communities have to go through. And a number of the communities have already tried to take steps, but it's something—I'm looking for some common ground on this one, but I know with a number of these organizations the rapid turnover of people with some experience. Unfortunately, the frequency of elections on reserves—it is—can work very—can be very counterproductive to the long-term goals that we share. So, maybe the Premier would like to comment on that if he wants.

**Mr. Selinger:** I think the Leader of the Opposition is referring to the requirements of the Indian Act in terms of elections in First Nations communities, which I believe require elections every two years, and that is federal legislation. It's very, very old legislation that there's been many calls to reform. And these elections every two years do have the potential to create turnover at the governance level which can create challenges for all forms of governance, including governance related to other projects such as the one we're discussing.

**Mr. Pallister:** In reference to some of the concerns raised by Mr. Collinson in his article, I'd like the Premier to respond to this one aspect of the article itself and the concern that was raised here. It talked about—well, I'll just generalize because I don't know if I can find the exact paragraph, but I think he was saying that the opportunity with respect to bipole line on the east side to work in conjunction with the road would create greater job and economic growth

opportunities for communities through that region. The Premier had remarked yesterday in our discussions that there were some communities who expressed opposition to a bipole line. Mr. Collinson asserts in his article that a number of the communities may or may not have opposition to it. I guess my question is more along the lines of: Is there—was there some, or is there some consideration for the economic advantages of advancing the bipole construction project? Was there some consideration of the relative economic advantages that might occur to communities and residents through that area of that construction project on the east side?

**Mr. Selinger:** As I indicated earlier, the east-side communities were consulted and they were concerned about the bipole being on—overall detrimental to the future of their communities and their territory—their traditional territory. So that was something that they had major concerns about and expressed that through these 80 community meetings that were held, and I described them yesterday as including elders and youth as well as the community leadership itself.

I think one of the things that needs to be addressed right now is that commentators have said consistently that it would be cheaper to put a bipole down the east side versus putting a bipole down the west side. I don't think that that is actually a fact. I don't know that that's the case because, first of all, there's no question that it would be controversial to put the bipole down the east side, and if one can look at the experience elsewhere, on the lower Churchill project in Newfoundland, Labrador—Nalcor Energy and the province of Newfoundland were planning to build a 40-metre high transmission towers through the Gros Morne UNESCO site from the lower Churchill hydroelectric project, and the premier of the day, Premier Danny Williams, was willing to risk losing the Gros Morne National Park World UNESCO designation heritage status. But a public outcry resulted in Newfoundland having to reverse its position on that, and Premier Williams said he'd reconsider it because he didn't want to create an eyesore in the park or threaten its UNESCO World Heritage status. So an alternative route was chosen to avoid that controversy with respect to the World Heritage Site in his area.

\* (10:20)

So it's an example of how, sometimes, the assumption that you can do things cheaper and faster may not, in fact, be the case. It could be exactly the

opposite. It could cause you greater delays, and as a result of greater delays, greater costs.

And then, of course, in the consultant's report that we discussed yesterday by, I think it was CMC consultants, the consultant's report said there's a reputational risk to the corporation as well which could damage its reputation in export markets and result in either a lack of interest in energy sales or a reputational risk that might reduce the value of energy sales.

So these were some of the risks that were identified in proceeding with an east-side route.

**Mr. Pallister:** So when was the original UNESCO bid advanced? Is there a—was there a date on that we could work from? How long has this been in the planning or in the offing?

**Mr. Selinger:** I'd have to get the specific dates for the Leader of the Opposition, but I know it was discussed prior to the 2007 election because it was an issue that was part of the election debate on part of the public policy discussion as part of the election of 2007. And the Progressive Conservative parties were opposed to the proposal to advance the UNESCO World Heritage designation and routing the bipole outside of the UNESCO site area. And the NDP government of the day was in favour of that, and the election returned the NDP government to power which was considered a mandate to proceed with what they proposed, which was proceeding with the UNESCO World Heritage designation and routing the bipole elsewhere.

**Mr. Pallister:** So, in advancing this, though, was there consideration or was there inclusion of the reality of the east-side road construction? Because, again, a road construction would naturally have a greater impact than would a hydro line, would it not, in terms of affecting the environmental integrity of environmental integrity as an issue. How would the presence of—additional presence on an ongoing basis of road construction—and we hope completed road project at some point—affect our opportunity to have a successful bid?

**Mr. Selinger:** Again, I don't know that we should assume that a road is necessarily more detrimental to a UNESCO World Heritage designation than a transmission line. It's a wide corridor for an industrial transmission line.

The difference is is that the road is something that allows communities that are increasingly isolated because of climate change reducing the

length of time that you can keep winter roads open shrinking the window of opportunity to move goods and services into the area through winter roads, and the road is considered something that allows communities to have access to goods in a way that other Manitobans have come to expect. It is true that roads always raise questions about whether they will have an impact. The winter road has tried to follow—the all-weather road has tried to follow, where it can, the path of the winter road, except, of course, where it transverses ice and lakes that were used in the past. Although the all-weather road is attempting to provide access to communities that have been historically isolated for decades and decades with an opportunity to have those services.

But I think one of the things that we have to acknowledge is that a winter road combined with a transmission project through the east side would have more impact than a winter road—or an all-weather road by itself or a transmission corridor by itself. But the communities themselves have identified the all-weather road as being an important component of their ability to be able to essentially feed their communities and provide fuel to their communities at a time when winter roads are having an increasing difficulty remaining open for a sufficiently long time to get goods into those communities.

And we've seen in the past few years where the early spring has resulted in emergency supplies having to be flown in at a much more expensive cost to the federal government for flying those supplies in, and a more expensive cost to taxpayers everywhere because the winter roads were not available. But they needed fuel. They needed food in those communities. So the all-weather road is an attempt to overcome those kinds of risks for those communities and provide them with some ability to have access to those goods on a more consistent and reliable basis.

**Mr. Pallister:** Having grown up where I grew up, I don't think there'll be any disagreement here about the importance of being able to be connected to the rest of society by way of a road, so that's not the reason I raise the issue. It's in the context of the UNESCO bid and what the effect might be on it of the presence of this new road construction, and that was really what I was asking, I guess.

What is the—if any, what is the impact likely to be on the UNESCO bid of the proposed road construction? What has been undertaken? What is

planned to be undertaken in the future? Is that a danger to the awarding of the UNESCO bid? Not awarding of the bid, awarding of the designation, I mean to say. Thank you.

**Mr. Selinger:** Yes, the—a road always is a discussion point in any application to protect an ecological site, and in this case we're referring to southern boreal forest. And so it is one of the factors that is considered, and the community has made the case that it's integral to their ability to survive and to have access to goods that they need as a community. So they have made that point with respect to not only the need for the road but the—why it's something that it's part of their UNESCO World Heritage application. There could be some views that the road may be problematic in a UNESCO World Heritage designation, but the communities themselves have said that, we think the road is essential to our ability to have access to goods and services in a context of climate change, and the UNESCO heritage designation they also support because it does protect the overall integrity of the east side.

And one of the things that came out of the report that was done by CMC consultants was, and I quote, on page 8: Clearly, the east side has greater existing ecological integrity than the west side. The west side has a 90-year history of mining, forestry, hydro-electric development and associated infrastructure of roads, rail lines and cut lines for geophysical exploration. And it goes on to say, on page 7, in very broad terms: A west-side routing will traverse approximately 760 kilometres of rural landscape from The Pas to Riel. An eastern routing would traverse 800 kilometres of forest from Henday to about the Winnipeg River and 85 kilometres from there to Riel. The forested areas of the west side are much more intensely developed than the east side, with roads, rail lines, geotechnical survey lines and transmission lines as well as forestry and mining operations. So that was the point that was being made by the CMC consultants when they reviewed this matter on behalf of Manitoban Hydro.

The other thing that was said—and I'm just quoting on page 12—was, from the CMC report—consultants' report, the western corridor options provide opportunities to follow existing transmission lines, rail lines or highways for most of its length.

**Mr. Pallister:** Well, I'd appreciate a copy of that report if I could, because I could follow along with you on what you're citing there. I asked for that yesterday.

But I guess that raises a few other questions concerning this. If the overarching goal is to preserve boreal forest and that's deemed to be essential, at the same time there is boreal forest on the other route. How much difference is there in the amount of boreal forest on the projected west route versus the east? Is there a—is it a considerable difference? Is there a lot less forest to protect on the west side, or is it just the fact that the bid for the UNESCO site is on the east side? Is that the difference here?

\* (10:30)

**Mr. Selinger:** Without—I think the gist of the differences is that the west side is a more developed and more sliced and diced boreal forest with more mining, more economic activity, more roads, more hydro transmission, more communities that have road access. The east side—and I think I quoted it earlier—is an integral intact boreal forest, and one of the things I've said elsewhere is that protecting large landscapes is of global concern. This is a 33,000-square-kilometre tract of intact boreal forest for the most part. And the only—as I understand it—the only area of boreal forest protected in North America is in the order of 2,000 square kilometres, and experts believe you need about 10,000 square kilometres to have an integral piece of intact boreal forest protected. So the 33,000-square-kilometre application has probably the most significant contribution to make for a large landscape preservation scheme for boreal forest in North America and perhaps globally as well, which is why it has outstanding universal value. And that's one of the cases that's being made in the application that's going forward to UNESCO.

I've an extra copy of the consultant's report on bipole transmission routing, prepared by CMC consultants in September of 2007, and I'd like to table it now, if I could, for the Leader of the Opposition.

**Mr. Pallister:** Yes, I thank the Premier for that, I appreciate that and I'll read that with great interest.

Is there a copy—I don't have a copy of the bid document. Is there something—is there a bid document that we forwarded that I could have a look at, too, and review?

**Mr. Selinger:** Yes, there is a bid document and we'll endeavour to get a copy and table it at this—at these proceedings and make it available to the Leader of the Opposition.

**Mr. Pallister:** Yes, I appreciate that as well.

The—I understand a little bit of the—there's sort of a trade-off, I understand, with these—well, there's been a trade-off for a long time with respect to park designation or protected lands. The trade-off being we can protect the lands, but if no one can go on them, then, really, why did we protect them, and, you know, that debate. And I'm over-simplifying it, but there's always that debate through the history of national parks throughout, you know, our part of the world and throughout North America and Europe. And I'm just—that's why I'm interested in seeing the bid, to ascertain to what degree do we hope to develop economic opportunities for the residents in the area or in terms of things like tourism and things like that. How do we hope to advantage Manitoba with respect to the park designation? Maybe the Premier could elaborate a little bit on the vision there.

I expect that, when I read the report, I might have further questions on that aspect of things, but let me give the Premier the opportunity to respond to that.

**Mr. Selinger:** Yes, I think that is an important question. UNESCO World Heritage designation does create the opportunity for some tourism activities—ecotourism, which is the most rapidly growing form of tourism around the planet. There's great interest among citizens of our planet in ecotourism. There is a tension there, obviously, in terms of an ecotourism site being protected and the cultures within that site of how you manage the tourism experience so as not to create additional and undue risks to the ecological value—of the outstanding universal value of the ecological site. And, in that regard, the road is part of that; the road could provide additional access into that area, and so would have to be carefully managed by the people that are responsible for the site.

And, when I've visited other UNESCO World Heritage sites, it does attract a lot of tourism, but at the same time they have to manage that tourism experience in such a way that the integrity of the site is preserved. So it's a balancing act and it requires good governance and it requires the co-operation of the governments that are supporting these applications to be part of that process.

