

**Third Session - Thirty-Ninth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BLAIKIE, Bill, Hon.	Elmwood	N.D.P.
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GRAYDON, Cliff	Emerson	P.C.
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HOWARD, Jennifer	Fort Rouge	N.D.P.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 27, 2009

The House met at 1:30 p.m.

## PRAYER

## ROUTINE PROCEEDINGS

## INTRODUCTION OF BILLS

## Bill 25—The Statistics Amendment Act

**Hon. Andrew Swan (Minister of Competitiveness, Training and Trade):** I move, seconded by the honourable Minister of Science, Technology, Energy and Mines (Mr. Rondeau), that Bill 25, The Statistics Amendment Act; Loi modifiant la Loi sur les statistiques, be now read a first time.

*Motion presented.*

**Mr. Swan:** This bill contains amendments to The Statistics Act which will enhance the protection of information, address operational issues and update the act while confirming its compliance with privacy legislation.

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

## Bill 26—The Apprenticeship and Certification Act

**Hon. Andrew Swan (Minister of Competitiveness, Training and Trade):** I move, seconded by the honourable Minister of Advanced Education and Literacy (Ms. McGifford), that Bill 26, The Apprenticeship and Certification Act; Loi sur l'apprentissage et la reconnaissance professionnelle, be now read a first time.

*Motion presented.*

**Mr. Swan:** This bill will enhance and expand apprenticeship training and certification in Manitoba. The bill introduced today will replace The Apprenticeship and Trades Qualifications Act and supports the recommendation of the Apprenticeship Futures Commission. This bill will support an apprenticeship system that is more effective and more responsive to the needs of employers and employees. This bill also establishes a governance structure that will be more engaging and more accessible by all stakeholders of the apprenticeship system.

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

## PETITIONS

Traffic Signal Installation—PTH 15  
and Highway 206

**Mr. Ron Schuler (Springfield):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

In August 2008, the Minister of Transportation (Mr. Lemieux) stated that traffic volumes at the intersection of PTH 15 and Highway 206 in Dugald exceeded those needed to warrant the installation of traffic signals.

Every school day, up to a thousand students travel through this intersection in Dugald where the lack of traffic signals puts their safety at risk.

Thousands of vehicles travel daily through this intersection in Dugald where the lack of traffic signals puts at risk the safety of these citizens.

In 2008, there was a 300 percent increase in accidents at this intersection.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Transportation consider the immediate installation of traffic signals at the intersection of PTH 15 and Highway 206 in Dugald.

To request that the Minister of Transportation recognize the value of the lives and well-being of the students and citizens of Manitoba.

Signed by Ethel Pshednovek, C. McCutcheon, N. Sergenese and many, many other Manitobans.

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

## Long-Term Care Facility—Morden

**Mr. Peter Dyck (Pembina):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Dorothy Carruthers, Muriel Allison, M. Hancock and many, many others.

#### **Seven Oaks Hospital—Emergency Services**

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

The background to this petition is as follows:

The current Premier (Mr. Doer) and the NDP government are reducing emergency services at the Seven Oaks Hospital.

On October 6, 1995, the NDP introduced a matter of urgent public importance that stated that "the ordinary business of the House to be set aside to discuss a matter of urgent public importance, namely the threat to the health-care system posed by this government's plans to limit emergency services in the city of Winnipeg community hospitals."

On December 6, 1995, when the then-PC government suggested it was going to reduce emergency services at the Seven Oaks Hospital, the NDP leader then asked Premier Gary Filmon to "reverse the horrible decisions of his government and his Minister of Health and reopen our community-based emergency wards."

The NDP gave Manitobans the impression that they supported Seven Oaks Hospital having full emergency services seven days a week, 24 hours a day

We petition the Legislative Assembly of Manitoba as follows:

To request that the Premier of Manitoba consider how important it is to have the Seven Oaks Hospital provide full emergency services seven days a week, 24 hours a day.

This is signed by Z. Maglanque, O. Maglanque, G. Salunga and many, many other fine Manitobans. Thank you, Mr. Speaker.

\* (13:40)

### **TABLING OF REPORTS**

**Hon. Theresa Oswald (Minister of Health):** Mr. Speaker, I'd like to table the Manitoba Health and Healthy Living Supplementary Information for Legislative Review 2009-2010 Departmental Expenditure Estimates.

#### **Introduction of Guests**

**Mr. Speaker:** Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us from Manitoba Parents for Ukrainian Education 50 grade 5 students under the direction of Ms. Laurie Gingera. This school is located in the constituency of the honourable Minister of Agriculture and Food (Ms. Wowchuk).

Also in the public gallery we have from Journeys Education Association 12 adult literacy students under the direction of Ms. Linda Bloom. This school is located in the constituency of the honourable Member for Wolseley (Mr. Altemeyer).

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

### **ORAL QUESTIONS**

#### **Pandemic Planning Winnipeg Regional Health Authority**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, in November 2007, five years after SARS hit Ontario, an external independent organization conducted an accreditation survey report on the WRHA and found that neither the WRHA nor the Province of Manitoba had a completed pandemic plan. They said that if a pandemic were to hit Manitoba, and I quote, there may be an inability to respond, given the current situation, end quote.

I'd like to ask the Minister of Health if she is confident enough today with the planning that has gone on in Manitoba Health and in the WRHA that if this external independent organization came into

Manitoba today, that their pandemic preparedness plan would be given a passing grade.

**Hon. Theresa Oswald (Minister of Health):** I can tell the member opposite and all members of this House that, indeed, preparations for pandemic planning have been going on for years.

We know that when the swine flu issue emerged last week, we were able to activate surveillance systems, communication networks, clinical protocols and plans that have been developed.

Our Manitoba Chief Provincial Public Health Officer has been in direct contact with many organizations nationally, indeed internationally, with regional health authorities across Manitoba, and protocols are being put in place for what is, indeed, a very serious situation.

**Mrs. Driedger:** Mr. Speaker, we've been asking questions about this since that first accreditation review came out. We've also looked at what other provinces have in terms of pandemic planning preparedness on their Web sites. Compared to particularly Ontario who suffered with SARS but a number of other provinces, Manitoba's on-line information is extremely sparse. Ontario has got a document that thick compared to ours that is that thick.

So, Mr. Speaker, we wrote a letter to the Minister of Health asking 35 very specific questions three months ago. We were asking for the information in writing so that we could actually, then, compare what some of the responses would be to what other provinces are doing. We have still not had a response from this government, three months later.

I'd like to ask the Minister of Health: Can she tell us why she has not responded to those 35 questions?

**Ms. Oswald:** We did receive correspondence from members opposite concerning pandemic planning. Indeed, pandemic planning is a concern for all Manitobans. We know that the Chief Provincial Public Health Officer is working with many counterparts.

I know the member opposite was, indeed, offered a personal briefing with Dr. Kettner. She declined that opportunity but did acknowledge that we would get some materials to her in writing.

She, herself, did acknowledge that the nature of some of the questions was quite extensive; it would

take some time. I would also indicate that, of course, now that the situation is unfolding globally, the attention of our Public Health department is very solidly on ensuring that our protocols are in place.

We continue to commit to members opposite to communicate with them on this very important issue.

**Mrs. Driedger:** I would like to indicate to the House that, indeed, a briefing was offered. However, we felt that that wasn't adequate enough in answering 35 extremely technical questions. We felt that having it in writing would not allow this government to hide or manipulate information.

We've seen what this government does with information, Mr. Speaker, when Brian Sinclair died and they tried to hide and manipulate information in that situation. We were not prepared to see something like that happen again with a Minister of Health that has no credibility.

So I'd like to ask the Minister of Health again—

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

**Mr. Speaker:** Order.

**Mrs. Driedger:** —why did she not answer those 35 questions?

**Mr. Speaker:** Order. The honourable Member for Wolseley (Mr. Altemeyer), let's have some order.

**An Honourable Member:** Okay.

**Mr. Speaker:** And that goes to all members too.

The honourable Member for Charleswood has the floor.

**Mrs. Driedger:** Thank you, Mr. Speaker. My question to the minister was: Considering the way she misled people around the dire situation of Brian Sinclair's death, there isn't a lot of confidence in how she's going to handle information as sensitive as pandemic planning so we want it in writing, and would she be prepared today to table the full pandemic plan for Manitoba?

**Ms. Oswald:** Mr. Speaker, if there's one thing that I feel very certain about, it's that at times such as these where families across the globe are going through terrible situations and fear concerning this pandemic—we know that we have six reported cases in Canada today, and mothers, fathers and grandparents are worried—we know that what they don't want is nasty partisan politics. They want us to work together.

That's why we've offered the members opposite a briefing tomorrow with the Chief Provincial Public Health Officer. That's why we've taken action immediately upon receiving information from the Public Health Agency of Canada.

We have committed to the member that we will answer the detailed questions that she has asked. At the moment, the priority will be on dealing with this situation as it arises.

### **Manitoba Housing Authority Bedbug Problem**

**Mrs. Bonnie Mitchelson (River East):** Last week, the Minister of Housing stated that it is important that Manitoba Housing provide a role model in terms of landlord issues in this province.

We know that the Minister of Housing recently spent \$64,000 in an attempt to rid 260 Nassau of bedbugs. We also know, Mr. Speaker, that within a matter of days adult bedbugs were crawling up the walls and on the floors again, something that has happened at 260 Nassau time after time, after time, when this minister has failed to fix the problem of bedbugs in that facility.

Mr. Speaker, I'd like to ask the minister if this is what he considers an idea of being a role model landlord in the province of Manitoba.

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** Mr. Speaker, the challenge of bedbugs—I want to make this very clear—is not a challenge that is felt and harmful only in public housing across the world. People are suffering from all walks of life in all different parts of the community. It's important that we not stigmatize people living in public housing.

But what is different about public housing, Mr. Speaker, is there, the landlord, that is the Province of Manitoba, has been taking unprecedented action to try and get these bugs out of those accommodations. It has proven to be a very challenging effort and a full effort has been launched.

**Mrs. Mitchelson:** Mr. Speaker, we know that the government is the province's largest landlord, and we know that Manitoba's housing stock is capital-starved, substandard and, in many cases, unsafe and unsanitary. In fact, we've heard that it's been so bad in some places that the bedbugs are dropping off the ceiling and into people's hair.

When is the minister going to provide some real leadership, take real action, be a real role model and deal with the real issues in Manitoba Housing?

**Mr. Mackintosh:** Mr. Speaker, that is exactly what this government has been doing.

I notice the members opposite, including the member that asked the question, stood up and voted against the budget with the largest-ever investment in public housing in recent memory, perhaps in the province's history, because, Mr. Speaker, we are engaged now in a transformation of public housing in this province, dealing with not just the bricks-and-mortar improvements that are necessary, and the complete renovation, but engaging local labour, training local people to do that work, as well as addressing the human issues, making sure that there are more resource centres, and we're dealing with crime in these communities, but a fulsome approach to ensuring that, indeed, Manitoba Housing is a model landlord for this province and beyond.

\* (13:50)

### **Tabling of 10-Year Strategy**

**Mrs. Bonnie Mitchelson (River East):** Given that Manitoba Housing is the bedbug capital of the province of Manitoba, Mr. Speaker, I wonder how well his plan is working.

Mr. Speaker, after a string of high profile incidents that left many tenants living in Manitoba Housing fearing for their lives, the Province was forced into doing a comprehensive review of Manitoba Housing stock. As a result of that KPMG review, the minister promised a complete 10-year housing strategy that was to be concluded at the end of March.

Will he table that 10-year strategy today?

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** I want to thank Dr. Tom Carter for helping to draft a vision framework for Manitoba Housing in the coming years, which, by the way, I don't think there's a need for any time line of 10 years. It should start now and be perpetual and increasingly flexible in addressing the issues as they arise.

As part of that, Mr. Speaker, is the attention to dealing, of course, with the issue raised by the member. I believe that Manitoba Housing is the first landlord in this province, if not anywhere, to have a dedicated team focussing on bedbugs. I believe

\$2 million is being invested, of tax dollars, to rid these places of that challenge.

In terms of the multi-year strategy, Mr. Speaker, that will be rolled out within weeks.

#### **Manitoba Housing Authority Government Record**

**Mrs. Mavis Taillieu (Morris):** The Minister of Family Services stated he was a role model for landlord issues in the province. According to a recent report from the Canadian Centre for Policy Alternatives, Manitoba Housing stock is inadequate, not a healthy environment and often called a place of last resort. The report also indicated that the landlord cited by community groups most often as being the worst landlord is Manitoba Housing.

Is this what the minister was talking about when he called himself a role model for landlord issues?

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** Mr. Speaker, it's exactly the concerns raised by the member that has led this Province to make sizable new investments, historic new investments, in Manitoba Housing.

That is exactly why, Mr. Speaker, Manitoba Housing must become a model landlord. It's going to take great effort. It's going to take investments that the members opposite voted against.

**Mrs. Taillieu:** Mr. Speaker, this government has had 10 years to address these problems and they have done nothing.

This last weekend we heard in the news another story of another act of violence that occurred in a Manitoba Housing community. We've heard countless stories of people living in Manitoba Housing that they're scared to leave their homes at night and the communities are unsafe for their children.

Is this another example of being a role model that the minister talked about last week and is he satisfied with his leadership?

**Mr. Mackintosh:** Mr. Speaker, we don't have to talk about the '90s, but we can certainly recognize the long tail of decisions made in the '90s when it comes to public housing, because a lack of investment in the earlier decades with the member opposite has an impact today on the well-being of people living in Manitoba Housing.

That is why, for example, in Gilbert Park, we're investing about \$9 million in rejuvenating that work

along with Lord Selkirk Park, Mr. Speaker, and some of the highrises in Central Park.

But what we're seeing is not just about money going into renovation; it's also about ensuring that—for example, at Gilbert Park, the new program Going Places is working with the youth there to ensure that they deal with the challenges in their life, that they are able to get involved in training and, Mr. Speaker, the workers going to work to repair Gilbert Park itself.

**Mrs. Taillieu:** Mr. Speaker, in the report from the Canadian Centre for Policy Alternatives, it states that many of the Manitoba Housing complexes are known as crack dens and party places.

Is being the landlord of unsafe and unsavoury places filled with drugs and gangs the type of role model this minister wants to be, or will he show some true leadership and create safe housing as he promised in his press release last year?

**Mr. Mackintosh:** Well, Mr. Speaker, as a result of our investment in public housing, we've been able to put in place safety mechanisms, including better door security, better physical security, better access. The evictions have been increasing. We've been able to partner with Manitoba Justice to get the Safer Communities team in there for confidential complaints about drug activity or other illegal activity under The Safer Communities and Neighbourhoods Act.

But, Mr. Speaker, it is also, though, about working with the tenants to ensure that they have access to child care. We're building a new child-care centre at Lord Selkirk Park. We have one at Gilbert Park. We're going to build on that. We're going to make sure that there are training programs for people who live there. We now have a bursary program for the students who live in Manitoba Housing. Members opposite, they have no credibility.

#### **Manitoba Housing Authority Government Record**

**Mrs. Leanne Rowat (Minnedosa):** I find it rather interesting that this minister is talking about the safety and well-being of children. I have a story for him.

Mr. Speaker, last week, the Minister of Housing stated that it is important that Manitoba Housing provide a role model in terms of landlord issues in this province. A constituent of mine, Caroline O'Toole, is living in a public housing unit in Souris.

She is fighting mould in her kitchen and in her bathroom, ice-covered windows in her bedroom, skyrocketing hydro bills that are higher than her rent and is dealing with a selection of old appliances that have been left abandoned in her basement.

Mr. Speaker, I'd like to ask the minister if this is his idea of a role model for landlord issues in Manitoba.

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** I assume the member has sent that information forward to be addressed, but, Mr. Speaker, it's all across this province, and members opposite know, with their individual complaints, that Manitoba Housing is addressing those issues.

It's not just addressing them in answer to complaints, but a refresh, Mr. Speaker, of Manitoba Housing all across this province, unprecedented.

**Mrs. Rowat:** Mr. Speaker, the minister speaks about unprecedented action and transformation of public housing. I would like to table some pictures.

It is time for this minister to get off his soapbox and actually do something for Manitoba families. I would like to table the pictures, which I've done, of Caroline O'Toole's home. This individual has been trying for well over a year and a half to get this government's attention on the issue. She's been trying to provide a safe and clean living environment for her children, and they're living in some deplorable situations. Mrs. O'Toole's hydro bill in December alone was \$560. Mr. Speaker, that's \$155 more than the rent she pays.

Mr. Speaker, can the minister, today, commit to a statement of being a role model and ensure that Mrs. O'Toole does not have to spend another cold winter with ice-covered windows and freezing temperatures in her home?

**Mr. Mackintosh:** Mr. Speaker, absolutely, we'll attend to the premises and see what can be done. I suspect it may already be on the list of projects to see upgrades.

But when it comes to energy efficiency, the members opposite, I didn't hear any of them stand up in this House to point to the investments that were being made along with organizations like BUILD, Mr. Speaker, and, as well, I believe it's called—is it BEEP?—in Brandon, where we partner with organizations that go in to do energy retrofits.

That is the future. It's that kind of community partnerships. It's that kind of training initiatives that are coupled with the enhancements to Manitoba Housing both physically and to reduce energy costs.

**Mrs. Rowat:** Mr. Speaker, Mrs. O'Toole has been asking for help from this government to address some safety and health issues within her home for one and a half years. They assured her the house would be ready for her a month and a half before she moved in. That is what she moved into. No family should be left to live in these conditions, especially when it's this NDP government's responsibility to provide safe and affordable housing. How safe is mould in the bathroom and kitchen? How affordable is a home that is so poorly insulated that the hydro bill is more than your monthly basic rent?

Mr. Speaker, when will this minister show some real leadership, be a role model and actually help families like the O'Toole family in Souris?

**Mr. Mackintosh:** Mr. Speaker, then I wonder why the members opposite did not speak in favour of the historic investments in Manitoba Housing that were announced in the last few weeks and, in fact, even rose to their feet and opposed it. We're going to be *[inaudible]*

**Mr. Speaker:** Order.

**Mr. Mackintosh:** —that we address these issues. The challenges of Manitoba Housing are ones that are being addressed head-on by this government. That is why the investments are so significant. Why the members opposite have derided that and voted against it, Mr. Speaker, I'll let Manitobans make that decision.

\* (14:00)

#### **Manitoba Housing Authority Policy for Persons with Disabilities**

**Mr. Blaine Pedersen (Carman):** There are nearly 170,000 people in our province who have identified themselves as having a disability, and a number of these people are using housing facilities provided by Manitoba Housing.

Mr. Speaker, recently, a man living with disabilities in Carman was delayed entry into a wheelchair-accessible unit because the suite was occupied by someone who is not living with a disability. Manitoba Housing has no policy to ensure Manitobans with disabilities are given a priority to



Manitoba Housing units, wheelchair-accessible suites.

Will the Minister responsible for Persons with Disabilities implement a policy to make people with disabilities a priority?

**Hon. Gord Mackintosh (Minister responsible for Persons with Disabilities):** The honourable member raised an issue of a constituent, Mr. Speaker, and I believe it was addressed. I believe that a suite was made available and offered to the individual, and he took it up.

Mr. Speaker, that's an example of policy going to work.

**Mr. Pedersen:** Mr. Speaker, there are 170,000 people with disabilities. I don't know if we can raise that many issues in here.

Mr. Speaker, will the Province adopt the policy to transfer patients without disabilities from the wheelchair-accessible suites to regular units within the same complex, as required when these wheelchair-accessible units are required by persons with disabilities? When will Manitoba Housing implement such a policy?

**Mr. Mackintosh:** Mr. Speaker, as part of the spending plans announced of \$387 million, public housing, I believe it's about \$160 million in cash flow this year for rejuvenation. We do prioritize accessibility and visitability and, in fact, those plans are worked into new projects as they unfold and major renovations as they unfold.

I might also advise the member that in the Carman area we've been able to enhance services for persons with disabilities through the office there and centralizing some of the services, Mr. Speaker.

**Mr. Pedersen:** Mr. Speaker, we're not talking about crisis management here. Many of the community-run housing units have a policy in place in regard to disabled suites, double and single suites.

Why does the Province not follow community leadership that serves both persons with and without disabilities in our communities?

Community organizations are a role model. Perhaps the Province can follow this. Bring in a policy that will serve the disabled people in our communities.

**Mr. Mackintosh:** Mr. Speaker, I just referred to aspects of that policy. What we're seeing across

Manitoba is the development of not only renovated, but new housing for Manitobans with disabilities.

In fact, one such example is Place Bertrand in St. Boniface, Mr. Speaker. It has been a project of Ten Ten Sinclair, but that's a model of ensuring that Manitoba Housing partners with community organizations to address the need for more housing options for persons with disabilities.

### Lake Dauphin Fishery Government Report

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, according to a Conservation-Water Stewardship internal department presentation that we received through Freedom of Information on sustainability of walleye stocks in Lake Dauphin, the government stated, and I quote: If actions are not taken to allow for sufficient recruitment into the fishery, walleye stocks will decline and not be available for future generations.

Mr. Speaker, we know that people in the area rely on these fisheries for sustenance and for other livelihood. This government owes it to the people in those communities to ensure that every measure is taken to protect the fish stocks. In order to do this, they need to cut off fishing during spawning season in all Lake Dauphin tributaries.

Why is this government not doing everything it can to protect the fishery for future generations?

**Hon. Christine Melnick (Minister of Water Stewardship):** Mr. Speaker, we announced the closure for the spring spawn a number of weeks ago now. This is in direct difference to the April 1, 1999, closure announced by members opposite. The closure was not enforced. According to their own records, some 6,000 pounds of fish were taken from the Dauphin Lake tributaries, all tributaries during that time. There were no written warnings issued to fishers who were fishing illegally, and there were zero charges.

We have announced the closure on the two main tributaries with a six-limit on the other tributaries. We are handing out fish for people so that they have sustenance. Ninety percent of the people who are going to the grotto are taking the fish; they are not going down to the water. The NROs are there—

**Mr. Speaker:** Order.

**Mrs. Stefanson:** Mr. Speaker, if I was interested in a history lesson, I'd ask for a history lesson from members opposite. I am asking about the fisheries in

Lake Dauphin, and I wish the member would stick to answering the question.

A late spring season this year will no doubt push back spawning season in Lake Dauphin and its tributaries. The current partial closure on select tributaries, I might add, not a full closure, of Dauphin Lake between April 20 and May 3 may not be long enough to allow for a complete spawning season to occur.

Will the minister agree to extend the partial closure, and include all tributaries, by two to three weeks to allow for spawning to take place in order to ensure protection of the walleye population in Lake Dauphin?

**Ms. Melnick:** Well, Mr. Speaker, I understand the members opposite not wanting their record put on the record of today. They never want to go back to the 1990s, and, in fact, very few Manitobans want to go back to the 1990s.

Again, we trust the department. These are the scientific methodologies that have been used in previous years that have determined how it is that we will protect the health of fishing in Lake Dauphin. The measures that are taken this year are a direct result of the scientific knowledge that was presented to me as minister.

We are taking the measures to conserve the stock. We're taking the measures to ensure there will be a healthy fishery, but we are not taking measures for which there is no justification. That is why we see the two main tributaries closed with limited fishing on the remaining tributaries.

**Mrs. Stefanson:** These were documents obtained from their own government department, Mr. Speaker, and they say, and I quote, spring harvest is negatively impacting recruitment and further protection of spawning walleye is required.

Mr. Speaker, the department seems to understand the need to protect the spawning walleye. We want to ensure that the fishery is protected for future generations.

The question is, Mr. Speaker: Why doesn't the NDP see the need to protect the fishery for future generations? If they did, then they would have implemented a full closure on fishing during spawning season in all Lake Dauphin tributaries, not resort to the half-assed Band-Aid solution they came up with this spring.

**Mr. Speaker:** Order. I think I heard a word being spoken that is unparliamentary. I'm not sure if I heard half-baked, but I thought I heard something a little stronger than that. I ask the honourable member to withdraw that word that she used.

**Mrs. Stefanson:** Yes, I will withdraw that, Mr. Speaker, and replace it with half-baked, which is what I meant to say.

**Mr. Speaker:** I thank the honourable member for that.

**Ms. Melnick:** Well, Mr. Speaker, that was indeed an interesting way to pose a question. Again, the real question here is does the Member for Tuxedo consider a full closure to be one in which there was no enforcement, one in which 6,000 pounds of fish were taken, one in which there were no written warnings, one in which zero charges were laid, or making sure—*[interjection]*

**Mr. Speaker:** Order. Let's have some decorum here. The honourable minister has the floor.

**Ms. Melnick:** —as happened in 1999, one of the many shortcomings of the ministry of fisheries during that day, or does she prefer that we look at the science that is presented by the department and take the steps that have been recommended by the science in the department to ensure that the fishery is maintained this year and in the years to come?

Which does she prefer, what she would call a full closure with no action or the actions we are taking today which will sustain the fishery.

#### **Government Services Wait Times**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question to the Premier. The Premier is presiding over a province which is full of lots of waiting, waiting, and it's not good: three months waiting for answers to questions that are straightforward on the pandemic; months and months waiting for looking after bedbugs; John Milne last week waiting so long for health care that he lost his job; people waiting so long on some lists at Red River College that they're having to go out of province. Mothers and fathers are waiting so long for early childhood education spaces that they're getting frustrated, and it's not good for either the parents or for the children.

I ask the Premier why he has become the Premier of a province-in-waiting rather than a province where people can get what they need when they need it.

\* (14:10)

**Hon. Gary Doer (Premier):** I want to say I was just at the Concordia Hospital Foundation dinner on Friday night. I was sitting with a number of medical experts along with other members of the Chamber that were there. It was pointed out that the wait list for hip and knee surgeries has gone down in the last two years by some 60 percent, Mr. Speaker. The numbers were quite significant. People were very impressed.

I also would point out, Mr. Speaker, that the member opposite was a Cabinet minister in the former Liberal government. He mentioned early childhood development. They promised it in 1993. We didn't have an early childhood development program by 1997 when he left office. They promised it again in '97. We didn't have it, I think, until the last days of the government. It was a good program but it took a long time, 10, 11 years to get it.

Every year that we waited, we still invested in early childhood development. We need no lecture from the member opposite, Mr. Speaker.

**Mr. Gerrard:** And it's pretty sad that Jack Layton killed that program when he voted against that budget. You know, you asked for it.

There are quite a number of problems with waiting in this province.

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

**Mr. Speaker:** Order. It's pretty hard to hear the person who has the floor.

**Mr. Gerrard:** There are children all over this province who are waiting and waiting and waiting for access to licensed day-care spaces. But all too often, instead of having access, people have to go a long, long time. Anslie Rimmer approached me just recently. She had been trying to get on a waiting list for day-care spaces since February of 2008 and she still can't get a space for her child. The way things are going, the problem is that children are going to be grown up before they actually get a space.

That's not the way to run things. What is the Premier going to do about the problems with waiting in this province, the waiting lists, in particular, for early childhood education?

**Mr. Doer:** Mr. Speaker, in the years that the member opposite was in Cabinet and subsequent years to that, we've doubled it in our first terms in office and we're

more than doubling it again in terms of early childhood development.

We also put forward a plan to prevent the closure of schools, capital schools that have been paid for. In fact, I was just meeting with the people in Elton at the municipal convention, where at a school that was going to be closed down—we were encouraged to let school divisions close down schools—there's not only the operating funds for a child-care centre; there is the capital space for those centres.

We'll continue to work away at it. In terms of per capita spending on early childhood development, we're very proud of our record, Mr. Speaker.

#### **Winnipeg Regional Health Authority Brian Postl's Salary**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, Brian Postl is the CEO of Winnipeg Regional Health Authority and over the years has made millions of dollars of income through the taxpayers. I've asked the government and I look to the Premier to show some leadership and explain to this House why it is that an individual, in particular Dr. Postl, who makes a considerable amount of tax dollars every year, why it is that his government will not tell Manitobans just how much tax dollars are being used to pay the CEO of Winnipeg Regional Health Authority.

Why will the Premier not tell Manitobans how much Brian Postl makes?

**Hon. Gary Doer (Premier):** Well, Mr. Speaker, I assume the number is public. I also know that Dr. Postl is a pediatrician. Pediatricians, I think, on average, make well over \$300,000 a year. There's a shortage of them all across Canada.

I know Dr. Postl was called on by former Prime Minister Martin to head up the national review of wait lists. He was considered one of the best in the country.

I know he still maintains a medical practice in places like the Health Action Centre. I know that he is recruited every year by other jurisdictions.

I don't mind the member opposite taking cheap shots at us, but I do resent him taking cheap shots at people that can't represent themselves in this Chamber, Mr. Speaker.

### **Trappist Monastery Provincial Heritage Park Preservation Initiative**

**Ms. Marilyn Brick (St. Norbert):** Mr. Speaker, my community is home to a unique historical provincial park that is treasured by the people that call St. Norbert home.

Could the Minister of Conservation please explain what this government is doing to ensure Manitobans' safety and access to this park while strengthening preservation efforts at the ruins at the Trappist Monastery Provincial Heritage Park?

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, I know that members opposite don't want to hear yet more good news about our provincial parks, but I'm going to tell them a little more anyway. In addition to doing a two-year suspension of park passes, increasing dollars for park infrastructure, removal of commercial logging from 80 of 81 of our parks and just last week expanding two more parks, today we announced \$1 million for the preservation of the ruins at the Trappist Monastery Provincial Park.

Mr. Speaker, this will allow us to protect this historic, unique heritage site, not just for all Manitobans but for tourists who come by to see it, and they'll be safe as they do it. This has been more good news for our parks here in Manitoba.

### **Assiniboine River Diversion Upgrade Requirements**

**Mr. David Faurshou (Portage la Prairie):** Mr. Speaker, the government has stated that they recognized the vital role the Assiniboine River Diversion plays in flood protection for the city of Winnipeg, yet, while in major need of reconstruction this government has spent no capital reinvested in the diversion.

Last week, a portion of the west-side dike in the fail-safe area near Lake Manitoba washed away. This breach is now allowing substantial flows of water to exit the diversion channel. I would like to ask the minister what this government is doing to address this situation.

**Hon. Christine Melnick (Minister of Water Stewardship):** Mr. Speaker, we have taken care to make sure that the Portage Diversion is maintained as needs to be. The Portage Division effectively reduced the water levels in Winnipeg by nearly four feet.

On April 16, the Portage Diversion removed 18,000 cfs from the Assiniboine River. It also made sure that the water levels in Winnipeg were lowered from 26.27 feet from 22.47. Mr. Speaker, that's nearly four feet, as I had mentioned. Without the Portage Diversion, the flow at James Avenue in Winnipeg would have been 90,300 cfs instead of 72,300 cfs.

Mr. Speaker, we protected the people, and we maintained the Portage—

**Mr. Speaker:** Order.

**Mr. Faurshou:** Mr. Speaker, the minister just reinforced what I just said in regard to the vital role that the diversion is taking, and, yet, this government can spend two-thirds of a billion dollars on the Red River and precious little on the other river. The last time I checked at The Forks, there are two rivers.

This government has known for more than four years what happens when the fail-safe area is used extensively. The dike has been breached again.

I ask the minister one more time: What is she going to do both short term and long term to make the necessary repairs to the Assiniboine River Diversion?

**Ms. Melnick:** Mr. Speaker, we will do in the future what we did in the past, make sure that the Portage Diversion is properly maintained. Without operating the Portage Diversion, we would have had to use the floodway to keep James Avenue before 24.5 feet. This would have caused artificial flooding south of the city.

I think she might want to talk to her colleagues about whether we should have been using the Portage Diversion to the capacity that we did in order to protect from artificial flooding south of the city and in order to protect the homes throughout the city. Ask his colleagues, because two weeks ago their questions were very different.

\* (14:20)

**Mr. Faurshou:** Mr. Speaker, the minister continues to reinforce my argument and those that live alongside the Assiniboine River Diversion, the absolute vital need for reconstruction, reinvestment in that particular flood control infrastructure and, yet, this government has had a report on their desk stating just that and they haven't acted on it.

I want to ask, Mr. Speaker, when this government will act to reconstruct, reinvest in the Assiniboine River Diversion.

**Ms. Melnick:** Mr. Speaker, we have maintained the diversion. We will continue to maintain the diversion. We are watching how the diversion is operating right now. We are aware that we will have to do a full assessment when the water level is lower.

We acted to protect the people. We acted to protect against artificial flooding. We acted to protect the city of Winnipeg, and we will continue to do so again by effectively using the floodway, the Portage Diversion and the Shellmouth Dam.