And one of the things we have is a broad-area land-use planning for that area in legislation, which allows First Nations communities to develop land-use plans, which provide additional protection to the area and give a clear indication of how the land should be used and developed.

**Mr. Pallister:** Yes, I would just—I would add that my wife and I have been privileged to travel to some of these designated sites, and I'm even quite excited about this bid, quite frankly, and it is a delicate thing that one goes because one wants to see the pristine nature of the place, but one has to be able to get there too. And so that balancing act is—it's important to get it right. And the destruction of a natural environment that has—had appeal in the past is in no one's best interests.

On the issues around the west side, though, there are—there seems to be a fair bit of concern about disruption as a consequence of the line going on the west side. There've been a number of groups and individuals who have raised concerns about the impact it will have on their lives having been in there. And yet we've talked about balance and trade-offs. Of course, having the line on the east side would create—not according to Mr. Collinson—I'll go back to that for a sec.

He suggests that a line located in closer proximity—in the middle column, Mr. Premier, about half way down, a third of the way down—oh, the article is—what if—I did this first one—yes, he just—he—right, I don't know if that I would say recommended, suggests that it could be debated, that a line going along the east side but taking a strip—about two thirds of the way down—move the boundary at the proposal about 15 kilometres from the lake, put the bipole line and road within the corridor, concentrating routes of any type within a corridor makes more sense than several corridors and is certainly more realistic than loading future Manitobans with debt, et cetera. That was his comment.

And I just—I wanted to give you the—give the Premier the opportunity to respond to that suggestion.

**Mr. Selinger:** I'm looking at that paragraph, moving the boundary—just above it, I think that paragraph is very interesting as well. And it says an all-weather road does much more damage along its route than a hydro line. That's his argument, I'm not sure that that's correct, actually, because a transmission corridor is actually much wider than an all-weather road.

But no one would argue against the need for communities to—of the east side, or it says to the east side of Lake Winnipeg to have more reliable transportation at a time when climate warming is rendering winter roads useless. So he underlines that there is a real significant rationale for a road when

winter roads are becoming useless through climate change.

In that proposal to move the boundary is one that Mr. Collinson's recommending, I do recall having conversations with Hydro and they were not actually of the view that on low-volume roads that transmission lines should be close to low-volume roads, they would actually prefer some separation for security management reasons. They're more comfortable with hydro transmission lines being along roads that are more heavily used because there's a greater number of eyeballs on what's going on out there. So there's that sort of quantity issue here in terms of how heavily these roads are used.

So the assumption that the bipole could be properly placed beside an all-weather road was not necessarily one that Hydro was supporting at the time. There have been some changes in senior management but, at the time, they weren't recommending that necessarily. And so that's one of the considerations that has to be put in place.

I mean, Mr. Collinson has his views, he's expressed them in writing in the Free Press and those views are views to be taken into account. The reality is, is that it seemed that there was less risk to a west-side road because the area is already more developed, less risk to the boreal forest, the intact boreal forest, more development, more economic activity on the east side, more roads, more mining activity, a greater breaking up of the boreal forest on the west side, which does not allow it to remain intact as an ecological system with integrity.

And so reducing those kinds of impacts on the east side seem to be an important part of what the community was advocating and which would help make the case for a UNESCO World Heritage designation. It was felt that putting a transmission corridor through the east side would undermine the ability of getting the world-UNESCO heritage designation. They, of course, will take a look at the impact of the road as well, but the community that's advancing the application through the Pimachiowin Aki Corporation is making the case that with climate change and with the rendering—as Mr. Collinson says of winter roads as being useless, that there is a need for access of reliable transportation.

So they have to make that case, as the Leader of the Opposition has said, UNESCO designations do attract interest around the world for ecotourism and so the road would provide some additional access there.

But it's an issue—it's a delicate and fine balance and it has to be managed carefully and which is something governments need to do in support of these First Nations communities. But they've also put in place land use plans, broad area land use plans, under provincial legislation which provides protection that has never been put in place before in terms of planning and land use planning.

\* (10:40)

So there are protections that have been put in place through law, and these plans have been submitted to the UNESCO review committees to ensure them, to give them a greater comfort that the UNESCO area that's being designated has additional protections that have been put in place through participatory planning processes by the First Nations communities, under law, put in place by the government of Manitoba.

**Mr. Pallister:** The Premier alluded earlier to the possibility that it might, the cost difference might not be as great. Has there been some—was there some detailed analysis done of the cost estimates by Manitoba Hydro that we could have a look at?

**Mr. Selinger:** I would have to check with them and certainly they're available for that kind of discussion through the standing committee on Crown corporations or through the minister directly. I don't have the information in front of me. I can check and see what they've got.

But one of the things, I think, in the CMC consultants' report, if I can find the reference here, he did indicate that environmental—on page 1 of the document that I've tabled with the Leader of the Opposition, on page 1, he quotes, environmental opposition on the west side of the province is less likely, much likely—much less—is likely much less than opposition on the east-side route. On east—and then on page 26, he indicates, the CMC consultants indicate, an east-side transmission corridor could develop into a cause célèbre. And then he says, on page 26 as well, if an east-side route location develops into a confrontation, First Nations and environmental groups versus Hydro, it will draw national and likely, international environmental groups. This creates a risk to the province's reputation. Decision making and licensing processes will become more onerous and lengthy. A cause célèbre also potentially creates an economic risk related to export energy markets. And then, on page 26 and 27, it goes on to say, the risk of creating a cause célèbre derives in part from the fact that the

east side has achieved national and international recognition. This was reinforced by the UNESCO proposal, by way of which Parks Canada has recognized the east side as a place of outstanding universal value. Being added to Canada's tentative list for World Heritage Sites is a prestigious place to be. Page 27 also says, the east side is a prominent place on the websites of major national and international associations. And then on page 28, the report indicates: Could a cause célèbre involve more than public tension? Is there a risk to energy exports to the United States? Potentially, this could come by way of legislation in US markets where the wind energy and/or coal lobby coupled with environmental groups could manage to successfully block energy imports from Manitoba.

So those are just some of the quotes that are indicated in the report I've tabled with the Leader of the Opposition.

**Mr. Pallister:** The—so, that section highlights the concern that environmental groups could organize opposition to our exports from Manitoba into US markets, so as a consequence that would be an influence in choosing the west-side route.

Okay. In terms of the, but the boreal forest on the west side is smaller so that's not an issue and there's no bid, no UNESCO bid emanating from the west side, just—be farmers, rural communities, and some other economic activities on the west side. Okay.

So the potential was raised yesterday by the Premier, the potential for possible legal challenges and that might draw out the process and delay it somewhat on the east side, but how many First Nations are involved on the east-side route versus the west-side route as proposed? Is it a similar number? Is it a much smaller number for the west side?

**Mr. Selinger:** I'd have to check the numbers for the member. I do believe there are many First Nations, including the Metis community, as well as non-First Nations and non-Metis communities that are—have the opportunity to make representations to the Clean Environment Commission about a west-side bipole transmission routes and I think Manitoba Hydro has taken into account many of those considerations and representations that have been brought forward and have tried to adjust the route accordingly.

I do want us to spend a little time just explaining the potential risk for our export markets, and I want to give—just tell a little bit of an experience I had as

Minister of Hydro when, at one point, the elected politicians in Minnesota passed a specific law in their assembly that required Manitoba Hydro to report to them about the flood mitigation and flood compensation activity in northern Manitoba, as a result of energy that had been developed in the '70s that had widespread flooding. And, as the member could understand, for a government in another jurisdiction to pass a law singling out one energy supplier for accountability to their legislature is highly unusual and probably improper. It's like Manitoba requiring Minnesota to report to us—Minnesota Power to report to us. It's usually not done, and it's usually ultra vires, in terms of our jurisdictional capacity, to levy those kinds of laws. So, as the minister, I went down there with our now current Deputy Premier, Eric Robinson, who is the Minister of Aboriginal and Northern Affairs, and we had to make representations to the house of—the elected officials in the assembly—

**Mr. Chairperson:** Order. The Premier is not supposed to refer to members of the Legislature by their names, only by their titles.

**An Honourable Member:** Well, I did put the title on the record, so I think that's clear as well. Thank you for that clarification.

The reality is, is that this law was sort of driven by activity on the part of both Aboriginal and environmental groups present in Minnesota, that they were concerned about how Hydro was reconciling and dealing with these long-standing issues in northern Manitoba. And one of the things I found that provided them with some relief to their concerns was they were not developing hydro by flooding first and compensating later. We're developing it in partnership with First Nations now and we address adverse environmental impacts as part of the process of developing new hydro generation, and we're developing low-head dams as opposed to higher dams, which have more flooding. And this was part of our attempt to demonstrate to export customers and legislators in export markets that we're having a different model of development for hydro.

Subsequently, I was able to be present at the Copenhagen climate change conference—I believe it was in the fall of 2009—and made presentation about how we're moving forward on hydro development as well as UNESCO World Heritage designations. And I did have people that were legislators in Minnesota approach me and say that they were developing a greater level of trust in our jurisdiction and in our



Crown corporation providing hydro, because of the new approach we're taking on environmental mitigation in partnership with First Nations and the UNESCO World Heritage designation.

So I do have to say to the member opposite that those risks are very real in export markets about the reputation of the product and how we develop the product and how we proceed on things like UNESCO World Heritage designations and where we put transmission lines. And I know, in the past, the opposition, before the leader was present, used to belittle those issues as being of no great consequence, and we should not pay much attention to them. I would submit, respectfully, that they do have to be taken into account.

Any business has to ask themselves in the selection of how they provide a product, including transmission routes, what will be the reputational impact on their product in the markets where they're selling it. And Manitoba provides Minnesota with 10 per cent of its hydroelectricity, so these are important considerations. They're not the only considerations but they're important considerations at a time when climate change is growing in importance.

And I would also say to the member that since a lot of these events occurred, we're seeing a lot of discussion going on about the XL pipeline, and we know the XL pipeline is currently under consideration by the American government at several levels, whether state or at the federal level, and the XL pipeline, to say the least, is controversial from a climate change perspective. Now, I don't believe Manitoba Hydro is—has—I think it has a much better reputation. It does not have carbon emissions associated with heavy oil that's being moved through the XL pipeline, but I don't think we want to invite that kind of international controversy for our product to Manitoba Hydro, which has a good reputation.

And so I've been in the United States, in Washington, with Manitoba Hydro and with some of our customers down there, to make the case to the American legislators and Congress members that they should consider Canadian hydro as part of their clean energy strategy because of the way we're doing it now, which is different than the way we used to do it. We're doing it in a much more environmentally responsible way, and we're doing it in a way that it has a good reputation. And so these are important considerations as we develop our ability to generate wealth in Manitoba and grow our assets for the future prosperity of the province of Manitoba.

\* (10:50)

**Mr. Pallister:** Well, it's important to also to understand, and I appreciate those comments, that the previous administration, which the Premier too frequently derides, was also very instrumental in cleaning up a lot of the consequences of a poorly thought out hydroelectric project by an administration prior to them and signing agreements with bands to rectify the situation and give fair treatment to them, and that actually has played a role, I think, in enhancing our reputation in this province as a government that does play fair with people and does respect their rights as landowners, if you will.

I am—I think it's instructive that we're talking a lot about an American lobby movement because if their—if we take their lobbying very seriously, we should also understand that their arguments have to be genuine and real and based on fact, not fancy. The—when the former president of the UNESCO World Heritage Committee asserts that a hydro line would not be detrimental to a bid for a UNESCO heritage site, that does carry some weight, certainly with me.