We were able to lower the water levels in Winnipeg by 12 feet, Mr. Speaker. That is what that whole contingency of planning was made for, was to protect the people in times of adverse high waters. That is what we did.

#### **Tabor Personal Care Home Upgrade Requirements**

**Mr. Peter Dyck (Pembina):** Fifty-seven years ago, Tabor Home was built as a light-level seniors housing complex. Today it is a personal care home. The majority of the people are bedridden. There is no sprinkler system. Doorways are too narrow to move the residents in case of a fire or any other emergency.

I'd like to ask the Minister of Health: Should there be a loss of life, what would the Minister of Health say to the families, knowing that Tabor personal care home is in desperate need of replacement?

**Hon. Theresa Oswald (Minister of Health):** I think that I can let the member know that I believe that every member of this House, every member, regardless of political stripe, cares about the health and well-being of all Manitobans.

Further, I can let the member opposite know that we have been in consultation with the people of the community and members at Tabor Home. We know that funds have been flowing concerning safety and security for individuals there, and we'll continue to work with them on the capital plan going forward.

**Mr. Speaker:** Time for oral questions has expired.

#### **MEMBERS' STATEMENTS**

##### **Chic Gamine**

**Hon. Greg Selinger (Minister of Finance):** Monsieur le Président, j'aimerais féliciter le groupe

musical Chic Gamine qui a remporté un prestigieux prix Juno pour son album éponyme dans la catégorie « Roots and Traditional, Group Album of the Year » à Vancouver au mois de mars dernier. Formé en 2007, ce groupe de cinq artistes provenant de Saint-Boniface/Winnipeg et Montréal est composé d'Andrina Turenne, Ariane Jean, Alexa Dirks, Annick Brémault et Alexandre Sacha Daoud. Les membres faisaient anciennement partie des formations bien connues Little Boy Boom, Madrigaïa et Gaïa.

Chic Gamine est unique en son genre car la percussion est son seul appui musical. Ce sont les voix qui priment et les harmonies sont puissantes et fluides. La musique de Chic Gamine s'inspire du gospel, soul, R'n'B et de la chanson française, parmi d'autres, afin de créer une musique qui résonne.

Sa musique originale lui a déjà fourni l'occasion de faire une tournée de l'Amérique du Nord pour donner des spectacles au Strawberry Festival en Californie, au Festival de Sandpoint en Idaho et à notre propre Festival folk de Winnipeg. Chic Gamine est présentement en tournée de l'Amérique du Nord afin de faire connaître sa musique en français, en anglais et en espagnol.

Nous sommes bien fiers du succès de nos artistes manitobains aux prix Junos. Donc, j'aimerais saisir l'occasion de féliciter les autres lauréats manitobains de cette année : Doc Walker pour son enregistrement country, DJ Brace pour son album instrumental et James Ehnes pour son album de musique classique. Bravo à nos artistes de la scène musicale et encore bien du succès à faire connaître votre musique partout dans le monde.

Merci, Monsieur le Président.

#### **Translation**

*Mr. Speaker, I rise to congratulate Chic Gamine, a group that won a prestigious Juno award for its album by the same name in the "Roots and Traditional, Group Album of the Year" category in Vancouver in March 2009. The five-member group, formed in 2007, hails from St. Boniface/Winnipeg and Montréal and is made up of Andrina Turenne, Ariane Jean, Alexa Dirks, Annick Brémault and Alexandre Sacha Daoud, former members of the well-known bands Little Boy Boom, Madrigaïa and Gaïa.*

*Chic Gamine has a unique style. Using only percussion to back them up, the singers blend their voices, creating harmonies that are rich and fluid.*

*Chic Gamine's musical influences include gospel, soul, R&B and French music, and the end result is music that has wide appeal.*

*The group has toured North America performing its own original music. They have played at the Strawberry Festival in California, the Sandpoint Festival in Idaho and our very own Folk Festival here in Winnipeg. Chic Gamine is currently on tour, sharing its music in French, English and Spanish with audiences throughout North America.*

*We are very proud of the success of our Manitoban artists at the Junos. I would like to take this opportunity to congratulate the other winners from Manitoba this year: Doc Walker, for their country recording, DJ Brace for his instrumental album, and James Ehnes, for his album of classical music. Congratulations to all our musical artists. We wish you continued success in promoting your music around the world.*

*Thank you, Mr. Speaker.*

### **Ray Orr**

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, I am pleased to rise today to congratulate my constituent, Ray Orr and his team for defeating B.C. and winning the national title at the 2009 Dundee Canadian Masters Curling Championships in Saskatoon.

Ray, along with teammates, John Mendrikis, Dennis Peckover and Brian Manns, with fifth, Bob Manns were crowned national champions after winning at the zone level and the provincial level.

Minnedosa's national curling champs did not have an easy run of it during all of the games in the championship bonspiel. There were some nail-biting moments as the team worked with gusto and determination to lead them to the top of the championship and to the top of their game.

As there is no world championship at the Men's Masters category, the nationals is the highest level of competition.

The Canadian Masters Curling Championships started in 1987 and became an across-Canada national championship event in 2000. The Western Canadian Masters Championship and the Maritimes Masters Championship were the forerunners of this event. The Masters Championship is held annually in the provinces across the nation.

After their momentous victory in Saskatchewan, Team Orr was welcomed back to Minnedosa with a party in celebration of their honour, hosted at the Minnedosa Curling Club. Over 200 people packed the legion as Dave Mickle piped in the champions and Mayor Lacoste said a few words to congratulate them.

Mr. Speaker, I'd like to congratulate Ray Orr and his team for their victory and thank them for being great ambassadors for Minnedosa and Manitoba. I would also like to thank all the hardworking supporters that helped make this team's success possible.

Furthermore, I'm proud to say that Team Orr will be attending the Manitoba Curling Association's Induction Ceremony on May 3, 2009, where they'll be recognized for the contribution to the sport and for their recent win. Once again, congratulations and thank you, Mr. Speaker.

### **St. Emile School**

**Hon. Christine Melnick (Minister of Water Stewardship):** I rise today to congratulate St. Emile School on the success of their annual community learning fair last Wednesday evening. The learning fair usually focusses on science or the environment, but this year, St. Emile School wanted to celebrate the Museum for Human Rights which is coming to Winnipeg.

The students and staff at St. Emile School studied all month to prepare activities for the whole community, Mr. Speaker. Each guest was given a passport to the Human Rights Museum, which was stamped after each activity was completed. The grade 1 class looked at a house is a house for me. Grade 2 focussed on the underground railway. Grade 3 worked to brush out poverty. Grade 4 went green and looked at the environment. Grade 5 studied civil rights. Grade 6 students focussed on residential schools. The grade 7 classes looked at the rights of the children, and the grade 8 class displayed a holocaust gallery.

As we all know, the Canadian Museum for Human Rights will be Canada's first federal museum devoted to the topic of human rights, and it will be situated right here in Manitoba. It will explore the subject of human rights in order to enhance the public's understanding and promote respect from others. Canadians will come to understand our country's human rights journey, and the students of St. Emile School have begun to do just that. The

evening ended with an excellent presentation from the Museum for Human Rights.

Mr. Speaker, I would like to thank the staff and students of St. Emile School, who are excellent ambassadors for the Human Rights Museum, and we will all be very excited to visit the museum when the project is complete.

#### **Westman Wildcats**

**Mr. Larry Maguire (Arthur-Virden):** This past Saturday, April 25, 2009, the Westman Wildcats won the first ever female midget Canadian hockey championship. The Wildcats beat the Scarborough Sharks 5-2 in the inauguration of the Esso Cup to become Canadian champions. Even though the Scarborough Sharks beat the Westman Wildcats 3-1 in the round-robin play, the Wildcats overpowered Scarborough in the final game, which was televised nationally by TSN.

It was a long road to the Canadian championships for the Hartney-based team and it started with their championship win during the Manitoba playdowns. The Wildcats then carried on to the western regionals, beating Prince Albert, Saskatchewan, in Hartney, thereby earning a berth in the five-team national playdowns.

The Wildcats head coach is Dwight Pollock of Virden, with assistants, Dan De Kezel of Deloraine and Dave Scott of Brandon. Their talented team is comprised of players from many southwest Manitoba towns, plus Tara and Bridgett Lacquette from Mallard, in goal and on defence, respectively.

This Hartney-based rural team played clubs from Calgary, as the hosts, Edmonton in the Pacific region, Bathurst, New Brunswick, representing the Atlantic area and Scarborough, Ontario, winning two and losing two in round-robin play, tying for second place.

I'd like to note that Kiara De Kezel of Deloraine scored the winning goal in the first round-robin game ever held at the National Midget Female playoffs in their 3-1 win over Edmonton, whom they also beat 3-2 in the semi-finals on a winning shot by Jenna-Marie Durnin of Wawanesa. Jenna-Marie also had two goals in the final, including the game winner. Singles came from Brittany Phillips of Hartney, Kelsie Scott of Souris, and Kiara De Kezel also scored the last goal of the championship.

In closing, I want to commend team captain Brittany Phillips, Jaydene Somerville of Hartney,

Sarah and Laura Williams of Souris and goalie Darby Peaslee of Souris, all of whom I consider as neighbours from my days in farming. Brittany was also recently recognized as the YWCA winner of the Youth Women of Distinction Award for western Manitoba.

An objective of this hockey program is to provide these young athletes the opportunity to advance their education. All six graduates of this team will be in university or college programs next year: Tara Lacquette and Amy Lee at University of Manitoba Bisons; Jenna-Marie Durnin going to Lethbridge; Brittany Phillips, Colgate, New York; Laura Williams at Northern Alberta Institute Technology, NAIT, in Edmonton; and Danielle Maxwell is going to the University of Prince Edward Island.

Mr. Speaker, I ask that all members of the Legislative Assembly join me in congratulating the Westman Wildcats, based in Hartney, on becoming the very first female midget Canadian hockey champions. Their hard work and dedication has paid off. They have made their home towns and province proud as outstanding ambassadors and proud inaugural winners of the Esso Cup, the trophy presented to the national champions of midget female hockey in Canada. Congratulations.

\* (14:30)

#### **Westwood Collegiate Investors Group Jazz Award**

**Ms. Sharon Blady (Kirkfield Park):** Mr. Speaker, it gives me great pleasure to rise and share with this House some exciting news from Kirkfield Park. On April 21, the Optimist Jazz Festival awarded Westwood Collegiate its prestigious Investors Group Jazz Award. This award recognizes exemplary performance, mature on and off stage presence, commitment to the festival and the development of an outstanding band program.

Mr. Speaker, Westwood Collegiate has been a participant in the festival since 1976, and this year's jazz festival took place from February 27 to March 1. Accomplished band director, Greg Edwards, led the Westwood Junior, Intermediate and Senior Jazz bands, as well as the grades 9 and 10 Concert bands and the Symphonic Concert Band at the Concert Band Festival.

I am also pleased to share with this House this example of the work that Optimist International does, as I am a proud member of the Optimist Club

of Assiniboia. Optimist International is a worldwide volunteer organization that seeks to bring out the full potential of young people. Their mission is to bring out the best in kids by providing hope and positive vision.

The goal of Optimists is to develop optimism as a philosophy of life. Projects like the Optimist Band Festival encourage youth to be the best they can be while developing a sense of community service.

I would like to congratulate the band students of Westwood Collegiate and their director, Greg Edwards, on receiving this mark of distinction. I know the band program at Westwood Collegiate has been a source of pride for the students and the school for many years.

I would also like to thank Dale Weevers and the Investors Group Matching Gift Program for making this award possible.

Mr. Speaker, it is wonderful to see the work of a positive, community-oriented group like the Optimist Club recognizing the accomplishments of young people in Kirkfield Park.

Congratulations, again, to the Westwood Collegiate band students on their continued success. Thank you, Mr. Speaker.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Dave Chomiak (Government House Leader):** Mr. Speaker, I'd like to announce that, in addition to items previously referred, the following reports will also be considered at the July 8, 2009, meeting of the Standing Committee on Crown Corporations: the Annual Report of the Workers Compensation Board for the year ending December 31, 2008; the Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2008; and the Five-Year Plan of the Workers Compensation Board for 2009 to 2013.

Also, I'd like to ask, Mr. Speaker, if you'd canvass the House to determine if there's agreement for the Estimates sequence to be changed so that tomorrow, April 28, in Room 254, the Estimates for Infrastructure and Transportation be set aside and the Estimates for Advanced Education and Literacy be considered until concluded. Following the completion of Advanced Education and Literacy, the

section meeting in Room 254 would continue consideration of the Estimates for Infrastructure and Transportation.

**Mr. Speaker:** Okay. It's been announced that, in addition to the items previously referred, the following reports will also be considered at the July 8, 2009, meeting of the Standing Committee on Crown Corporations: the Annual Report of the Workers Compensation Board for the year ending December 31, 2008; the Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2008; and the Five-Year Plan of the Workers Compensation Board for 2009 to 2013.

Also, is there agreement for the Estimates' sequence to be changed so that tomorrow, April 28, in room 254, the Estimates for Infrastructure and Transportation be set aside and that the Estimates for Advanced Education and Literacy be considered until concluded? Following the completion of Advanced Education and Literacy, the section meeting in Room 254 would continue consideration of the Estimates for Infrastructure and Transportation.

Is there agreement? [*Agreed*]

**Mr. Chomiak:** Mr. Speaker, I'd ask if you would resolve the House into Committee of Supply.

**Mr. Speaker:** Okay. The House will now resolve into Committee of Supply.

Would the Chairs please go to their respective rooms they will be chairing. In the Chamber will be Education, Citizenship and Youth; Room 255 will be Finance; and Room 254 will be Infrastructure and Transportation.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### INFRASTRUCTURE AND TRANSPORTATION

\*(14:40)

**Madam Chairperson (Marilyn Brick):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Infrastructure and Transportation.

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



**Mr. Larry Maguire (Arthur-Virden):** I have a number of questions for the minister today in regard to highways in the province of Manitoba, particularly. I don't know if we'll get through them all today or not, but there are a couple of other colleagues who will be coming in, I think, from time to time to look at some of the maybe pertinent issues in their areas locally. I might get mine out of the road first so that we actually do get through them this year, and look at the opportunities that will be there as well.

Sorry, Madam Chair, we just wanted to touch base, as I said, with the minister on a number of issues, a few points of local concern before I get further into some of the issues that I'll want to deal with on the supplementaries.

As the minister knows, there's, you know, where the restrictions have come on, and we keep them on until the 1st of June. They're on for another five weeks or so in the province of Manitoba. I just wondered if he's given any thought to looking at more weather-related postings of weights and measures in the province of Manitoba, spring road restrictions, as is being done in our neighbouring province to the west. As he knows, I'm up against the border with the oil industry in southwest Manitoba and southeastern Saskatchewan, and to provide as level a playing field there as we can, I was wondering if the minister has made any considerations in regard to changes that he could let us know about in that area.

**Hon. Ron Lemieux (Minister of Infrastructure and Transportation):** Well, the department officials have been working with the oil industry for a number of months now, and they have met with them on a number of different issues, some related to roads, bridges, different transportation routes, different arteries that they want to use.

What we're trying to do is get some idea from the oil industry what priorities they want to use as far as arteries to Saskatchewan, or into Manitoba. Highway 2, Highway 3 primarily and I believe it's 258, 256 north-south as well taking a look at what needs to be done on that particular stretch of road. If I might, to repeat myself again on showing the flexibility of the department and our staff that's responsible for making sure the integrity of our roads is taken care of, they have been very, very flexible with the agricultural community in this time of flooding no matter where that is in Manitoba. They've been working closely with the different

sectors of the agribusiness, agricultural community to ensure these roads are not only well taken care of, but they've shown flexibility where people have had to move their crops, whether they be cereal, grains and also cattle and, indeed, I believe, milk and other products that people need to move to market or need to get out of the flood plain, or flood area, I should say.

This again applies to anywhere in Manitoba. So, to make a long story short, our department has shown a great deal of flexibility. When need be, when industry needs to be able to move fairly quickly, we've been very, very flexible in doing so.

**Mr. Maguire:** I just received a letter, actually, today, from the minister in reply to the letter I wrote him on March 18. I and Mr. Eichler from Lakeside wrote him a letter back some time ago. I'm pleased to have the response on that from the minister. That was, of course, dealing with the situation in the Red River Valley where grain was allowed to be taken out, moved out early in the flooded area, or the expected-to-be flooded area, which has been done before by all governments, I believe. I certainly appreciate that happening.

I guess my question was more directly to the oil industry in southwest Manitoba as opposed to, perhaps, even the grain sector as much, depending on—I know at one time a few years ago we had a program where permits were being requested and allowed by the government. They were flexible in regard to allowing those permits to move heavy loads during the spring restriction time—maybe at nights when it was more frozen or very early mornings. That program had worked well, and I wondered if the minister would consider that again.

**Mr. Lemieux:** Well, indeed, we used that approach, Madam Chairperson, this spring, where, I believe, we started four or five days later than normal, I think, because the frost was not coming out yet. But we try to show some flexibility. In other words, in the south, usually restrictions start earlier but come off sooner. In the north they start later and also come off a little later. So there is some flexibility built in to the approach on our roads system.

I'm not going to get political in the sense of pointing fingers at what happened in the '90s or, indeed, even before then. But the fact of the matter is our roads have been, you know, not in great shape for a while. With our investments and the kind of money we're putting in, we're hoping to address a number of them, but there has to be a strategic

approach to what roads you're going to invest in, and we have 19,000 kilometres of roads that we're responsible for or approximately. So you have to make a call or a decision as to which ones you target for investment.

So, to make a long story short—long answer short or shorter—there has been some flexibility built in into restrictions. Now, everyone is looking for us—well, let me put it a different way. There are people who wish we never had any restrictions at all and they would just drive their trucks and beat up the roads and destroy them, and then say, well, okay, Province of Manitoba, fix them. Well, the fact of the matter is that's what has happened in some cases and we have fixed them. But the dilemma is, we cannot continue just to let heavier trucks on our roads that are in bad shape, and we have to try to preserve them the best we can.

So we are addressing our main arteries. We're trying to address some main strategic routes that trucks can take, primarily heavier trucks; that's what we're talking about, because ordinary truck traffic, by that I mean half-ton traffic or automobile traffic, is really not what destroys our roads. But it's trucks with different kinds of front ends and also heavier trucks travelling on our roads at this particular time.

So, when the Member for Arthur-Virden mentions that the 1st of June, I should say, that the restrictions are off, well, it's approximately that. I think this year it's around the 26th or 27th of May we're looking at. But, having said that, it does depend on what part of the province you're in. Thank you.

**Mr. Maguire:** Well, I wasn't trying to be political; I was trying to commend the minister for allowing a permit process that he had a few years ago in his own department that he brought in. I am appreciative of the fact that he has recognized that the roads aren't in good shape. We talked the other day about there is seven times the requests for money to upgrade roads and infrastructure as there is money. So I acknowledge that. All I'm saying is it is about priorities, and it is about, also, economic development for the province of Manitoba, keeping people working in this particular time when we have federal governments and provincial governments across the country trying to get through the recession to keep local people working.

I just want to say, and put on the record here, that I have had no one ever ask me that road restrictions be completely taken off in the spring of

the year. The people who are calling me to see if they can get a special permit to move for a special circumstance, and this isn't to haul a load of grain, they know that they can bring their trucks down; it isn't for oil trucks that can haul lower, smaller loads; it's for equipment in an industry that is already overweight, probably for even the times when we don't have any road bans at all, and allowing them to move to do special things like—one would be setting up a battery.

\* (14:50)

There's a company, I believe it's EOG, wants to set up a battery in the Waskada area. There would be a number of loads that would come in. Some of them would be overweight, and a special permit process to allow them to bring that in, locate an area, would have helped them go ahead. We made this request some months ago, a month and a half ago at least, before restrictions came on. It's impeded their ability to organize getting that equipment in from Saskatchewan, Alberta to go ahead.

They will build a battery. Hopefully, it will just be a delay for the economy of Manitoba. They also recognize that there is a TIP program in place where the government can use these funds to target them directly to the road that the request is specifically coming from. The minister has put that in place. We commend that. We look at the opportunities to have these permits. All I'm saying is, would they consider to look at opportunities to reinstate that type of program, perhaps even if it was specific to the oil industry in southwest Manitoba?

**Mr. Lemieux:** Well, the oil industry is a valuable industry for our province. Arguably, it's not—well, it's not even an argument as comparing it to Alberta, Saskatchewan, but it still is a valuable industry for us and will continue to be so into the future.

There has been flexibility shown by our inspectors and by using special permits. At most times, people will contact the department and request that they have a special load to carry and they want to have some flexibility given to them, whoever they are. So here's the challenge that the department faces. Often it's not the road itself that's the problem. You might be able to live with a few special loads being carried. It's the bridges. I know that the Member for Arthur-Virden knows that. I'm not telling him anything he doesn't know. But I just want to make sure I'm putting it on the record that often it's the bridges. So it's different loads, different trucks, different bridges and all of that combination can add

up to not allowing someone to carry a specific unique cargo, or it may allow them to. So that's why it's unique to each request, I guess, is what I'm trying to say here. That's important because that's something that you know falls onto our inspectors to ensure that this challenge is met.

Now, with regard to the industry itself, I've had the opportunity to meet with some people from that oil industry. They believe that there's a great opportunity to do good business here in Manitoba, that there's great potential in Manitoba for the oil industry. We want to make sure we're working with them. We've never discounted anything. We've just said that here are our circumstances, it's our job to protect our infrastructure, and we will do whatever we have to do to do that. But we want to ensure that we have a viable, thriving industry, that being the oil industry in Manitoba as well. I know the department have met with members, representatives from the oil industry over the last while, trying to address, I guess, the priorities. What's the industry's priority? Is it No. 2, No. 3, to ensure they can go east-west on either one, you know, in a fashion that's not going to be damaging to the roads and will be good for their industry, and also using north-south on 256. I'm not sure why I keep wanting to keep calling it 258, but it's 256. That's important.

We've heard from the industry that their priorities are Highway 2 and No. 3 bridges and also, 256, an RTAC route, as well as a bridge. We have an idea now from the industry what they want. We're going to try to work with them to make sure that we can budget accordingly. The challenge, of course, is it may not be able to be addressed all in one year. I don't think that's what the MLA for Arthur-Virden is asking or the industry's not asking that either. They're just saying that they want to see the plan. So we believe that now we know the priorities, we can come up with a plan that will be able to be satisfactory to their needs and meet their needs as far as being more productive in what they want to do in Manitoba.

**Mr. Maguire:** Certainly, I was at the meeting—I believe, one of the meetings, at least—that was held with about 40 industry representatives in Virden in early March. The minister's deputy in charge of permits was there. We had a good meeting, I understand, talked a lot of safety issues that were good. Some of them were being done by the government, and I commend them for that.

I guess there are a couple of things that came up there. One of them was a plan to have a third plan in place for zoning in Manitoba, and I've talked to the minister in Estimates a few years ago about that. We won't go there again at this point.

I think the more important issue there for the people in the room that day was perhaps something I alerted the minister to earlier, and that was to allow empty semis or empty oil tankers to drive empty from Cromer down to 256 to No. 2 again at Sinclair, near Sinclair, to get back out into Saskatchewan and further south to haul oil into the Cromer substation to get it into the pipeline at Enbridge and Tundra and others in that Cromer area.

It's not just—and I know that their front axles are probably overweight on 256. You know, that's the situation, and we may have to allow permits to allow them to do that or put bigger tires on the front if they need to, although they're practically balloons now on some of those trucks, but the situation that came up that day and one that I know the minister's aware of because they've had to put calcium in front of some of the farmyards in that area because of the dust on 255. These trucks are presently coming in from Saskatchewan, going past 256 and No. 2 junction, going past Reston to the Pipestone corner on 83 highway, north on 83 to 255, which is a gravel road coming all the way back to Cromer.

The semis are presently full of oil having to follow that route to get to Cromer. There was a circumstance there, a special request to perhaps look at the situation of allowing those trucks to drive the mile, I believe it is, from the junction up to the—on 256 to the tank dumping facility, and I believe that's perhaps been done. It was looked at certainly and thought to be a good plan that day.

I know Mr. Mahood was there from the western region of the highways branch, and he's doing an extremely good job, I think, he and his staff with the resources that they've been given, and I know that that's always a concern everywhere, but I want to commend them as well for the work that they've done.

But I know that the reason for going south with the empty trucks was to alleviate forcing those empty semis once they do dump at Cromer to come back down onto 255 and travel east, facing the on-bound full semis of oil that are coming down that same dusty road.

There was a suggestion that perhaps they would put calcium on that road three times this spring before restrictions are over. That's quite an undertaking because that road is about 20 miles long, and I just wondered if there isn't a better alternative to that. I know that 255 gets beaten up.

I was just told last night, I guess it was, at another community dinner, that they need to grade 255 more, need to put more maintenance on it at least every other day. They said three times a week to keep that road from getting any worse. It is punched out in many spots because of soft conditions this spring, but the main concern, and I raise it as a safety issue and an environmental issue so there isn't a head-on collision between an empty truck and a full truck on 255, the gravel road that is very dusty at times.

That, I think, would be a real disservice to us in Manitoba. It's something that we're just trying to alleviate a fatality on that road, and I bring it to the minister's attention today and the department to look at it. I know they're aware of it, but I wonder if there isn't some way that we can allow those empty semis to travel on 256. That was certainly a request from the oil industry that day.

I mean, we're not just talking 10 or 20 trucks a day. We're talking about sometimes over 100, sometimes as many as 200 oil tankers a day going into that region and, with that frequency of trucks, quite often I've seen where they are following three, four, five in a row and sometimes only a couple of hundred yards apart on 83 highway all turning off on 255 to go west, and I know that they have to come back. So I'm just raising it and wondering if the minister can inform me if there have been any more decisions made on what they can do to alleviate the congestion on 255 so we can avoid an oil spill and a fatality.

\* (15:00)

**Mr. Lemieux:** Madam Chairperson, the department has talked to them about all the roads in the area, including how many different bridges and structures, whether they be culverts or timber bridges in the area and how many there were. But they've also talked about the corner from Scarth, I guess it is, to Cromer where they go and they come back empty and the kind of dust that's there and the kind of maintenance that's needed. But through all the discussions that have taken place, PTH 2 and its bridges, PTH 3 and its bridges, and also looking at 256, turning 256 into an RTAC route has always been—that's their priority.

They're saying, we understand if you can do some extra maintenance work, calcium chloride or dust-proofing would be very helpful.

They want us to focus on the major arteries that they want to be able to use. That's not to say that we're not going to be looking at what we can do on 255; for example, to put more calcium chloride or dust-proofing or put more granular material on the road, but we haven't closed the door to any suggestions or options at this point. We're working with them, and I just want to repeat that they've told us what their priorities are, especially on 2, 3 and 265 where they want to make it—strengthen the actual RTAC route and make it into an RTAC route. They feel we could do that. That would be a big leap forward in trying to assist them.

**Mr. Maguire:** The suggestion I've just made, of course, is a suggestion to improve an alternate route. The priority certainly is to RTAC 256 from Cromer all the way to north of Cromer going on the road to between Virden and the Saskatchewan border. You could have oil coming in from the north as well because it does, and there may be more with the drilling that's going on, although the bulk is still from the south on Cromer.

The first priority, I think, would be to go from the Enbridge station down through the town of Cromer down 256 to No. 2 junction east of Sinclair. That's certainly the priority—and I certainly will commend the minister if he's able to prioritize that—but I understand the request I was making was just to try and alleviate it until something like that is done, maybe this year, next year, and in future years until we can get that road built.

I want to also ask the minister a question about those bridges on No. 3. The bridges on No. 2 are an issue. It's an RTAC road at this point in that portion, but the bridges I'm most concerned about, or the industry tells me they're most concerned about, one of them is right at Cromer, just north on 256. Can the minister tell me what—I know they've made some temporary supports in that bridge from last year to keep it going. Can the minister indicate to me just what the circumstances of that bridge are, just exactly can he provide me with an update on the condition of that bridge on 256 just north of Cromer?

**Mr. Lemieux:** We spent about \$200,000 just undertaking spot road improvements from Saskatchewan leading westerly, but the investment we're looking at and having to put in place is far greater than that. You're taking a look at a structure

that's about \$4 million. This is something we're certainly looking at on how to make that particular improvement, I guess it's on Highway 256 that again, it's, I mean, I can't absolutely say for sure now that we're going to move ahead on it, but I know that now we know what the industry's priorities are. We're looking at what do we need to do in the short term.

Again, it's not necessarily our roads. It's our bridges that are aging, and that's where a lot of the initial activity has had to take place. I know in the House, the MLA for Russell raised the issue about a bridge or culvert on 83. That's just slightly north of Russell, very similar in the sense that 83 can handle quite a bit of traffic still, but that's not the challenge. It's that particular structure that we're looking at and replacing, whether it's concrete culverts or a bridge or whichever is most economically feasible to do and yet serves the purpose of handling the weight.

So we are looking at what we can do with regard to that structure on 256 to see what and when we're able to do it. It's very expensive. I understand it's around a \$4-million price tag, give or take, and depending what we decide to do there, in that particular location.

**Mr. Maguire:** So is the minister saying that bridge at Cromer would be \$4 million?

**Madam Chairperson:** Honourable Minister.

**An Honourable Member:** I'm assuming that if it was \$4 million—

**Madam Chairperson:** Honourable Member for Arthur-Virden.

**Mr. Maguire:** Oh, sorry. Yes, I just wanted to add, while the minister is checking, that the \$4 million he was referring to is for the rebuilding of the bridge at Cromer.

**Mr. Lemieux:** I'll have to clarify that, but that's what I understood. At least, that's what I've been advised, but I'll make sure we clarify it, just to make sure we're talking about apples and apples.

**Mr. Maguire:** Can the minister tell me what it costs to build a kilometre of two-lane highway?

**Mr. Lemieux:** Depending what kind of highway.

**Mr. Maguire:** To RTAC standards.

**Mr. Lemieux:** For most people, a traditional road, a traditional RTAC road, would be approximately \$1 million, but when you're looking at Highway 1, for example, where the road is much wider, you're

looking at doing the widening of the road. Again, it comes down to what is the base of the road like? If you're going to have to go down six feet, put granular material and start building up the base again, it's going to be far more expensive.

So it does vary, but, to be direct in the answer, it's anywhere from a million to a million and a half, depending on what the integrity of the road already is, and depending on the width of the road, whether it's on the national highway system, for example, like No. 1 highway, or other stretches of road like 75, comparatively speaking, compared to, let's say, Highway 2 or 3.

**Mr. Maguire:** Thank you for the clarification, Minister, on that. I appreciate it because that certainly is a concern of the national highway system, is a wider road, has to be a wider base, better base.

I wanted to say that there are other bridges, I know, that were raised in the meeting in Virden that day as well—the one on Pipestone Creek, on 83 highway, north of Pipestone, in the community of Pipestone, there as well. I just wondered if the minister can give me an update on that bridge.

**Mr. Lemieux:** Well, just to give a bit of a snapshot at which I was quite surprised at and I didn't realize, that if you were to throw a blanket around that area, if you were to look at Cromer, Scarth, Sinclair, Reston, Pipestone—if you were to throw a blanket in that area, there are approximately 144 bridges and structures, which is really quite surprising to me in a sense. Maybe I shouldn't be because I am an MLA and my constituency is in the southeast, and I know what this is all about. When you have the Rat River, Joubert Creek, Seine River, you've got the LaSalle River, the Morris, the Pembina, when you have all of these rivers, you're going to have a lot of bridges and structures that need to cross them.

So, no different than when you take a look in the southwest portion of Manitoba. There are many, many rivers and creeks that need to be crossed. So, again, the challenge, I believe, for us is really dealing with those structures.

**Mr. Maguire:** Madam Chair, I know people tend to look at the southwest part of Manitoba as the drier area of Manitoba because it's part of the Palliser Triangle, but we have a tremendous amount of—

**An Honourable Member:** Some years.

**Mr. Maguire:** Yes.

We have a tremendous amount of creeks that do come off the Moose Mountains in Saskatchewan, and they all come east to get into the Souris River. There are not too many coming from the east side of the river, but lots from the west, and major creeks, and they all require fording for commercial operations.

\*(15:10)

Can the minister tell me how much of the highway, excluding the bridges, from No. 1 highway to the U.S. border on Highway 83 is of an RTAC standard today?

While the minister is looking, if—just for clarification—if it's not all up to that standard, can he just provide me with the parts that are?

**Mr. Lemieux:** Yes, Madam Chairperson, 83 is considered an A1 road. You know, a good-condition road which would hold 56,500 pounds—or kilograms, is it?—56,500 kilograms. It's a road from No. 1 to the Saskatchewan border—or to the U.S. border.