But my—I'll go to export markets now and ask a few questions in respect of that, if I might. The primary export market is, of course, the Midwest, and we note—and I'm back now, Premier, to the—I'm sorry, Mr. Chairman, I'm back now to referring to the Public Utilities Board document, which I believe the Premier has.

It says in this document, from the chart on—now this is in section 12, so it would be on page 38. It is apparent that from integrated financial forecasts, the average export price forecast has dropped by about 3 and a half cents a kilowatt hour for the entire period, until 2030-31. This represents revenue decreases of more than \$120 million a year until 2019-20, compared to integrated financial forecasting. Beyond 2024-25, it represents an export revenue loss of more than \$200 million a year. And after 2024-25, the reduced export revenue would be about \$300 million a year.

This is from the Public Utilities Board document in the section on export markets. I'd like the Premier to comment on that. What is that loss attributable to? And does—is he have concerns about this—these numbers?

**Mr. Selinger:** I will get to that.

I just want to put some additional information on the record with respect to hydro transmission and

UNESCO World Heritage designation. The member has just stated that he puts a lot of weight on the comment from the commentator in the Free Press, Mr. Collinson, that the transmission line and the UNESCO heritage designation could occur on the east side at the same time.

In a world heritage boreal zone workshop in 2003, there was praise for the current site, but they also cited proposed hydro corridors as a threat to the UNESCO designation. So that's what other folks have put on the record that are involved in world heritage boreal zone designation activity.

The other point that he had made before was that somehow the government was interfering with Manitoba Hydro by tabling the letter that we've had from 2007, and I have to say to him that the Crown Corps Council of Manitoba, a body put in place by the previous Progressive Conservative government, they recommended that the government—and I—it's in a document that I can table as well, Corporate Performance Measurement and Reporting. It's a document that was put forward in April 2001. They said that government should clearly articulate public policy goals to each Crown corporation, as this is the foundation of effective strategic planning and performance measurement and reporting.

So that letter that was tabled in 2007 with Manitoba Hydro so they could make proper decisions was one that was recommended by the Crown Corps Council as good governance practice in terms of the relationship between the shareholder and the government business enterprise.

On the PUB report, which I haven't seen yet, it hasn't been tabled. I don't believe that report has been tabled here? No. So we haven't seen that document. So it's a little difficult for me to comment on that. I'd asked yesterday if that could be tabled. We haven't seen it yet. So, now—

**Mr. Chairperson:** The honourable Leader of the Official Opposition.

**Mr. Pallister:** I'm sorry, Mr. Chairman. That's fine to quote an observation from a committee member in 2003, but I'd be interested to know what that same committee member would say about a road. And it's—there's a difference, I think, in terms of the Crown Corporation quote you—the Premier cites, it's—there's a difference between outlining goals and outlining outcomes that are specific in nature. So I would think one could argue we could have a discussion on that

another time. But I would think one could argue that the directive was clear in that communication.

In respect of the—

**Mr. Chairperson:** Honourable First Minister.

**Mr. Selinger:** I would have to say that's a misinterpretation of the letter. The letter stated our broad public policy goals. It did not direct them to do anything other than to take into account the views expressed by the government.

**Mr. Pallister:** We'll agree to disagree. The letter's very clear on the preference for a specific route to be taken by the bipole line, and there's no fuzziness about that. So I don't think that that would be in the category of a general goal; that would be in the category of a specific directive as to a location of a hydro line—see if you can find the relevant sections.

I want to ask, though, my earlier question was pertaining to the nature of our export—potential export losses according to Public Utilities Board. I hope that the Premier has that document, and I apologize for not having that copied and available in advance. It's on page 40–39 and 40, I'm sorry. At the bottom of page 39 references these—that the forecasting that was used in the—and I'm taking this as the integrated financial forecast of Manitoba Hydro—the PUB is commenting that the actual export price forecast has dropped significantly and, therefore, it outlines potential losses for a number of years to come.

And, again, I'm just asking the Premier to comment on that if he has some concerns about that because we are talking about—of course, earlier the Premier referenced quite rightly the need for us to have export markets in, you know, in Minnesota and other—elsewhere. But I'm just concerned that the export markets that we may develop will be at lower prices considerably than what was projected back a few years ago.

**Mr. Selinger:** I just have to put on the record the language that was used in the record of the 2007 letter. It said: We would encourage the corporation to move ahead with required consultations and planning for an alternative Bipole III route. Encouragement is not a directive; it's an encouragement, and I think that is an important distinction the member—I'd ask the member to take account of in his characterization of the letter.

I still don't have this document. The question of whether the price point has changed: No question,

the discovery and development of shale gas has created an opportunity for the American economy to be more independent in terms of energy. And that's a positive thing for the American economy, and if it's a positive thing for the American economy it probably will have positive repercussions for the Canadian economy, generally, and the global economy in that respect as well.

However, as I indicated yesterday, our customers have said that they still think natural gas is one source of energy, one they're not rejecting out of hand, but they want a diverse base of energy alternatives for their customers, and they've put hydro as one of the products that they have a great desire to have as part of their portfolio. And they still think that even natural gas, in the context of a global awareness of the impacts of climate change and the fact that the overwhelming weight of scientific evidence is now swinging heavily towards the reality that there are human causes to climate change, human-generated activity that is increasing climate change activity on our planet, that there will be some measures put in place by the American government that price carbon or otherwise control carbon emissions in their jurisdiction.

\* (11:00)

So they see a risk in becoming overly reliant on shale gas or natural gas as the exclusive way to develop future energy products. And they're under some mandates, as a matter of fact, within their own jurisdiction of Minnesota, to develop renewables as part of their portfolio. And they have a certain threshold—I'd have to check the amount, but I think it's in the order of 20 per cent. I'll have to check that. But they have a renewable portfolio that they're required to develop, and they're making the case that Manitoba Hydro energy should be part of their renewable portfolio, or at least not included in the base upon which they have to develop their renewable portfolios. So, if Manitoba Hydro is not included in the base, it reduces the amount of renewables they have to develop. And they've additionally made the case to having Manitoba Hydro as a source of energy in their market and in their energy portfolio mix, allows them to develop more renewables, because, as I was explaining yesterday, when you develop wind power, for example, by having a relationship with Manitoba Hydro, you can store that wind power within our dam system, which is a big problem with any kind of intermittent renewables. Intermittent renewables are great when the wind's blowing or the sunshine—sun

shining, but they're not as useful when they're not, when the wind's not blowing and the sun's not shining, then you're not generating energy.

And so, when you're generating energy and you have a surplus of it, you require a place to store it, and Manitoba Hydro can provide that. We have one of the largest batteries in North America through our dam system, and that creates extra value for Manitoba Hydro in being able to make arrangements with our customers to store their wind power in our system, at the same time as they use Manitoba Hydro as base reliable power. That base reliable power allows them to build their intermittent renewable portfolio on top of that. And I've recently been told that the State of Minnesota is now legislating a requirement for 1 and a half per cent of their portfolio to be solar power, which is not as price competitive yet as Manitoba Hydro.

So the—Manitoba Hydro believes that developing hydro for export is still something that will generate the benefits to them and generate a stream of revenue which will pay down the capital cost of building those facilities, which will then allow those facilities to be available for domestic consumption when required over the next decade, in a way that would be more cost effective for Manitobans and Manitoba businesses and citizens.

**Mr. Pallister:** I'll just begin by going back to that letter, and not to nag at the Premier, but it is from him to the chair of Manitoba Hydro. And it does say in the last paragraph: It is the policy of the Manitoba government to make its government decisions about development on the east side in a manner consistent with the above-noted commitments and initiatives. The Manitoba government does not regard an east-side Bipole III as being consistent with these commitments and initiatives.

I don't think you need to get much clearer than that. That's an directive as to the preference for something other than an east-side route. I don't think we need to play games with language here. It's a directive.

In respect of the concerns that the former minister, Mr. Sale, has raised, he speaks about diversity—diversification of our energy assets, and I think the Premier is quite right in his observation that the US customer is diversifying their supply of energy really well. I think they're doing it using our low-cost Manitoba hydro as the way to do it. So, quite frankly, short-term pain for us—I hope it's only short term, not long—and long-term gain for them.

What Mr. Sale is saying, and this is just from an article he wrote, January 19th of 2013, where he said that he proposes—or he states, and I'll just quote this—I can table this too: In the plainest terms, Manitoba Hydro's failed to make a transition of what Manitoba really needs, a Manitoba energy corporation. If we had an energy corporation, it would have divisions, each one a profit centre. And goes on to speak about the things the Premier has just spoken eloquently about, the need for energy diversification and so on.

I wonder if the Premier would like to comment on this, just, again, because, Mr. Sale is expressing a concern, I guess, in a sense—I don't want to oversimplify his point, but I think he's suggesting we're kind of putting all our eggs in one basket. And I wonder if the Premier would like to comment on this—his concept—Mr. Sale's concept, of a more diversified energy corporation.

**Mr. Selinger:** I'd ask the Leader of the Opposition to table that letter, so I can peruse it and understand it.

And not to parse words, but I do want to return to the 2007 letter. And the member read into the record the last paragraph, and the last paragraph does say: It is the policy of the Manitoba government to make its government decisions about development on the east side in a manner consistent with above noted commitments and initiatives. So it refers to its own policy and it talks about the above noted concerns that were put out that says an east-side route would dissect boreal forest that is significantly intact and of high ecological integrity. An east-side route has strong potential to undermine First Nation-led efforts to achieve UNESCO World Heritage designation. An east-side route would be a suboptimal choice in terms of habitat for the threatened woodland caribou. There is already significant demonstrated opposition to an east-side route which has the potential to translate into a long and divisive licensing process with unbudgeted costs and delays, i.e., more expenses.

And an east-side route would present significant threats to corporate image, including in export markets. And pursuing an east-side route for Bipole III would require that detailed routing work be carried out in advance or concurrently with First Nations land use planning. This is clearly at odds with Manitoba's commitment to an approach of careful upfront planning first.

So those were some of the concerns that were identified in us, as a government, saying that we're going to try to develop our own policies consistent

with those issues identified that I just read into the record.

And the last sentence in that paragraph was, we encourage the corporation to move ahead with required consultations and planning for an alternative Bipole III route. So the member may want to call it a directive; the word directive does not appear anywhere in the letter. The word order does not appear anywhere in the letter. The word encourage is the word in there, and that is an appropriate responsibility on the part of a shareholder to a government business enterprise, to encourage them to look at alternative routes in view of these larger concerns that I have just read into the record and that were part of the letter.

If the member thinks that a shareholder or a government should not encourage its Crown corporations to look at alternative routes, I'd like him to put that on the record.

**Mr. Pallister:** I'll put on the record that there's no encouragement whatsoever in this letter to look at alternative routes. In fact, that—what this letter does is it acts as a sales document, outlining all the advantages—all the disadvantages that accrue from an east-side route choice. It is focused totally on trying to market the concept of not going down the east side to whoever reads it. So, that was the—that is clearly the purpose of the document, and we can belabour the point if we wish, I don't mind.

But I would like to move to export markets now and cite—I hope the Premier will have a copy soon, if he doesn't yet, of the PUB document—he does now? Good—which outlines this descending market price. We're aware, of course, that—as the Premier has noted, that there are other alternative options being produced. And wind power generation, last numbers I've seen, a 520 per cent increase since 2008. And I understand also, though I don't know the detail of it, that the US government is heavily subsidizing the production of additional wind power as well as—is part of the reason for the increase—massive increase in the amount of wind power being generated in our market area. So we're looking at a challenge to sell into an area that is being subsidized by the US government so heavily.