**Mr. Maguire:** Can the minister differentiate between the A1 and the RTAC designation, or can he clarify for me that that's the same?

**Mr. Lemieux:** The A1 is 56,500 kilograms and the RTAC is 62,500 kilograms.

**Mr. Maguire:** How many of the bridges then, on No. 83, would be of the A1 level, or are there some that are already at the RTAC level?

**Mr. Lemieux:** I would have to take—well, not just I, but my staff that are with me today would have to take some time to look at that. But we'd be pleased to let you know what that is. We don't have that at our fingertips right now.

**Mr. Maguire:** Yes, can the minister just report on that tomorrow for me?

**Mr. Lemieux:** I will certainly endeavour to do that. I understand there are different ministers being moved to different spots with regard to Estimates, so I may not address this tomorrow. So I may give us an extra day, but depending on how things go and how negotiations go between the two House leaders, and so on.

**Mr. Maguire:** Yes, I do acknowledge that we are interrupted tomorrow by Advanced Education, but I believe we're to finish, maybe not finish Estimates, but we are to finish the day probably going—I know Mr. Chomiak indicated that in the House, that we'll probably go back into session tomorrow here on

Estimates for Infrastructure and Transportation after the Advanced Education part. So, whatever, tomorrow or the next day.

**Mr. Lemieux:** Well, can I just state that we'll get it as soon as we can for my critic?

**Mr. Maguire:** Thank you. I just want to acknowledge that, you know, the minister is talking about a plan for 256, 255, in that area, to haul oil up and down the Cromer area, and he's indicating that now he knows what the industry wants.

I'd just like to point out that I've been asking for years in Estimates, back to the days of Mr. Ashton and also Scott Smith, before his predecessors, I guess, in regard to a priority for 256 in that area.

**Madam Chairperson:** Order. I just want to remind all members that members are called by their constituency rather than by their personal name.

**Mr. Maguire:** I'll restate that. I won't talk about the Member for Thompson (Mr. Ashton) as his personal name anymore. I guess I thought that was just in the House and not here in Estimates, but we'll go ahead with that—for the Member for Thompson and the Member for—Mr. Scott Smith, who was the minister of transport. I think I can do that because he's safely not here anymore.

So it is a priority of the industry, and I know the minister knows that. I just wanted to put it on the record that they've been waiting a number of years to see some results of that, and testimony to that is I received a letter here just recently from the town of Melita. In fact, I received it today. It's a letter from their council and Mayor Bob Walker in that area, acknowledging that they would—it's to the Minister of Infrastructure and Transportation, and it's in regard to the letter that they wrote in August 2005 asking for work to be done on the Jackson Creek bridge north of Melita on Highway 83.

I've raised this in Estimates a number of times. The answers that I've received in the past were even to the point where this bridge was being used as an experiment basically with work being done on it on new structures, structures that have been tested, instead of wooden beams or concrete beams, they were reinforced beams that have been used in this area with special rods.

I wonder if the minister can provide me with an update on the bridge on Jackson Creek on 83; where that experimental program is at. I know that there have been people there surveying the bridge recently,

because I saw them when I was travelling down the road. I wonder if there's anything he can advise the House on it in regard to an update on potential work and how soon it might be done to the Jackson Creek bridge on Highway 83 north of Melita.

**Mr. Lemieux:** Well, I know the MLA for Arthur-Virden has heard me answer this question, not this particular one, but other questions like it in a similar fashion, where it does take some time to plan and to be able to strategize as to where the best investment should be placed. We've talked about Jackson Creek, I believe a couple of times, certainly, in Estimates. It's been raised by a number of R.M.s as being a very important structure as far as they're concerned, in the region. As minister, anytime I've met with the R.M.s, as opposed to having them take a scatter-gun approach to priorities, I've tried to get them to zero in on one or two. I said, if you do that, I'll do the best I can from my side to see if we can find the dollars working with our engineers and people who are going to have to engineer and design the bridges to try to put something in place.

This particular structure, I am pleased to state that we are going to be moving ahead on this structure. I believe this—I hate to get into the dollars because the moment you do, if you tell the industry, guess what, we're going to build a structure for \$10 million, guess what the bids come back at? They're certainly not less than 10; they're at least 10 and more. So let's just say it's a structure that is more than one million and less than five, someplace in there, and it's going to be a costly investment, necessary. But, again, as I mentioned to my critic before, it is that sometimes we're not able to address these challenges immediately, but we do try to get at them, and considering and consulting with the local rural municipality.

So that particular structure we're going to be moving ahead on, and I understand it's going to be advertised and tendered out fairly shortly, hopefully before May. We'll be certainly pleased to have work start on this project this summer.

**Mr. Maguire:** Well, I commend the minister on that. I'm very pleased at that, because the letter from the town here states that they were concerned that the bridge doesn't meet RTAC standards, and that no effort was made by the Province to include this in their five-year plan. So I'm really glad to see that the minister is moving forward, and I'm really pleased to see that that will go to tender this spring.

I wanted to touch base in regard to the bridge on the Pipestone Creek. I think it is one of the other major ones where all these semis are presently going up off of No. 2 to get to 255. I believe it's the only major bridge in that area going over the Pipestone Creek taking the water toward Oak Lake, and just an update on whether or not there are any intentions to do anything with that particular one.

There was a bridge just south of Virden on Highway 83 that was burnt in a terrible, tragic, fatal accident back just after I was elected in 1999-2000, and I know that the government rebuilt that bridge. It was an emergency circumstance to rebuild it, and, I believe, it was built to the standards that would be fitting for an A1, if not RTAC, at that time.

So I think the bridge at Pipestone Creek would be the next major one to look at, and I wondered if the minister can give me an update on that one.

\* (15:20)

**Mr. Lemieux:** Well, as far as I know, we don't have it in our five-year plan, but that's not to preclude or to state that we're not going to address it. Indeed, that structure is an important one.

The one I just mentioned before is going to be at RTAC level, because now the kinds of weights that are—a lot of these structures were built to the standards according to the day and what the heaviest weights were. So, if you're taking a look at structures that are 50 years old, well, I mean, the vehicles that were 50 years ago or even 30 years ago, the structures were built to that.

Again, my critic and I have been both in our portfolios for a few years now, so some of these issues we've gone over a couple of times, but we are making some progress, arguably, maybe not fast enough for some rural municipalities, but we are getting at them. The Pipestone one is one that the department has been looking at.

The one that was just south of Virden, I'm not sure if it was built to RTAC or A1 loading, because it was addressed fairly quickly, when the accident took place. But I know that 83 has been pushed for a long time as a corridor highway, if we should use that term, or want to use that term. People have been trying to ensure that whatever we do along that stretch, that any structure, we should be looking at RTAC for the future, because those are the kinds of weights that people want to haul on, and 83 runs all the way from Swan River, all the way to Laredo, Texas. I think it's the longest highway in North

America. Some stretches of that road are not in great shape throughout the United States and not that great a shape in Manitoba either, that need to be addressed.

**Mr. Maguire:** Madam Chair, I guess we've talked about permits, we've talked about bridging and some of the roads around the oil industry in that area, and I just wanted to let the minister know, as I did in the meeting in Virden that day, that the industry has helped stabilize some of the agricultural economy in that area, because young men and women are able to work on some of the rigs in the area without having to go to Saskatchewan or Alberta. They're able to manage their farming operations the same by being home every night, every day or in the shifts. The older persons on some of those farming operations, perhaps more the over-40 or early-40s age group, are trucking in the industry, whether it's moving rigs or hauling oil or hauling water in a number of areas. They're still short of truck drivers in that area in spite of the economy today.

I'm told that the oil industry in southeast Saskatchewan is still going with the boisterous program of drilling. Southwest Manitoba hasn't got the same level of activity that it had last summer when oil prices were \$145 a barrel versus \$50 today, but there are over 250 oil wells planned to be drilled in that area this summer. There are about 50 that have been drilled before restrictions came on through the winter here. So there's going to be a fairly heavy drilling program from the 1st of June till we get into freeze-up again. We really need to look at the pluses for the economy in that region and, of course, it's a spinoff to all of Manitoba for the types of activities that are taking place in that concentrated industry, the oil industry, in the southwest.

I want to, if I could, perhaps have a few more questions on bridges, and that sort of thing, later, but I know my colleague from Inkster here, I want to provide him with the opportunity to ask a few questions as well.

**Mr. Lemieux:** Let me just state, though, that before proceeding to the MLA for Inkster, the MLA for Arthur-Virden did mention about how it's great for jobs and to be able to create more employment as a result of investments in infrastructure, and I can't agree more. In fact, that's the reason why we've made the kind of investments that we have provincially. I believe that's, of course, why the federal government has also made those investments in the Building Canada Fund, trying to put money into a stimulus package that's going to create more employment.

Especially when you need to do that is the time when unemployment is rising in different sectors of the economy, and no different than the oil industry. The oil industry was booming for a while, and it is no longer. I don't think you can use that term any longer, that it's booming. When you go from \$140 a barrel down to \$50 a barrel, there's going to be a decrease in activity.

I believe we're all in agreement that infrastructure and transportation is an area where when we talk about the Building Canada Fund, for example, it is about jobs, jobs, jobs. The previous Liberal government actually talked about a Building Canada Fund, as well. Then they were defeated in an election not too long after Minister Lapierre, I believe it was, was starting to talk about that kind of an investment from the federal government assisting provincial governments and matching those kinds of dollars to provide more employment. So, having said that, I'm looking forward to the questions from the MLA for Inkster.

**Mr. Kevin Lamoureux (Inkster):** I do have a series of questions I'd like to ask. They're all related to the taxi industry. I realize that, when we have committee meetings and Estimates going concurrently, I'm not able to be here throughout the Estimates of this particular minister, so you'll have to excuse me if some of this might be a little bit of repetition.

I'm going to ask the minister if he could just give maybe an update as to the current status with regard to numbers of plates in the different types of taxi services currently being provided in the city of Winnipeg that his department is responsible for.

**Mr. Lemieux:** I understand he's very busy going from Estimates to Estimates to different rooms. We dealt with the specifics of those answers the other day, but I understand that he's not able to be everywhere all the time. If he'll bear with me, I'll try to find these answers.

Staff have advised me that business licences are 409 are standard. I'll double-check these numbers to make sure I get back to the MLA for Inkster to make sure that they are correct. But 409 standard, there are 67 handicaps and 45 limousine and executive. That means not just the stretch limos, but the Town Cars as well.

**Mr. Lamoureux:** Now each one of these three classifications would have a licensing requirement to go through the Taxicab Board, would that be correct?

**Mr. Lemieux:** Yes.



**Mr. Lamoureux:** In certain times of the year, there are additional plates that are issued, and I'm thinking around Christmastime. If I can get the dates in which those extensions of the numbers be given, that would be great, and the actual numbers of cab plates that would be issued during that peak period.

**Mr. Lemieux:** As I mentioned before to the MLA for Inkster, the staff that are here generally to—Jerry Kozubal, he's the secretary to the Taxicab Board. He would have all those answers at his fingertips. But, having said that, I will give a general answer, but I just also hope the MLA can understand that I may have to get back to him, take something as notice, and then get back to the more specifics.

There was a consultant hired out of St. Louis, I believe it is Tennessee consultants, if I can get the proper name. They did a paper and looked at the industry and did recommendations that looked at, prior to Christmas, going to I believe it's March, to add I believe it was 80 temporary licences to cover the overflow or that extra business that happens throughout the Christmas and winter season, which is understandable. I think most people are saying you don't need full-time cabs or full-time new taxi licences throughout the year. But what you do need is you need some at peak season. The peak season is prior to Christmas, up until about the 1st of March, or into March. I will definitely get those specifics for the MLA for Inkster and will get that to him as soon as we possibly can.

\* (15:30)

**Mr. Lamoureux:** That would be appreciated.

So, outside of those temporary ones, the core number of taxi plates, then, would be 409, and those plates are on the freed market, so individuals can buy and sell and so forth on those 409 plates. What about the temporary plates, how does that work?

**Mr. Lemieux:** Well, certainly, I'm not privy to the specifics, but I can just confirm that one recommendation that came from the particular study that I noted before was an allocation of seasonal taxicab business licences. That is determined by the board and was to be determined by the board, but that they would immediately add 80 Christmas cars, if you want to call them that, to the Winnipeg taxi system. I believe it was again from prior to Christmas until March, just to confirm that. Temporary licences, as I understand it, they would also have to pay a fee for the licence for that period of time.

**Mr. Lamoureux:** You see, typically the permanent year-round plates, I've heard estimates anywhere ranging to 170,000 to 240,000 in order to become an only driver to purchase a plate. That's why I'm curious as to what sort of a price, who is eligible to actually get these temporary plates. Is it someone that has already acquired them and then just every year it's automatically renewed at that period of time? I just don't quite understand how the temporary plates are acquired.

**Mr. Lemieux:** Well, each licence, as I understand it, the person would have to go to the board and make application to receive a temporary licence.

**Mr. Lamoureux:** If the taxi board were to make a decision, that increases the number of taxis on the road. It does have a fairly significant impact in terms of those individuals that are owners of the current plates. What is done? Is there a criteria that is established to the board that would ensure that some form of compensation would, in fact, be given to current owners if, in fact, there was an increase of the number of plates?

**Mr. Lemieux:** No, I don't believe so. I mean why would the Taxicab Board do that. The industry itself I understand is very supportive of the fact that—and the MLA does mention—well, let me just finish that line of thinking, is that the 80 taxis that have been accepted as the recommendation, it's for peak season. I believe that the industry is very, I understand—okay, if I can use that terminology, with the adding on of 80 cabs, 80 seasonal cabs for that particular stretch of time from pre-Christmas to March.

One thing they may have objected to was having 140 new cabs put on the market and a new company added to the whole system, but they understand that they—and, in fact, indeed, I understand that they actually put on extra cabs themselves, let's say Duffy's and Unicity did that, applied for seasonal licences prior. At least, that's what I've been advised. This used to happen. Now it's going to be made in a more permanent way where, prior to Christmas and to March, there will be 80 seasonal cabs on the market. Previously, it was 70 seasonal cabs, but now they've gone to the 80.

Just to also make a comment with regard to the cost of, you know, market value of a taxi, it's over \$200,000 now, I understand, in the free-market system. But, even though the board approves the transfer of the licence—and for that transfer there's a transfer fee of a \$400 charge for transferring a licence over from one buyer to another. But it's a

free-market system, and it's the buyer and seller that determine that market value.

Now, just to give some comparison, a decade ago, in approximately 2001, it was about \$100,000, the market value, and now, in 2009, it's over \$200,000, the value of a vehicle. But that's the market that determines that, and the Taxicab Board just charges a transfer fee.

**Mr. Lamoureux:** Yes, and this is why I think that there's some benefit in just having some dialogue with the minister on this issue and that is because I have a number, and a number would be into the dozens, possibly, of constituents that are, in fact, owners of taxicabs.

Even constituents aside, industry as a whole, I'm sure that the minister would recognize that if you have a \$200,000 investment into a cab or into a licence and there is an additional 100 vehicles put on—and we're getting hypothetical in all this kind of stuff—but if there was 100 new taxis, I suspect that the overall business could, for the individual taxi, would likely go down somewhat. It would affect the market value of their taxi.

I think that's what I'm looking for from the minister. To me it seems just to be kind of like basic economics. If you have 400 in the marketplace, and you introduce another 100, the 400 will not be as busy because there's now an additional 100, thereby the value of those 400 will not be as high. Is that not a fair comment to make?

**Mr. Lemieux:** No, it's not. Now, if you take a look at the economics of it, what people are saying, what the study showed was that there's extra—I wouldn't say necessarily double—the amount of work or calls between pre-Christmas to March. But that extra work, that's why I understand that the industry is not necessarily dissatisfied with the recommendation of putting 80 seasonal cabs on because there is the extra calls, the extra demand for taxis during that particular period of time.

Now, the logic that the industry uses is that if you added on an extra 100, for example, full-time new cabs, full-time on a regular basis, a new company even, that might start impacting on the revenues they take in. But they're saying because that work, anyway hypothetically speaking, doubles between Christmas and March 1, they're saying that that's not going to have an impact necessarily on the kind of revenues they're looking at in a substantial way to lessen the value of their investment. I mean

that's essentially what I've been advised. So that's why the industry, as I understand it, is relatively okay with the addition of 80 seasonal cabs as opposed to adding on 140 full-time brand-new company cabs into the marketplace. Their argument was that that would really start to take a bite into the kind of incomes or the revenue that they're taking in.

**Mr. Lamoureux:** I agree in the sense that there is no need, I believe, at least it's never been demonstrated to me that we need to increase the number of year-round taxis in the city of Winnipeg. Is there a need, is there a period of the year in which it spiked up where we do need that additional support? I believe that yes, there is. The issue then becomes, in the sense of fairness, when you issue out those additional plates.

I'm interested in knowing how does the Taxicab Board determine who's going to get a plate and how much are they going to pay for that plate. I still believe that you're taking away from that main 400-plate base, if I can put it that way, because if you didn't have those additional 80, those other 400 would be that much busier, I suspect. The busier they are, the more money they're going to be getting in their pockets.

\* (15:40)

Yet, at the same, we want to make sure we're meeting the demands of Winnipeggers in terms of being able to commute. So I can understand the rationale why you would have additional part-time cabs brought on in an interim basis for a short period of time. I understand the rationale behind that. The issue, then, is how does the financing of those taxis—do they pay \$30,000 in order to obtain that one licence, which they can renew on an annual basis?

That's where I'm not sure how that works, because, surely to goodness it shouldn't be if someone wants to have one of those term licences, that they just go to the board and the board says, okay, I'll give it to John Doe, and John Doe doesn't have to pay anything for it because it wouldn't be fair to the current owners and operators of full-time taxis.

**Mr. Lemieux:** As I understand it, and I'm just going by memory from when Mr. Kozubal was here last week to assist us with some of these specifics, it's just a licence fee. These additional seasonal taxis would pay just a seasonal licence. The criteria, I don't have it at my fingertips, the criteria that's used by the Taxicab Board to determine if someone gets a licence or not.

Again, this body is a quasi-judicial tribunal. It's an arm's length from government, but I'm not sure of the specifics on the criteria of what would determine one vehicle compared to another, and, indeed, whether or not the aiding already would be part and parcel of Unicity or Duffy's, the additional seasonal ones. I'm not sure if that's what happened previously.

I have to get the specifics about that, but my understanding is that where the taxi industry would have a huge concern would be with if you added 150 taxis on the market, brand-new company, they believe that would take away—that would hurt them in the long run. What they're saying is there's enough work between Christmas and March that this will not impact on the revenues as great, certainly, as what a full-time company would be. I understand that they're reasonably okay with the seasonal cabs because they know that the work hypothetically doubles during that period of time, between winter cold weather and also the Christmas season.

**Mr. Lamoureux:** As long as it's, you know, not kind of like a forced compromise of sorts. Let me just give maybe an analogy. If I own a Dairy Queen right across from Assiniboia park and the government then decides that it needs additional revenue, so for the months of June, July and September, it's going to have an ice cream shack set up just outside of the same park, I would be a little upset, as the guy that owns the Dairy Queen, that the government would be going in and selling ice cream during those peak months, because it will have an impact on me.

If it was the private sector and everyone was on the same, level playing field, well, then I wouldn't be as upset because that's fair. That's the free market system and the way the free market system works. Now the analogy here is the taxi board is an extension. It's an arm of the government, and they're the ones saying whether or not there's going to be other taxis on the street, whether they're full-time or part-time.

Having said that, if—now let's go back to the analogy of the ice cream. If the government was going to be setting up an ice cream stand, I would be arguing that, look, I'm entitled to something from the government because they're taking business away from me. Government has no business to take business away from me. That's ultimately what I would be arguing, even if there is a pent-up demand, which then forces government to come down and say, okay, well, look, we want everyone to be able to experience ice cream. That's the reason why we set it

up, and here's what we're suggesting as a compromise.

Well, I'm hoping that that would have been the type of compromise that would have taken place when you talk about those temporary licences that are issued. It's not, well, if we don't issue out temporary licences, then we're going to be issuing out year-round licences, so it's the lesser of the two evils. You take which one you would prefer. That's what the industry is told because there's a consequence to their life's investment, because many of these driver-owners, owners—

**An Honourable Member:** Owner-operators.

**Mr. Lamoureux:** Owner-operators. That is their livelihood. That's their retirement. That's their pensions and the whole nine yards. I think, as elected officials, we are here to make sure that what is fair is done. I can tell the minister that, periodically, the issue comes up and you'll read something in the press or in the media in one form or another about the possibility of additional licences being issued. I can tell the minister that it's very upsetting to many of those owner-operators who have a lot of money tied up and are not clear as to what the financial impact's going to be because of a government agency making a decision or even entertaining a decision, because it seems to be reviewed every year. That's why I think the Taxicab Board needs to come out with some sort of a policy of assurance that protects the rights of the owner-operators so that individuals realize that the government is, at no point in time, going to attempt to devalue their investments without any form of compensation, if, in fact, they end up devaluing that particular industry.

**Mr. Lemieux:** Well, first of all, let me just say that the Taxicab Board, I'll repeat, is an independent quasi-judicial administrative body, right? It regulates all the licences, all taxicabs, limos operating in the city. They're the ones that have the expertise. It's not government. They are arm's length from government, and they have a responsibility to determine the market, what kind of rules apply to the taxi industry.

When they asked for a report or an evaluation, it had been since, I think, 1992, the last time that a good look had been taken at the taxi industry and where it was and what needed to be done. It was a recommendation that was made from this company, and I can't recall the name of it just now, but it was called—it's the Tennessee—I can't remember what the company is called. Anyway, this gentleman was out of St. Louis. He made a recommendation to the

board, a number of them, that weren't necessarily accepted by the board as yet, but they're looking at the recommendations of his report, and he's the one recommending that there just be seasonal cabs. He checked with the stakeholders, he checked with the hotels, he checked with many different people and received input as to his recommendations to the Taxicab Board.

They've taken a look at it and they've accepted, as I understand it, the recommendations with regard to seasonal cabs. The seasonal licences, for the most part, I would probably venture a guess that they would probably go to Unicity or Duffy's or Spring. I would think that they're probably the existing companies already and will get additional seasonal licences. Like, people have to apply, and they have to go to the board to get those licences. Having said that, anyone can apply for a seasonal licence, as I understand it. Anyone can. Even though they might be usually picked up by Duffy's or Unicity, anyone can apply for a seasonal licence from that December to March.

If I might add, just to change gears a little bit with regard to the industry itself, the other day I answered a question to my critic from Arthur-Virden about the industry and looking at the industry and how does the industry look now compared to before. I thought that it was about 50 percent of the vehicles were hybrid. My understanding is that it's closer to 80 percent of the vehicles. Where I'm going with this is that the industry itself is changing. They're trying to modernize, they're trying to change their vehicles, they're trying to spruce up their investment, but also the product that they have, because they're ambassadors for us as far as tourism goes and for many other reasons.

Having said that, the industry itself is one that, I understand, is relatively happy with the decision coming from a recommendation. It was a recommendation from a consultant on the transportation industry, on taxi industry, to the board, which is an arm's length—arm's length in the sense that they are a quasi-judicial body; they make their own rules in the sense that—they make their own decisions, sorry—and recommendations as to the industry, and so they are looking at a number of different recommendations from this consultant, but they have accepted the one of putting on seasonal cabs. It's not to the industry, certainly, from government or anybody else; you either take it or leave it. This is a recommendation that came from an outside source saying, this would be the best for the

industry because there is an uptake in the amount of business that takes place between Christmas and March. They're saying that this would be very appropriate to add on seasonal licences.

\* (15:50)

The contractor, I couldn't think of the name, is called Tennessee Transportation and Logistics Foundation, and they completed a study of the Winnipeg taxicab and limousine industry between June and October '08. The consultants made some recommendations—they made five recommendations or findings in this study. They supported an increase in the number of standard taxicabs in the city, but what they're saying is that the current number of 410 permanent taxicab business licences is adequate for the summer months to meet public demand, Madam Chairperson. Then they recommended a number of other recommendations, and one of those recommendations was immediately add 80 Christmas or seasonal cars to the Winnipeg taxi system and changes to the allocation of seasonal taxicab business licences is going to be determined by the board. People have to go to the board to get those licences.

**Mr. Lamoureux:** Just a couple more quick questions on it. I guess to summarize; those 80 temporary licences that are issued, I would appreciate that the minister at some point getting back to me as to what form of cost it is for those temporary licences. I suspect the minister will be surprised—one of the two of us is going to be surprised. I suspect that there is a substantial cost for that temporary permit. There should be, and I would suggest to you that there then should be some form of equalization depending in terms of how it was brought in terms of the current owners of that 409, again, depending on when those 80 temporary cars were brought in.

There has to be some sort of a cost factor to it. I don't believe it's as simple as just saying, Unicity, you get this number, and there is no cost to it. There has got to be a cost to it, and I would be interested in knowing what that cost is, more than just a simple licensing fee of a few dollars or even a couple hundred dollars. I suspect it's quite a bit, but I don't know, and I would appreciate if the minister could get back to me.

The final question I would have in regard to this would be the \$400 transfer fee now, and the minister did allude to it. When you do acquire a plate, there is a transfer fee, and I'm curious to know in terms of

how long that's been in place for. How long have they been charging a transfer fee for?

**Mr. Lemieux:** I think if the question is correct, it's how long has this—I guess I'm just trying to receive some clarification. How long has this been in place or [*interjection*] I can get the specifics.

I'm just wanting to ask the MLA for Inkster, on a point of clarification, how long is this \$400 fee or transfer fee been in place, or—

**An Honourable Member:** Yes.

**Mr. Lemieux:** Okay, I'll have to check on that exactly, because I know it is now. That's what \$400 is. I know there's a licence fee for someone being a seasonal operator as well, but my understanding it's—I'll have to check and find out what the amount is for the seasonal—what the licence charge is for a seasonal cab, and when did the \$400 come into place for the transfer fee of \$400.

**Mr. Lamoureux:** Again, I do appreciate the answers from the minister. I look forward to receiving the response. When we talk about that \$400, I'm not looking from when it's been \$400 per se, as much as when that recovery or that transfer fee has been put into place and maybe the last couple of increases that would have been given to it.

Related to the \$400—it's more than just we brought in the \$400 last year. There was a transfer fee in such and such a year, and in the last couple of increases, or unless it's something that's completely new and it's just been brought in last year, so some background as to that transfer fee.

**Mr. Lemieux:** Well, again, I'm not sure how long the \$400 transfer fee has been in place, but certainly the first time I was asked the question about the transfer fee, and I responded, that the fee was \$400.

Now, on the seasonal cabs, my understanding is that—I certainly stand to be corrected by staff—but my understanding is that a licence for a seasonal cab is \$200. The charge is \$200 for a seasonal—from that pre-Christmas to March—it's a \$200 fee, and that's what it is. But, again, it's on whoever applies for that licence has to go to the Taxicab Board and apply for it, and it costs you \$200 to get your licence.

**Mr. Lamoureux:** Oh, on that note, I could think of a number of people that would jump at the opportunity if that's all it was, was \$250. There's got to be something more to it, and I would be surprised if it was just the taxi board saying, here's a blanket number of temporary vehicles, and this is \$200 and

you're good for six months. That would surprise me, so one of the two of us might be surprised. I'll try to find out also, and maybe talk about it later.

**Mr. Lemieux:** Well, I've been around this building for 10 years, and I've been surprised many, many occasions. So I wouldn't be surprised if my answer needed to be added to or deleted from. But my understanding is that a licence—now, it's the board that makes the decision on those individuals coming forward, and there are criteria that they use to determine whether or not the licence should go out, but my understanding is \$200, a \$200 fee for a seasonal taxi licence. But I'll certainly endeavour to find out and get more detail for the MLA for Inkster.

**Mr. Maguire:** Sure appreciate the opportunity to ask some more questions of the minister here.

Just wanted to look at the situation in Melita with the recent dike that was done there for the flooding, and it's coming up the Souris River. It's still rising. It may not be of the immediate emergency status that it was last week, Madam Chair. It seems to be rising a little bit slower and is dropping some. There have been additions, about three feet added to the lagoon, permanent diking in that area. The Premier (Mr. Doer) was there on Thursday. We met with them, the town and R.M. of Arthur and the Town of Melita councillors, and there was a good discussion ensued.

One of the things that I understand the minister's department is planning is to pave some of the road, No. 3 highway from Melita to Medora this summer, and that's been what the instructions are for the R.M., there at least, anyway. One of the issues that these councillors raised, and I raised with the Premier on Thursday when he was there, was the upgrading at that time, before the chunk of about a kilometre in the area of the Souris River crossing No. 3 highway there, right at Melita. With the diking being raised, a huge sandbagging operation ensued. I congratulate all the Department of Transport people that worked on that with the EMO personnel that I complimented last Friday.

I guess the question was raised then for the minister to look at raising the road, raising No. 3 highway, to the flood protection level before any pavement was put on it in that particular area. The Premier certainly agreed that it was common sense to build the dike in a permanent manner, and it would be common sense only to continue to raise that portion of the road to accommodate the dike levels that are presently there, regardless of whether

there's concern about pressure on the bridge. The pressure on the bridge from extra water will be there regardless of whether the road is permanent or whether there's temporary sandbagging along the road. I would urge the minister to check that, as the Premier—I told him I'd be asking the question in Estimates. He indicated that I should ask the minister as well.

So would the minister consider the upgrading of No. 3 highway to the level of the flood stage in that area?

\* (16:00)

**Mr. Lemieux:** Well, I understand that there's a government—and looking at EMO as well as Water Stewardship and, indeed, what the Premier may have said, I wasn't there. I never heard it. But I think a long-term fix we would have to look at is, you know, do you raise it and not on every second year or third year? You're raising it for flood protection so I think, instinctively, people would say, well, why don't you put in a permanent fix then?

Now, my understanding is that if you put in a permanent fix you're going to have to acquire some land. It's going to have to be wider. It's going to have to be—you know if you're going to raise it you don't only go up. You have to go out as well and it's going to take some purchase of land, and also looking at if we were going to be doing a paving job there you'd want to make sure you do the permanent fix prior to doing any kind of actual work. I think that makes a lot of sense to most people. Why go back after the fact and having to redo it or to add more paving and so on?

**Mr. Maguire:** Madam Chair, I wanted to just ask the minister as well, last February we had a terrible ice storm in southwestern Manitoba, all of Manitoba, everything south of Riding Mountain, I believe, Dauphin, all from border to border, Saskatchewan to Ontario. Can the minister provide me with information as to where the salt contracts are in Manitoba, where we get our salt from in times of ice storms like that?

**Mr. Lemieux:** I would certainly have to find out and ask staff. I don't have that answer, certainly, at my fingertips where the salt contracts or granular material or sand comes from, but my understanding it's a company out of Moosomin called NSC Minerals from Saskatchewan, Madam Chairperson.

Moosomin, Saskatchewan, is where the salt, at least for that region of the province, came from.

**Madam Chairperson:** Prior to recognizing the member I just wanted to ask if I could have leave from the committee for a five-minute break? *[Agreed]*

So, if the committee could return at 4:07, that would be great. Thank you.

*The committee recessed at 4:02 p.m.*

*The committee resumed at 4:07p.m.*

**Mr. Maguire:** I appreciate the minister's—we're just dealing with some of the salt issues, and, I wondered, you know, we did have a shortage of salt in the western region with the ice that was in February. Can the minister indicate to me, I guess, do they stockpile salt once a winter or do they restock after an ice storm? Is it carried over through to the next fall? Can he elaborate on just how the stockpiling occurs?

**Mr. Lemieux:** Well, there's one supply of salt, to my understanding, that's been contracted for the winter. Now, one never knows how that winter is going to go, if it's going to be one like this one where there was melting in February, I believe it was, and rain and then freezing. So it wasn't a matter of supply as far as stock goes. It was resupply, and that was the challenge of resupply and, of course, we went through this company from Saskatchewan because they're the ones with the product, so we went back to them. I'd been advised that the eastern region doesn't use this particular salt from Moosomin, but it uses a regional product.

**Mr. Maguire:** Yes, maybe the minister can confirm for me that the regional product we use, I think, comes out of Ontario?

**Mr. Lemieux:** For the eastern region, yes.

**Mr. Maguire:** Just for the region. When he speaks of eastern region, is that the eastern region of his department? We have western, central and all the different regions.

**Mr. Lemieux:** So, for the eastern region, they do get it from Ontario, and the main reason for that was because of cost of hauling salt and bringing the product in. All the other regions use the NSC Minerals from Saskatchewan, from Moosomin.