US natural gas production, as we all know, has increased massively, over 25 per cent in the last five years. So what that has meant, naturally, I think, as a consequence of the additional supplies, is that there are—on-peak price levels have dropped by 20 per cent or more. And the PUB has observed this in their

document, which calls into question, I guess, the assumptions that were in place when this proposal was advanced.

I know this letter was advanced, and this letter from the now-Premier focuses on some of the inherent disadvantages, as noted earlier by the Premier in his comments, of the east-side route, but doesn't deal with the economics of the hydro circumstance to any great degree and that's where I'm trying to focus the discussion now.

\* (11:10)

Given the fact that—and I'll just read from the PUB report on page 39, if I might. It says in the paragraph nearest to the top, not the first two lines, but the paragraph thereafter that: Manitoba hydro sales into the Midwest independent system operator market have not increased, but have actually declined by about 600 gigawatts. So it's not just that the price has declined. It's—what the PUB is observing is that the—also that the sales have declined. And they go further, and on the fourth line down say, electricity suppliers from other regions have increased their supply into that market by about 14,000 gigawatts, wind energy sales have increased by 25,000 gigawatts, natural gas generation output has increased by about 10,000 gigawatts, overall load growth of about 35,000 gigawatts was served despite lower coal and nuclear outputs. So cleaner energy, good, but not more Canadian-produced energy.

Would the Premier like to comment on that as far as is that a concern in terms of our forecasting—Hydro's forecasting in respect of its—the viability of its proposed expansion plans?

**Mr. Selinger:** Yes I would. But before I do that I want to return to the 2007 letter where there is no indication or direction given. It says: We encourage the corporation to move ahead with required consultations and planning for an alternative bipole route.

In the early part of the letter, in the introductory paragraphs, it says: In August, 2000, our government had announced out intention to initiate broad area planning on the east side of Lake Winnipeg. This followed shortly after our government's acceptance of the Consultation on Sustainable Development Implementation report, known as COSDI. That report was initiated under the previous Progressive Conservative government, and that report recommended, among other things, the creation of broad area plans. So that report brought forward

recommendations from the previous Progressive Conservative government to initiate broad area plans. And then the subsequent paragraph indicates why the east side of Lake Winnipeg was chosen for broad area planning, among the—among them the area's unique and environmentally spectacular, containing a vast expanse of undeveloped contiguous boreal forest, one of the largest in North America. The home—the east side is home to a population that is 96 per cent First Nation. The east side provides one of the largest habitats for the threatened woodland caribou and is home to the Bloodvein River as well as the Canadian Heritage River, as well as the Manigotagan River, both renowned for their marvellous natural and recreational significance and access to transportation networks and many other—many economic opportunities are limited other—than in other parts of the province, and the east side, like other remote areas, has begun to feel the effects of climate change and reducing the very viability of winter roads that bring in vital supplies and applying pressure on the boreal forest.

So that was the genesis of this broad area planning, a report prepared under the previous Progressive Conservative government. And we followed up on that, and looking at the east side it seemed to be a very strong candidate for broad area planning for the reasons I've just enunciated and that were articulated in the letter of 2007.

Now, on the paragraph that the member—and I do have the report now, The Manitoba Public Utilities Board Act, Order No. 43/13 of April 26, 2013, and he does indicate that, in that paragraph, really, the first full complete paragraph on page 39, that there have been alternative sources of energy that are being provided into that region. We—that—we've discussed this already. Wind energy sales have increased by 25,000 gigawatts; natural gas output has increased by 10,000 gigawatts. That is exactly, in fact, what is going on. And our customers have told us that they do want to be able to—and they have a requirement under—they have a requirement under our renewable portfolio standard put in place by the state government to develop a renewables portfolio. And they've indicated to us that they see greater value in, for example, developing wind power as part of their renewables portfolio by having a relationship with Manitoba Hydro for Manitoba Hydro product because it allows them to have base-reliable power upon which they can develop their renewables portfolio and that renewables portfolio wind power can be stored in our dam system. So they see them as

being completely complementary, and they think it makes the case for renewables more cost-effective and more economic. So that does not say that they should have less Manitoba Hydro; that says that they should continue to buy Manitoba Hydro because it makes it easier for them to meet their legally mandated requirements to build a renewables portfolio in their jurisdiction. And that would include solar power, which is a recent mandate placed on their shoulders, which I understand they're not exactly thrilled about, but they now have to do it.

They have to develop 1 and a half per cent renewables from solar power as well as wind power and natural gas, which is identified in here, has increased as a source of energy into the region as it will probably throughout the entire United States because it's a product they can source from within their own borders. But, again, they've indicated to us that natural gas is a carbon emitter, not as noxious as coal or oil, but still a carbon source of energy. And they do expect that the price point on that carbon source of energy will increase in the future, and so they see Manitoba Hydro as one of the important elements of the portfolio, a power that they want to have access to for—to meet the needs of their growing economy. And so there's nothing inconsistent about that; they actually are complementary initiatives.

**Mr. Pallister:** Yes, well, we're seeing as we're beating the letter here as a dead horse, we'll just keep beating it and just say, you know, there's not an attempt at balance here. There's no reference whatsoever to the down sides or relative comparative analysis at all of the west side versus the east. The letter's focus is, of course, to outline how the east side is just a bad place to put a hydro line. I don't think that any amount of glossing over is going to change the nature of this letter. It's a promotional piece designed to make sure that the line doesn't go on the east side. And the Premier is well within his rights to advocate, I think, for energy sales to the United States, but to advocate that this letter means something other than what it clearly means is really beating a dead horse.

The issue about diversification I'm glad that the Premier alluded to it. It seems to be Mr. Sales's thesis that we need to diversify more here in Manitoba. Just as others are being forced to in our export markets so, too, should we, and I wanted to invite the Premier to make some comment on that in respect of what initiatives are under way here, how are we moving to diversify our energy supplies in Manitoba, and in

what way are we planning for the future in respect of diversification here in Manitoba.

**Mr. Selinger:** [*inaudible*] address the question of diversification of energy sources within Manitoba, but I know that we are enjoying this letter immensely, and I just want to return to it again to underline the misinterpretation the Leader of the Opposition seems to want to pursue on this matter.

The letter has to be understood in the context of an expressed preference by some members of the Hydro corporation to pursue transmission down the east side without considering these broader factors, and Hydro had technical advice that they should pursue the east-side transmission line on technical—on a technical basis. Then the Hydro board commissioned a CMC study—consultant study to look at the broader issues related to transmission routes, and those broader issues suggested that there were significant risks to the reputation to the corporation. There was the potential for very serious delays in cost escalation on an east-side route. There had been an expressed preference by east-side communities not to have the transmission route on that side of the province, factors that the consultants suggested were important for the corporation to consider, and that CMC consultants' report also said on broad public policy questions the government should express its views to the corporation.

The 2007 letter expressed its views to the corporation about whether an alternative route should be considered, and there's no question the letter makes the case that an alternative route to the east side should be looked at; that's not in dispute. It did not direct them to take a route on—an alternative route. It encouraged to consider consultations and planning for an alternative route in view of the risks identified in their own CMC consultants' report. In other words, not to have all their eggs in one basket but to consider an alternative route.

So I put that on the record again as a matter of clarification, and I identified the Crown Corporations Council recommendation of 2001 that the government should express its policy views to government business enterprises in writing as a best practice—a best governance practice. So we followed best governance practice. We summarized the concerns raised by the CMC consultants' report. We asked the board of directors of Manitoba Hydro to consider an alternative route in view of the risks—reputational risks and risks in their export markets where they had generated tremendous profits

historically and we asked them to consider that as part of their considerations.

\* (11:20)

Now the member is focusing on whether or not Manitoba Hydro should consider diversifying its source of energy. There was no wind power in Manitoba when the previous government was there. There was no residential Power Smart energy demand efficiency initiatives. There were very few commercial initiatives. There were some initiatives focusing on very large industries in Manitoba to reduce their energy consumption to allow them to be more competitive.

And the previous government also exempted certain large corporations for having to pay sales tax on electricity, but they did not necessarily encourage them to reduce the consumption of electricity. They just gave them a tax break, which one could argue would increase their interest in consuming electricity within the province rather than reducing their demand on that energy.

So this government encouraged Manitoba Hydro to pursue energy efficiency initiatives. So that's diversification strategy No. 1. Reduce the need for consuming electricity by having better insulation programs, by using alternative sources of technology such as geothermal technology, geothermal heat pumps, ground source heat pumps. It had not been widely encouraged in Manitoba before.

Under this government, we encouraged Manitoba Hydro to put in place a financing program to allow the small businesses in Manitoba to expand their offerings of geothermal energy to Manitoba customers and to be able to finance that energy on the bill that they pay to Manitoba Hydro, and that has generated a huge amount of geothermal activity in Manitoba. And as a matter of fact, Manitoba has, as I understand it, about 38, 39 per cent of the geothermal installations in Canada, and we represent about 4 per cent of the population in the country.

So Manitoba is clearly a leader in geothermal technology in the province which reduces our consumption of hydroelectricity, and it has an efficiency ratio of two-to-three hundred per cent. In other words, for every input of electricity, you get a 300 per cent, or triple the amount of energy efficiency out of that by using geothermal technology, and I think that's a very laudable and admirable record of achievement on the part of our small business community of Manitobans to take up

the use of that technology. And I was very pleased to be the minister of Hydro that encouraged Manitoba Hydro to put a financing program in place for that geothermal activity inside the province of Manitoba.

Of course, Manitoba Hydro had to make their own decisions on that, but, as the shareholder and the minister responsible, we encouraged them to look at it and we're pleased that they came up with a plan that allowed that to expand inside the province of Manitoba. And it's widely admired across North America now as being a very successful initiative and it creates a lot of jobs for small business and a lot of potential for manufacturing activity inside of Manitoba as well so there's a multiplier effect as well off of that.

The member opposite will know that when he was in government, the Progressive Conservative government purchased Centra Gas and decided to nationalize that industry inside the province of Manitoba, a very radical initiative, I might add, to nationalize a private corporation, something done at that time. It seemed to be an offset to the privatization of a Crown corporation called the Manitoba Telephone System, which took rates from being the third lowest in Canada to now among the highest in the country, that privatization.

But, at the same time that they went ahead with privatization of a Crown corporation, which had provided good value in Manitoba, they decided to nationalize Centra Gas and bring it into their portfolio as a source of energy at a price point that many people thought was too high, quite frankly, in the purchase price of that natural gas which is now part of the Manitoba Hydro energy diversity portfolio.

Natural gas is a product that we offer in this province. Unfortunately, natural gas, for the most part, is mostly imported into Manitoba, and so there is no control over the cost of that energy. That is set by global market price. It happens to be low at the moment because of the glut of natural gas around the world including shale gas, but it has been a source of energy diversification within the province by Manitoba Hydro.

So energy efficiency, geothermal, natural gas, wind power. There'd never been any wind power in Manitoba prior to us being in government and once again, encouraging—not directing but encouraging Manitoba Hydro to consider whether or not some wind power projects could be developed in the province of Manitoba. The first project that was

developed was in the St. Leon region of the province. The member would know that area. I believe he used to represent those communities as a federal Member of Parliament.

One of the helpful pieces of being able to make that wind power project viable was a federal subsidy for wind power in Canada under the Liberal government, federal government of the day and was carried on for a portion of time under the progressive—of the Conservative government at the national level, but that wind subsidy was cancelled by the Conservative government of Canada, and it made wind power less viable as an alternative source of energy. But that project did get put in place.

I think it's in the order of about 110 megawatts in the St. Leon area and I know that—I think in the spring of about 2011, there was an additional amount of wind power added to that area—I think it was about 30 megawatts; I'd have to check the record on that—but there was an expansion project as well.

And then another wind power project was brought into play in 2009, I believe, in the St. Joseph area, and I think that was a larger project than the original St. Joseph project. I think it was in the order of about 237 megawatts; I'd have to check the record on that.

But it was a very large project that was considered one of the top infrastructure projects in North America during that period of economic recession, and it created hundreds of jobs—

**Mr. Chairperson:** Order. The member's time for responding to this question has expired. We have a 10-minute time limit.

**Mr. Pallister:** Well, that just flew by, Mr. Chairman. Now, in respect of the response, there's no reference to the actual question I asked in there, so I'll ask again.

We have in the PUB, on the page 39, a paragraph which says Manitoba Hydro sales into Midwest independent system operator market have not increased but have actually declined by about 600 gigawatts, and it goes on to outline the additional supplies.

But the problem I asked the Premier to address, if he would, earlier, and I'll ask again, is the problem posed by the reality that the projections that

Manitoba Hydro must have used in their report, their initial evaluation of proposed expansion, obviously are changing.

Sales are down, prices are down, and I'd like the Premier to comment on that, if he is concerned about that, if he thinks there is some need for revision in terms of the plans, or if we're just going to stick to the original plan regardless of the realities of the market.

**Mr. Selinger:** I believe the last question the member asked me is what measures Manitoba Hydro was taking to diversify its energy portfolio, and that was exactly the question I was answering. So I will complete that question and then return to his other question about whether we have any concerns about the diversity of energy sources being provided in the States.

I did partially answer that question and I thought I answered it first by saying that, even though there's more wind power coming on in the United States in the Midwest region, our customers believe that continuing to purchase Manitoba hydro is complementary to other renewable portfolio standards in terms of wind and solar power that they're being asked to meet by their legislators. And they believe it adds value to their product and they believe that they continue to want Manitoba hydro and are willing to pay a price which is profitable for Manitoba Hydro. Manitoba Hydro has to have a business case for what they do in terms of export sales and make that case available to the public, so they will do that.

In terms of further diversification of energy within Manitoba, there is wind power, there's natural gas, which we talked about, and there's energy demand management, which we've talked about in terms of geothermal.

But I did put on the record yesterday that Manitoba has gone from being—from No. 10 in terms of energy efficiency to being ranked No. 1. And some of the interventions in this PUB hearing of April 2013 were from energy experts—and we talked about this yesterday—that suggest we need to do more on energy efficiency and Power Smart programs. And some of the intervenors, such as Dunsky, had ideas on how that could be ramped up further.

And we're generally supportive of energy efficiency measures and we encourage Manitoba Hydro to consider additional measures that they could take, and in particular how they can serve



communities in Manitoba that are in remote circumstances and might—could use some additional support in reducing their energy consumption. And I also mentioned yesterday the Pay As You Save legislation, which also offers some new financing tools to encourage energy efficiency in Manitoba. So those are some of the diversification measures that have been taken.

As to the question that I partially answered before on whether these new supplies of energy into the United States are changing the business case for Manitoba Hydro, the energy market is changing in North America and there is a greater emphasis in the American marketplace on renewables being mandated by state legislatures, and they also are looking for clean energy in the United States and reliable energy from partners, including Canada. And so we are part of that story and we want to be part of that story because of the long relationship we've had with these export customers.

\* (11:30)

And, as the environment changes for energy in North America and the amount of shale gas that's being developed continues to increase, we have to work with our customers to identify why their demand for our energy continues to be a viable alternative both for them and us. And there is—has to be a business case that develops out of that and we always encourage Manitoba Hydro to stay up-to-date on these matters and continue to make the case for why, in a changing environment, their product makes sense for export.

What we do know is that our customers are telling us it makes sense and they're willing to pay for it.

**Mr. Pallister:** Well, they might be willing to pay for it, but they're willing to pay much less than they used to, right? So, I mean, the reality is that our losses are mounting in terms of our annual net incomes, and poor hydro, as a utility, it's a fifth of what it was five, six years ago. Markets are changing; I'm not getting a real good explanation as to how we're adapting to the changing marketplace.

There's also a concern on page 39, by—in the PUB report, they mention this in 12—section 12 (2) they say: The board questions Manitoba Hydro's projection that average export market prices are set to increase to 4.1 cents per kilowatt hour in 2014-15; 4.8 in kilowatt—per kilowatt hour 15-16, and believes that prices around 3.2 kilowatt hours are more

realistic. In light of low shale gas prices and increasing availability, the board is not confident that Manitoba Hydro will return to pre-2009-10 export revenue levels within the next decade.

Would the Premier like to comment on that? I mean, the board is clearly showing a concern in respect of the over-optimistic projections that Manitoba Hydro's provided them with. It would seem to me that that alone would raise—would be cause for concern for the Premier.

**Mr. Selinger:** Again, price points change and Manitoba Hydro believes that—as I understand it, that they have a business case to be made for continuing to generate new hydroelectricity capacity within Manitoba before it's needed for domestic consumption because it allows them to use export revenues to pay down the cost of capital, which then makes the cost for consumers of electricity of Manitoba, when it's required, more cost effective.

And the proposal by the Leader of the Opposition to halt hydro development would put at risk our ability to meet domestic consumption requirements going forward within as early as 10 years, which would then turn us into a net importer of energy, which would be then—increase the risk to Manitoba customers dramatically based on a variability of prices that is completely beyond our control.

The advantage of having Manitoba hydro built is that, once it's built, the cost of the generation declines as amortization and an interest are written down over the life of the asset. And it creates greater price certainty and greater reliability and greater energy security within the province of Manitoba, and that's the broad case that Manitoba Hydro makes. Even in the context of a changing energy environment where our customers have said to us very clearly they still want to purchase that power and at a price point that is profitable for Manitoba Hydro, in terms of paying down the cost of its capital before it's required in this province.

**Mr. Pallister:** And the Premier ought not to misrepresent our position. We have consistently said, we think that there's room here for further discussion and more detail analysis of a changing situation and that is exactly our position today, as it is the position of numerous others, including long-time NDP Cabinet ministers and a former premier.

So I wouldn't—I would ask the Premier not to continue to misrepresent our position here. We're not

calling for a halt to all hydro development for all time. That's not even remotely close to our position. The reality is quite different. We have time—according to numerous observers, we have time to make this discussion. The argument that the Premier makes on behalf of Manitoba Hydro, that we need to hurry up and do this, I think, falls away somewhat in its effectiveness when one considers the reality of a changing circumstance.

So we have a proposal, which was developed some years ago, which is now being subjected to an NFAT review. And I guess I wanted to ask, in respect of that, how long will that process take? How long does this NFAT review—we talked yesterday about who was involved in that, who the people were on the committee. But I don't think I asked the question of when, you know, what was the time frame for that discussion? I'm just curious as to how long that discussion will go on, or is there an anticipated response time from the NFAT panel that we could look forward to?

**Mr. Selinger:** Yes, I just want to clarify. My understanding is, and I believe the language is clear, that the Leader of the Opposition has said Manitoba Hydro should not build hydroelectricity for export purposes, period. Forever. Should not build hydro ever for export purposes.

I want to make sure that the record's clear on that. Is he denying that he said that? Is he denying he said that?

**Mr. Chairperson:** Order. Order.

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

#### Point of Order

**Mr. Chairperson:** The honourable Leader of the Official Opposition, on a point of order.

**Mr. Pallister:** Of course that's not our position, and it has never been our position, and it shouldn't be rearticulated because simple repetition of a false and misstated argument doesn't make it any more true than it was the first time it was misrepresented.

**Mr. Chairperson:** The honourable First Minister, on the same point of order.

**Mr. Selinger:** It's not a point of order; it's a dispute on the facts. That's very clear. I hope you see it that way as the Chairperson.

That's what the public has seen on the record from the Leader of the Opposition that there should be a halt to hydro sales for export purposes. That is a fact that was put on the record. That fact would put

at risk the ability of Manitoba Hydro to have sufficient power to meet domestic load requirements within a decade. That would put the Manitoba economy at risk and potentially increase the requirement for import power into Manitoba. That is a very dangerous and foolish position on behalf of the Leader of the Opposition. It's not a point of order.

**Mr. Chairperson:** First of all, I have to rule that it was not a point of order. It was a dispute over the facts. But I also want to put on the record that points of order should not be used for debate.

\* \* \*

**Mr. Pallister:** So I would want it on the record as well, that the Premier has again misrepresented our position, totally. He is quite right in his observation that such a position would be foolhardy. It is not a position we have ever taken. And so to put it on the record as one we have would be not only unfortunate, but show a continued weakness of character that I think is most uncharacteristic of the Premier and of any premier, in fact. The reality is we've asked for a debate on this issue. We would like it to be a debate which Manitobans could engage in, and I'm asking him, when is this NFAT committee expected to report?

**An Honourable Member:** On response to the next point of order.

**Mr. Chairperson:** The honourable First Minister, and I hadn't recognized a point of order. So we are in the midst of the debate now, and I recognize the honourable First Minister.

**Mr. Selinger:** Thank you for that clarification.

A halt to hydro development for export purposes would have put at risk our ability to provide domestic consumption requirements within a decade. It is a foolish position on the Leader of the Opposition to suggest we should halt hydro development for export purposes.

**Mr. Pallister:** Again, that's never been our position, and I think the Premier's fully aware of that.

The fact is, though, that others are advocating for a halt for export purposes. For example, the Green Coalition is saying that if we would continue to invest in Power Smart programs, we could actually achieve savings consistent with not requiring a Keeyask dam construction. We aren't taking that position, but others are certainly advocating these things. They're advocating conservation ahead of construction.

Certainly, numerous observers have suggested that there is time, that the—in fact, the head of Hydro himself has said we don't need domestic—additional domestic needs aren't present in Manitoba for a number of years yet. And so as much as I understand the Premier's sense of urgency is strong and compelling, the case to be made that we need to rush is not one that I believe to be strong.

Again, I want to ask, with respect, I understand the process is under way with the selection of people for this NFAT review, but I'm just curious as to how long that process will take and when that report will be forthcoming.

\* (11:40)

**Mr. Selinger:** Again, I just have to say that the Leader of the Opposition has said publicly that a plan to build Manitoba Hydro is a megamistake. He says it's dumb. That's his views. Those are his words. That's his language. He thinks you can wake up in a morning and flip on a switch and have a limitless access to power. That's now—that's not how it works, Mr. Chairperson. Building new dams takes years of planning, consultation and development. It's not being rushed. It's a very methodical process that has to be well ahead of future demand projections in order to meet all the requirements and regulatory approval processes, public 'hearings'—public hearings, licensing, et cetera. And his proposal to halt the development of Manitoba Hydro at this stage in our history would put at risk our ability to meet domestic demand within a decade, drive up costs inside of Manitoba and put our economy at risk.

He calls that a—he says that what we're doing is a megamistake and dumb? I suggest to you that those words may well be applied to his position in this regard, and it's a very dangerous and risky position for the future of Manitoba's economy and the future of Manitoba's citizens, and it's very unfortunate. And to say that it's other people that are suggesting that, he has suggested that and he's used other people to support his position on that.