\* (16:10)

**Mr. Maguire:** That's accurate for northern Manitoba as well?

**Mr. Lemieux:** That's what I understand, yes. That's what I've been advised for the north as well.

**Mr. Maguire:** In that period of shortage, did the minister inform you as to whether there was any salt brought in from the Ontario region then for our western region there? I understood there was some, but may be wrong on my advice on that.

**Mr. Lemieux:** I would have to look into that detail to find out, but under normal circumstances all the other regions get it from Moosomin and from Saskatchewan, except for the eastern region getting it from Ontario because of hauling. But I will definitely follow it up just to see.

**Mr. Maguire:** So the stockpiling, when they use a good level of it in a particularly severe storm like that, it's restocked and normally it's restocked as quickly as it can after a storm like that?

**Mr. Lemieux:** The quick answer, I guess, is that a lot of the yards, 66 yards, are stocked in the summertime. One never knows when an ice storm is going to happen and you're going to need that stock. So the moment it's used you're trying to refill it or restock those yards again. It's not always easy. It's not always done at a drop of a hat because it takes time to haul the stuff in. People try to determine the use of it and they see whether they're running low and then they will try to order it in as quickly as they can.

**Mr. Maguire:** Just a couple of quick questions then. Can the minister indicate to me if the salt is tendered?

**Mr. Lemieux:** Yes, I believe so.

**Mr. Maguire:** Do we haul it with our trucks in the transport departments or it'll be custom-tendered private trucking as well?

**Mr. Lemieux:** This would be part of the contract or the tender. It'd be up to the supplier to haul it in, as I understand it.

**Mr. Maguire:** I know the Member for River Heights (Mr. Gerrard) has a few questions and I'll turn it over to him.

**Hon. Jon Gerrard (River Heights):** Just a follow-up on the line of questioning. Is there any difference in the chemical composition of the salt

from the two different sources, the one in Saskatchewan and the one in Ontario?

**Mr. Lemieux:** I will certainly ask the departmental staff beside me. But, just on that note though, I think—not I think; I know—the question is a good one and it's worth a discussion because for years people have been discussing how much sand should you put on or salt should you put on a road for environmental reasons.

My understanding is that the new salting trucks and the new vehicles we have, I guess, are computerized, for a lack of better terminology, to determine how much. In other words, at one time, it was random. Someone basically opened the gates and just let it go. My understanding is that it's much more specific now as to how much you use, whether it's salt or sand and you're trying to be environmentally conscious when we do it. I know there's a huge movement to that across North America, but, to the best of my knowledge, there's not a great deal of difference. I'm not a scientist, but I'll certainly ask staff beside me the difference between the salt. But my understanding is that there's not a huge difference in the complexities between two. Staff have advised me that all products are slightly different, naturally, from where they come from. We have specifications that the suppliers must meet. We test the product to ensure it meets those specs.

**Mr. Gerrard:** As the minister well knows, in the Liberal caucus we've been very strong in advocating for measures to help the safety of kids, booster seats being one, and we've been pushing it for quite some time.

So far the minister's been implacable in not supporting our efforts to get booster seats. We're going to bring this bill forward again, and I'm just wondering whether the minister's going to continue in his intractable ways, or whether he's going to listen to the needs of kids.

**Mr. Lemieux:** How does one answer that question as a former schoolteacher and someone that has dealt with kids for many years prior to getting into politics?

But, having said that, we are very, very concerned with children. In fact, the legislation that we have is looking at smoking in automobiles and also cellphone use, and so on, so we've moved a lot. Arguably, some people might say, you haven't moved either fast enough or far enough, and I know

different provinces are looking at different types of booster seats, and it varies in weight in kilograms, also the height of the child sitting in the chair, and there are many different, I guess, arguments going back and forth. There are many doctors right now that are looking, of course, not only at booster seats, but have—I don't want to use the word "lobbied" because that's not really a correct word to use.

**An Honourable Member:** Advocated.

**Mr. Lemieux:** Advocated. They're advocating on behalf of children and organizations dealing with head injuries and dealing with the safety of children.

So the MLA for River Heights (Mr. Gerrard) is correct. The honourable member does raise an important point, though, about safety in automobiles, and I've mentioned with regard to smoking in automobiles and restricting that, as well as the use of cellphones and people texting, texting within the vehicles, as safety measures related to transportation.

**Madam Chairperson:** Order, please.

Just before I recognize the member, I would like to remind members that currently before this committee are the Estimates for the Department of Infrastructure and Transportation.

I would note for members, *Beauchesne's* Citation 832, which advised that, as creatures of the House, committees can only consider those matters which have been committed to them by the House.

Further, Bill 200 is currently listed on our Order Papers and, as such, I respectfully note that this committee's not the proper forum for the discussion of this bill.

**Mr. Gerrard:** I thank you, Madam Chair, and certainly I think that there are some general comments with regard to the safety of kids which are important.

Let me move on to ask about some of the specific issues which have been raised with me in the last little while about roads in the province. Everywhere I go, there seem to be continuing problems with roads.

One of the questions that comes up time and again is why is Highway 10, south of Brandon, such a mess, and why wasn't it finished last year.

**Mr. Lemieux:** Well, Highway 10 is just one highway of approximately 19,000 kilometres that we're responsible for. I know the MLA for River Heights has heard this answer before, but there was a

time when the option selected in government was to do nothing.

I'm not going to take this opportunity to be too political about it, but I think all provinces have realized that their infrastructure deficit is growing, needs to be tackled. We made a commitment a number of years ago to looking at \$4 billion over 10 years to address it. Bridges, roads need to be addressed.

The specific highway we're referring to, Highway 10, we've put millions of dollars into this highway already. The intent is certainly to put more. Highway 10, of course, stretches all the way north of The Pas, but we're looking at one specifically south of Brandon.

Taking a look at some of the work that we've done, and I know the MLA for Minnedosa (Mrs. Rowat) raised the issue about one of her constituents having some problems with his well, because what we were doing is increasing the site lines and shaving the hills off. It was a rolling, rolling terrain. We have been doing what we can to cut those hills down and rebuild the road while keeping traffic on it. Rain and weather seriously impacted the schedule overall of what we were trying to do south of Brandon.

\* (16:20)

But I think that most of us feel a great deal of pride when we talk about the Peace Gardens, for example, on the U.S., North Dakota border. We are trying to improve that stretch of highway going between Brandon and the Peace Gardens. Our plan is to do so. We are looking at what kind of roadwork is really necessary to do and look at the more troublesome areas first. But the sight lines, as far as safety goes, I know that the department had a strategic plan to cut those hills down to make sure that the sight lines would be improved overall.

**Mr. Gerrard:** Yes, I think that the concern was that, because it wasn't completed last fall, that it's ended up in really poor shape and it has deteriorated and is going to require a lot of extra effort because of that. Of course, it's meant that there are big delays in people coming from Killarney and places south of Brandon.

The second area—RTAC roads are pretty important, and I'm hearing from people in Pilot Mound and that general area about the north-south RTAC roads, that most of those are not passable in the spring at the moment. It makes it very difficult



for people who are working and hauling grain and so on and so forth. I'm just wondering if the minister's going to address that.

**Mr. Lemieux:** Well, maybe what I should do is make a comment first of all, with regard to the assistance the department has given. We're in a season of road restrictions right now. They generally go until about June 1. A lot of the highways that we're looking at, a number of the highways we're looking at, and some of them the member refers to are restricted to certain weights, and the reason for that is to protect the integrity of the highway overall. Some of them are in better shape than others. But throughout our 10-year plan, we will not be able to address 100 percent of them.

I mean, 19,000 kilometres worth of road that's the Province's responsibility. So what do you do then? If you can't address all of them, you have to be able to take a look at which ones you can address for the money you've got. So the national highway system is a priority which is Highway 1, 75, 16 and a portion of 10. This is generally, well, not generally, it's the federal government that states which ones are on the actual highway system.

Then you take a look at arterial routes. Which ones do you want to invest in that are going to be for economic development reasons or either have more traffic on them or are the ones that are going to be providing a lot of economic development or dollars to the province by virtue of the businesses conducted on them; could be transports or semis and so on.

With regard to No. 10, we're certainly going to hope to finish up what we wanted to do this summer on No. 10. Again, I mentioned about the weather. It hasn't been the greatest or wasn't the greatest last year for us to complete what we wanted to do, but there is a review of the condition of the roads at the end of the spring restrictions, and then we'll undertake patching as necessary to restore the condition of the road.

So once not only the flooding is over with, but getting into June, once the restrictions are off the road, then our regional people will take a look at the highways and determine what roads have really taken the brunt or the beating of the traffic and restrictions or by virtue just of the frost coming up, frost heating the roads, frost boils and so on taking place.

After the restrictions are off, then there is a review of our road to see which ones need to be addressed, patched and so on.

**Mr. Gerrard:** I was in Peguis this last weekend and was pretty appalled at the condition of several of the provincial roads. Provincial road 224 to start with, provincial road, I think it's 48, but toward the north end of the Peguis community there's a provincial road, I'm not sure if I've got the name quite right, Helliwell Road [*phonetic*], or something like that through the middle, which is also a provincial road. They were in terrible shape. They were probably in better shape in the 1880s than they are at the moment. I'm just wondering whether you are planning to make sure these are at least reasonable roads.

**Mr. Lemieux:** Just a quick response. This year, I mean, everyone's heard how—maybe, it's an overused term—about how unusual the weather's been this year. What an unusual spring we've had. What an unusual winter we've had.

Peguis and Fisher River are in a situation where they've received an abundance of water this year. Roads have been overrun throughout the province, throughout not only southern Manitoba, but different regions in Manitoba. We really need to take a review of what we're doing and what kind of work is going to be done for all communities in the province, whether they be single-access roads or other communities. In the case of Peguis, you have a First Nations community. They are someone who depend on transportation just like everyone else to get in and out of their communities, and for trade reasons and bringing different product to their communities.

We need to take a good review of a lot of communities and taking a look at, not only those communities that had roads damaged, but taking a look at what needs to be done. And, also, quite frankly, is being able to put a price tag on that, the time lines as to what needs to be done and completed, how long that will take and what kinds of dollars we're talking about.

**Mr. Gerrard:** One of the things, which was very apparent in visiting Peguis, there were some 850 people, approximately, who had to be evacuated from Peguis, and that's a lot of people and, of course, a lot of expense to evacuate, a lot of disruption in people's lives. The situation there could be very significantly improved with some attention to the roads, because one of the major reasons that people

were evacuated was that the roads were in poor condition.

For example, there was a sense that with some proper planning on the south end of the community that the east road could be made passable easily without having to go through a low area, but it needs some attention and it needs some design. Right now, it links back into a low area instead of continuing on south for a short distance in a higher area.

The west road, just past where former Chief Louis Stevenson lives, the McPherson Crossing, now I don't think that is actually a provincial responsibility, but I mention it because in this context one needs to work together provincially and federally and make sure that between what everyone is responsible for, that if there was a bridge over there, which there used to be, what happened with it is they put in culverts. It's totally washed out. There's a huge flow through there right now. It doesn't take very long to realize why a culvert was not going to work unless you have a gigantic one. But, if those two areas had been attended to, you probably would have had several hundred people who could have stayed in the community instead of having to be evacuated. So the design and how the Province, the federal government and the Peguis community work together to resolve this could have a terrific impact on the cost of flood in that area.

**Mr. Lemieux:** I can't say specifically if the people were evacuated because of the road. Obviously, their homes were flooding, and so on, and that's why they left, I understand, and the community had a state of emergency, or I'm not sure what they termed it, but they wanted the people to leave.

\* (16:30)

I know my colleagues have been there, have been to Fisher River, but also to Peguis First Nation, and have communicated and have met with the chief and others as to looking at solutions. As was mentioned, this has gone on for a while. It's not an easy solution, because there's an old road allowance and it's not very wide, and the rebuilding will really require property in partnership with the federal government. Yet, I mean, people would argue, well, 224 goes through the reserve so isn't that a federal responsibility? Well, you know, people from Peguis First Nation are Manitobans, and I view them as Manitobans first, and a Manitoban is a Manitoban. Whatever we can do, we're going to try to work with our federal colleagues to try to make some improvements there.

People tried to make some changes there with regard to the culvert. They tried to make some improvements and, regrettably, they didn't work. There's a lot of washout and culverts that don't handle the water that's going through there. Something's going to have to be done to rectify that, but we're certainly wanting to engage our federal counterparts as to what we can do to find some solutions there.

The way things have been happening now with the kind of water we're getting, it doesn't look like it's going to get any better for communities like Peguis or Fisher River, but we will—well, we're going to work with our colleagues to try to find some solutions and see how quickly we can address them.

**Mr. Gerrard:** I recognize that the minister isn't entirely familiar with the situation in Peguis, but what I can tell you is that when I was there, it was made very clear to me that a significant reason, maybe as many as half of the people who were evacuated, were evacuated just because there wasn't road access, not because their homes were flooded or not. This problem of road access, if there was some attention given to how the roads were put in place, in this case, where there's a bridge instead of a culvert and so on, that it could have, you know, a major impact on the number of people who actually have to be evacuated in the future because this was a very significant contributor to the number of people who had to be evacuated.

The other thing, interestingly enough, that the minister might look at is that approximately two years ago, I was told that the Province, working with the federal government on Provincial Highway 224, made a decision without consulting the First Nations community, to put doors, or whatever you call them—

**An Honourable Member:** Gates.

**Mr. Gerrard:** —gates on the culverts. These are culverts going under 224. In spite of the fact that there may be good intentions, these gates appear to have prevented the water flowing out. They were designed, I think, to limit the amount of water coming in towards the Fisher River, but what happened was that they limited the water going out so that the height of the water inside the road was actually higher than normal. In fact, it was overrunning Provincial Highway 224 in four places, in spite of the fact that 224 was originally designed for a hundred-year flood, I'm told.

One, obviously, has to be careful here, or you're going to create a situation which is worse, not better. That certainly seemed to be the impression with these gates, and that would be another thing which the minister should have a look at.

**Mr. Lemieux:** A couple of points of clarification, most roads, I believe, probably in the province of Manitoba are built to maybe a one-in-40-year flood range. It varies from community to community. I'm not familiar with what decision was made, as you mentioned, a few years ago with regard to putting gates on the culverts and so on. I'm certainly not privy to that.

But, when you take a look at communities in general, I think, not just Peguis or First Nations communities, when you take a look at communities' development plans, you really have to take a look at where you're going to build houses, where you're going to build your businesses. Do you have to build up? Is there a low plain where you're located? What do you have to do about, I guess, not only a residential development plan, but also a business development plan? Where are you putting your businesses? Where are you putting your houses? How do the roads contribute to improving the situation and not acting, for example, like a dam where it might be great for one person, but it's not good for another because you've raised the height of the road and then it acts like a dam as opposed to—it's great for one person on the other side of the road, but for the person on the other side of that road, it may create more flooding for them.

We have to be very, very cautious in what we're going to be doing and not just take a knee-jerk reaction, because we are encountering a great deal of flooding this year of our roads in many different locations. We know that there's going to have to be a lot of repair work done to fix these roads and bring them up to standard. More than that, we're going to have to determine what roads are going to have to be brought up to what heights. Currently right now, our PTHs are about one in 50 or thereabouts flood range and the PRs are about a one in 35, one-in-33-year range concerning the height of them to withstand certain floods.

Just to complete the answer, I think the solutions for Peguis and other communities are multifaceted. It's not just a single solution, for example, just improving a road. I believe MIT will play a role in the solution. It's only one piece of the puzzle, but there's going to have to be better, I think, overall

planning for many, many different areas of the province as to what you look at into the future.

The water is not going to go away, and we're committed to working with communities to ensure that commerce and other activities continue to take place. We have to take a good look at it, and, as the Member for River Heights (Mr. Gerrard) said, you don't want to—I use the words "knee-jerk reaction," but those are my words. You can't just jump into something to think it's a quick solution, and that may not be the right one. We want to make sure we're really looking at this in a proactive way, but also making sure that whatever decisions we make are going to be for the long term.

**Mr. Gerrard:** I thank the minister and recognize at the same time that the minister and his government have had almost 10 years to put these sorts of plans in place, and places like Peguis, which is probably among the two or three places affected by floods this year in terms of the number of houses which were flooded, it's an area where there have been recurrent problems with flooding without putting in place some of the preventive measures that really need to be taken.

I was up there with Chief Hudson, and he was talking about the need and their plans to put houses and businesses on the ridge. But, at the same time, it doesn't take away from the fact that you've got quite a number of houses and businesses in what one might call extended flood plain, and you've got to make a decision whether you put dikes up or whether you buy people out and move the houses. I take it from the minister's words that he would be very supportive of the appropriate measures, whether that be diking or buying people out and moving the homes and that he would be prepared to work, not only provincially but federally and with people in the community, to achieve a satisfactory situation which has got better preventive measures. Part of that is that the road system is better planned for the community of Peguis.

**Mr. Lemieux:** Well, a point of clarification, I wouldn't want the MLA for River Heights putting words in my mouth. I didn't say anything about buying anybody out, but there are some preventative measures that can be taken. Let's face it. There are hundreds of thousands of us that live in a flood plain, all the way from Emerson, all the way to the lakes. So we all live in a huge flood plain, and that includes many of us that live outside of Winnipeg and to the south as well as others to the north.

\* (16:40)

All I'm saying, and the comments—I don't want to have them taken out of context, but we need to take a look at a strategic overall plan and approach to what we're going to do for remediation and what can we do. Most people are aware and maybe many aren't—First Nations people, they do not own their homes on reserves. As I've been advised, the ownership is not theirs. It essentially belongs to the federal government. It's not an individual's home. They reside in the home, but it's not theirs, and so there are some complications with regard to that.

Now, I know that, as a government, we're committed to work with many different communities that have experienced some difficulty this year and in other years, but I believe it just goes a lot quicker to have other partners involved, whether that's the federal government or municipal governments, depending on the situation. You're able to rectify or find solutions a lot quicker if it comes down to financial reasons, or planning reasons, if you have co-operation with other levels of government or other entities. It usually goes a lot smoother, it can go smoother.

So that's all I'm saying is that—I'm not talking about buying anybody out or anything like that because we were talking about Peguis First Nation and Fisher River. But I would say, though, that MIT has a role to play in this and we're certainly going to take a look after what—we're trying to deal with a situation right now that's not over. I mean, there's a lot of water. If anyone wants to take a drive just south of Winnipeg, I heard someone in the 7-Eleven today say that, oh, isn't it great this flood's over? Well, I live outside of Winnipeg, to the south of Winnipeg, and there the flood's not over. Even though it's diminishing and things are stabilizing and whatever terminology you wish to use, there are people still concerned about big rainfalls and they're still very, very nervous after 1997. I think we have to—not I think; I know—we have to be very cognizant that there is a nervousness still, that people are still concerned. So we're still dealing with an event that is not over yet, but we are definitely going to take a look at what role MIT is going to play as being part of the solution when this is all over.

**Mr. Gerrard:** Just a point of clarification in terms of the Peguis community. It's one of the few communities in Manitoba where they have a system of Certificates of Possession, where people may well

have ownership of land or other buildings, so it's not a uniform system.

I think that what's fair in terms of the approach taken south of Winnipeg is that that same approach of making sure that the prevention is there for people needs to be taken when communities like Peguis, so I hope that when the minister sits down with other members and with colleagues in the federal government that there'll be a real effort to try to achieve some level of parity in terms of the kind of protection that there would be in Peguis, compared to the kind of protection that there is south of Winnipeg in particular. I think those are my questions, and I thank you.

**Mr. Lemieux:** I thank the honourable Member for River Heights for his comments and certainly we look forward to any suggestions he has with regard to finding solutions for many different communities in the province. Many are feeling under pressure right now with regard to what they're encountering, much better now than in 1997, and maybe that's just natural progression in the sense that we know much more now than we did in '97. We provided much more protection in the sense of ring dikes and trying to do more for individual home-owners, businesses, farms, and I see that only improving after this event as well, the second worst flood, as I've been advised, that we've faced in the last, certainly, 100 years. It's second to 1997.

We've come a way; we've got a long way to go yet. There are many people who wish to be included in any kind of protection that can be provided for their communities. I know our government's certainly open to talking and working with communities to see how we can better work with them, so the next time we have an event like this, it won't create the hardships that have been encountered. There are many different pieces to this puzzle. I hate to repeat myself, but there are many pieces to this puzzle that we're going to have to work on. But—well, maybe, I'll just leave my answer at that.

**Mr. Gerrard:** I'll just do a very quick closing comment. The point that I would make is that the minister is quite right that things are substantially better south of Winnipeg than they were in 1997. But, from a look at the situation in Peguis, there has been virtually none of the same things done in Peguis and so that people in Peguis are no better, in fact, because of the gates on the culverts, they may have actually been worse this year than they were in 1997.

So what's needed is an approach which gets a similar level of protection to people in different parts of the province. People in Peguis deserve to have the sort of support that's gone to other areas.

**Mr. Maguire:** I'd just like to go back to a few last questions for the day here in regard to some of our major thoroughfares in the province, and those are No. 1 and 75, to look at those particularly. I know that the minister's looking at increasing the speed limits on 75 from the U.S. border to I believe it's St. Jean and from Virden to the Saskatchewan border on No. 1. I certainly don't have any problem with that. As the minister knows, I've been an advocate of improving the shoulders of the roads before we increase those speed limits and can he tell me—I know that the program is completed on the westbound lanes from Highway 21 to Virden, on No. 1 highway and that surveying has been done on the south lanes. Can he just provide me with an update, I guess, on where the plans would be in regard to the shoulder replacement on No. 1?

**Mr. Lemieux:** Well, with regard to the speed limit increase, I mean we are, as was mentioned, we're increasing the speed limit on certain sections of the twinned highway effective this July 1. It's going to be—we're going to be increasing the speed limit in a very controlled manner on two short sections, twinned highway, where it's safe to do so, and that's 110 kilometres per hour, on No. 1, as was mentioned, from Saskatchewan to Virden, and Virden to Saskatchewan, and Highway 75—Emerson to the crossing at St. Jean Baptiste.

So I guess the point I would make is that speeding is not—we're not inviting people to speed; we're being very clear that increasing the speed limit is not an invitation to do that, but we're doing this by increasing penalties for drivers who also exceed that speed limit. The fine is going to be, for exceeding the speed limit by 10-34 kilometres an hour will increase by between \$27 and \$171 depending on the degree. I know members have been very, very supportive of it, and I know the Member for Russell (Mr. Derkach), as he stated, welcomes higher speed limits and he's saying it's safer to be in line with Saskatchewan and Alberta.

We felt it would be a natural transition coming from Saskatchewan into Manitoba for that one section, to be transferred over, again trying to ensure that in order to do that we want to make sure that sections of those roads are safe to do so, trying to make sure that the shoulders are paved. The same

applies from Emerson to St. Jean Baptiste, or from St. Jean Baptiste to the border.

So we've approved PTH 1 paving from Virden to the west of PTH 21 eastbound lanes and we're planning on doing that work this summer on that particular segment, just to answer the member's question directly.

**Mr. Maguire:** Can the minister give me an update on how much further they plan to go with that program? Will they be able to attain it all the way to Brandon in '09? Can he provide me with an update on that, particularly on No. 1, as to whether they can upgrade the shoulders to Brandon, or is their intention just to finish off the portion to 21 in '09?

\*(16:50)

**Mr. Lemieux:** Well, Madam Chair, on Highway 1, we've spent over \$90 million in the last three years. Highway 75, we've spent about, well, certainly, around \$75 million on Highway 75 over the last three years. There's still a lot of work to do. We're looking at, again, where the investment makes best sense. Just talking to members of my department, we're certainly looking at what to budget. I won't poke the MLA in the eye by saying he just voted against the budget that had these dollars in it, but I understand the politics of that. But he knows the need for these kinds of dollars in infrastructure.

Also, maybe, it's a good time to comment about the role of the federal government in this, too. The federal government has been very, very receptive to putting more dollars into the national highway system, being, Highway 75, 16, No. 1 and a part of No. 10, as well. But they've been very good about trying to partner and work with us to put more dollars into our national highway system to bring it up to the way it should be.

**Mr. Maguire:** I understand that the highways that I've asked about are part of the national highway system, the NHS. Part of that, as well, there was an announcement by the government a few years ago that they were going to extend that NHS part designation to the part of No. 10 highway, north of Brandon from No. 1 to Minnedosa. Can the minister give me an update on just where that's up?

**Mr. Lemieux:** Well, we've been very successful in having that added. I believe it was Minister Cannon that was the minister that authorized that section between Brandon and Minnedosa to be part of the national highway system.

I would argue, and we have argued with the federal government, that there are other highways that need to be looked at with regard to being put on the national highway system. One could argue that from Brandon down to the International Peace Garden would be another section that should be added. In fact, one could argue, Highway 59, from Winnipeg, certainly, down to the United States, would be another section. Also, Highway 6, even, from Winnipeg to Thompson, should be included in the national highway system. There is plenty of traffic and commerce on those highways to make sure that happens.

We'll thank our blessings for the fact that Minister Cannon approved Highway 10 from Brandon to Minnedosa, but there are a number of other sections. And the importance of that, again, I'm not telling the MLA, and it's not something he doesn't already know, but once it's on the national highway system, that's why the feds will say, you can only spend our money on the national highway system. That's why it's important to have different segments of highway added to that system.

**Mr. Maguire:** Madam Chair, can the minister give me an update, then, on one of the joint agreements that they have with the overpass on the Yellowhead, No. 1 and the railroad track on the Yellowhead west of Portage la Prairie?

**Mr. Lemieux:** One thing I've asked the department is how quickly can we get a public meeting in order to take a look at the design, take a look at what we're looking at doing at Highway 16 and No. 1. There will be a public meeting held, I'm hoping, by the middle of May or certainly the first of June, where the department will be able to go and present what is being looked at, for example. But there's also the railway line that's close by that needs to be looked at. But I would just state that the intent is to have the department have an open house. We call it an open house where you can have either placards or information passed out to the public that reside in the area, or anyone of interest that may want to come and hear what is being looked at as far as improvements on that particular infrastructure.

**Mr. Maguire:** I'm going to go back to the situation—as they put shoulders on some the roads, they're repaving some of it as well, on the lanes that are existing. Is it his intention to continue to do that, or will we look at putting the upgrades on the sloping on the shoulders? They've had to do that, changing the slope of some of the curves as they go in regard

to developing the shoulders in conjunction with the two lanes that are already there on No. 1. Will he continue to look at that as they move further east? I know there are sections of No. 1, I can virtually outline them by kilometre to the minister, if he wishes. I travel that road enough. I know he does as well, but I have taken meticulous notes at times on the kilometres in that area. Can he indicate the long- or short-term plan, how much of a priority or how many years it may take to finish that twinning all the way to Winnipeg?

**Mr. Lemieux:** Well, there are probably, I'm not sure how many segments of that No. 1 highway need to be worked on, but our intent is certainly to direct our resources towards that. That means all the way from Ontario, quite frankly, right to Virden where we've left off. There are many segments now that the department is looking at, different sections that need to be worked on on a priority basis. I can't remember what the number is, but I've also taken notes driving on that highway.

Highway 1 is our major highway. They don't only call it No. 1 highway just because it's that particular number. It's the one probably, if it's not the most important one in this province, it's certainly close to it, and I would argue it is, stretching right across our province. There are a number of different segments we want to work on. Segments, I can certainly let the MLA know that I've asked the federal government also to be partnering with us to fix some of these segments of road and sections of road. Some may be 20 kilometres long. Some may be 10. Some may be more, but there are different sections that we need to address, certain priority areas the department has determined there needs to be work done.

**Mr. Maguire:** Just for the record, I know the minister's aware of some of the rutting that's taken place on No. 1—it is our major truck route—and, of course, south on 75. That's why they're repairing it, rebuilding it, as well.

I said twinning of these roads. I meant putting the shoulders on at the same time as the twinning and paving the shoulders with that lane, and I appreciate the fact that it has been a safety concern. I actually witnessed another rollover of a vehicle five kilometres east of Virden last week in regard to a person that kind of caught the shoulders, I guess, on the soft side of the gravel in that area. I know the drop off on some of those lanes with no shoulder at

all right now can be a concern and gets rutted out along the edges.

Can the minister just give me an update then as well on the portion of the highway, I continue to ask, the twinned portion of No. 1, or the portion that isn't twinned in the Whiteshell? I know there's a commitment to build that, to twin it through the park. Can he give me an indication of the time frame?

**Mr. Lemieux:** Well, Madam Chair, before I address the 17 kilometres between Falcon and West Hawk in Ontario, our intent is to, if we're not going to be repaving or putting an overlay over top of the highway to improve the asphalt, our intent is to do the shoulders where they're not currently done on No. 1 highway and 75, as a matter of fact.

But the section of 17 kilometres between West Hawk and Ontario, there has been no commitment made as far as twinning. It's hugely expensive. You're talking about blowing rock up. You're talking about dynamiting rock to make your way through.

I understand the Ontario government, on 17, on their side of the border, is looking at making improvements because of the horrific accidents that have taken place around Kenora and Dryden, but I would say that there has been no commitment made with regard to what we're going to do between West Hawk and the Ontario border. It's hugely expensive, but also the engineering hasn't been done. The environmental work has to be taken into consideration, so there's a great deal of work that needs to be done prior to any road being constructed between West Hawk and the Ontario border or the Ontario border and West Hawk.

**Mr. Maguire:** The Ontario government is looking at, I understand, some more twinning in the Kenora area. Do we have any agreements with northern Ontario in regard to future road expansion? I know you've just indicated that they're perhaps some distance away in our own 17 kilometres. Are we discussing the reciprocal or any kinds of opportunities to enhance the road between here and Kenora? I'm only looking at it from an economic perspective of trying to attract as many of those people in northwestern Ontario to Winnipeg and Manitoba as we can. *[interjection]* I didn't say join, I said provide an economic opportunity with them.

**Madam Chairperson:** Honourable Minister, briefly.

**Mr. Lemieux:** Yes, just briefly, I've met on a number of occasions with the Ontario Minister of Transportation with regard to not only border

security, cross-border drug trades and so on, but also looking at—I know they've hired a consultant, and we're looking to see if we can work with that consultant to see if we can piggyback on what they're looking at on 17.

We'd like to be able to look at some of their initiative and see what they're looking at as far as improving their stretch of road on their side. We would want to look at that study to see what they come up with with regard to taking a look at the improvements made on our side. I know people on the eastern side of the province of Manitoba want that to happen, and it certainly may, sooner than later.

**Madam Chairperson:** Order. The time being 5 o'clock, committee rise.

## FINANCE

\* (14:40)

**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 had been previously agreed, questioning for this department will proceed on a global manner. The floor is now open for questions.

**Mr. Rick Borotsik (Brandon West):** Mr. Chairman, just for the information of the committee, there will be one of my colleagues coming in and talking about Consumer and Corporate Affairs later on in this session. It was hoped, perhaps, that we can wind up today. If not, there may well be a very short period tomorrow, so it depends on how the process goes.

If I could just go back one step with respect to revenues, and I do know that the Leader of the Liberal Party had talked about the projections and the budgets for corporate income tax. Just one area based on that would be the retail sales tax, and I know that I had asked the minister some questions with respect to their projections on retail sales tax before.

They have identified projections for year-end this year, March 31, 2009, at being around \$1.490 billion and that's based on projections. That's not the budget as such, but that's projections based on what they anticipate is going to happen the last quarter basically and have showed a revenue stream of \$1,594,700,000 for retail sales tax going forward in this budget year.

The question I have, and I have some information in front of me from Statistics Canada, and the February to February retail sales in the province of Manitoba actually decreased by some 7.5 percent. There was a downturn of 7.5 percent in retail sales February to February, February 2008 to February 2009. Now those are numbers that would be in the projections that were identified and put forward at \$1.490 billion.

My question to the minister and his staff is: Was that 7.5 percent decrease in retail sales reflected in the projections of the \$1.490 billion?

**Hon. Greg Selinger (Minister of Finance):** I think it's important to first of all—there's a lot of confusion about these year-over-year comparisons. That is the one month of '08 versus the one month of '09. That's not a difference on an annual basis February to February over 12 months. That's a one-month snapshot versus another month snapshot.

I believe I indicated last week that first quarter was showing decline in the 7 percent range, generally, but the forecast for the whole year was still less than half of that. Was that specific number in the forecast? No, because we didn't have that information at the time. Did the forecast assume that the first quarter of '09 would be challenging? Yes.

**Mr. Borotsik:** I appreciate that, and I do understand the comparison of sales, month to month, and year to date, year to date. The question is, though, and the minister has indicated that certainly the 7.5 percent decrease in February, the last quarter, the January, February, March, when the minister and his staff were putting together the projections as identified in the third quarter financials would have been using some assumptions that there was going to be a decrease in the last quarter, the fourth quarter, which would be the January, February, March numbers. Are those declines of that nature reflected in that projection of \$1.490 billion?

Basically, what I'm saying is we do know that these are projections. We do know that there are assumptions being made. The last quarter of this last fiscal year, which we don't have the actual numbers yet, did they show a 7 percent or an 8 percent decline in retail sales at that time or were they being a little bit more optimistic?

**Mr. Selinger:** All right, just to put it in perspective—and I was clarifying this with my staff—to the 11 months at the end of February for '08-09, it's up 1.6 percent. So March is not absolutely finalized yet,

but that gives you an idea that there was growth for that 11 months of that year. The member's asking was the February number included within that. That does include the February number, and it shows that on an annual basis, for eleven-twelfths of the year, we're up 1.6 percent.

**Mr. Borotsik:** Okay, based on that answer, I would then assume that the projections that are identified here in the third quarters of the—and which you've projected now—\$1.490 billion, is a reasonable projection.

Okay, so I'll assume that that \$1.490 billion is a reasonable projection based on what's going to go forward to the end of March of this last fiscal year, March 31, 2009. I guess the question I have and, as the member, the Leader of the Liberal Party had indicated, is there some expectation that the budget revenues going forward for 2009-2010, you've increased the retail sales tax revenue of about a hundred million dollars going forward into this fiscal year. We're seeing declines in February of 7.5 percent. I am told that March will reflect similar kinds of decreases in retail sales.

Reading and listening to what's happening in the economy right now, we anticipate that the next quarter, or the next two quarters, the next two quarters are not going to be all that great. They may well recover in the third quarter, perhaps the fourth quarter going forward. So is an increase of 7 percent realistic to look forward to retail sales tax revenues?

**Mr. Selinger:** For '08-09 versus '07-08, the percent change was 7.1 percent, actual to actual, just to put it in perspective. As I indicated earlier, for 11 of 12 months, it's a growth of 1.6 percent, which includes February from forecast. So it's still holding fairly well even with that one-month decline.

I think the member's asking are we into a precipitous downward trend given the February numbers. That's really what you're trying to get at. I think by asking that question, you're asking how confident we are with the number that we've projected for next year—[interjection] Yes, and I think I'd have to return to my original answer. It's still a little early to tell, and as the member knows, we discussed this last week. Banks were literally changing their forecasts on a week-by-week basis. One week, Mark Carney: It's going to bounce back at the end of the year, a hundred percent confident of that—oops, our models didn't take into this. Well, maybe it won't be as fast.



We're seeing a lot of variability out there. The RST '09-10 year-over-year forecast is one of the lowest we've had since the '90s. It's not like they were stretching the numbers; they thought there was a great deal of prudence shown in putting that number forward.

But, you know, it's entirely impossible to be a hundred percent confident about what future sales will be. What does sort of anecdotal evidence suggest on the street? It suggests there is some slowdown nationally. It does suggest some slowdown in Manitoba, but it also suggests that there's still lots of people that are pretty confident about their jobs and they're in the malls and out shopping, et cetera.

So, you know, I'll give the member the information as soon as I have it for March, and then we can take it there. We'll have a two-month indicator then. But I must point out that even with the March data, that's still really the '08-09 year. We're not into the '09-10 year, and the '09-10 year really starts April 1, and it'll be a few months before we get the data on that yet. But you know, it's been an interesting spring, right? I mean, there's a lot going on in terms of activity, both public and private, right? People are out there looking at cars. We're doing lots of mitigative work with respect to natural disasters.

So we'll have to see how it goes, but I don't think there'll be a dramatic further increase in percentage declines. My guess at the moment is that—and that's just a guess—my guess at the moment is that it should steady off a little bit, but we'll see.

\*(14:50)

**Mr. Borotsik:** Yes, and he said earlier, budgeting is guesses and you can only do as much as you can in trying to guesstimate where it's going to go, especially in these challenging times, Mr. Chair. I just find it somewhat disconcerting there. There is a month-to-month decrease of some 7.5 percent. That's huge, and I appreciate, Mr. Minister, where you're going with that. Anything that I read certainly looks at the first quarter, the second quarter and, perhaps, even the third quarter of being of a similar kind.

Perhaps, perhaps, some economists are saying that the economy will pick up in the fourth quarter going forward. Some say the third quarter may well be. And, fair, a guess is a guess, if it's not \$1.5 billion that comes in in retail sales tax, but the minister recognizes this is the third-highest revenue centre

that the Province of Manitoba has. A hundred million dollars is reflective of about 6 percent to 7 percent increase over last year. A 6 percent to 7 percent increase over the last year seems to be a bit overly confident.

I guess, my question would be—*[interjection]* Just getting information. I guess, my question would be, and it's simple. I know there are adjustments made to budgets all the time. Should the minister and his staff recognize that those retail sales numbers are not at the same level as what's budgeted, is there in place the flexibility to be able to build in those kinds of revenue shortcomings into this particular budget?

We show right now on the core budget, a \$2-million net income, \$2-million net income on a \$10-billion budget. We've got a hundred million dollars budgeted, a 6 percent or 7 percent increase on retail sales tax. My concern is simply that may not materialize. What kind of flexibility and how does the minister hope to make up some of those shortfalls if, in fact, it happens? We don't know what's going to happen just yet, and I know the minister will tell me when it does, if it does. But how are you going to be able to come up with those revenue shortfalls should it happen?

**Mr. Selinger:** I know the member wouldn't want me to mention that it's a hypothetical question again, and I won't mention that.

First of all, I just want to say our preliminary data shows for March that sales are essentially flat. So that's probably relative to the February to February, not bad. What we do in any budget year, regardless of the economic conditions, if we see a dramatic variance in revenues we take that into account in the way we manage spending going forward, and that's what we'd do here. If we saw a dramatic variance in revenues downward or upward, which might be a little optimistic given the times, but if we did see a dramatic change in revenues, we would take that into account in the way we manage expenditure going forward too. We would bring that to the attention of all the people who are responsible for the spending departments.

At the moment, I think what we have to do is exactly what we're discussing here, is we have to keep very close attention to what the actual revenue numbers are and manage cash properly and manage cash in relationship to expenditure.

**Mr. Borotsik:** Based on those numbers, and I appreciate the budget process and I appreciate the

flexibility built into expenditures and revenues when you receive them, the quarterly reports that are developed and then, fortunately, it's my opinion that we—I would like, certainly, and I don't know if the minister is able to comply or not, to get those quarterly reports perhaps a little sooner than later. That would obviously allow not only the minister but myself to analyze the revenues that are coming in on a quarterly basis.

Is there any opportunity of getting the quarterlies, perhaps, a little sooner than later than they're being provided at the present time?

**Mr. Selinger:** I'll take it under advisement, but I think the more important part of the quarterly exercise is accuracy and getting the information as accurate as possible, because I wouldn't want the member to be alarmist if the information wasn't accurate.

**Mr. Borotsik:** I know the minister wouldn't suggest that I would be an alarmist at that. It's just simply a matter of analyzing the data as it's presented.

The minister, in the first day of Estimates, did promise that he would try to provide, before the end of the Estimates process, some documentation: a survey—survey results; the cost of the survey; the cost of advertising; also a calculation of debt servicing, the 6 cents compared to 13 cents; how that was calculated and, also, the analysis that he had of the B.C. net debt and comparisons to Manitoba net debt. Is there still a possibility of getting those documents?

**Mr. Selinger:** Is the member suggesting to me this might be the last day of our Estimates?

**Mr. Borotsik:** When I opened this particular day, I had suggested, perhaps, that it would be either wrapped up today or very early tomorrow. I do have others. I also mentioned that there are others that will be coming in to question on some of the Estimates. I can't control those other individuals, but we would probably be looking at today as being the last, or, perhaps, very, very early tomorrow for an hour or so. So that's why I've been asking or put forward the request.

**Mr. Selinger:** I'm prepared to start tabling some information today, and, if we're going to do a little bit tomorrow, I'd probably hold some back so that we wouldn't unload everything too quickly.

I'll start with the provincial net debt number, so I'll make a copy available to the member, and I'll just summarize for them the information that we

discussed. *[interjection]* Okay, I'll tell you what, can I give a few others to make some copies of too then? Yes, make those, and then we'll get into that stuff. I don't know if you really want to make a big copy of this survey. I can just—

**An Honourable Member:** You're tabling it.

**Mr. Selinger:** I am going to table it, all right. So we'll get the Xerox machines humming. We'll chew up some more quality Manitoba wood and we'll get the information for you.

**Mr. Borotsik:** Prior to it being copied, and then we can both look at the same document so that I know what the minister is talking about, perhaps I could ask a couple of other questions while the copies are being made. Something close and dear to all our hearts, I know, tax regime, the tax levels paid by provincial taxpayers in the province of Manitoba.

A couple of jurisdictions have, in my estimation, performed a fairly in-depth tax review of their jurisdictions, one of them being New Brunswick, the other one being Saskatchewan. New Brunswick just came out and they struck a tax review committee that was to look at taxes in general as a whole within the province and how competitive they were to other jurisdictions and how taxation levels were affecting certain businesses and certain personal taxpayers within the province.

Is the minister prepared to look at striking a similar type of tax review in the province of Manitoba right now with the big picture in mind, as opposed to just simply looking at small little pigeon holes of taxes? Would he look at striking some sort of an independent committee to look at the full tax regime in the province of Manitoba similar to what they did in New Brunswick?

**Mr. Selinger:** I'm just wondering if behind that the member is assuming that taxes are too high.

**Mr. Borotsik:** I know we'll get into that debate. We can talk about marginal rates. We can talk about basic personal exemptions, which we will. We'll talk about payroll taxes.

But I guess in the big, global perspective, yes, I would say, from my perspective, taxation is fairly onerous here in the province of Manitoba. We can make comparisons from other jurisdictions in a number of areas, but, regardless, if the minister and I don't agree, because I'm sure we'll agree to disagree on that particular point, but, even in that case, there

is a case to be made for reviewing taxation within the province on a global basis.

Is the minister prepared to look at that kind of a committee being struck and that kind of a discussion being made?

**Mr. Selinger:** Well, first, I have to say we review taxes in an ongoing way all the time, and the advice I get on that is independent advice provided by highly trained civil servants. The merits of putting it to an independent committee, I mean, I don't know, there's always a danger that the committee could come back and recommend we raise taxes to pay for certain services, and I'm not sure the member would appreciate that.

The reality is the people that are elected are the ones that come to these committees. They're the ones accountable for the decisions made. We take advice from a wide cross section of groups in Manitoba. Many groups have an expressed mandate of lowering taxes. No matter how low they are, there's only one direction for them and that's to go lower. Other groups believe that taxes have gone way too low and that we need to increase them to support various forms of spending on the environment, social issues, cultural issues, infrastructure issues.

The reality is I meet with a variety of these groups on an ongoing basis throughout the year. We take advice from them. We do analysis inside our public service and we make recommendations as to what we think will be the most appropriate tax measures to take to maintain Manitoba as one of the most affordable places to live and work and do business in the country.

The member will know that the government of Saskatchewan ranked us No. 1 this year for families on a comparison of taxes, utilities and housing, and that was an analysis done outside of Manitoba. Our own analyses show that we remain in the top three, and we said we'd like to keep Manitobans in the top three. So we've done that.

\* (15:00)

**Mr. Borotsik:** The minister, in his dissertation, just indicated that perhaps some of our taxes were too low in the province of Manitoba relative to the types of expenditures that are required with respect to the ecology of the province. What taxes does the minister feel are too low in the province of Manitoba?

**Mr. Selinger:** Well, what I was really saying is that our overall cost of doing business, living and working in Manitoba is in the top three in the country and by some jurisdictions outside of Manitoba, the lowest. I'm wondering if the member thinks that zero small business tax rate is too high.

**Mr. Borotsik:** I guess we can counter that debate as does the minister believe that a first tax bracket at \$31,134 is too low?

**Mr. Selinger:** That's the threshold. The bracket or the rate is 10.8, which is quite low.

**Mr. Borotsik:** The threshold at \$31,134; does he feel that is too low?

**Mr. Selinger:** Once again, I feel that keeping Manitoba in the top three for affordability is a good place to be in the country.

**Mr. Borotsik:** I appreciate affordability. I guess affordability obviously relates to the amount of disposable income that one has and how that relates to affordability.

The minister mentioned three areas: housing, utilities and he has mentioned before, automobile insurance rates. What part does the government have to play in housing costs in the province of Manitoba? They're obviously lower than they are in Saskatchewan, Alberta, British Columbia and Ontario. So what part does the government have to play in keeping housing costs lower than those other three jurisdictions?

**Mr. Selinger:** Well, just on housing costs alone, the cost of energy is probably the lowest in North America. That would be one concrete example. Our property tax credits have seen that education taxes in Manitoba have actually slightly declined whereas in every other jurisdiction, they've gone up over 20 percent. Those would be two concrete examples of how we keep costs low for people owning homes in Manitoba.

**Mr. Borotsik:** Actually, one of the largest discrepancies when comparing affordability between the other jurisdictions is mortgage costs. Manitoba is substantially lower than the other jurisdictions. How does the Province control the mortgage costs on housing stock in the province of Manitoba?

**Mr. Selinger:** I think the member would know that mortgages are, for the most part, sourced through the private sector. But the one thing that we have been able to be very successful at in the last decade is increasing personal disposable income. Personal

disposable income is what you use to pay for your mortgages. Over half of Manitobans are debt free. When you look at the ability of Manitobans to actually acquire housing assets, it's quite strong.

**Mr. Borotsik:** So the minister does agree that being debt free is a fairly good thing to be at this point in time; if you're in a personal situation being debt free and mortgage free is certainly good. I suspect that he would carry that philosophy forward with the province's debt as well.

Utilities—the minister has indicated that part of the reason why Manitoba has such a low cost of living is because of our utilities, particularly the energy. What part does the government play in keeping utility rates low? I thought it was PUB's function to set rates for Manitoba Hydro?

**Mr. Selinger:** When we look at affordability, Manitobans acquire services through a variety of mechanisms. One of the key mechanisms that they acquire, for example, energy through, is a Crown corporation; a Crown corporation members opposite have designs on privatizing at some point, if they can get their hands on it, as they did with the telephone system. Our telephone system costs used to be among the lowest in Canada and they're now among the three highest. Our utility costs, in the form of an organization known as a Crown corporation, are the lowest in North America. That's how we contribute to a good cost of living in Manitoba.

Similarly, with auto insurance, Manitoba has a Crown corporation that provides auto insurance, among the lowest in North America. That's a policy choice we have made. Members opposite have always opposed that Crown corporation. In the result if it was privatized under the members opposite, I'm confident the cost would then dramatically shoot up to being the highest in Canada and would erode our competitive advantage. So organization makes a difference, and the assets we hold on behalf of the people of Manitoba have delivered excellent value, and I'm confident they will continue to do that.

**Mr. Borotsik:** Well, first of all, I take great exception to the comment made with respect to the privatization of Manitoba Hydro. That is not something that has ever been mentioned by my party nor will it be. As a matter of fact, we have identified—well, there has been legislation that they will not be privatized. We certainly have never said that it would be and I take exception to the minister to continue to put that falsehood on the record which is, in fact, what it is, a total falsehood.

As for—and I was looking for the table. Maybe the minister and his staff can help me. There's a table in here that shows the cost of living. Do you have—

**Mr. Selinger:** In the E section, E16 is a pretty good page to look at or E14 and 15 in the budget papers.

**Mr. Borotsik:** Yes, page E20 if you would, please. If you're looking at a 2009 comparison, personal cost and taxes, two-earner family of four, \$60,000. If we go down to telephone which the minister has already indicated on record that we have the highest cost per telephone of any, it will be shown that B.C. certainly has higher cost but on the whole perspective, \$286 over an annual basis for telephone cost isn't the major component for cost of living.

However, if you look at the top and I go back to my comment about mortgage costs. In Manitoba there's been identified of \$8,000 mortgage cost and if you go across you'll find that in B.C. the higher cost per mortgage on an annual basis is \$19,000. The minister has already indicated that mortgage costs, because Manitobans are debt-free and they have lower costs—and that's fine—but in true comparisons I would again go back and ask the question. I attribute the lower mortgage costs to lower value and lower mortgages; therefore, if you have lower value on your properties, you then need a lower mortgage in order to access those properties.

How is it that the Province of Manitoba and this minister's government, how does he show that that is directly attributed to government policy, that, in fact, there's lower mortgage costs for a cost of living here in Manitoba than either in Alberta or British Columbia or Saskatchewan?

**Mr. Selinger:** Well, B.C.'s a pretty good example. I mean, what we have is a scarcity of developable land in B.C., which drives up the cost of housing plus a strong market with population.

In Manitoba, we've actually made land available for developing affordable housing, including middle-income and higher-income housing in Waverley West which the members have opposed. Those lots have been put on the market and serviced and provided a supply of housing that is among the most affordable in the country. That's just a concrete example.

That's not even to mention our social housing program of \$387 million this year, which includes various forms of proprietorship, including some home ownership options. So we're doing a variety of things to keep housing affordable in Manitoba. We're

keeping utility costs down. We're making land available. We're providing a new supply of housing, which affects the demands and supply equation within the province. Those are just some of the examples.

**Mr. Borotsik:** Yes, I go back to the examples of the cost of living and again, as I said, I take exception with respect to the energy side of it, but we show on this particular case, this case study in this example, we show electricity at \$555 per annum as opposed to \$571 per annum in British Columbia, so there's not much of a difference. There's not much of a difference in Saskatchewan at the same time. So I really don't see that cost as being substantial in identifying the cost of living between the provinces.

Again, I say with Manitoba Hydro—and if the minister wants to talk about privatization, I'm sure we can get into that debate in discussion—the point is: How is it that the minister and his government keep the utilities or take credit for keeping the utilities, the electricity at that level, when, in fact, again I do believe it's the Public Utilities Board that sets the rate increases for the public utility that it is, the Crown corporation? How is it that the government can take credit for that when it is the Public Utilities Board that actually sets the rates?

\* (15:10)

**Mr. Selinger:** As I explained earlier, the form of organization is critical to the ability to provide a cost-effective service. Manitoba Hydro being a Crown corporation, even though competition is allowed in Manitoba—Manitoba, because of its scale and its ability to deliver a product at an affordable cost, winds up being able to set rates, submits them to the Public Utilities Board, and the Public Utilities Board takes a look at the health of the organization and sets a rate, but they recognize that the Crown corporation itself is the vehicle that delivers value.

If that was privatized, such as we saw in Alberta, when they privatized their energy sources out there, you take a look at electricity costs in Alberta. They're more than double Manitoba. By the way, on auto insurance or what was—the member was using auto insurance—no, he was using—was it auto insurance he was referring to in B.C. versus Manitoba?

**An Honourable Member:** Hydro.

**Mr. Selinger:** Hydro's still a Crown corporation in B.C. They haven't been able to get their hands on it yet, so it's a good story. Auto insurance is a completely different story, Mr. Chair. It's more than

\$1,100 more. Then take a look at child care in Manitoba versus B.C., \$9,800—I'm rounding up—versus \$17,231. Organization makes a difference. We provide a publicly funded day-care system in Manitoba. They don't provide that in B.C., and they don't provide that in Alberta.

**Mr. Borotsik:** That's a very good comparison. If you'll notice the comparison in child care of \$9,776, if you go to the east of us in Québec, they have \$3,640. So I assume, based on that comment, the minister is saying that they have a better system in the province of Québec for child care than they do in the province of Manitoba.

You'll also notice in the province of Québec, their actual cost of living based on those numbers is \$26,000 total as opposed to Manitoba's \$28,000. So I guess the minister would suggest that Québec has a better cost of living and certainly to be congratulated on putting those provincial policies forward as opposed to the Province of Manitoba.

**Mr. Selinger:** I would agree that Québec has done a pretty good job. Québec is one of those jurisdictions that if the member was attending a P.C. convention or a Conservative convention, they would all be saying that the taxes are too high in Québec. That's a common complaint about Québec. But, when you look at the value that Québec provides its citizens, it has its own Crown corporation, called Québec Hydro. It has one of the best publicly financed day-care systems in the country. They have capped rates there which has kept the costs down.

I think we've done a better job in expanding spaces. I think they haven't been able to get as many spaces expanded, but they have done a very good job of keeping the rates down. Of course, they have their own Crown corporation for auto insurance as well, which shows the difference is \$5 between Québec and Manitoba. In terms of organization, Québec and Manitoba have followed some similar patterns in providing value to their citizens through various forms of organization. It's not all about tax cuts.

**Mr. Borotsik:** Based on that, not all on tax cuts, and we do recognize that the thresholds and the rates are higher in Québec but also the basic personal exemption is higher in Québec. Right now in Québec when you file your income tax, the first \$10,455 is the basic tax exemption. In Manitoba it's \$8,134. Does the minister have any indication or any desire to raise the basic personal exemption to the levels of Québec?

**Mr. Selinger:** You take a look at this example. The family of four, \$60,000, Québec's the No. 1 spot; we're in No. 2, and we're both ahead of just about every jurisdiction by at least \$2,000 for the cost of living between their province and ours. We will keep Manitoba in the top three, including what Québec does. The specifics of that we will work out and present to the Legislature in a budget.

**Mr. Borotsik:** If the minister would look at the provincial income tax that's paid by that same comparison, you'll find that Manitoba is lower than Québec but higher than all three of the western Canadian provinces, as well as Ontario; higher than New Brunswick; higher than Nova Scotia; higher than Prince Edward Island; and higher than Newfoundland. Actually we're the second-highest in the country behind only Québec. So I take it the minister is suggesting it's fine to have high personal taxes as long as you keep the cost of living low. Is that the minister's philosophy?

**Mr. Selinger:** According to the member's example, the member was asking me if I would catch up with Québec. If I were to catch up with Québec, it would suggest that I should raise taxes and lower some of these other costs. The reality is that Québec, by the member's own admission, has a higher tax regime that is No. 1 in the country for cost of living. The member is obsessed with taxes. He ignores these other factors. He points out that to the west of us the taxes are lower. Well, you take a look at Manitoba, \$28,500; Saskatchewan \$30,500, \$2,000 more; Alberta \$7,000 more, approximately, and when you get out to British Columbia it's \$20,000 more. Does the member want to pay \$20,000 more just to have lower taxes? Is that what he's suggesting?

**Mr. Borotsik:** I would suggest that the per capita income in British Columbia is twice as much as it is in the province of Manitoba. Is the minister suggesting that we should just keep our weekly earnings very, very low in the province of Manitoba so we can continue to have a low cost of living?

I would suggest the minister would like to put more money in the pockets of Manitobans and have their weekly earnings raised, and, if that's the case, put more disposable income into the economy, not simply in taxes.

Let's talk taxes again. Manitoba is the second-highest in the country based on this case study. In this case, a family of four at \$60,000, Manitoba will take more personal income tax than

any other province in the country, with the exception of Québec.

So the minister is simply saying, if we can justify, by showing low mortgage costs, if we can justify by showing low child care, if we can justify by showing, not so much low telephone, not so much low energy, but if we can show by justifying other low costs, then it's fine to keep on taxing Manitobans at that high rate. That's what the minister is saying in that particular comment?

**Mr. Selinger:** Absolutely not. I'm saying that we take a comprehensive approach to keeping Manitoba one of the most affordable places to live in Canada. Every province delivers value to their citizens using different mechanisms.

We deliver it through a variety of mechanisms: taxation, Crown corporations, social programs that we fund, including day care, utilities, such as electricity, auto insurance through a Crown corporation, property tax credits and property taxes which are among the most affordable in Canada. Every province has a different mix of how they do it. But, at the end of the day, the basket is what counts. The bottom line is what counts.

Mr. Chair, I can tell you, I'd rather be in Manitoba, if I were a family of four at \$60,000, where my cost of living was \$28,000 than a family of four at \$60,000 in B.C. where they're running a deficit, their unemployment rate is skyrocketing, and you have to pay \$20,000 more to live in that province. I think you're better off here, and that's why some of them will be coming back.

**Mr. Borotsik:** The only reason they'd come back is to get a job with lower weekly earnings than they have in Alberta, British Columbia and Saskatchewan.

**An Honourable Member:** To get a job.

**Mr. Borotsik:** Certainly, in Saskatchewan, that's not the issue. In fact, right now, they're trying to find people to work the numbers of jobs that are available.

But the minister, obviously, is quite pleased with the tax levels that we have here in the province of Manitoba.

However, in saying that, in last year's budget, if you go back to the budget book, 2007-2008, there was a table on page C2, that indicated personal income tax, and there was a schedule of reduction of the tax bracket. There was an increase of the

middle-bracket threshold that was proposed, and there was an increase of the top-bracket threshold. Just for the minister's, for his knowledge, in 2009, the middle-bracket threshold was to be raised to \$31,000, the top bracket to \$67,000. There was a proposal in 2010 to go to \$32,000 and \$68,000, respectively, and in 2011, \$35,000 and \$70,000, respectively.

That table isn't in the 2009-2010 budget, although there was a projection for 2010-2011, increases in those areas.

Can the minister explain or give me some explanation as to why that table wasn't included in this budget?

**Mr. Selinger:** Well, the member will know that we said that there were, in these challenging times, that there are some things we're going to have to slow down on and some money that's going to have to be redirected towards stimulus types of activities. That's what we've done this year.

We put a priority this year on undertaking public expenditure which will generate employment, expand employment and maintain employment. That's why we did some things that we had not previously indicated that we're going to do. For example, we made the Research and Development Tax Credit refundable. It's the highest tax credit, at 20 percent, in the country. By making it refundable, we move cash to the front end of the development process for new biotech products, for example, and we knew that that would generate more jobs and more potential for export of products that would bring a lot of value added back to Manitoba.

\* (15:20)

We made adjustments in the mining tax regime, something never promised before, because we saw commodity prices dramatically decline in a way never forecast by anybody. But the reality was, there was a dramatic decline in commodity prices, so we reconfigured the mining tax regime to have a greater incentive on investment through doubling the flow-through portion to give a greater incentive to invest, to take less taxes at lower taxable income.

We did a variety of things that we thought would maximize employment and, then, of course, there's the stimulus side of the budget which I know the member objects to because it's borrowing, but we put an extra \$625 million into infrastructure, which will be fully amortized over the life of the asset.

But infrastructure spending is widely recognized as being one of the better ways to not only build assets that will generate greater economic growth in the future but generate immediate impacts in terms of jobs, both directly and indirectly by the sourcing materials that go into those projects which generates indirect employment as well.

So we've looked at it from a policy perspective and said, how can we make sure Manitoba keeps working, keeps building its wealth and keeps staying competitive and remains one of the best places to live for affordability, and this budget delivered on that again.

**Mr. Borotsik:** Just a couple of comments. First of all, the mining tax regime: I just had an opportunity to talk to some of the individuals in the mining industry, and they still say that Manitoba's mining tax is the highest in the country. So, regardless of what minor changes you've made to the mining tax—certainly hasn't reflected in further development of the mining industry. That's just as a comment.

But, going back to my original question, there was an identification here of some movement with respect to increasing the bracket threshold as well as reducing the bracket rates. That hasn't gone forward and the minister's answer is an answer, but it didn't answer my question.

Do I take it from its not being identified in the 2009-2010 budget that the minister does not have any intentions of keeping to those commitments, I suspect, that were in the 2008-2009 budget?

**Mr. Selinger:** What I've said is we'll keep Manitoba in the top three for affordability. You know, the mining sector, this is the quote they gave me: The Manitoba Association of Mining is confident that the staged and graduated mining tax regime will help improve Manitoba's overall competitive rank.

They also say that they think that some of our mining tax rates are prohibitively high, after they spend two pages complimenting us for all the things we've done to reduce taxes. I mean, they can do that if they wish. The reality is we made a very significant effort to provide them with tax relief and incentives to invest this year, and it was well received by the mining sector, and we went out and directly consulted them in doing that. We'll keep Manitoba's mining sector among the important sectors of the economy for Manitoba.

**Mr. Borotsik:** In the Executive Council, a question was asked of the Premier (Mr. Doer) why they had

cancelled the planned income tax reductions as I've identified in Schedule C2 of the 2008-2009 budget, and the Premier's response was that they've slowed down the pace of some of the tax reductions, but we're going to implement every promise we made. In saying that, I assume, then, the 2010-2011 levels that were identified in that budget were not necessarily promises but just hopes and wishes that they be put into place so Manitobans would pay less taxes in the future.

**Mr. Selinger:** I can guarantee that Manitobans will pay less taxes in the future. Even in this year's budget, we have \$110 million of tax reductions and another \$50 million that annualize next year, and that's indicated on our Table D1.

We will make adjustments to keep Manitoba affordable. We brought in some increases this year—which I don't know if the member would support them or not—for example, on the tipping fees for landfill sites, and we committed to dedicating all the money to that to further recycling programs dedicated to ensuring that Manitobans divert more waste from landfills and put more of the things that they want to get rid of into a process that will recycle and reuse them.

We brought in a coal tax two budgets ago, \$10 a tonne, but we delayed it for a couple of years, so that the folks that are using coal have an opportunity to seek alternative sources of energy.

I think the member continues to assume that all taxes are bad. Tax policy is one instrument to develop the economy, and there are multiple objectives to developing an economy. Sometimes there are environmental objectives; sometimes there are affordability objectives; other times there's an objective to generate revenue that will pay for public services.

You take a look at the low-tax United States, where the President has just agreed to tax the wealthy more while he gave a tax break to low-income people. They are looking for a source of revenue to pay for public health care. The amount of GDP consumed in the United States for private health care is 17 percent. Our public health-care system, which is paid for by taxation, is hands down a more efficient system and a more inclusive system when it's at 9.5 percent of GDP.

So I'd like to fundamentally challenge the member's notion that all tax is bad, all government is bad and all government programs are bad. I think

that's an ideologically hidebound and narrow perspective.

**Mr. Borotsik:** I would suggest that the minister cannot read any of those comments into what I have said in the past. I do believe that there's a balance in taxation. I do believe there's a balance in government spending. I do believe there's a need for good debt. I believe all those good things. But there's a balance of all of those, not just simply a matter of an imbalance, if you will, with respect to taxation and spending.

I would also say that the minister also suggests that the administration in the United States is now looking at taxing the rich in order to provide those services to the poor. I would say that the minister is already doing that. In Manitoba, anybody over \$67,000 currently in the province of Manitoba is identified as being rich. That's the top threshold and that's the top tax bracket. That's the top rate. The rich at \$67,000 are already paying for all of the services being provided in Manitoba by this government.

One of the taxes, and I mean this sincerely, this is not political by any stretch of the imagination, one of the taxes that certainly is mentioned on a regular basis to myself and others, particularly by corporations and the private sector, is that of the payroll tax. I know the minister will be able to look and show some justification as to other premiums being paid in other jurisdictions, not all jurisdictions, but other jurisdictions, but the payroll tax is one that certainly is what's considered to be a disincentive for businesses to go out and develop higher payrolls and employ more people. I take it from the minister's comments previously that it's one of the good taxes that the minister prepares to leave as a tax in the province of Manitoba as I haven't identified any suggestion that the payroll tax would be curtailed now or in the future. Am I correct in assuming that the minister sees that payroll tax as going forward for quite some time?

**Mr. Selinger:** Well, first of all, I just have to say that, when the member comments that people over \$67,000 are paying taxes, a two-earner family of five earning \$75,000 has the second-lowest combined taxes and living costs in the country, as does a two-earner family of four earning \$60,000, and a one-earner family of four of \$60,000, they both have the second- or the first-lowest cost of living in the country.

All people in Manitoba, regardless of their personal disposable income, have among the most affordable cost of living of anywhere in the country,



so we're not picking favourites here. We have a universal program of keeping Manitoba competitive at all levels of income. That's unlike other jurisdictions where the cost of living is very prohibitive for working people of \$60,000 or people of lower incomes than that. The people getting all the benefits have very low or flat tax rates for the wealthy. We've got a program that treats all Manitobans equitably.

On what the member calls the payroll tax, there is actually no payroll tax on our books in Manitoba. There's only a health and education levy. I don't know where the member gets the terminology from, but in Manitoba, we have one of the lowest unemployment rates in the country and one of the highest employment participation rates in the country.

The member suggests that what he colloquially calls the payroll tax is a disincentive to job creation. How can you have a payroll tax be a disincentive to job creation when we have one of the lowest unemployment rates and one of the highest participation rates in the country? Where is the empirical evidence to support the member's accusation about that health and education levy?