**Mr. Pallister:** Well, unlike the Premier, I don't use other people. I am observing the remarks and observations of intelligent Manitobans who have legitimate concerns, and I'll continue to do that, including his former colleagues, including a former premier of the province. And so his disrespect for me is, in fact, disrespect for them. And the reality is we do have time to have this discussion, and that is certainly what I think would be in the best interests of Manitobans.

In any case, I ask him again: When's this NFAT report coming out? How long will the process take?

**Mr. Selinger:** I just have to say again that in the Canadian Press of December 14th, 2012, it says, Manitoba's opposition leader says new hydro projects should be delayed and built for domestic needs, not exports. Progressive Conservative leader Brian Pallister says a delay is needed to—

**Mr. Chairperson:** Order. Again, members of the Legislature are to be referred to only by their titles or by their constituencies.

**Mr. Selinger:** It says Manitoba's opposition leader says a delay is needed to examine how long—how low energy prices in the United States will affect the viability of new hydro dams in northern Manitoba. The Leader of the Opposition—and I'm changing it to conform with our rules here—says Manitoba Hydro, the province's Crown utility, is looking at selling hydro below cost in the US and raising domestic rates to compensate. The utility plans to spend more than 20 billion over the next dozen years to build two generating stations and a new transmission line. The Leader of the Opposition disagrees. He believes the project could be pushed back for several years without affecting domestic supplies.

That's the position he has taken in public. As to the answers on his specific question, the press release of April 25th, 2013, says the terms of reference for the review of Manitoba Hydro plan to build northern dams is to submit a report by June 20th, 2014.

**Mr. Pallister:** So, on June 20th, 2014, the NFAT committee work is done. Then what happens? Do they report back to the PUB, or is there a—some kind of public report available? What happens as a consequence of their work?

**Mr. Selinger:** Presumably, they make a report back to the PUB, which is a public report.

**Mr. Pallister:** And if that report says, don't go ahead with the hydroelectric projects, what does the Premier do about that?

**Mr. Selinger:** Well, these matters are dealt with in real time, and whatever the recommendations are obviously have to be considered by all parties concerned.

**Mr. Pallister:** That was a non-answer. Would the Premier refer to the people who worked on the report and made the recommendation against proceeding as foolish and foolhardy?

**Mr. Selinger:** Again, the member likes to use language that is divisive—very unfortunate that he would do that.

The reality is that reports are dealt with in real time and taken seriously and then the response to those reports is developed by both the proponents of the project and government, as—in response to the report. And if he wants to characterize it in any other way, that's simply his characterization, which is, indeed, unfortunate on his part to do that.

**Mr. Pallister:** And again, of course, I simply hold a mirror up to the Premier, give him his own words back and he responds defensively.

I just ask him, if the report from the NFAT committee recommends against proceeding, at this time, with these hydroelectric projects, what would his response be to that?

**Mr. Selinger:** Again, the member is asking a hypothetical question. We already know his position; he's already stated publicly that there should be delay in the development of these projects, and that's his view.

We take the view that we should see the report first and then develop a response in real time, appropriate to what actually is said in the report, not some hypothetical question now that may or may not be reflected in the report.

**Mr. Pallister:** Is the Premier then saying that there be a further process? What would happen after the report is tabled, as a consequence of that report? Could he explain that process a little further?

**Mr. Selinger:** Again, we know the Leader of the Opposition is saying that there should be delayed right now, before he's even seen any report, and that is unfortunate. That would put Manitoba economy at risk, and it's not a responsible position on the part of the Leader of the Opposition.

Our view is, is that we'd have to see the report, see what the recommendations are, and take those into account, along with the proponent for the project, Manitoba Hydro. And, clearly, they would have a response to the report regardless of what it says. And then the government would listen to their response, look at the report as well, and decide to—what further course of action is required.

**Mr. Pallister:** Well, the Premier might recall that at the point in time that he cited my comments, the Public Utilities Board was threatening, and I'm not sure if they proceeded with, a lawsuit against

Manitoba Hydro, to try to procure data and information which they felt was necessary to review the proposals.

Does the Premier know if Hydro provided that information to the Public Utilities Board, and if that was resolved out of court, or did it proceed to some kind of court process? What happened as a consequence of that dispute over the—resulting from the lack of information from Manitoba Hydro to the Public Utilities Board?

**Mr. Selinger:** My understanding is that the—that issue has been resolved and that the two parties have found an arrangement which satisfies both of their interests.

**Mr. Pallister:** Perhaps the Premier, in all honesty, could understand the concerns of anyone who was aware of this situation and who was concerned that, with a hydro project proceeding, and moving through a process whereby information was not being made available to the Public Utilities Board, there was reasonable reason to be concerned, that the full information necessary to evaluate the proposal would not be made available, and therefore, would wonder at—I would wonder at anyone wanting to fast-track a proposal of this nature, in the absence of a process which is designed to defend Manitoba's best interests.

So that's the last I'll say in my defence. I would hope that the Premier would understand the context in which the statements were made and give that some consideration.

So what we've established, then, is that there will be a report back on June 20th, 2014. Does that report go to the PUB and then is made public thereafter? Or what's the timing in respect of that report?

#### Introduction of Guests

**Mr. Chairperson:** Before recognizing the honourable First Minister, I would just like to recognize 30 grade 9 students who have joined us in the gallery from St. Norbert Collegiate, under the direction of Vanessa Joe and Jason Sparling. This group is located in the constituency of St. Norbert.

On behalf of all of us, I welcome you to the Legislative Chamber.

\* \* \*

**Mr. Chairperson:** The honourable First Minister, to reply.

**Mr. Selinger:** Yes, I would have to say this, with respect to the Leader of the Opposition's comments, to call something a megamistake and dumb, was unqualified condemnation of developing Manitoba Hydro in the context of the future—of domestic needs of this province and the future economic growth prospects of this province. And I say that was, indeed, unfortunate and a foolish public pronouncement.

Now, in terms of the question that he asked with respect to the need for alternatives report, which is expected to be completed about June 20th, 2014, that report, I understand, would be a report in the possession of the Public Utilities Board—I'll have to check the details on that—and they would decide how they would release it and when they would release it after they received it.

\* (11:50)

**Mr. Pallister:** Well, the Premier's a former minister of that department. Maybe he could share with us what he anticipates would be the release date or time of that document to the public for their consideration.

**Mr. Selinger:** Again, we don't have—we don't specify the specific turnaround time after they receive a report. But, again, the report would be examined by the Public Utilities Board and I'm sure they would release it once they've completed their thorough review of it. I don't see any reason why they wouldn't release it in a timely fashion. But, again, much will depend on what the report says and how it's digested and what issues arise out of that and what further discussion and dialogue the Public Utilities Board decides is within their ambit to follow up on. But I'm certain it would be—come out in a reasonable time frame.

**Mr. Pallister:** Thank you for that response. In respect of the—back to the PUB report just for a second if we could. It speaks on—this is on page 39—it speaks about, essentially, that the reality as we know it, which is the United States market in the Midwest independent system operator region. It says, the installed capacity of combined cycle combustion turbine generation in the Midwest independent system operator region in 2008 was about 20,000 megawatts, but was only being utilized 12 per cent of the time. By 2011 this capacity had increased to about 21,000 megawatts, but utilization had increased to 18 per cent.

In other words, in that market area where our sales are dropping, the US capacity has grown and

it's using more of its own capacity, but only 18 per cent of its capacity. Does this concern the Premier at all in respect of the potential for further degradation in our marketing ability in that market?

**Mr. Selinger:** As we discussed earlier, there are new sources of energy, particularly shale gas, that have been coming on stream in the United States and throughout North America. There's also a requirement being imposed upon utilities in the United States for a renewables portfolio, and that renewables portfolio is most often being pursued through what we call intermittent renewables, such as wind power and solar power which have real potential to provide power, but they are intermittent power which means they're not available on a 24-7 basis. They're not available 24 hours a day, seven days a week. Wind is only available when the wind is blowing and solar is only available when the sun is shining, absent storage capacity.

And one of the great reasons that our customers in the United States want to have a contractual relationship for Manitoba Hydro to be one of their providers is it gives them access to our dam system as a battery to support and store intermittent wind and solar power. And so that ability to have access to Manitoba Hydro allows them a greater opportunity to develop the renewables that they are required to provide by legal mandates imposed on them in the legislatures of the American states where these power companies operate. So these are complementary activities. And for example, companies like Minnesota Power see Manitoba Hydro as an indispensable part of their economic case to be made for renewables and as an indispensable part of the energy mix that they want to provide to their customers in the United States.

And so, yes, there are new sources of power coming on stream. This is positive for the North American economy. The more domestic energy supplies you have, the better off you are in terms of being able to provide energy to your economy. The cleaner those energy supplies are, the better off we are in terms of climate change.

Natural gas is still a carbon fuel; it is not as clean as Manitoba Hydro; it has more carbon dioxide emissions, dramatically more carbon dioxide emissions. But it is certainly better than coal has been up to now, because the carbon capture and sequestration technology of coal is still in early stages of development and still extremely expensive to develop if we're going to continue to use coal,

which is something like 40 per cent of the energy sources in the United States of America. So Manitoba Hydro still is a preferred source of energy to the customers that we have in the United States and they see it as part of a broad portfolio of energy sources that they continue to wish to develop.

And it's important that we're down there explaining what the value of that product is in that marketplace and having dialogue with legislatures, which we've been doing for the last several years to underline that we're developing hydro in a different way.

We don't do extensive flooding anymore. We work with the people in the territory where hydro is being developed in such a way that we address environmental issues early before any new dams are developed. Dams are not high-head dams that flood vast regions now, they're low-head dams that reduce flooding. In the last dam we developed, the Wuskwatim dam, there was no flooding whatsoever, and all the adverse environmental and cultural and community impacts are addressed before there's any agreement to proceed with that dam in partnerships with First Nations in that traditional territory.

So it's a different development model now that generates economic and training and job opportunities for northern people as well as Manitobans in the south, and it's a model of development that allows us to have reliable energy for our needs by developing export markets first, which pays down the cost of capital before it's required in Manitoba, and then when we need those dams for Manitoba's domestic consumption purposes we can have the energy at a cheaper price because the capital's been paid down by export revenues. It's an important understanding that we have to have of why it's important to do this.

And the delays suggested by the Leader of the Opposition that we can just delay these projects when we know that we're going to need this power within the next decade with the growing economy in Manitoba puts the entire Manitoba economy at risk and is not a responsible and reasonable approach. It's a foolish approach.

**Mr. Pallister:** Well, then, that deteriorated the comment. I liked the comment up till that last sentence I must admit, Mr. Chairman. But I think the foolish approach would be to expend billions of dollars on a speculative nature without doing a full consideration and involving Manitobans in this

discussion in a proper manner as opposed to a top-down manner.

That being said, I wish the Premier and all of the people here today well on this long weekend, and to their families. And I know we are saddened to learn of the passing of Elijah Harper today, and that was a true Manitoban and his spirit will live on.

I'm going to cede to—I think there's just a couple of questions from the member for Midland (Mr. Pedersen) for the Premier, and then I believe the member for St. Paul (Mr. Schuler) wishes to ask a couple of questions if that would be appropriate.

**Mr. Selinger:** Yes, I thank the Leader of the Opposition for his comments on Elijah Harper. He's—unfortunately, we've learned today of his loss of life in Manitoba. He was an important member of this Legislature and we know he made a very important contribution to constitutional debate in this province, and it is a great loss for Canada and it's a great loss for Manitobans. He did play a very significant role in this Legislature as well as in the Parliament of Canada as we're going forward.