**Mr. Borotsik:** What the minister doesn't say is that we've also got one of the lowest weekly earnings of the country, and I would suspect, if the corporations didn't have to fund the health and education tax, that perhaps some of those savings could then go back into weekly earnings, back into the pockets of those people who in fact work for those corporations. So there's only so much money that a corporation has. Whether they pay it to the government in health and education tax or whether they pay it to their employees as earnings, I would suggest that it would be my suggestion that earnings would be much better for those individuals with disposable income going back into the economy than health and education tax going into the coffers of the Province of Manitoba.

\* (15:30)

In saying that, health and education tax, as identified as a payroll tax, and the minister can deal with semantics all he wishes, but the fact is that the tax is levied on payroll. As the payroll increases, more tax is levied; there's more money being paid into the provincial taxes, so it is on payroll and it's identified as a health and education tax in the budget, so be it. But those are semantics.

Can the minister tell me, is he prepared to provide for me a breakdown as to the monies generated from the health and education tax as he identifies it, from private sector and public sector, just simply those two numbers?

**Mr. Selinger:** I'll get that breakdown. I think it's roughly 50 percent, 50 percent private-public, but I just have to say a couple of things about—the member claims that the health and payroll levy gets somehow secreted into the coffers of the province.

Everything that we get we put back into programs and services for people. We don't hold on to the money. That's what the member complains about. He wants us to hold on to more of it. We put the money back into programs for people, and when we raise a tax on corporations, if we did that, the member wouldn't say that we're raising a tax on corporations, he would say that it's going to be passed on to the consumer. In both cases they're mechanisms. Corporations pay tax, less than 3 percent of the total revenue in Manitoba. I'd like to know what the member thinks should be the contribution of corporations to the tax base. Is 3 percent too low or too high?

The reality is when we take the money in we show value for it by putting it back out into programs and services which help Manitobans have one of the most affordable places to live in the country, an opportunity to get a job and, by the way, our wages are among the fastest growing in the country. Our weekly wages have been among the more rapidly growing in the country. It was in the '90s that they languished and we've had to build off a low floor, but we've been doing that. Disposable income declined in the '90s; it's been going up in the decade we've been in office, so there's more disposable income in the pockets of Manitobans. Manitobans are wealthier, both in terms of the money they have in their pockets and in terms of the assets they have available to them to enjoy through the public sector.

**Mr. Borotsik:** Yes, weekly earnings certainly are growing the fastest, but we've got the lowest base to start from. We still are, I think, only the third-highest in the country right now with respect to weekly earnings across the country, so when you have a small base to start from, any fastest increase in that small base certainly still has a lot of catch-up to do with other jurisdictions.

Back to the payroll tax, health and education tax: the minister did indicate that he would give a breakdown of the private-public, and I do appreciate

that. I would like to—not today, because we may not be finished today, but certainly sometime in the not-too-distant future, that would be most appreciated, and I would appreciate it.

Here's a question, and I can't even say one way or another whether—I've analyzed whether it's necessary, and I know the minister has already indicated that we've got one of the lowest costs of living within the country. I had a constituent of mine, a senior citizen, who's living in his own home right now. I know the minister's aware of other tax regimes, other tax jurisdictions and other policies that they put into place. In British Columbia right now—and there's a reason for it, and I'll explain. In British Columbia there was a substantial spike in property values, and based on that, assessments went up and property taxes were increased quite substantially. Individuals who had purchased properties at a fairly low cost were now being assessed at a much higher cost, and a lot of those individuals being retired and on a fixed income were being assessed property taxes at a fairly high level.

What B.C. had done is put forward a program where, in fact, I believe it's called a property tax deferral program where, in fact, they would identify those residences. They would then pay the taxes on behalf of the property owner with the understanding that those would be paid back at some time in the future with sale of the property. There was a requirement for equities in the property and there were a lot of nuances obviously that went into the program.

Has the minister ever looked at or talked about a similar type of program in Manitoba? And I appreciate he's going to say our property taxes are one of the lowest across the country, but there are a number of individuals out there, older individuals, retired individuals on fixed incomes, who would like to stay in their properties, but, as the minister's aware, property taxes go up. As a matter of fact, in Brandon right now, the education portion of a property tax is going to go up 7.9 percent. That does affect people on fixed income. Has the minister ever looked at a tax deferral program like that here in Manitoba?

**Mr. Selinger:** The short answer is yes, but I have to point out to the member again that Statistics Canada did a study of property taxes and Manitobans were slightly negative over the last decade. In other words, they'd gone down a little bit. In every other jurisdiction in Canada, they'd gone up at least in the

order of 20 percent. But, yes, I look at these devices and policy tools all the time and if the member wants me to take another look at it, I'd be happy to do that because I think there can be some merit for certain sectors of the population to have various options available to them on a go-forward basis. I'm open-minded on that.

I just want to return, though, to this notion of where's the best place to live. If the member's serious about increasing the wages for people on low incomes I like to know why the opposition never supports an increase in the minimum wage. The minimum wage provides a floor upon which people can build a proper structure and it's a very important dimension to sort of setting a threshold upon which—for people that work. So that's important.

The other thing I need to point out to the member is—it's probably in the public domain now, I'm pretty sure it is, but *MoneySense* magazine has ranked Winnipeg and Brandon as being in the top 10 cities in the country for a total quality of life including tax rates, including weather. They seem to make a judgment that cold weather's not as good as warm weather. I think we could disagree on that, but magazines that help people make wise decisions on where they live and where they invest their money rank Manitoba one of the best places to live.

**Mr. Borotsik:** Thank you. As for the property tax deferral, yes, I would certainly look at any point in time, look at ways of making it easy for our senior citizens, particularly, to stay in their own homes. It's an advantage certainly to the health-care system. It's an advantage to providing personal care homes at an earlier time for individuals. There are a lot of people who would like to stay in the home, and as I said on fixed incomes at that property tax for others that may not be an issue, but certainly at fixed incomes it does become an issue when you have increases. So if the minister and his department would look at that.

It was simply a request passed on by a constituent of mine and I will be more than happy to get back to that individual and say, yes, the Province has looked at it and are prepared to look at it only on an as-needed basis and they can go forward.

As for the minimum wage, I would also say to the minister, if you look at the basic personal exemptions, and we've done the analysis, that an increase in the basic personal exemption would put equal amount of money into the pockets of the individual as would an increase in the minimum wage. When you look at the basic personal

exemptions in Manitoba at \$8,134, if that was raised to the level of Saskatchewan, perhaps, at \$13,269, which ranked second in the country, it was said that Saskatchewan took 80,000 people off of the tax rolls when they increased their basic personal exemption by some \$4,000 for this tax year.

So I would ask the minister: Would it not be equally as important to put dollars back into Manitoba citizens' pockets by raising the basic personal exemption to those levels, as did Saskatchewan, as opposed to just simply raising the minimum wage? Minimum wage at \$8.50 or \$8.75 or \$9, for that matter. When you increase the basic personal exemption, there would be less taxes paid, and those individuals would be better off for it. So would the minister not look at that balance and look at perhaps raising the basic personal exemption or just simply the minimum wage?

**Mr. Selinger:** We do look at the balance, but fundamental to get an exemption is you first of all have to have the income and that's where the minimum wage policy is a pre-condition for exemptions. You've got to have the income and the minimum wage generates income and then you can go from there to take a look at the various deductions.

*Ms. Erin Selby, Acting Chairperson, in the Chair*

Now the one thing that is available to all modest income earners is the property tax credit scheme and that acts as a form of equity in terms of tax relief to all taxpayers of Manitoba but particularly benefits people of modest incomes.

I just have to go back to the deferral program. One of the challenges in any deferral program that I recognized immediately upon considering it is that if people deferred their taxes they would likely be ineligible for property tax credits because you can't get a property tax credit unless you pay taxes. So they would be giving up income so we'd have to be very careful that people didn't get pulled into that and then lose these benefits which are very significant in Manitoba now at \$650 a home. So I will consider it, but that was the primary interaction that caused me to pause on it and not move on it because we had a good program there.

\* (15:40)

Now I know the member from Winkler has some questions. Do you want me to circulate some of this information and just quickly go over it with you first before we go on to other questions or—

**An Honourable Member:** Sure.

**Mr. Selinger:** Okay, I think we have provincial net debt tables now. *[interjection]* I'm going to just hand those out for the circulation to the group.

So this is the provincial net debt. We discussed this at some length last week. The member can see in the darkened column in the middle, the net debt for British Columbia is \$28 billion, which is far higher than what it is in Manitoba. Then you can see the change. I've given it to you by all 10 provinces, and we're the second lowest net debt in Canada, not a bad place to be.

**Mr. Borotsik:** Just to make a comment, it's not quite what I had in mind when we're doing comparisons. I can pull numbers off of budgets and look at them. The fact is the net debt for British Columbia did exclude their capital for health, their capital for education. It excluded some other areas, and I was kind of hoping that we could do an apples-to-apples comparison. I have these numbers, too, at 11.8 and 27.9, but I don't know whether the numbers were actually calculated based on those apples-to-apples comparison.

**The Acting Chairperson (Ms. Selby):** Honourable Minister, if I can just verify that you're tabling the document.

**Mr. Selinger:** Yes, so tabled.

I have to say, though, that if you're going to exclude hospitals and schools from B.C., you have to exclude them from Manitoba, in which case our net debt would go down, too, but GAAP requires us to include those things. So I don't know how B.C., how they can take these things out in an arbitrary fashion. Our understanding of GAAP standards is to include those things. So we've included them, and we've tried to do an apples-to-apples comparison here.

Once again, if there's any error in that or any misjudgment in that, I'd like to know it, but I've gone over this a couple of times with my officials and they are telling me this is an apples-to-apples comparison.

**Mr. Borotsik:** Well, thank you, and I'll certainly look at the analysis and look at the apples to apples.

But, if the minister would look on page 22 of the budget document, in fact education and health debt held by the government has been excluded as well as other debt from other Crown corporations. So, depending on what numbers you use, you can identify different numbers for net debt for both provinces. So I will do that analysis.

I do thank the minister for tabling this number. I had it from the other provinces, but this is something I can analyze. Thank you very much.

**Mr. Selinger:** I have to do a correction. On page 22, the one you just referred to, school debt is not excluded. Hospital debt is not excluded. They're in in Manitoba. They're all in. So I had to put them in for B.C. I had to do an apples-to-apples comparison.

I'll just leave it at that, but if the member is okay, I would go to the next table on equalization, if he wishes.

**The Acting Chairperson (Ms. Selby):** Minister, do you want to officially table this report?

**Mr. Selinger:** I do, thank you.

These are the equalization entitlements broken out both on a total dollar basis by province and then on a per capita basis by province. So that just gives you an idea, as we discussed last week.

**Mr. Borotsik:** Yes, and I have these tables. I had them previously, but I do thank the minister for tabling them. But there were other documents, and I don't know which ones the minister's going to table now, but the ones that I was really concerned with were the calculation of the debt-servicing cost that he'd indicated, his six cents per dollar, the cost of advertising, the cost of the survey and the survey results.

So he may wish to keep those for tomorrow or he may wish to table them today.

**Mr. Selinger:** Well, on the assumption you may want to finish today, I'd be happy to provide him the information on the advertising costs next. I'd have to get a Xerox for him, but I'll just put it on the record that the costs for the '09 budget—and they're not finalized yet, but the budget is \$231,945.

Just to put it in comparative purposes, the costs in the '99-2000 budget, which would be the last government of the Conservative Party or the government of the day, were \$239,163. So it's still lower than it was a decade ago on a comparative basis, and I'll provide a copy of that. I'll table this and then ask for copies to be made.

I'd also be willing to table the survey. So there's a whack of surveys, if I could table those officially.

That's all the documents I have to table today. If that's not enough to get us out of committee, I'll have to make further undertakings as we go along. But

that's all I have today and, then, we'll take it from there.

**Mr. Borotsik:** As I said, I did mention at the beginning of this that the survey we have—thank you very much. I appreciate that. I'll have a chance to look at the survey and the survey results. We have the cost of the advertising. There was the cost of the survey which I had indicated.

**Mr. Selinger:** It's broken out in the total costs there. It's about 30,000-some dollars.

**Mr. Borotsik:** Yeah, the only other one was the calculation that you were using for the debt-servicing costs, and that should be fairly relatively simply to be able to achieve. So, thank you, Mr. Minister. I appreciate that.

I do have some other areas I want to talk about. One is going to be harmonization, but I'll just keep that in abeyance and we'll let the member for Winkler—

**An Honourable Member:** Pembina.

**An Honourable Member:** Pembina, but he said Winkler.

**Mr. Peter Dyck (Pembina):** Okay, thank you, Madam Acting Chair.

I've got a few questions, and I'm going to be referring to an e-mail that I received today. The Premier (Mr. Doer) got an e-mail as well, so did the Minister of Health (Ms. Oswald). Just to give you a little bit of the background for this, is consistent with the petition I've been reading for the last while regarding Tabor Home.

Now, I want to indicate to the minister that former ministers of Health, Tim Sale and the now Minister of Justice (Mr. Chomiak), have been out there, in fact, more than once have looked at the facility, Madam Acting Chair. The present Minister of Health (Ms. Oswald), as well, has indicated the need for the replacement of this facility. Also, to be able to take the 28 patients who are in Boundary Trails right now and waiting for placement, to take them and, in fact, find a place for them to go a personal care home.

The Minister of Health has indicated the need for it, and needs to be done immediately. However, in discussing this with her just last week, she said the problem, of course, was finances.

I know that the Minister of Finance is aware of the need that we have and, again, just to substantiate

the need, we've had numerous MLAs from the government side and ministers come to the area and have seen the growth that's taken place out there, and have recognized the fact that we have needs. It's not only in schools, it's in health, it's in infrastructure. I mean, it's a growth area. I can envision this area being the twin cities of Manitoba within a few years.

So, coming back to my question, and the question is it appears that everyone else has indicated that there is a desperate need to have this facility replaced; however, finances are the issue.

Could the Minister of Finance indicate to me whether, in fact, he has been looking at this, whether this is a part of the financial obligations that he sees taking place within the area? I'd appreciate that.

**Mr. Selinger:** Well, as the member knows, we review requests from all the departments every year for capital spending, including the Department of Health, and then they prioritize what they want to include in their budget for capital health facilities, and we fund it as best we can. We funded the priorities of the Health Department with respect to capital, and this wasn't on the list that was included within the resources available.

But the member will know that there's been a very substantial commitment to health capital in this province over the last decade; well over a billion dollars has been spent. I'm sure that this personal care home that the member would like to see rebuilt will be further considered in the future budgets that the Department of Health puts forward and, then, Treasury Board and Cabinet will deliberate on whether that's the top priority identified by the health-care department, and whether that one will be included on the list of things to fund. But there's a lot of health-care capital that's being funded every year, and we'll consider it as part of the budget process.

\*(15:50)

**Mr. Dyck:** I can understand and appreciate the fact that there are many demands on the budget. The chair and the board and the CEO of the Central RHA, they have indicated that this is their No. 1 priority. The Minister of Health (Ms. Oswald) has indicated this is a priority for her. So I would submit that, you know, we do have the need for it. That need has been recognized by those the minister has been referring to. So, somewhere, I see that we're missing a mark. We're not getting our needs met out there.

Again, just to emphasize the importance of this, as I indicated, we've got an 80-bed hospital; 28 of

those beds right now are being occupied by people who should be in a personal care home. It's not good utilization of those premises. In fact, it's very, very costly. I'm not asking that we get more beds at Boundary Trails Health Centre, although, I guess, I could do that, but I would suggest we try and find accommodation for those 28 who are there right now. That would save the Province a lot of money because it costs almost three times to keep a person in a hospital as it does in a personal care home.

I think that over the years it's been also indicated that we don't necessarily—or they don't see that we have the numbers to substantiate the capital facility. I would suggest that we do have the numbers, and we continue to grow. In fact, the growth is there right now. So I would just encourage the minister to look at this project favourably and, in fact, try to meet some of the needs of those who are looking for a personal care home.

**Mr. Selinger:** I did actually detect a question there. I think the member was just asking me to take another look at it, and I can assure the member that I will, as I try to do every year, take a serious look at the Health Department's request for capital and what their priorities are. We will try to fund their priorities. We ask questions. We don't try to second guess them and insert our priorities on top of theirs, but we try to respect them, and then we try to work it within a reasonable budget now.

The member knows that we've also made a very significant commitment to some new schools in that part of the province, which local school boards and the member himself have been advocating for many years. We've tried to find a way to finance a stronger public schools capital program. We have probably the largest program in the history of the province rolling out over the next four years, which builds on a very significant program we've had before.

All of these things have to be looked at in the context of the economic situation we're in. We understand some of these things can be a form of stimulus. We understand that health and education are a priority, and we try to do that in a responsible way, but I have to say to the member, and I've said this to him in our private meetings, they always vote against the budget. They always say we're spending too much money. They always say we're putting the province too much in debt. The Member for Brandon West (Mr. Borotsik) and I just spent a good deal of time talking about tax cuts.

Perhaps the caucus could get together and tell us what their priorities are. Are they reducing debt, cutting taxes or health-care facilities? I don't get a consistent message from the members on the other side of the table.

**Mr. Dyck:** I have no intention of getting argumentative with the minister. I know that he is looking at colours and how people vote within the province, and I don't think that is a part of his mandate and his responsibility. It certainly comes out very clearly quite often.

I am advocating for an area in the province that is paying their taxes. I'm advocating in an area of the province for the Minister of Immigration (Ms. Allan). Other ministers have indicated that we have good, solid growth. It's substantiated. We've got a good background and trail to show that the growth is taking place.

I would refer the minister back to a comment the Premier (Mr. Doer) made in '99 when he was elected. He said that he was the Premier for the total province. I would suggest the minister, right now, is suggesting he, in fact, is not the Minister of Finance for the total province.

*Mr. Chairperson in the Chair*

I would just ask him to look at our needs and look at them favourably. I don't think it's his responsibility to start looking and pointing fingers at how people vote. I don't think that's his mandate and his responsibility to do so, especially at this forum here. I don't appreciate those comments. I'm advocating for an area where we have growth. The growth will continue, and I do think, regardless of how they vote there, that this government does have a responsibility to look after those needs, and, yes, it is priority spending. I don't in any way negate that. I can understand that, but I think that some of the references that were made were uncalled for, and, in fact, I'm disappointed that the minister would make those comments.

**Mr. Selinger:** I'm disappointed at the member's voting record. The member came into my office and asked for more money for schools in an area where we've encouraged immigration, in an area where we built the Boundary Trails hospital, a brand-new hospital that wasn't there when he was in government, and now the member is saying that this is his No. 1 priority. I'm simply pointing out to him that's not what I've been hearing for the last three days at committee; that's not what I hear in the

House. I hear dissonant voices from the other side of the House, and if the member thinks that his voice should be stronger than the Member for Brandon West (Mr. Borotsik), I need to know that, or any other member in the House.

I hear a consistent demand to reduce capital spending. I hear a consistent demand to reduce taxes. I hear a consistent demand to shrink the budget during a time of economic recession, and then the member comes in and says that his project should be a priority and, yes, it is an important project and it is an important need, as are all the projects in Manitoba.

If the opposition wants to be consistent, they should tell us what their priorities are, instead of asking for all things at all times—less spending, less taxes and then more money for capital and more money for health care. That is an unreasonable position for the member opposite to hold. He's trying to have it all ways, and I don't think that's fair, and I don't think that's responsible. I don't get a consistent message from the members on the other side of the table on how Manitobans should spend their tax dollars, and I think that's irresponsible.

**Mr. Dyck:** I will conclude my comments and simply indicate that the minister has confirmed what I thought. Thank you very much.

**Mr. Selinger:** I would like to say to the member, if he's going to come here and advocate things, I'd like to see a voting pattern that's consistent for what he's advocating for. If you're voting against the budget and you're voting against things for schools and you're demanding more reductions in capital spending and tax cuts, how is that consistent with what you're asking for? We're trying to do a balanced program based on Manitobans' priorities, including the area that the member comes from. In your area, we built the hospital, not the government that you were a member of. In your area we've provided massive amounts of support to immigration, and in your area we're building some of the newest, most expensive schools in the province, and that is not picking colours when we allocate the budget, that's responding to the real needs of Manitobans regardless of where they live.

I take great exception to the member suggesting that we allocate money based on a political basis. We allocate it according to the needs, and we will continue to do that. As I said, when it comes to capital health spending, we look at their priorities

and we try to fund their priorities, and we will continue to do that.

**Mr. Cliff Cullen (Turtle Mountain):** I guess, just in response to the minister's comments, that's the beauty of politics. On any given day each of us is correct in terms of our own opinion. Obviously, you know, we as members in opposition try to advocate for our particular area of the province and that's really our responsibility. Obviously, we do what we can. We use different avenues, different venues to try to get our point across. Obviously, the government of the day doesn't always agree with what we're advocating, but, you know, a lot of times we do work together, and we do want to make sure that the government does understand what our priorities are for our given area. So, hopefully, this is just one area where we can put forth some of the areas that we think require attention in our given constituency.

Yes, we, being Conservatives, have always been viewed as being fiscally prudent, and we certainly aim to get the best value for our taxpayers' money and, recognizing that there's only one taxpayer in the province and he's paying different levels of taxes in different areas, we just want to make sure that we try to hold the government to account in terms of how they spend their money and you as a government are spending the money wisely and getting the best value for the taxpayer dollar, so that, I think, is something that the government of the day has to hold into view.

\* (16:00)

Mr. Chair, I do want to talk a little bit about the mining industry today. Obviously, we know the serious financial situation that the mining companies are in, not just here in Manitoba, but certainly across the country and across the world. You know, that's certainly the reality, today's reality in terms of the commodity prices. It's certainly reflected in the budget this year.

Mr. Chair, I know, looking at last year's budget, the minister and the department had hoped for \$128 million revenue in the mining side of things, just from the mining tax. The forecast is basically cut in half down to \$65 million. Then, going forward for this year's budget, we're looking at a very dramatic drop in revenue, down to \$10 million.

I know the minister has taken a step in the right direction in terms of trying to reduce the tax load for the mining industry. Certainly, we've got a long way to go in terms of getting ourselves, probably, on equal footing with some of the other provinces that

we're competing with. But I think that the point that I'd like to make is when the industry does turn around, I think, we, as Manitoba, have to make sure that we're in the forefront of being able to try to attract some new investment dollars, here, back to the province so we can get the province and the mining industry back into No. 1.

So I just wanted to indicate to the minister that, I think, he's certainly taken a step in the right direction, but where do we go from here to try to recover what we can and help the mining industry here in the province?

**Mr. Selinger:** Once again, I think the member is just making comments. We took a look at the needs of the mining sector this year and made very substantial changes to, first of all, the Mineral Exploration Tax Credit; we've doubled the flow through from 10 percent to 20 percent. The member will know that we've moved from an 18 percent flat tax to a graduated tax of 10 percent, 15 percent and 17 percent depending on the profitability of the mining sector.

We continue to phase out general corporate capital tax, which will be entirely eliminated. We've reduced corporate tax, again. We extended and enhanced the apprenticeship tax credits, which have application in the mining sector. Then, there are some minor sales tax exemptions. Well, there are already existing sales tax exemptions for electricity, used directly for mining and manufacturing, as well as geophysical survey and exploration equipment, as well as prototype equipment for research and development of new mining technologies.

So there is a very substantial set of benefits that flow to the mining sector. Even before these tax reductions, we were ranked eighth in the world by the Fraser Institute, which is not known to be particularly friendly to New Democratic governments. So it's a pretty good ranking on a global scale before the tax reductions. I'm assuming it'll be better since them.

**Mr. Cullen:** I appreciate the minister's comments. A couple of things. Manitoba was ranked No. 1 a number of years ago, and I'm talking, like, three or four years ago, Manitoba was ranked No. 1. I appreciate where the minister is going in terms of the financial component but, I think, in the big picture, if the minister is looking to increase his revenue on the mining side, he has to talk to his colleagues on the policy side of things as well, because there are certain policy initiatives that are going to help the

mining industry move ahead. Probably the biggest issue facing the mining industry is the duty to consult, and that's an obligation that the Province has and other jurisdictions, other provinces, are moving ahead on that side. Again, if we don't move ahead on some of these policy issues, we are going to miss out opportunities on the financial side.

My comment to the minister is, the financial component is only one part of what we need to do and what we need to address on that. So I'll leave that with the minister. I don't know if he wants to make a comment on that or not, but that's my message to the minister.

**Mr. Selinger:** Briefly, I do take account of that. I appreciate the member's comments. The duty to consult in terms of—I think, he's referring to section 35 of the Constitution. The duty to consult is very important and is an area of great policy complexity that all governments are sorting their way through, and we've been paying attention to it to make sure that we can ensure that we undertake the duty of the Crown to consult and to honour the treaties that have been entered into in Manitoba. It's a bit of a fluid process. Expectations on both sides vary, but the reality is that we do have a duty to consult, and we will take that seriously and have put extra resources to doing that.

**Mr. Cullen:** One of my pet peeves here that I just have to mention, and it's in terms of what's labelled here as the automotive and motor carrier licences and fees. I guess, given my history and involvement in the insurance business, it's a bit of a pet peeve of mine, as I said, where the government is basically taxing Manitobans, if you will, for the use of their vehicles.

I know the minister will talk about, from time to time, having relatively low insurance rates here, but the other component that we're not mentioning all the time is the very substantial increase we've seen in those vehicle registration fees. We're paying \$119 for passenger vehicle registration fees on an annual basis now. Commercial vehicles are paying higher fees than that, and it's been a fairly substantial hidden tax, if you will, to Manitobans. I see it's now to the point of about \$118 million a year that the Province is garnering in those increases in registration fees.

So, those are the kinds of things that, when the minister talks about cost of living, that isn't always—

**An Honourable Member:** Factored.

**Mr. Cullen:** —factored in there.

So, it's just something that I wanted to make sure that the minister is aware of.

**Mr. Selinger:** I'm assuming it's included in the total calculations of costs for running an automobile, but I'll take a look at that. If I'm wrong, I'll let the member know.

**Mr. Cullen:** Yes, if the minister would check, that would be good. I believe the Province does give back to MPI something in the neighbourhood of \$20 million for operational sides, just on the driver's licence side. So, there's a net benefit to the Province of about \$100 million, and I think, from a consumer point, we probably don't mind paying another tax, if you will. Part of my fear is it's not dedicated back to the road infrastructure.

I know the minister will say, yes, well, we're putting other revenue into the infrastructure and the road, but it's just something that, in my view as a motorist here in Manitoba, that I'm paying this, I would assume that it's going to go into repairing the roads, but it goes into general revenue. I understand that. I just think it would be nice and neat if that money could be allocated specifically to an infrastructure fund. It's probably a bookkeeping item. I'm not sure if it can be done, but it might be something for consideration down the road.

The other issue here that I found of interest was, on the revenue side, from the parks perspective of forestry and other conservation, there was an income of about \$34 million. I know there was an announcement made just recently that the Province would not be collecting park fees for this year. So, I'm just wondering if that has an impact on this particular \$34-million figure or else if that decision was made before the budget was brought forward.

**Mr. Selinger:** Yes, the waiving of park fees for the next two years is part of the total revenue projections we've done, including the numbers the member has there. We took that into account in projecting our revenues.

**Mr. Cullen:** Okay. I thank the minister for that.

The other issue here is the water rental, and I see the Province has budgeted \$118 million for this year. Obviously, there appears to be some fluctuation there. Last year, it was budgeted at \$105 million, and the forecast is to take in \$120 million.

That water rental rate, is that based on Hydro's ability to generate income?



**Mr. Selinger:** The water power rental rate's based on the amount of water that they put through their turbines, and the more water they put through their turbines, it's not a direct cause and effect. Well, it might be, actually. The more water you put through the turbines, the more revenue they generate under most normal conditions.

**Mr. Cullen:** Just to clarify, then, the actual water rental rates, if you will, they have remained unchanged from previous years?

**Mr. Selinger:** Yes.

**Mr. Cullen:** In looking at the document, and first we're talking about the summary budget here, there's a significant amount of debt-servicing costs on the Crown side, and, I guess, particularly in Manitoba Hydro.

\* (16:10)

I'm wondering, when we look at the increasing debt that Manitoba Hydro is incurring and some of the signals from the Public Utilities Board in terms of where Hydro is going in terms of their expanding debt, what view does the minister have on that regard. Obviously, we as a Province are guaranteeing the debt and the repayment for Manitoba Hydro.

Are you comfortable with where Manitoba Hydro is headed here, and, I guess, in terms of their response from the PUB and where they're asking for more documentation for Manitoba Hydro? Are you kind of going to be wearing two hats here as the Minister of Finance and also the Minister responsible for Manitoba Hydro? Big picture financially for Manitoba, it will have some very long-term implications for financing here in Manitoba.

**Mr. Selinger:** First of all, I just want to say that I'm not sure how deep we want to go into Hydro today because we are going to have a standing committee of Crown utilities coming up. I think it's within the month, and we'll have a full presentation there from Manitoba Hydro and the ability to discuss that.

I'll just say generally the debt-to-equity ratio is ahead of schedule in getting to 75-25, so that's a healthy indicator. That's one of the measurements of the fiscal health of the Crown corporation. It's substantially better than what it was when we came into office.

The other thing I'll have to say is that there's going to be capital required to build these new facilities, but the good news is we have customers for the energy that will be produced by them. It's like

building a house. You've got to put the money out to build the house and then, when you occupy the house, you can start paying the mortgage, presumably on the revenues you're earning as an income earner. In the case of Hydro facilities, they're capital-intensive facilities. They take a lot of money up front to build them, but then they last you a minimum of 70 years, so you amortize your debt. For example, on Limestone, it's amortized over 70 years, but it essentially paid itself back within a decade because of the export revenues that they brought in.

We've been able to negotiate—well, Manitoba Hydro's been able to negotiate contracts with customers in Wisconsin, in Minnesota that will purchase that power for several years before Manitobans need it, which will pay down a huge amount of the capital before the Manitobans require that energy. That will help Manitoba keep their energy costs affordable. It's a positive circumstance, and this is before any cap-and-trade system has been brought into place in the States on carbon or before any green taxes have been levied in a substantial way either in Canada or the States. We think that the Manitoba Hydro's product will become more valuable as we go forward.

**Mr. Cullen:** The minister raises a very good point and a very interesting point in terms of potential credits on your cap-and-trade system. I know there's lots of discussion going on on how that might unfold that whole program. We've had some discussions certainly in agriculture and how the department views any carbon credits that might accumulate under some of the programs that they're going to unfold.

I wonder if the minister has considered, if there's going to be carbon credits available through Manitoba Hydro, will those carbon credits accrue to Manitoba Hydro, or will they accrue directly to the Province of Manitoba?

**Mr. Chairperson:** Just before I recognize the minister, I'll just mention, technically we're dealing with the Department of Finance and overall questions of revenues and expenditures government wide. Now, if the minister chooses to answer a question, I have no problem with that, but there will be subsequent for questions specific to Hydro to be entertained.

Minister, at your discretion.

**Mr. Selinger:** I appreciate that, Mr. Chairperson. I would say this. We're at the very early state in North

America in constructing a cap-and-trade system, and I think rather than for me to get ahead on that, I think we should raise that when we get to the standing committee on Manitoba Hydro and get some of the thoughts they have on that.

I went a little bit farther, because I'm trying to sort of keep the income thread in the Hydro questions. But this one—there is an income thread, but you're stretching it, quite frankly, at this stage of the game.

**Mr. Cullen:** Yes, and I didn't intend to get into Hydro too deeply, but by making that comment, it piqued my interest there so I thought I'd ask the question.

One last question there—Manitoba Hydro pays a premium to the Province for the guarantee there, and where would I find that value? Where is that? How much money is that that the Hydro pays the Province? If you could point to me in the right page on the budget, I would certainly appreciate it, then I would turn the floor over to the Member for Portage.

**Mr. Selinger:** Just to give the member an indication, the guarantee fee is about \$81.3 million. It shows up on page 98 in the budget under the public statutory debt in the Manitoba Hydro line.

**Mr. David Faurchou (Portage la Prairie):** I'd like to focus now on the Consumer and Corporate Affairs component within the Department of Finance Estimates, if I can, and maybe a need for a staff change for the minister.

**Mr. Chairperson:** Honourable Minister, do you wish to introduce staff who've joined us?

**Mr. Selinger:** Yes. In addition to the Deputy Minister, Diane Gray, and the Senior Assistant Deputy Minister, Bruce Gray, we have with us the Assistant Deputy Minister of Consumer and Corporate Affairs, Alex Morton.

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

**Mr. Faurchou:** As I understand, we're still in global, so I will ask one question outside the Consumer and Corporate Affairs of the Minister of Finance, and that pertains to the tobacco tax and interdiction responsibilities within his department. I hope that the minister is in communications as it is here with the activities of the minister to liaison with the Minister of Justice (Mr. Chomiak) as it pertains to changing of laws. Here in Manitoba, we do, indeed, have the law that, under 18 years of age, one is not to purchase tobacco products. But, in most of

the jurisdictions, that is accompanied with possession of tobacco products under the age of 18. I want to ask the minister: Is the minister considering advocating to the Minister of Justice that we follow other jurisdictions to make not only the purchase of tobacco products by those persons under the age of 18 illegal, but also the possession of tobacco products under the age of 18, as it is in most other jurisdictions?

**Mr. Chairperson:** Once again, before recognizing the minister, I'm going to have to remind members of the committee that we're dealing with the Department of Finance, and questions should be about revenues and expenditures, as opposed to a legal or Justice matter. So perhaps I'll give the honourable member a chance to recast his query.

\* (16:20)

**Mr. Faurchou:** My question is quite in order, Mr. Chair, in regard to it. It states under the objectives and activities of the Department of Finance: to continue to liaison with law enforcement agencies. The question I'm asking the minister is, is the minister liaising with law enforcement agencies, and, in particular, the Minister of Justice (Mr. Chomiak) as it pertains to the law?

**Mr. Chairperson:** Thank you for the clarification.

**Mr. Selinger:** Yes, we carry on ongoing relationships with other law enforcement officials and peace officers in Manitoba. The focus has been on the illegal selling of tobacco. That's where the focus is, both to minors and the illegal selling of unmarked tobacco. We have not put a priority on possession of tobacco as something we're advocating to change the law on. That's sort of a policy issue more properly in the hands of the Minister of Justice (Mr. Chomiak), who would obviously discuss it with the Minister of Health (Ms. Oswald) because of the health implications of it. But our focus has been on, as the member said, the interdiction and the prevention of the selling of illegal tobacco in Manitoba.

**Mr. Faurchou:** I will say that the—and I'm sure the minister is aware that there are personnel within his department that are most frustrated when they know the transaction has taken place, but it wasn't clearly observed by an individual turning their back and then they have the possession of it, but the actual exchange is where the officers have to observe in order to be able to prosecute. Once possession is once taken, it's not illegal for a person under age

16 to have that tobacco product. So it is a frustration for some of the enforcement officers to, indeed, apply our laws here in the province.

Is the minister able to provide the amount or at least estimated amount of lost revenue for smuggling of tobacco products interprovincially or internationally?

**Mr. Selinger:** I think the member was—just on the possession issue for minors possessing tobacco; the Health Department does have some programming in that regard to try and prevent minors from possessing tobacco, but it hasn't been criminalized at this stage of the game. If the member thinks we should criminalize it, I'll have to think about that very carefully because I think the most important focus for us is to prevent minors from wanting to use that product in terms of good education and preventing people from selling it to them and thirdly, to prevent people from selling illegal tobacco, period, inside of Manitoba, which may have additional health risks to it, but certainly has revenue risks.

Which moves me to the revenue question. How much revenue is lost in Canada for illegal tobacco sales? We don't have a firm number. We're not able to do that research here, but if the member has been following the media lately, there's estimates that it could be in the billions for the country, a couple of billion dollars or perhaps higher, a lot of it down east.

For Manitoba, we track it in terms of what our expected revenues are, and we've been maintaining our revenues. We have a pretty strong interdiction program in Manitoba. There is some illegal tobacco, obviously sold here, but we have a group of officials that work through the Taxation department that are pretty astute at managing the law within Manitoba and stopping it at the borders and identifying patterns of distribution within the province that need to be truncated to avoid the growth in sales. I know a lot of this stuff stays below the horizon and doesn't go into the media, but there have been many infractions related to tobacco smuggling brought to court.

Since '92, there have been 663 infractions. Over half of them have been successfully completed with \$1.6 million in tax penalties and \$205,000 in fines and costs. The member will know that we're going to increase tobacco penalties for illegal selling of tobacco inside of Manitoba this year. We're also going to strengthen our enforcement tools. When I table the BITSA bill, I'd be happy to show the member the specific clauses, but we are going to

strengthen our capacity to maintain the law within Manitoba.

It's not just a revenue question. There's a significant health question here too. Also, we don't want certain patterns of illegal activity to become—what can I say?—stabilized or normalized within the province. We want to make sure that there's not sort of a whole underground trade going on there that undermines both public health objectives as well as revenue objectives.

So the folks that work on that, many of them are, as the member knows, ex-RCMP or ex-police officers. They've got a pretty good skill set. They're moving beyond what I would call the more traditional just stop vans or trucks at the border and check it out, but they are looking into the patterns of who's involved in this business and what their relationships are and how they organize their distribution networks. They're becoming more sophisticated in how they ensure that the laws are enforced inside of Manitoba.

**Mr. Faurichou:** Well, I thank the minister for his response on underage consumption of tobacco products. I know that it is always better to educate rather than regulate, but I will say that the state of Florida, for instance, has gone so far as that you're caught with tobacco products, your driver's licence is in jeopardy. That also goes along the line with a carrot-and-stick approach to enforcement of what we believe is a healthy lifestyle.

Mr. Chair, moving into Consumer and Corporate Affairs and just looking at the level of staffing and the amount of salaries indicated for the 2009-2010 expenditure, I note that there has been a reduction in a number of areas here as far as staffing, and yet there still remains an increase in actual salaries paid.

Maybe, perhaps, in administration and research, there's a half-time equivalent reduction in the research and admin area. Maybe I'll just ask in a global nature, if we could just go down from 7.8 in subsection (a) through (g), that you could perhaps give explanation for any substantive changes.

**Mr. Selinger:** The member is moving to a level of detail that we haven't experienced up to now, so I'm happy to do that. It's almost getting to line by line. But, basically, there was a half-time FTE that was transferred to the Residential Tenancies Branch to strengthen their ability to do the work they do over there, and that was out of Consumer Affairs, out of

the Administration and Research portion of Consumer Affairs.

**Mr. Chairperson:** Minister, have you concluded?

**Mr. Selinger:** Yes.

**Mr. Faurchou:** Well, then, perhaps I could be very specific in regard to the Residential Tenancies Commission reduction by one person. Could you explain, then, why the chief commissioner is being transferred to a different line as it regards to now being an Order-in-Council, and is that funded in some odd fashion?

\* (16:30)

**Mr. Selinger:** It was simply a treatment to line up—the salaries are there, but because they are Order-in-Council appointments, the chairpersons of the Residential Tenancies Commission and the Automobile Injury Compensation Appeal Commission, we don't normally allocate an FTE in it. So it's just bringing the treatment of those positions into line with general practice.

**Mr. Faurchou:** Okay, well, the chief commissioner, then, for the Automobile Injury Compensation Appeal Commission, where would we see his or her salary, as well as the deputy commissioner's, seeing that they have been removed from the salary and employee benefits line?

**Mr. Selinger:** I'm informed that the salary is still there; it's just the FTE was taken out.

Just for further clarification, is the member on page 109? It's the note at the bottom explains it there. Note 1: that's the explanation I'm giving.

**Mr. Faurchou:** Yes, I did, indeed, read the note but it was slightly confusing as to the FTE reduction and yet the salary line went up. So I wanted to make absolutely certain that they were still being paid accordingly.

If I might, being on that particular section, then ask: What is the current backlog and time in this, of appearance for hearing at the present time? I refer to from case forwarding, to the commission, to the actual slated day of hearing.

**Mr. Selinger:** Just clarifying, are you talking Residential Tenancies right now?

**Mr. Faurchou:** No.

**Mr. Lemieux:** You're talking AICAC, right?

**Mr. Faurchou:** I state on page 108-109, that I just saw that everything was open there.

**Mr. Selinger:** The member wants to know how long it takes a case from the time it comes in the door until it's heard. Well, it would vary because some cases are mediated with the claimant's advisers, and they don't go to a hearing and they get resolved. It depends on the disposition of the case. Some cases may not proceed at all after they've had clarified to them what is the merit of their claim, some cases are mediated and resolved and then some cases there is no resolution between MPI and the Claimant Adviser Office on behalf of the individual citizen, and it will go to a hearing, at which point you have to bring the total story together in a document. What's the fancy word we use for the document? A factum or something?

We'll prepare an index of the whole story. They don't quite call it a factum.

That's provided to the appeal commission and then they consider that and have a hearing. The deeper you go into the process, the longer it takes.

Do we have some stats about that? Okay, we don't have that in front of us; we'd have to get that information for you.

The member also asks if there was a backlog of cases. I'm informed that there is still some backlog on the preparing of indexes for cases that go to the appeals, but there are additional resources that have been allocated and there's been good progress on working those down.

**Mr. Faurchou:** I can appreciate that we're still basically in the start-up phase with the injury compensation appeal commission and the advocate's office as they work in conjunction. But I have heard of some extraordinary wait times. I was looking at the worst-case scenario, insofar as that if—from coming in the door to through the advocate's office, through to indexing, to actual review and to hearing and decision. What would the minister say would be the length of time for that process to complete?

**Mr. Selinger:** In the Claimant Adviser Office itself there is still some backlog and there's been an increase in staff to address that. These cases, as the member knows, can be quite complex and they require a lot of diligence to work through them to get them to a place where they can properly be advocated for or taken to appeal. So there is a backlog there and there's been some additional staff or substantial staff resources that have been put to it.

So I'm just going to give the member some data about since we've opened the office since May 16, '05: 345 files have been closed; 43 were resolved without a hearing; 70 have AICAC, that's the appeal decisions, have been rendered, 31 were successful, seven were partially successful and 32 were unsuccessful; 10 AICAC decisions are pending, 18 are scheduled to be heard, and four hearings have been adjourned, and an additional 13 hearings have been requested for files. So there's lots of work in the pipeline there and lots of work that's been dispensed with when you think about it. I'm not going to compare it to the courts, but I suspect they're pretty productive compared to court dispositions.

Now there are open files from previous years and I want the member to be aware of that. In '09 there are 36. As of April 1, there are 98 for '08, 93 for '07, 97 for '06, and 37 for '05. So that's why the additional resources have been brought into play is to start moving those files forward. So there have been about 345 disposed and there's about 360 that still have to be resolved. So that gives you an indication of the total story.

I'm informed by staff that one of the biggest factors in taking time for preparing these cases is the additional medical information required to properly make judgments on the appropriateness of the claims. So that takes quite a bit of time and as the member can imagine, we don't necessarily control the ability to get that medical information from the medical officials, doctors, et cetera, in a timely fashion. So that is a pretty large factor there, but there have been additional staffing of the Claimant Adviser Office to move these forward.

Further to that, there have been three claimant advisers who are specifically working to clear up the backlog of files and there's a specific supervision process that goes into that. Within that they take a look at undue hardship cases. So there's lots of work there. There's lot of demand since this agency opened up that requires quite a bit of work.

**Mr. Faurchou:** Mr. Minister, I will take this opportunity to appeal to the minister to put any and all resources towards this particular area. As you know, I was a very strong advocate for the claimant advocate's office and it's not just numbers on the page. These are real families' lives and to still have claims outstanding from '05—I think the minister appreciates where I'm going with this is that we really have to address these issues because it is having long-term ramifications on family unity and

future endeavours of individuals within the family units.

\* (16:40)

So I will ask the minister to try and make a bottom line that no case gets lapsed over—well, personally, I don't believe two years, a person should be waiting longer than that for resolution of individual cases—and to perhaps use that as a benchmark to strive for.

**Mr. Selinger:** I'm generally in agreement with the member's comments, and I think the organization itself would agree with that; however, if medical information isn't available, that could be a mitigating factor. But the reality is we should move these forward as quickly as possible. Justice delayed is justice denied, so we want to move these forward.

But, again, I have to emphasize that over 345 have been fully completed, which is a substantial number of people since the inception of the office. I mean, you started with four staff, we've added an additional seven for a total of 11. That's a real ramping up of resources to try and address all the concerns coming in the door.

**Mr. Faurchou:** Well, I appreciate the minister grasps the magnitude of this. But, as time progresses, it gets more and more difficult to resolve an issue because personnel change, doctors, nurses do retire, and the technicians and everything else makes it much more difficult to get the information and to move these cases forward, and it is important to do so.

Now, moving on to other areas within Consumer and Corporate Affairs, I would like to ask: Is the bottom line and gauge of performance of the Residential Tenancies Branch, is the number of cases that end up going to the Ombudsman—and forwarded in cases where the Ombudsman reviews—I was wondering whether the number of cases are substantial that this branch deals with. But the number that go to the Ombudsman for review is something that does give a level of performance year to year of the branch.

**Mr. Selinger:** Staff informs me that we only have one case we're aware of that's gone to the Ombudsman. There's been a few other inquiries from the Ombudsman's office but not specifically identified with any particular case. So it's extremely rare that there's an Ombudsman intervention with respect to this office and, as the member knows, this is another high-demand area with lots of issues in

terms of landlord-tenant relations that require quite a bit of mediation and work done on behalf of the staff.

So does the member want to ask me other questions there?

**Mr. Faursehou:** Well, I do appreciate the amount of contacts, and the next question leads into the changes in legislation. I believe it was last year that brought in guidelines of 90 calendar days and 120 calendar days and 30 calendar days, dependent upon the particular reason for response from the branch. Has the branch been able to comply with the new legislation?

**Mr. Selinger:** There're performance measures. They're not legislated. But there're 105 cases of rent regulation in front of the Residential Tenancies organization, and 53 are under 90 days, 30 are 90 to 180 days, 23 are over 108 days, for a total of 105.

So that just gives an idea. There's lots of demand there, and, again, I have to point out to the member that some of these cases are getting more complex, too, because there's lots of work that has to be done to review the stats, the file.

On the non-rent regulated issues that come before the Residential Tenancies branch, the parts one to eight, compensation claims, 90 percent of them are meeting the target of being dispensed with within 10 days. So there's lots of work there to make sure that we stay current with all the matters that are other than rent regulation matters. These are tenant complaints or landlord complaints, compensation complaints, which can be very aggravating for people. The rent regulation ones, as he knows, are quite a bit more complex. But, there, they've been making progress in bringing it down, quite frankly, substantially, actually, down by about a third over the last quarter, actually.

**Mr. Faursehou:** Well, I am pleased with the statistics. We're going in the right direction, without question, the immediate concerns by either landlord or tenant regarding dispute. The longer it's late, the greater antagonism that goes on between the individuals.

Is the minister pleased with the level of balance that he spoke of when we brought the bill forward last year between landlord and tenant, of an element of fairness in dealing with problematic tenants versus problematic landlords? Is the minister willing to comment?

**Mr. Selinger:** I'm not entirely sure what the member is getting at. Each case is decided on its merits on the specific evidence with respect to that case. We don't try and sort of say we won't have to go this way or have to go that way. In aggregate, it's isolated down to the specific cases and the cases are adjudicated or recommended upon based on the factors specific to each case.

I think the branch does a pretty good job of striking the right kind of judgment based on the evidence that they consider. As the member knows, these can be pretty heated sometimes and pretty contentious. But they do a pretty good job, I think, of providing a forum for people to resolve a lot of these issues, on compensation issues and tenant complaints, and they do a pretty good job of ensuring people's rights are protected under law, both landlord rights, as well as tenant rights. I think the office is pretty well regarded.

**Mr. Faursehou:** I'm not asking the minister to go out on a limb here as it pertains to the legislation or regulation, but it's always incumbent upon government to make absolutely certain that the landlord can act in a very time sensitive manner to someone that is destroying his or her property, and vice versa. If there is a necessary element of life such as running water, and it's not working, or we had problems last year with one block, in particular, that didn't have heat on into the end of December. Although they were given all space heaters, it was an older apartment block and had difficulty with electrical wiring capacity in order to run these space heaters. But that is the balance of which I speak of, responsibility from both ends. I believe, from the minister's response, he feels comfortable with that.

I'd like to ask—unless the minister would like to respond.

\* (16:50)

**Mr. Selinger:** Any issue that comes before the branch that has an immediate security or safety issue, they deal with them on a priority basis to make sure that people have heat, or that the landlord has—if a tenant is dangerous or a risk to the other tenants in the building, the landlord's concerns will be addressed. I think, just the experience of the office shows in this regard. They understand the need to address concerns that could potentially escalate very quickly and become problematic.

**Mr. Faursehou:** Well, I know it's another committee that's responsible for the special operating agencies,

but, under this department, you do have responsibility for the Vital Statistics Agency. Last year there was issue with the on-line registry from Vital Statistics, that persons engaged in the genealogy research were very frustrated with the Manitoba jurisdiction being significantly behind other jurisdictions. I wonder whether that has been addressed.

**Mr. Selinger:** My staff are explaining to me that they understood the concern to be, last year, the updates of genealogical records. They are now done on a quarterly basis. In addition, there were some software issues, which have also been corrected. So I don't know if the member is getting any concerns now, but I'm hoping that, in view of that information I provided, that any complaints he's got have diminished dramatically.

**Mr. Faurichou:** Yes, so that was just reason for the update, that I hadn't heard any further concerns, but there were significant numbers of individuals that were trying to do on-line research and Manitoba seemed to be lagging behind. But I want to thank the personnel from Vital Statistics for their hard work in bringing Manitoba back up to the level of service that people are expecting—very, very good.

Manitoba Securities Commission, has there been any change?

**Mr. Selinger:** I have one piece of information I want to give to the Member for Brandon West (Mr. Borotsik). I just want to make sure I can squeeze it in before 5 o'clock, so that's why I'm looking at—

**An Honourable Member:** I'm coming back tomorrow.

**Mr. Selinger:** Yes, that's why I'm looking at—I don't want him to have any reasons.

**An Honourable Member:** I'm coming back tomorrow, and I've got more stuff.

**Mr. Selinger:** You're going to have all the stuff anyway. Go ahead.

**Mr. Faurichou:** The Vital Statistics Agency, is there anything the minister would like to update in regard to the Securities Commission? I know that there's legislation pending now for changes in what they call mature investors level of investment. There is also, too, underfoot, the move, potentially by the federal government, to actually bring branch status to our Manitoba Securities Commission, rather than a

whole responsibility. Is there anything further the minister would like to address in this?

**Mr. Selinger:** Well, the Securities Commission—as you know, there's been a major effort by provincial securities commissions all across the country to go to one set of rules, a passport system where's there's one door of entry. Everybody is fully on board with that, territorially and provincially, except the province of Ontario. It's going to be a two-stepper there because they want everything to be their system.

The member is correct that we're going to increase the protection for investors in mutual funds and other vehicles not regulated, that the Securities Commission could order compensation up to a quarter of a million right now. It's \$100,000. Manitoba is the first province to do that, which really reduced a lot of court costs for people that felt they weren't being given suitable advice. I'm of the view, and I think the member probably will support this, that a quarter of a million dollars, if it's in your pension plan, isn't a huge amount, and people with that kind of money don't have the wherewithal to go to court if they haven't been suitably advised. So we are doing things there.

Yes, the federal government would like to have a national securities agency. I don't know how the members feel about that. I would be happy to hear their views on whether they prefer us to keep the one in Manitoba in co-operation with other jurisdictions or whether they support a national one. I've never actually canvassed members on that, so I would be happy to hear their views. But I've been working off the premise that we wanted to retain jurisdiction and then develop a model of co-operation where people could efficiently raise capital across the country through a single door system. But, at the same time, we have the ability to regulate specific security activity within the province of Manitoba and protect Manitobans within the province, because even that \$100,000 and the quarter of a million that I'm doing this year, I don't think it would get done as fast on a national securities regulators. I think we can get it in place quicker. The trick is to make sure we don't have—the federal minister often says we have 13 different jurisdictions. We have 13 jurisdictions, but they're not different. They've harmonized, 99 percent harmonized now, with a single door.

I have to just say there's been remarkable co-operation among the provinces. We've been doing this reform effort for at least four years now, and I don't know any other group of ministers, even with

changing members, that have been able to sustain that kind of effort over four years and make as much progress as we've got. I don't know if the federal minister would agree with this, but he might privately. I think there's been more reform in the last four years in securities regulation in this country than maybe in the last 50 years probably in terms of the amount of things we've done.

We're protecting people in secondary securities transactions. We're providing better compensation. We've got uniform rules including Québec now. We're looking at arbitration or appeals models, more consistency there in the interpretation of the rules. There's been a tremendous amount of progress made. I think Manitobans are better protected, as are Canadians, and I think it's easier for issuers to get into the marketplace now. We've come a long way, but they've got a burn on at the federal level to have one big national regulator. If the members have any advice they want to offer me on that, I'd be happy to hear it.

**Mr. Faurichou:** I think I've passed on to the minister any particular support for the provincial regulator that has been in contact with myself. The preference at the present time is to have an in-house, provincial body which, as you say, can work very quickly to address issues.

My last question I think I'm going to get in today is in regard to the province's responsibility for financial institutions operating here within the province of Manitoba and *caisse populaire*, credit unions. I believe there are four insurance registered agencies as well.

May I first ask, as it pertains to the lending agencies, there has been in past—and I ask these questions in regard to the current banking situation where just today's news stories expect 300 more banks in the United States to fail very soon. The Province guarantees a particular pool of money or is it by regulation that the individual financial institutions have to, through Credit Union Central, maintain a level of security that is afforded all of the depositors through that agency?

**Mr. Selinger:** The Province does not guarantee anything for the credit unions or the *caisse populaires*. They provide their own guarantee, and we provide legislation which allows them to organize reserves through the Credit Deposit Insurance Corporation.

Under the legislation, we have the term, I just want to get it correct, the Credit Union Deposit Guarantee Corporation. There's an equivalent for the *caisse populaires*. They put aside a prescribed amount of reserves or capital to ensure the health of the system. They've met their targets. Both systems are very healthy. They've shown tremendous growth. A lot of Manitobans have confidence in them, and at the moment, there's no indication of deterioration in their capacity to provide services to the members or their capital ratios or anything at the moment.

They've kept it pretty straightforward. They're in the retail, commercial, and individual loan business. They haven't got into all these fancy subprime CDOs, you know, credit default swaps, and all other manner of bizarre and exotic financial instruments which have been the source of so many comments.

Just before the member hits the gavel, I wanted to provide the Member for Brandon West (Mr. Borotsik) with the debt-servicing costs 6 percent number and make sure it's on the record and that he has that. I know the member would then know we've answered all his questions with information. I'd be happy to do line by line in the last minute if he wishes.

**Mr. Chairperson:** Just to clarify, the minister is tabling that document.

**Mr. Selinger:** Yes.

**Mr. Chairperson:** Okay, so noted for the record.

The hour being 5 o'clock, committee rise.

## EDUCATION, CITIZENSHIP AND YOUTH

\* (14:40)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Education, Citizenship and Youth.

Does the honourable minister have an opening statement?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Yes, I do, Madam Chair.

I'm pleased to be here today to talk about our most recent encouraging developments in Manitoba's education system. Our education system is the cornerstone in improving the social and economic well-being of our citizens, and we are educating students for citizenship in a diverse, democratic and



sustainable society. Moreover, the province's growing knowledge-based economy has led to an increasing demand for citizens that possess a broad scope of skills in all occupations. My department continues to play a key role in addressing the diverse educational, social, and economic needs of Manitoba students.

I would now like to review our department's recent activities and accomplishments intended to help Manitoba children and youth access relevant, engaging, high quality and responsive education that is inclusive of every learner's needs and leads to lifelong learning as active, responsible citizens.

I am pleased to tell you that Manitoba's high school graduation rate continues to trend upward. In June of 2008, the graduation rate was 79 percent, which is an increase of 2.4 percentage points from June '07 and a 5 percent increase over the last five years. MECY remains committed to funding programs and activities that help ensure that this positive trend continues into the future.

In spite of the current challenging economic times, funding to schools in the '09-10 school year will increase by \$53.1 million, or 5.25 percent. With the '09-10 announcement, total provincial funding, including operating funding, teacher pension costs, property tax rebates and credits is projected to be 77.1 percent of the cost of public education for '09-10.

Madam Chair, over the past 10 years, our government has invested an additional \$292 million in the K-12 public school system. It's a 38 percent increase since '99, while the rate of economic growth has been approximately 24.2 percent.

We've also followed through on our commitment to provide Manitobans with property tax relief by eliminating the residential education support levy, increasing the property tax credit and introducing a farmland school tax rebate.

As a result of the tax incentive grant this year, most school divisions chose not to raise taxes, and those that did had the tax increases offset significantly by the property tax credit increase of \$50.

We have reduced taxes on the average \$125,000 home by over 24 percent since we've been in office, and according to Statistics Canada, Manitoba is the only province that has seen property taxes decrease from 2000 to 2008.

In response to declining enrolments in our '09-10 announcement, the Province is introducing a new additional instructional support grant for small schools to assist divisions with the cost of sustaining small schools. The \$800,000 allocation will ensure that each qualifying school receives at least \$125,000 through the funding formula.

As well, Madam Chair, the announcement included \$33.2 million more for equalization to support school divisions, particularly those with a low tax base, \$2.6 million to ensure that all school divisions see at least a 2 percent increase in funding from '08-09, as well as \$1.1 million more for small schools in addition to the new additional instructional support for small schools grant that I just mentioned.

The community schools grant was increased by \$195,000 and will support three new community schools this year. Community schools enrich students' education by working with parents and families to help more students become successful and stay in school.

Funding for another initiative, the grade 11 and 12 physical education-health education, is increasing by \$1.6 million over last year's total of \$2.1 million, and this funding increase supports implementation of the new physical education-health education requirements.

As you may recall, these changes were recommended as a high priority by the all-party Healthy Kids, Healthy Futures task force.

While Manitoba's education system is far more than bricks and mortar, the importance of maintaining strong school infrastructure to support Manitoba's growing population cannot go unacknowledged. A record public schools capital investment of \$310 million over four years will see construction of new schools, along with over 400 revitalization projects.

Madam Chair, new middle schools will be built in La Broquerie, Steinbach and Winkler, and new high schools will be built in Steinbach and Winkler. These new, revitalized schools will ensure that their increasing numbers of students have access to the best possible learning environments.

In addition to funding and infrastructure that has been provided, this government remains committed to growing many other initiatives in our children's education, so that our province can continue to build a strong and stable future.

My department will continue to work with Manitobans to ensure that our schools serve their communities in a variety of ways from shared space for child-care centres and libraries to venues for recreation and sporting events outside of school hours.

Madam Chair, we are also very focussed on the implementation of initiatives that improve the academic achievement of less successful learners, particularly Aboriginal learners and those in low-income communities.

In addition, we'll continue to ensure that the children of newcomers to our province will enjoy a welcoming and rewarding school experience that provides them a future in Manitoba. We will also continue to work on improving access to special services, supports and innovative learning opportunities in rural and northern schools, especially for students with learning disabilities.

This year, my department has also implemented an ECO-Globe Schools annual recognition program recognizing the commitment of Manitoba schools to Education for Sustainable Development, or ESD, and we will continue to develop and deliver other programs and services that facilitate the promotion and sharing of innovative ideas and ESD practices.

My department has and will continue to work hard to ensure that our schools are safe places in which to learn and teach, and, to that end, I'm pleased to report that a number of important pieces of legislation relating to safety in schools were passed in recent months.

The Public Schools Amendment Act, as it applies to cyber-bullying and the use of electronic devices, has been proclaimed and is now in effect. The legislation requires that schools include cyber-bullying as an unacceptable practice in their codes of conduct. It also expands the scope of electronic personal communication devices from which administrators can determine appropriate or inappropriate use in schools.

Two more points: The Public Schools Amendment Act respecting trans fats and nutrition was also passed. The bill requires that every school have a written food and nutrition policy and that foods prepared, sold and distributed in schools do not exceed prescribed artificial trans fat content levels.

In December of '08, a questionnaire was distributed to schools and school divisions to assess the current level of compliance with the legislation.

Survey results indicate that most school divisions and schools are well on their way to compliance with the legislative requirements by the beginning of the next school year. Proclamation of this bill will likely take place some time in the fall of '09.

In closing, I'd like to say that my department still continues to work hard to keep improving our education system, whether it's through building and renewing physical infrastructure or developing and delivering innovative programming that increases the likelihood of success of all students. Continually improving public education remains one of our government's top priorities. Education is truly the great equalizer in our society and one of the best investments that we can make, a major long-term contributor to the quality of our future society and the productivity of the work force.

So, with those few comments, I certainly look forward to discussion on these points or any others related to education and its capacity to positively impact the social and economic well-being of Manitoba's citizens. Thank you, Madam Chair.

**Madam Chairperson:** We thank the minister for those comments. Does the official opposition critic, the honourable Member for Springfield have any comments?

**Mr. Ron Schuler (Springfield):** Thank you for being given this opportunity to speak about one of my favourite topics, and that is about education.

I'd like to first of all start by thanking, by sending an incredibly big bouquet as they used to do on CJOB with Peter Warren, if you can remember those days. They used to send these bouquets to people, and I'd like to send one first of all to all the school administration and to the teachers and staff and to the students who put up with really what has to have been one of the worst winters on record. I often would turn on the radio and we'd find out that buses were cancelled, and you knew full well that certainly there were going to be no outside activities taking place. It would be indoor recess again, and my heart certainly went out to those school administrators and to those teachers because I believe there was one block of time close to two weeks or longer—it was probably longer than that, but it was at least two weeks—where nobody went out for outdoor recess.

I can't imagine the kinds of things, the kind of energy and pent-up ingenuity and all the rest of it that children have that the schools and the

administrators, the teachers, the phys ed teachers, had to deal with, and they did a great job. It was a really tough winter. So, to everybody who was involved during a very tough time, I would like to thank them and I'm sure we, on behalf of this Legislature, would love to send them all a bouquet and thank them for that.

When we do talk about Department of Education, Citizenship and Youth Estimates, really we're talking about the children. I'd like to say that, from what I've seen as someone who has a vested interest, I always state that I should probably first and foremost declare a conflict of interest, having children in the public school system, and they come home, they're educated, they're having a great time, they've got wonderful teachers. Sometimes they come home, maybe they don't feel that positive about this teacher or that teacher, but soon they realize that what was said to them or what happened was probably for their best. I know my son probably doesn't appreciate necessarily all the homework he gets sent home, but it's preparing him for later on in life, so the education system, I believe, even though there are a lot of challenges and there are a lot of things that have to be dealt with, is providing a very good level and standard of education.

We again thank all of those involved who are responsible on the front line for educating our children, for producing one generation after another of young people who are going to, as I've mentioned to this minister before, some day pay his pension, and, yes, pay all of our pensions. So it's important that we have a very good education system, that we have an education system that provides our province with a work force that is educated and is some day going to step forward and take over the positions that, as people retire, we will need these individuals to step forward and take those jobs.

\*(14:50)

We know that a lot of money is spent on education and we've had a lot of discussions, whether from the minister and his department, whether it be from the public, whether it's—you listen to any kind of a radio show, any kind of TV newscast, there's always a lot of discussion about all kinds of money being spent and yes, education is expensive. It's, however, incredibly necessary and we have to fund a good dynamic and positive education system.

As I've said, some day all of us in this Chamber are going to be relying on those that come after us to pay our pensions so we have to make sure we

educate them well. There are a lot of issues that have to be dealt with and I know we're going to be delving into them as we get through this Estimates process.

Probably where we disagree with this minister and with this government is we feel some of their misguided priorities, some of the poor policy initiatives that they've come out with, but in the end I don't think we disagree with anybody in this Chamber that a good solid education is what every child needs. It's not any more a luxury. This is now a necessity to have a good education as our world becomes more and more complex.

So we look forward to getting into the Estimates process. We know that we're going to be spending some time on it as we should. Will we be able to cover all aspects of the department? Probably not. There won't be enough time for that.

I can remember my first year as being a critic here in this Manitoba Legislature was the year 2000 and the first budget and I believe I spent with then Minister of Labour, Becky Barrett, we spent six weeks in Estimates just on the Department of Labour. So I don't think we'll be spending quite that much time. I don't think there are even that many hours any more to spend on Estimates. Those were days gone by.

Certainly, there are a lot of different departments and programs and broad policies that we wish to ask the minister some questions about so with that I look forward to the minister welcoming the individuals that run the Department of Education to the table and look forward to proceeding with the Estimates process.

**Madam Chairperson:** We thank the critic for his remarks.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in resolution 1.

At this time we invite the minister's staff to join us in the Chamber and, once they are seated, we will ask the minister to introduce the staff in attendance.

**Mr. Bjornson:** Madam Chair, I have joining me at the table today Deputy Minister Dr. Gerald Farthing and from the Ed Finance, Lynne Mavins and Claude Fortier.

**Madam Chairperson:** Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

**Mr. Schuler:** If the minister would be agreeable, if we could start on a global discussion basis and then proceed from there?