And, I do say to the Leader of the Opposition on this important debate about Manitoba Hydro, the debate has been going on for well over 12 years and—actually for decades, and at every period when we're developing Manitoba Hydro there have been recommendations. There was recommendations from the Tritschler Commission that Manitoba hydro should not be developed in the north, that we should put coal plants in place instead. And with the history that's gone on since that date we know how unfortunate that would have been to develop coal as our primary source of energy in Manitoba. There are now suggestions that we should develop natural gas. Neither coal nor natural gas are energy sources indigenous to the province of Manitoba that we can source within the province.

We do have the great fortune of having Manitoba Hydro resources in the province. There was a time when we couldn't develop Manitoba Hydro because there was not the sufficient technology to move it over long distances to markets including Winnipeg and then markets to the south of us, and Manitoba Hydro, along with researchers at the University of Manitoba, developed high voltage direct-current technology, which is now world-class technology. We now export that expertise all around the world on how to transmit hydroelectricity over long distances, and that technology has made the ability to develop hydro in Manitoba something that's

very feasible now, very cost effective and has allowed us to have 98 per cent of our energy developed from clean energy sources in this province, which is a tremendous competitive advantage. Not only is it clean energy, but it is the lowest-cost energy in North America, which is a tremendous asset for our economy and is—can seen—as a tremendous asset for other economies in the Midwest region where we are provider of that service.

\* (12:00)

So I say to the member opposite, let's not hurt the ability of the Manitoba economy to grow. Let's continue to build that resource in a responsible way, in an environmentally responsible way, in a financially responsible way. Let's not have these calls to halt things for five years which would turn us into an exporter of energy.

We've had a great economic growth in Manitoba over the last decade; we've gone from a \$34-billion economy to a \$62-billion economy. We've got more people working in Manitoba than ever in the history of the province. We have an agenda to train another 75,000 young people with the skills to be able to build dams, to be electricians, to be carpenters, to be plumbers, to be tradespeople, to be professionals. And we need to pursue that agenda with intensity and vigor to provide the opportunities that Manitobans need and Manitoba young people need.

**Mr. Blaine Pedersen (Midland):** And on Tuesday, April 9th, there was a—Manitoba Hydro was in a Crown corp committee. And Scott Thomson gave a presentation to—for Manitoba Hydro, and from there we went on to some questions.

And I asked during the questions—it pertains to the easements for Bipole III. And I represent quite a number of landowners who will be affected should Bipole III get their licence after the Clean Environment Commission issues a report and the Minister of Conservation (Mr. Mackintosh) issues the licence. These easements, then, will be required from landowners. And these easements are a legal document.

And my question to the—to Mr. Thomson was fairly straightforward. I asked if Manitoba Hydro would cover the legal costs for the landowners, because this is a legal document and landowners are business people, they understand a legal document and they should be getting legal advice before they sign any of these.

And in the committee Mr. Thomson said—kind of hesitated a bit and then he said he would get back to me about Manitoba Hydro covering the legal costs.

Well we're approaching a six-week mark. I didn't think that question was that difficult, so when I don't get a response I thought I would go to the man at the top of this scene and ask him to get Mr. Thomson to reply to my question.

**Mr. Selinger:** If the member is asking me will we check with Manitoba Hydro on where they're at on considering that request from the leader—from the member that represents some of the people where easements may be required for transmission, we can check and find out where Manitoba Hydro is at on that question and what conclusion they've come to at this stage.

**Mr. Pedersen:** And I can only assume—and I'll make the assumption that this will not take six weeks—another six weeks to get this reply back. This is a concern to landowners, they need to know this, it's their—because the minute that—should Manitoba Hydro get their licence, they will be on the landowners' doorstep wanting them to sign this easement and we need to know this in advance. And I just ask the Premier to please be quick on this and so that the landowners have come surety on this.

**Mr. Selinger:** Yes, as I've said earlier, we will check with Manitoba Hydro to see where they're at on this matter and see how they want to handle the request made from the members who's raising the question with me today.

**Mr. Ron Schuler (St. Paul):** I'd like to begin my comments this afternoon by expressing my condolences on the passing away of Diana Stevens, the executive director of Athletics Manitoba. She was unfortunately killed in a car accident near Killarney on the way to her daughter's wedding this weekend.

And I know all members of this Legislature will extend their condolences to the family, and a very big loss for amateur sport in Manitoba, and I'm sure we'll be hearing more about that in this Chamber as the days go on.

**Mr. Selinger:** Sorry, can the member just reiterate the question that he asked.

**Mr. Schuler:** It was just a reflection on the passing away of Diana Stevens, there was no question.

But I'll move on to my questions. We have about 25 minutes left in committee today, so I would like

to read for the committee a press release from September 26th, 2011. It was put out by the ND Party and the Premier and it's titled "Today's NDP will keep building world-class facilities to make Manitoba a soccer centre."

I just want to say for the record I will not read it verbatim, as there are names in here that I am not allowed to express. So I will only be allowed to say the Premier and not his full name. So I just want to make that for the record. So I quote, September 26, 2011: Commitment will help make Winnipeg Soccer's Federation vision a reality. Today's NDP will commit \$12.5 million over four years to build world-class soccer facilities, including a new indoor complex in north Winnipeg and nine new fully lit synthetic grass fields across the city. Manitoba has great momentum. The major sports and recreation facilities we are helping build will be some of the best in the country, from the MTS Iceplex to the new football stadium at the University of Manitoba, said the Premier.

The way to keep building on our momentum is to keep setting our sights high. These new soccer facilities are the next step. Today's commitment will help realize Winnipeg Soccer Federation's vision to build a new four-field indoor soccer complex in north Winnipeg to add to their successful four-field facility in south Winnipeg.

As well, the WSF will build nine new fully lit synthetic grass fields across the city: two in east Winnipeg, two in west Winnipeg, two in central Winnipeg, two alongside the new north Winnipeg complex, one more added to the two already in use at the WSF's facility on Waverley.

More people are playing and watching soccer than ever before, said Barry McArton, Manitoba Soccer Association board member. The Premier really knows how to get things done, and I'm excited about this pledge to help make Winnipeg and Manitoba a world-class centre for amateur soccer. It's no exaggeration to say these new facilities will be the envy of the country. Fully lit synthetic grass fields can host four times as many games as grass fields and can add six weeks to the soccer season. They can also be used for other sports outside the soccer season such as high school football, lacrosse, and ultimate Frisbee.

Today's NDP will also pursue opportunities to build and enhance soccer facilities in other Manitoba communities. For example, efforts are already under way to begin planning for a new indoor soccer

complex in Brandon. The Premier committed to supporting Brandon's plans in the same way as they develop.

I was wondering if the Premier could give us an update how things are going with the new four-field indoor soccer complex in north Winnipeg and the 11 fields that were supposed to be disbursed throughout the city of Winnipeg.

**Mr. Selinger:** I thank the member for the question. I would say that the first major initiative on increasing the ability to have soccer facilities in Winnipeg is the field house project that's been undertaken at the University of Winnipeg. That's a project—I think it's in the order of \$40 million. It's a very significant project. It'll provide year-round space for indoor activities, including indoor soccer for people not only at the university, but people in the neighbourhoods in that area, so it's a very significant investment. And, as that investment's rolling forward, then of course there's planning going on for the facility in north Winnipeg as well. So these projects are proceeding and the planning is going on on the ground to identify specifics of how they will unfold.

**Mr. Schuler:** As the Premier is now well into his second year of his mandate and time is of the essence, I know the Premier has received a letter from myself articulating why, first of all, we need a indoor soccer pitch for field indoor soccer centre in the northwest quadrant of the city. I've also sent him a letter indicating that Leila and McPhillips is actually known as the downtown of the North End.

It's where we have our hospital, our shopping centres, our commerce. It's where we have our sports facilities. I never did get an answer back from the Premier. In fact, I don't think I ever really received a reference to the fact that I'd sent him that letter. I believe that there is unanimous consent from soccer communities that they would like the new facility to go up at the Seven Oaks Soccer Complex or Garden City Community Club—it's known both ways.

I was wondering if the Premier could tell us where that particular facility is in the discussions.

**Mr. Selinger:** As the member knows, the soccer proponents in Winnipeg are part of the planning process and they are working closely with all the partners, including the funders, on where this complex will be, and I'm pretty sure that that complex—the location that he's identified is one of the sites under active consideration.



\* (12:10)

**Mr. Schuler:** Clearly, the Province will be the lead on this project seeing as it was one of the reasons why the Premier was re-elected back in 2011. His commitment to sports and amateur sports—they took this commitment very serious, and they took it to heart. If you read what Barry McArton, who's very well respected in amateur sport across the city, he said he was very excited because the Premier really knows how to get things done. And he was very excited, and I quote, "I'm excited about this pledge to help make Winnipeg, Manitoba, a world-class centre for amateur sport."

So I suspect that the Premier—because, as Barry McArton says, the Premier really knows how to get things done, can the Premier tell us how this project is progressing? Is it in its final stages? If not, what would be holding that particular soccer complex at Seven Oaks soccer complex or Garden City Community Centre, what would be holding it back?

**Mr. Selinger:** As I indicated earlier there, all the partners in the development of the future soccer facilities in Winnipeg are working together to bring forward a plan that they think will most enhance the investment for soccer activity in Winnipeg, including a complex in north Winnipeg, and they are proceeding and working diligently away on that. And we're supporting them in that effort.

**Mr. Schuler:** Can the Premier tell us when it was the last time that he met with them?

**Mr. Selinger:** As a group, I've met with individuals that are involved in the process in various venues and events. I recently was at a I believe it was a Manitoba Soccer Association awards event just this late winter, early spring where people that were involved in soccer were being recognized for their contributions as players and coaches and managers and volunteers, and I believe the member was there at that event with me so that'd be the last time I saw them as a group, an entity. And then I've seen some of them individually since then.

**Mr. Schuler:** Again, this was an election commitment. In fact, I am very involved with amateur sport in almost every sport imaginable, and that's where we are in life. And I was actually criticized by friends of mine and colleagues of mine that the NDP had gotten a jump on us on the announcing of the indoor soccer pitch in the northwest of Winnipeg and the various soccer fields, and I guess what people want to know.

And the discussion now is coming out. The election was done. People re-elected the NDP, in part, because of the commitments that were made. In fact, Barry McArton went so far as to say the Premier really knows how to get things done. They elected a go-to guy, a get things done for youth sport. I guess my question to the Premier is, is this a commitment just like I'm not going to raise the PST? Is this actually going to get done? Is the Premier going to take a lead on this? When are we going to see some shovels in the ground?

And, again, it's not just that facilities. It's also the facilities for outdoor synthetic fields: two in east Winnipeg, two in west Winnipeg, two in central Winnipeg, two alongside the new north Winnipeg complex, and one more added at the facility on Waverley. I'd have to say to the Premier, I'm at those facilities. I travel to an awful lot of sports facilities, and I've not seen drawings. I've not heard that there was any drawings. I've not heard that there's any real concrete plans or that the province has really stepped up and taken a leadership.

And, you know, soccer world and amateur sport has said that, you know, they were excited about this pledge and they felt that the Premier was a go-to guy who got things done. And the question is, are these going to get done before the next election or will these just be like warmed-over eggs presented once again in an NDP platform as something that they might try and commit to for a second re-election on these issues?

People took the Premier serious, and I know Barry McArton, and I know the people in soccer and in football and in lacrosse and baseball uses these facilities. It's used by all amateur sport and they took it serious. And, when they said they felt that the Premier was a go-to guy and he really gets things done, they meant that. The question is, did the Premier mean what he said? Are these facilities going to get going and when are they going to get going?

**Mr. Selinger:** As I said earlier, I appreciate all the positive comments the member's making on the record about our commitment to developing amateur sports facilities in Manitoba, including indoor soccer facilities, and I do think it's an important part of the quality of life in this province to have these facilities. I'm glad to hear the member's at that stage of life where he's very involved in, it sounds, like his children's sporting activities, including soccer; it's an exciting time of life as a parent. I remember that

period of life myself, and we do think that it really makes a difference when young people and people of all ages can have access to these facilities and have these facilities available to them in their communities around the city.

And it was an important announcement we made in the election, and work has been actively under way ever since, including the big field house project at the University of Winnipeg, which has been announced and is moving forward. And I know the planning is being undertaken for the northern indoor soccer complex facility. I believe the site that the member has identified is one of the primary locations that's being examined as the—where that new facility could be located in the Garden City area, which is an important part of the city, and there's lots of young families up there. So that is all part of the process that's moving forward, and I recently was at a—an outdoor soccer pitch that was opened up in Central Park of Winnipeg, beautiful facility for lots of young people that are moving into the area. Newcomers to Manitoba are playing soccer there at an area that used to be problematic from a safety point of view, and now it's used widely by families and young people to play soccer and do other kinds of recreational activities.

So we will be following up on this. I appreciate the member's interest in this question, and I only hope he finds it—some way that he can support it in future budgets when we put the resources in place to move forward on these facilities.

**Mr. Schuler:** Well, and I thank you, Premier, for raising the issue of the new field house at the University of Winnipeg. We usually call them soccer pitches, but I can tell the Premier that I was at the University of Manitoba soccer pitch, field house, early one Sunday morning, far too early, and you have to be there ahead of time, and waiting to clear off the field—we waited for the field to clear off—was baseball. And Manitoba baseball was in there and they were warming up their pitchers, and it was just a delight to see. And I understand the field house at the U of M, at times, has three hours downtime. And it seems to be, there's that between 1 and 3 or 2 and 4, where they can't seem to quite get it rented out. But ultimate Frisbee uses it late, late in the night. I think they start sometimes at 11:30, 12 at night and go late and then baseball comes in. I mean, these facilities are used and they're used by all sports.

And what's important about the downtown University of Winnipeg facility is that will deal with

amateur sport in the city where a lot of those young people cannot—don't have the ability to travel. They don't have the means to travel to the suburbs, to the facilities and often there isn't bus transportation there. And that's why I'd like to say to the Premier that the Seven Oaks soccer complex, or the Garden City community centre is—Garden City shopping centre is actually the hub for bus transportation in that entire northwest quadrant of the city. That's where the buses come; that's where the Winnipeg Transit built that hold—bus hub, so that anybody from the northwest quadrant of the city can have access to that facility because it's all accessible by bus. And I know other locations, off of Keewatin and such, have been proposed but none of them have the same kind of bus access that they do have at Leila and McPhillips, because it is such a hub for buses.

And I know there's a lot of excitement. I've spent some time now out in the fields and, you know, I've—I know the Premier, as a former soccer coach, will want to know we're 1 and 1 so far; we let one get in last night. We lost 4-3 against 18-year-olds, so, you know, our boys can't be faulted as 16-year-olds playing 18-year-olds that they snuck one in on us.

But there was a lot of excitement and there's a lot of excitement across a lot of different sports. But the excitement seems to stop because there doesn't seem to be the same kind of passion coming from this Premier as there was during the election, and people are looking to him. People in youth sport are looking to him because it was he who made the commitment, and they've made it clear, they felt that he was the go-to guy; he knows—really knows how to get things done.

\* (12:20)

So we ask the Premier: Will he get things done? Will he get the soccer pitch for the northwest quadrant of the city developed and get shovels in the ground? And I would say to the Premier, I'll be there, and I understand I will be standing in the shadows. I get politics and the way it works. I'm fine with that, but I will cheer as much as the next person when the shovels go in the ground and things get built, because it's about those kids. And certainly in the northwest quadrant, kids who need this facility—we've got to give them something to go to. We've got to give them something to be involved in.

I know that—I've bumped into the Premier a couple times at Garden City Collegiate, and the new facilities there for basketball, volleyball and indoor

soccer practices there, badminton practices there, and so on, so forth, these facilities are necessary.

And I'm wondering if the Premier will be the guy who really knows how to get things done, like Barry McArton said, and will the northwest soccer pitch—will there be movement on it soon, because that was a commitment he made and amateur sport is counting on him to get it done.

**Mr. Selinger:** I thank the member from St. Paul for his interest in this area, and I thank him for acknowledging that we've been able to finance new capital improvements in our schools that allow for things like indoor soccer and basketball and other forms of training for young people to be involved in recreation. These investments in public schools and 'recifation' facilities are very important.

I can tell him that work's already under way on the northern facility for indoor soccer, and the—all the groups are working diligently on this, and I'm sure it's going to come to fruition. And I'll—there'll be a public announcement when the official sod turning occurs and I'm sure the member will be interested to be there, and I'll be glad to have him there, because this is the kind of thing that we should all be supporting in terms of quality of life in Manitoba. These are important facilities and important assets and we were very pleased to commit that we would follow through on them in the election, and I can assure the member that we continue to have enthusiasm for these facilities to be built. They make a great difference in the quality of life for Manitobans.

The field house or indoor soccer pitch at the University of Manitoba has been—as the member identified—used almost 24-7. There's a few hours when it's not being used, and I'm sure if we could find a way to program it, it would be used. But it has made a tremendous difference and it's a beautiful facility.

The member will also know that we're going to have FIFA Women's World Cup activity here in 2015, I think, or is it '16. I think it's 2016, actually. But that will, in part, be taking place on the new Investors field stadium at the University of Manitoba, which will be an outstanding asset for soccer as well as football and other forms of amateur sport as well, and it's getting rave reviews for the quality of the facility and was a key ingredient in our ability to attract FIFA World Cup activity to Manitoba. So I think we'll see soccer get a big boost

in the arm as the FIFA events come forward, and I know the member will be enthusiastic about that.

I appreciate his support on it, and I only wish he could find his way to support it in the budgets when we allocate resources to that. That would be wonderful if he could see his way clear to support it actually on the ground, instead of saying that we should be slashing things all across the board, including recreation facilities for people. But we will continue to invest.

The member also might know that, this week, we announced a 7-and-a-half-million-dollar facilities program in the city of Winnipeg, not only for community clubs but for non-profit organizations, 100 per cent financed by the provincial government that will—and we were actually up in the Gateway indoor facility where I actually saw a picture of the member from St. Paul on the wall. I wouldn't say it was a modest photograph; it seemed to be a rather large portrayal. I noticed it was outside of his constituency. He seems to have some grandfathering rights for that photograph that's just prominently displayed there.

But it was a thrill to be in a constituency that is still held by the Conservative Party, I believe, to announce that we would be supporting them as we have in the past when they had—was it 300,000-plus dollars to fix up the roof there.

And I know the member knows that that's used for indoor soccer as well as other activities. There's a beautiful surface that was in that facility, and the kinds of resources we're putting in place will help these facilities to be able to make improvements to their programs and to their facilities as we go forward. And so it's part of our vision in Manitoba, and I thank the member for being supportive of this, and I thank him for his encouragement to continue to move in this direction.

**Mr. Schuler:** I thank the Premier for mentioning my signs that are up at Gateway. I have three of them: one in either arena and one in the soccer pitch, not paid for through members' allowances. That actually is paid for through other means, because we're not allowed to claim it.

I also have some up at the Seven Oaks soccer pitch because Gateway is the designated club for the under-7 soccer players and hockey players because we do not have an indoor soccer pitch, and often players will go and play out of Gateway at the younger ages, so it's a designated club, and Seven

Oaks soccer pitch is the designated club for the Premier League FC Northwest, which is out of Seven Oaks. I also can't claim that in my members' allowances, and that's paid for, of all things, has to be paid for through my association, and I thank people who contribute so we can support youth sport, and that is an amazing way to give a shot in the arm for organizations that are trying their hardest.

I would like to point out to the Premier that I did miscalculate; he did not commit to 11 artificial soccer fields, the commitment was for nine, and I want to just make that very clear on the record. Of those nine, I was wondering if the Premier could tell us which ones have been built, and are we going to see all nine of those developed alongside an indoor field house or indoor soccer pitch by the time the next election rolls around?

**Mr. Selinger:** Again, I thank the member for identifying how he paid for his signage in all these various locations, and, you know, soccer is important, and it's nice to see these quality facilities exist in Manitoba, and there's going to be more of them. We are proceeding with, as I said, the field house, the Investors field stadium is just about ready to go live this spring. That will be another tremendous asset. Planning is under way up in the north quadrant of Winnipeg for another indoor facility. I'll undertake to find out where the nine, not 11 fields—thank him for clarifying that; that's—makes it a little bit easier to achieve that objective, obviously.

And so these are important facilities, and I'll find out where those ones are at. I know there's activity going on for the north Winnipeg indoor facility, which is obviously a more complex project because of the fact that it's needed for 24-7. But I'll undertake to find out where the nine fields that he's identified as being part of the commitment are, and we'll find out where they're at.

But I agree with him, these are important facilities, and they make a big difference in the lives of young people, not just the facility itself, but the activity that they're engaged in and the coaching experiences they have and the fact that parents get involved. I recently attended, just for a short period of time, I think it was a 14-year-old Premier League soccer game between 14- and 15-year-olds in Whittier Park, which I think the member's probably attended to that beautiful field over there as well. And I was able to go there and see a nephew of mine who's participating at that level, and it was a

beautiful night, beautiful field, lots of parents out, kids were playing the game, and it was nice to see.

And we're very lucky to live in Manitoba where we have these kinds of facilities, and we see parents and community people involved and coaches giving their time freely to encourage young people to recreate in this way and learn the skills of teamwork and leadership that comes with that experience, and I think we could say that, on both sides of the House, we support that kind of activity. One side of the House puts it in their budgets; others don't seem to want to support it in terms of budgets, and I don't say that in a partisan way.

But if we really believe in these things, we should find a way to have bipartisan support for it in terms of providing these resources. I think that's an important dimension to what we do. They're not inexpensive, these facilities. But they do have an enduring capacity to provide service to the community and a legacy—they're legacy assets.

And, as we know, soccer is one of the fastest growing sports in North America. I still think it is one of the fastest growing sports, in no small measure, because it's an affordable sport. You don't have to have expensive equipment, you know, good pair of sneakers or good pair of soccer shoes, shorts, tee shirt, a uniform, hopefully, from the host team, and access to the facilities, proper fields make all the difference. And it's a sport played widely by girls and boys, young and old, all across the province of Manitoba. You can play for many years, and it's a very popular sport. It's a global sport, as you know—as the member knows—and it's a great sport for young people to participate in.

And so we'll continue to find ways to support that activity in Manitoba through the Manitoba Soccer Association and through local community clubs and through local coaching and local parent activity. These things make Manitoba one of the greatest places to live in the province so—in the country and in the globe, and so I appreciate the member from St. Paul supporting these activities, and I look forward to him supporting them as we go through the various challenging exercises we have in terms of budgeting.

**Mr. Chairperson:** Order, please.

The hour being 12:30 p.m., committee rise.

Call in the Speaker.

**IN SESSION**

**Mr. Deputy Speaker (Tom Nevakshonoff)** Again, order, please.

The hour being 12:30 p.m., this House is adjourned and stands adjourned until 10 a.m. on Tuesday.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, May 17, 2013**

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