**Mr. Bjornson:** Yes, thank you. I would certainly agree to that keeping in mind that there are some other assistant deputies that might be required to be at the table for some of those discussions whether it's schools' capital or other issues that you might wish to discuss.

**Madam Chairperson:** It has been agreed there will be global discussion? Agreed? *[Agreed]*

The floor is open for questions.

**Mr. Schuler:** Thank you very much. Just for opening questions, could the minister please provide a list of all political staff, including their name, position and the FTE, whether full-time or part-time?

**Mr. Bjornson:** Kaila Mahoney is my special assistant, and Blake Evans is my special adviser.

**Mr. Schuler:** Would it be possible for the minister to list for us all of the staff in the minister's and deputy minister's offices?

**Mr. Bjornson:** Madam Chair, they're written down so I made sure I got everyone included in the answer. In my office, in addition to Kaila Mahoney and my assistant, I also have Debbie Milani, Melissa Bodman and Pearl Domienik, and in the deputy minister's office: Angele Kirouac, Debbie Joynt, Rachelle Fiola and Stephanie Biyak.

**Mr. Schuler:** Perhaps the minister could speak a little bit more into his microphone. I found it very difficult to hear his answers, and I know *Hansard* will pick it up.

Did he mention his deputy minister's office?

**Mr. Bjornson:** Yes, I did mention the deputy minister's office. I mentioned four names: Angele Kirouac, Debbie Joynt, Rachelle Fiola and Stephanie Biyak.

**Mr. Schuler:** Could the minister tell us the number of staff currently employed in the department that he is currently minister of?

**Mr. Bjornson:** The department has approximately 550 and in that number, it includes 100 STEP program students.

**Mr. Schuler:** Can the minister go back? He said in there were included several staff from—and I just couldn't catch the last of what he was saying.

**Mr. Bjornson:** Yes, the 550 staff, 100 of those staff are STEP program students.

**Mr. Schuler:** Could the minister indicate to us how many staff have been hired in the last year, '07-08?

**Mr. Bjornson:** I don't have that specific number. I'll have to get that number for the member.

**Mr. Schuler:** Could the minister let us know: Were they hired through competition or by direct appointment? Could he let us know that?

\* (15:00)

**Mr. Bjornson:** I understand that most of the positions are through competition.

**Mr. Schuler:** Were there some positions that were direct appointment?

**Mr. Bjornson:** I'd have to find that out for the member.

**Mr. Schuler:** That would be fine. If you could let us know and how many of those were, if you could let us know that.

Have there been a lot of positions reclassified within the department?

**Mr. Bjornson:** I would have to say not a lot of positions have been reclassified.

**Mr. Schuler:** Possible to get a list of those that have been reclassified?

**Mr. Bjornson:** We will be sure to do that for the member, yes.

**Mr. Schuler:** Could the minister tell us how many vacant positions there are currently in his department?

**Mr. Bjornson:** I would cautiously suggest about 20. I don't have the exact number, but I believe it's around 20. We'll get the exact number for the member.

**Mr. Schuler:** Is it the intention to fill all of these positions in the coming year?

**Mr. Bjornson:** Madam Chair, we would hope to fill all of them, but most of them that we do fill on an as-needed basis, as the positions are required and also with budgetary considerations in mind.

**Mr. Schuler:** Could the minister tell us the number of staff employed in the department? He mentioned there were 550 currently. What was that number back in 1999?

**Mr. Bjornson:** Madam Chair, I'm going to advise that we do have that number; we just don't have it here. So we will be pleased to provide that for the member.

**Mr. Schuler:** I suspect we're going to still be here tomorrow. If it's possible, could that be brought tomorrow? And any of this information, if it's available tomorrow or the day after, then it saves having to send a letter or whatever. Could it just be done then?

**Mr. Bjornson:** I will assure the member we'll do our best to get this information to him in a timely fashion and, if possible, get the answers for him tomorrow.

**Mr. Schuler:** Very good. Could the minister give us some details of how many and what type of contracts are being awarded directly?

**Mr. Bjornson:** I can't give a specific number of contracts that are awarded directly. Most of the ones that are, are based on curriculum development where there's a very high level of expertise that's required for the delivery of that contract and the terms of that contract, and there's always an attachment to assess the skills that that individual brings to the process for development of curriculum.

**Mr. Schuler:** In the last year, how many of those would there have been?

**Mr. Bjornson:** Madam Chair, I can get that information for the member.

**Mr. Schuler:** Could the minister tell us how many positions have been relocated in 2007-2008—for instance, relocated from rural or northern Manitoba into Winnipeg, or relocated around the province?

**Mr. Bjornson:** This past year most of the movement per se that's taken place has been between the Department of Education, Citizenship and Youth offices within the Perimeter of Winnipeg. The Ness facility is no longer used by that department, so they've moved to another facility. There's been some movement between buildings that were previously under their department's lease. The movements have been primarily within the Perimeter.

**Mr. Schuler:** How many positions would that have involved?

**Mr. Bjornson:** I can get that number for the member tomorrow. It is a significant number because the Ness building had housed the curriculum development consultants as well as ICT so there was a significant number that had been moved from the Ness building. The lease had expired. It was a former school from St. James-Assiniboine School Division that they had been leasing to the department. The lease expired and we had to relocate and did so at other buildings that were currently in use by the department. So it's a pretty substantial number but I'll be sure to get that for the member tomorrow if we can.

**Mr. Schuler:** Can the minister just tell us where did they move again?

**Mr. Bjornson:** It's quite a puzzle here. We had many from the Ness building move to the Dublin building, to 1181 Portage as well. We had some move from the Dublin building to 305 Broadway. We had some from 800 Portage move to a Selkirk Avenue location. Some from 800 Portage also moved to Dublin and 1181 Portage and some within the building of 800 Portage were relocated within that building. So there was quite a bit of movement as we restructured in response to the leasehold expiring. It created a bit of a domino effect when you consider the number of individuals that would have to move from that location on Ness. So we did some reorganization around that.

**Mr. Schuler:** Did that, in the end, save money?

**Mr. Bjornson:** There were some initial costs and renovations to accommodate the changes. However, there will be some savings realized in the lease that we're no longer responsible for. There's also some space available in 800 Portage that was given up that reduced our costs as well. So there's a combined effect of net savings.

\* (15:10)

**Mr. Schuler:** Can the minister tell us what is the department's annual advertising budget?

**Mr. Bjornson:** We don't have a budget for advertising per se. However, we have participated in some advertisements. The Teachers' Society, as the member might be aware, had an advertising campaign based on the exceptional teachings of Mrs. Kowalchuk, and it was celebrating all the good things that our teachers are doing in schools. So we thought it was appropriate to support them in that advertising campaign with a \$20,000 grant. The member might also have seen the ads encouraging

our youth to stay here in Manitoba, and MECY contributed \$20,000 in support of that advertising campaign.

**Mr. Schuler:** So, if there's no advertising budget within the Department of Education, where would the money then come from? Does that come out of a grants budget? Where does that actually come from?

**Mr. Bjornson:** We find the money from within the existing budget, and we find it from areas where we manage to save some money. Perhaps if some expected expenses had not occurred, then, as such, there's money from within to support other initiatives.

**Mr. Schuler:** Is this the first year that the department has had no advertising budget? For instance, 2008-2009, 2007-2008, there was no advertising budget within the Department of Education?

**Mr. Bjornson:** Well, we do have a budget for communication per se, but communication takes a number of different forms. We have been using funds to communicate with our stakeholders, to communicate on a number of different initiatives, so there is a budget line for communication purposes, and if the money was available in that particular budget, then the money would be used as such for those ads that we supported through the grants.

**Mr. Schuler:** How much is in the budget for communication?

**Mr. Bjornson:** Well, the communication line, there's—each branch has a communication line and the subappropriations, we can total that up and give that number to the member.

**Mr. Schuler:** So there's no total number for the entire department? It's done by program or department?

**Mr. Bjornson:** That's accurate, yes.

**Mr. Schuler:** I'll take the minister up on his offer. Is it possible to get a cumulative number of how much is in the communication?

**Mr. Bjornson:** Yes, Madam Chair, we can certainly provide that for the member tomorrow.

**Mr. Schuler:** Thank you, and I understand that words change and vernacular changes. So it's not really an advertising budget, it's now considered communication budget. So any kind of what we would normally understand is an advertising

campaign would now come out of a communications budget, is that correct?

**Mr. Bjornson:** Well, the communication budget can include a variety of different communication methods, whether it's postal costs, whether it's telephone. As the member knows, there's a variety of different ways to communicate with your stakeholders. That budget would reflect that variety of needs for each of the departments and how they address those needs through their communication strategy with stakeholders and with those that need to be advised of programming and whatnot within the department.

**Mr. Schuler:** As we were having the discussion about how we were going to proceed through Estimates, the minister mentioned that there were individuals from his department from various branches. Certainly we don't want to keep public servants here who've, you know, got other things they would like to do but are sort of waiting for their area to come up.

If the minister could identify, sort of, from what area they are, perhaps we could work through those questions and, then, whatever else we have left we could do that afterwards rather than myself working through my line of questions. How would that work best for the minister?

**Mr. Bjornson:** Yes, thank you, and I appreciate that request. Of course, we do have a Finance representative here and we do have Dr. David Yeo here, who's responsible for teacher education certification for legislation, student records, things of that nature. We also have the executive director of the Public Schools Finance Board, Rick Dedi, is also available if you had questions specific to those particular areas, and funding of schools as well.

**Mr. Schuler:** Perhaps, if there's somebody here from Finance, I do have a few questions about TIG. So I guess that would be where we should start and then perhaps go to some questions on capital after that. But TIG would certainly be a place that I would be interested in.

Last week I asked the minister, in regard to TIG, is that still going to be a program that's announced every year, or is it something that the Province is looking at putting into base-budget financing?

\* (15:20)

**Mr. Bjornson:** Each year we engage our stakeholders in a discussion on the funding of

schools. Certainly, when it comes to the tax incentive grant, as the member knows, there were many school divisions that opted to take that grant this year and some of them chose not to. That being said, we're reviewing that initiative right now. We're looking at a number of different options, as we do every year, around the funding of schools. We have a number of options to explore. Last year, with the tax incentive grant, this year's announcement included taking in the base funding. So we are looking at other options for—well, many options for next year's funding.

**Mr. Schuler:** Again, the minister hasn't directly addressed the question that I was asking, that is, the TIG now having been announced for several years, school boards are becoming reliant on it. The minister, I know, has had school boards come to him and present the difficulty with it, that if, in one year, it was no longer provided and, I know, for some school divisions, he's made it very clear it was a three-year commitment, if after that three-year commitment, it wasn't provided anymore, the school board would then have to go back and the tax increase would be substantial. I know the minister and his department, and the finance officials from his department, will have those numbers handy, and that could be catastrophic for some school boards. Yes, you've kept your taxes down to some degree, but if you don't have TIG anymore, the increases could be, in some cases, perhaps overwhelming.

So the question is, is the minister looking at continuing TIG to make it a part of education funding or is he going to do what he's done until now, and that is announce every year that he's providing TIG, No. 1, and then what the funding will be?

**Mr. Bjornson:** Well, certainly, I can't speak to what the funding will be next year. As we go through a process each and every year in the budget process, with all departments of government looking at projections of revenues, et cetera, but we will be engaged in this process very soon, working on next year's budget. In fact, we are engaged in that process, working on next year's budget.

The tax incentive grant, I'll have to correct the member, it's the second year, not the third year of the tax incentive grant, it was included in the base funding this year. What will it look like next year? It remains to be seen. We're looking at a number of different options. But, I think, it's quite clear, some of the other initiatives that we've undertaken to mitigate any impacts of tax increases with the

additional \$50 in the education property tax credit, this year, even school divisions that rejected the tax incentive grant have seen minimal increases in their taxes as a result of that \$50 increase. In fact, some school divisions that chose to raise taxes still saw a net decrease in their taxes as a result of the education property tax increase to \$650.

So we continue to work with our stakeholders on the funding formula and the whole notion of funding of schools. How do we fund our schools? It's been said publicly by the First Minister and myself that all options on the table to explore what that will look like in years to come.

**Mr. Schuler:** My question to the minister is, is TIG going to stay as base funding or is it going to be an announceable on a year-to-year basis?

**Mr. Bjornson:** I think our record on public education funding is quite clear. When you consider that we've exceeded the funding at the rate of economic growth by almost 14 percent, it's very clear what our commitment to public education funding is going to be, or has been and will continue to be. Each year we have to look at the funding formula, and each year we do that, and each year we consider a variety of options on how to best deliver funding for schools.

Again, I'd have to look back at our record in terms of efforts to mitigate any impact on the home-owner and the property owner, not just the education property tax credit but, of course, the farmland property tax credit and eliminating one of the education support levies that have been levied by the Province. So there are a number of measures that we have taken that, combined, have had a very positive net effect for most home-owners here in Manitoba.

Next year, we're working on next year and that's what we do every year once the budget is out the door. Each year in the winter, we roll up our sleeves and get ready for next year's budget.

So the tax incentive grant has been around for two years. Last year's TIG ended up in the base funding this year, and we'll continue to look at how best to resource schools through the funding formula, any changes we might make to the funding formula based on some discussions, and we'll continue to have those discussions.

**Mr. Schuler:** There were school divisions that decided this year, and also last year, not to take TIG.

How much money was each school division eligible to receive under the tax incentive grant program?

**Mr. Bjornson:** Thank you for the question. The TIG was calculated in a formula, and some school divisions, based on that formula calculation, were eligible for more than others. What happened last year, for example, was Pembina Trails School Division, which had a very significant budget, the tax incentive grant initially offered was \$28,000, which spoke to the integrity of the formula.

After we heard from our stakeholders about issues like bus depreciation and other concerns that they had around the tax incentive grant, it was adjusted, as were all the tax incentive grants that were offered, and I believe it was \$128,000, or somewhere in that neighbourhood, for Pembina Trails School Division. So that was not a very significant amount of money in their mind. That being said, it was a reflection that the formula had worked. Some school divisions were eligible for tax incentive grants in excess of \$1 million or \$2 million or \$3 million, depending on the formula.

That's just like school divisions are funded at various levels because of their assessment per pupil, because of the formula, and some of the grants within the formula. The tax incentive grant was not something that was one size fits all, in terms of dollars. It was a formula calculation like other calculations in equalization or additional equalization might be. There is a significant amount of money on the table. The total tax incentive grant, I believe, was \$15 million last year, \$16 million was offered last year, and the total tax incentive grant this year was \$28.5 million. The formula was applied in both cases, and divisions were offered the tax incentive grant based on formula calculations.

**Mr. Schuler:** Which school divisions decided not to take TIG this year?

**Mr. Bjornson:** The divisions that rejected the tax incentive grant this year were Beautiful Plains, Brandon, Garden Valley, Hanover, Kelsey, Mountain View, Pine Creek, Red River Valley, River East Transcona, Rolling River, Seven Oaks and Winnipeg school divisions.

**Mr. Schuler:** Of those that turned it down, a large proportion of those, disproportionate in the amount of children they represent, seem to be from the city of Winnipeg. Why would that have been? For instance, you have Winnipeg No. 1, Seven Oaks,

River East. Why would it have been they turned down the TIG?

\* (15:30)

**Mr. Bjornson:** That's a question best asked to the school divisions. I honestly can't say why they would do so. When I look at some of the amounts of money that were on the table and what that would have meant for the local taxpayer, I was quite surprised that many of the school divisions would have rejected the tax incentive grant.

As I said in my answer in the House last week, this worked for many school divisions. More divisions accepted the tax incentive grant than rejected the tax incentive grant, so that begs the question. I know last year Brandon, for example, who rejected the tax incentive grant this year, they had stated their case that when we offered, I believe, just over \$1.1 million or close to that amount of money as a tax incentive grant, they stated the case that they needed 1.3. Well, after bus depreciation and other considerations the figure came to 1.3, but they still chose to reject the tax incentive grant for the purpose of levying an additional \$1.8 million in tax revenues.

So it's really difficult to say why they would reject the tax incentive grant. Many divisions made it work; some didn't. I know some divisions took a second look at what they were originally proposing in their budgets, whether it was different research initiatives or other initiatives that would have required additional funds. Some of those divisions chose to defer those initiatives and focus on things that were immediate and tangible in their classrooms and perhaps take that out of their budget exercise in order to accept the tax incentive grant.

The main concern, of course, is that programming would be maintained, and that was their main concern as it was my main concern, that programming should be maintained for the students and make every effort to do so. But again I can't speak for why some school divisions would reject the tax incentive grant, nor for that matter could I speak for why other school divisions accepted, but given the current economic environment and the fact that we are just starting to see the tip of that economic downturn when our budget was announced, I'm at a loss to understand particularly why they wouldn't accept the tax incentive grant.

The other part of this equation, of course, is the fact school divisions still collectively sit on over



\$60 million in surplus funds, so between \$53 million in funding announced, \$60 million in surplus funds and, let's face it, an environment of declining enrollment, we hoped that all divisions would accept the tax incentive grant, and no Manitobans should have seen a tax increase this year.

**Mr. Schuler:** The minister raises the \$60 million in contingency fund. I understand he put out a directive that it couldn't be any higher than a certain percentage of their budget. Did every school division come in on or below what was directed to the department as far as percentage of what your contingency fund could be?

**Mr. Bjornson:** I believe most of the divisions are compliant with the 4 percent that was recommended. I believe one division digressed somewhat, thinking that it was only a one year request, but we have had discussions with divisions on the surplus and what would be an appropriate surplus and we certainly feel that 3 to 4 percent is an appropriate surplus and their directive was to come in at 4 percent. Most divisions have complied.

**Mr. Schuler:** Is the minister looking at lowering that rate as well?

**Mr. Bjornson:** Not looking at lowering it at this time. That being said, however, there are some situations where, you know, unique circumstances might require unique responses. I know it was reported publicly that I did say that I would even be comfortable with a 2 percent surplus, and certainly given the economic environment, if divisions had to make difficult decisions that would be decisions that would be easier to make if they could use more surplus funds, then I would support those decisions. That being said, many divisions have gone through a budget process where they've been able to maintain a good number of programs, maintain appropriate staffing levels, and they're doing so within the parameters of a tax incentive grant and a 4 percent surplus.

**Mr. Schuler:** Yet the minister must know there are some school divisions that are looking at several years of arbitration for teachers, et cetera, that have not yet been settled and that that's what contingency funds are being held for. It's not being held in a bank account just accruing interest, but rather it's money that's being held because it will have to be committed to pay increases, those kinds of things.

Did the minister factor those variables into the percentage as well? Or is it just whatever you have as a surplus, that's what's calculated?

**Mr. Bjornson:** Well, certainly in conversation with many members of MAST and with some of the trustees—my apologies, it's now the Manitoba School Board Association; at their recent AGM they, of course, have passed a resolution to change the name of the organization—with many members of the MSBA, many of them felt that the discussion around surpluses is a very important discussion to have and, essentially, it was to provide more transparency on some of the surplus funds and to ensure that surplus funds were designated as such for appropriate reasons, and that exercise was a very useful one and a very useful one for the department to have that conversation with the school divisions as well.

Yes, I do understand that divisions do put in surplus in anticipation of contracts, in anticipation of some capital expenditures that aren't covered within the envelope of the Public Schools Finance Board, in anticipation of technology acquisitions and things of that nature.

So the exercise, I think, was a very useful one for all parties to have a clear understanding of what surpluses are for, how they should be designated as such and, again, what will be surplus, what will be capital reserve, a very useful exercise to engage in and, ultimately, it's a more transparent process for school divisions to have than designated and recognized as such.

**Mr. Schuler:** Well, the minister spoke a lot of words, he just didn't answer my question. I'd like to ask the minister, of the school divisions, the money that would have been allocated to them, what happened to that money and, for the record, how much was it?

**Mr. Bjornson:** Could the member please clarify the question? I'm not sure what money he specifically is asking about.

**Mr. Schuler:** Many school divisions rejected the TIG. How much money was left on the table by those school divisions?

**Mr. Bjornson:** I believe the amount that was rejected by school divisions was approximately \$5 million. So, if that's money that they didn't take, that's quite simply money that isn't spent.

\* (15:40)

**Mr. Schuler:** So that approximate \$5 million comes off the \$53.1 million, and it just goes right back into base budget? Does it get allocated somewhere else? What happens to that \$5 million?

**Mr. Bjornson:** I guess the long and the short of it is that for now that money remains unspent, but that could be in response to emerging needs, if there are emerging needs within the department or within government, given the current economic environment. So, for now, that was \$5 million that the school divisions left on the table and \$5 million that remains unspent.

**Mr. Schuler:** So Winnipeg No. 1 and River East school division are two of the school divisions that rejected TIG. Correct? Now those would be two of the largest school divisions. Between them wouldn't they hold sort of, like, a large portion of all the students in the province? Then I think Hanover was the other one that's—isn't Hanover one of the largest growth areas in the province? I guess, and then Seven Oaks, which is, you know, a fairly large school division.

I guess it's surprising that the largest school divisions are those that seem to be rejecting this. I know the minister has spoken to them, and they've indicated to the minister that to qualify for TIG they would've actually had either to cut programs or cut staff. So I would like to ask the minister: How is it that it's the largest, most populous school divisions that are rejecting TIG because they feel it would harm the students in their school division? How does he rectify that?

**Mr. Bjornson:** Well, again, it is a good question. How do you rectify that? As I said to the member, the majority of school boards accepted the tax incentive grant, and on a proportional basis it's \$5 million that was left on the table with \$28 million in the tax incentive grant. So, when you consider that number that was not accepted, it does beg the question.

The other part of that discussion is how much of a surplus do these boards have and why couldn't they make it work within those parameters. I think the message was quite clear, though, that when we did announce the funding we talked about the economic environment. We talked about \$60 million in surplus funds. We talked about the need for divisions to be prudent and to look at accepting the tax incentive grant in order to not put a burden on the property tax owners within their constituency. Then, again, those divisions that might have rejected the tax incentive

grant, even the increases that you might see in their property taxes could be mitigated by the \$50 increase in the Education Property Tax Credit, so they don't see the full benefit, regrettably, of the Education Property Tax Credit increase in these divisions that increase taxes. But there's still a benefit to the average home-owner where the tax increase has been mitigated somewhat by that measure.

I'd also like to point out that I've been joined at the table by Steve Power, from finance as well. Thanks for joining us, Steve.

Again, with the tax incentive grant, when you ask me why school divisions rejected it, I can't speak to why they would make that decision. What I can say is we felt we had a very substantial amount of money on the table. We based it on historic rate of expenditure growth. We recognized that this historic rate of expenditure growth was also coincidentally with the environment and declining enrolment and an environment where we have, as I said, \$60 million sitting in surplus. Again, to say why did they accept or why did they reject, I can't speak to that, and yes, coincidentally, we have two of the largest school divisions that did not accept it.

Winnipeg School Division accepted it last year. They rejected it this year, and I can't speak to that change in heart, why they would take it one year and not the next.

**Mr. Schuler:** Well, you know, I appreciate this as one of those ministers in the Doer government who rehearses his lines and he sticks with them and, I mean, so be it. Riva Harrison sits and preps him well and the communications people prep him well, and he keeps regurgitating those lines over and over again.

You know, we talk about this \$60 million in surplus money, of which the minister knows full well that a lot of that is committed money because a lot of the contracts haven't been negotiated yet. It would only be the prudent thing to put money aside for that, and they've lived up to the minister's 4 percent. If he feels that's too much money, then he should lower it. If he feels that's out of line he should lower it, but he shouldn't be using that as one of his speaking points as if that's, you know, something evil that school boards have some money set aside in case a furnace goes or a heating system goes in the middle of winter, and he knows full well that the Public Schools Finance Board won't fund it automatically. They have to, on the weekend if the heating system goes, the school division pays for it, then they apply

to the Public Schools Finance Board and they get the money back.

I mean, you know, again, if he has a problem with school boards and having contingency funds, then he should deal with it, but every answer he gives us, well, you know, and they have \$60 million in surplus. Well, Minister, if that's a real problem for you, deal with it, but that's not at all what we're talking about here.

Out of a budget of \$1.4 billion the minister put out \$53 million for a tax incentive grant, of which the school divisions with the bulk of the students rejected it. In fact, Madam Chair, from what I understand, as of September '08 there were approximately 180,000 students in Manitoba. My question to him is: Of those school divisions that rejected TIG, how many students did they have in total? I suspect it's a substantial amount of that 180,000. Does the minister have that number?

**Mr. Bjornson:** Madam Chair, no, we haven't done that math, but we certainly can endeavour to do so for the honourable member.

**Mr. Schuler:** Out of the \$1.4 million, \$35 million was accepted under TIG and the minister crows about somehow that that is a hit with school divisions, and it wasn't, and the minister—to do a segue, and I'm not leaving this topic—the minister knows full well that with declining enrolment there are a lot of classes because classes don't come in neat packages of 22 or 24 students, that there are classes with smaller students. So what the minister is suggesting school divisions do with everything that he has put forward as policy and by regulation is that school divisions should be combining classrooms.

He's out there talking as if school divisions and teachers are being inefficient, and they're not because it's difficult. In certain areas you don't get classrooms in a perfect number. Some have 33 students and some are sitting at 11 or 12, and with the kinds of cuts that the minister has brought to education, only this minister with the type of spin clearly produced by Riva Harrison that somehow what they call an increase is actually a cut, and the minister knows that. Then, somehow, to throw in their surpluses is actually quite shameful.

Again, I would say to the minister that the school divisions with the bulk of the students, those who would have had to have cut the most staff to be able to qualify for TIG are the ones that rejected his offer.

\* (15:50)

The minister also says, well, he doesn't know why. Actually, the minister does know why because they told him why. They sent him and his department all kinds of briefings on why. They laid out the math for him. They spoke to him whether it's at public functions and they spoke to him at private receptions, and they told him exactly why they had to reject TIG and they laid it out in very clear terms: that it would have meant that they would have had to have done cutbacks.

The minister silently is standing by and is saying, yes, that's what you have to do. To be able to get to where you could actually qualify for TIG, many school divisions would have had to have cut programs and/or staff. So for the minister to say he doesn't know why isn't accurate. The minister should try to stay with accuracy. He knows why because they told him. I know that he knows and he knows that the rest of us know that he was told why they rejected it, so I'm going to ask the minister again.

Of school divisions that rejected TIG, by and large, they were some of the largest school divisions with a large percentage of the students. Can he explain to us clearly why it is that TIG is failing those school divisions?

**Mr. Bjornson:** I'm not sure where to start after that question. Perhaps I can start—the member is focussed on the divisions that haven't accepted the TIG. Perhaps I can put on the record for the member those that did: Border Land accepted, Evergreen accepted, Flin Flon, Fort La Bosse, Interlake, Lakeshore, Lord Selkirk, Louis Riel School Division—a very large urban division—Mystery Lake, Park West, Pembina Trails—another very large urban school division—Portage La Prairie, Prairie Rose School Division, Prairie Spirit School Division, Seine River School Division, Southwest Horizon, St. James-Assiniboine, Sunrise and Turtle River. Those are all school divisions that accepted the TIG. The member is looking at the glass half empty; I prefer to look at it more than two-thirds full.

The member is putting words in my mouth, which I resent—I don't appreciate him saying that I'm out there telling school divisions, cut it, cut, cut, cut to take a TIG—when clearly our commitment to education funding has been stellar when you consider that every year, we've increased funding.

Perhaps I can remind the member opposite that the net increase from 1990 to 1999, the net increase

in education funding—if you look at the budget in 1991 was \$754.9 million. That was the base budget for education funding in 1990-1991. In 1998-1999, it was \$761.7 million and that, of course, was a top-up of \$16.7 million, a 2.2 percent increase after years of successive zero, minus 2, zero, and announcements of that nature, so the difference in base funding was 6.7 million. Well, enter a new era in 1999 and the funding goes from \$761.6 million in '98-99 to the '08-09 announcement of \$1.009 billion. Of course, that didn't include the \$53 million that we announced this year. So to be lectured as such, I really have to take exception to that from the member opposite.

Of course, when he talks about cuts, it might be useful to reference an article in the *Free Press* where the member's colleague, who was the education critic at the time, suggested that we should focus spending on basic education and determine whether physical education, art, music, performing arts, band and other specialized programs are part of that new definition; there are limits to what government can afford; we have to look at what's practical and what's feasible.

Well, that was 2003 election campaign from the members opposite. I can assure you that since we've been in office our commitment is to fund a variety of programs and support a variety of learning opportunities for our students. So to suggest that \$53 million would result in cuts—it's additional funding, it's new funding, it's supporting learning and it's supporting a variety of learning.

Where school divisions are looking at staff adjustments, it's where there have been significant declines in enrolment. I'm sure the member opposite would be criticizing us for spending too much money—for a school division spending too much money to support teachers and positions where the numbers of students have gone down substantially. So you can't really have it both ways.

But, Madam Chair, there have been a significant amount of divisions that have accepted the tax incentive grant. The tax incentive grant, notwithstanding, every school division got an increase, every school division got an increase in funding; that didn't happen when their announcements of zero and minus two. But our commitment is to continue to find ways to fund education in a meaningful way and a relevant way, supporting relevant learning, supporting programs, supporting staff.

So I really don't think I should be lectured by the member opposite about how \$53 million is resulting in cuts; \$53 million is supporting learning in a very meaningful way and a relevant way. Divisions have to make difficult decisions every year they make budgets, just like we have to make difficult decisions every year we make budgets in terms of the sustainability and the maintenance of programs. Their first priority should always be keeping programs and keeping options available for our students. I hope the member realizes that, if he comes and joins me on Wednesday when we celebrate music in Manitoba schools, something which according to the opposition in 2003 was clearly not a priority.

**Mr. Schuler:** Well, first of all, it's not \$53 million. The minister already admitted that \$5 million expired and that may or may not be all of it. It's not \$53 million, I think. The announcement, the Riva Harrison announcement, was \$53 million. It's not actually what was spent. So I'd like to correct the minister on that one.

Yes, education is expensive and we all know that. We know that a lot of school boards, administrators, teachers and parents work hard to stretch dollars the best they can. I've asked the question, and I'm not going to ask it again because the minister won't answer, and that is: Is he going to pull the rug from under all the students, teachers, administration, school boards and pull TIG from under them? Or is he actually going to continue it because he's got this buy-in. If he pulls TIG, there are going to be school boards that are going to have huge, huge shortfalls. They will have to make up for it at some point in time.

The minister will just give us the Cabinet Communications department's line. That's one thing the minister is outstanding at, that's repeating the party line. So we'll sort of leave it at that. Again, the minister does know why school divisions rejected TIG. They told them why and he should probably listen to them to some degree.

\* (16:00)

I wanted to also discuss a little bit about the capital investment. I don't know if that's the individual from Finance who answers that, or is that, then—and because we're in the Chamber, it's a little bit different. I don't quite understand why, because the Chamber is just being used as a committee room right now. There seems to be some archaic rule that only four staff can be in the Chamber, but

we—[interjection] We have to live with that. I'm fine with all the department staff sitting in here, but I'll leave it at that.

**Mr. Bjornson:** While we're waiting for staff to arrive, we did get some information for the member. He had asked how many vacancies there were in the department. I said, I believe, approximately 20. Well, we have confirmed that it is approximately 20; it's 18.65 full-time equivalent vacancies. That's point No. 1.

Point No. 2, he's been referring to Riva Harrison. I saw her at an MTC play about a month ago, but I haven't seen her much in the last three years. I just thought I'd put that on the record.

I'd like to take this opportunity to introduce Rick Dedi, who is the Executive Director of the Public Schools Finance Board, joining us at the table.

**Mr. Peter Dyck (Pembina):** Madam Chair, just a few questions regarding the schools within the area, I'm just wondering if the minister would be able to indicate how far they are with the—I know that they're adding a number of rooms at the Emerado school, and the other schools. It's Southwood and the high school, I know that are very, very preliminary in their stages, but I'm just wondering what kind of progress they are making. If he could update me in those areas, please.

**Mr. Bjornson:** Thank you, Madam Chair, and thank the honourable member for the question.

Currently, the Emerado school initiative with four new classrooms to be added, the rooms have been tendered. That project has, apparently, gone to tender.

As far as what's happening on the middle schools that have been announced, some consultants are currently being selected on the middle schools, and, once that is addressed, we'll be looking at pre-design for the high schools.

**Mr. Dyck:** I thank the minister for the comments, and I wanted to thank the department for working so closely with the school division, with the board. I know that I am in discussion with them on an ongoing basis, and they just are really grateful for the way that the department is constantly in touch with them and, I think, trying to work out the issues that they have there as quickly as possible.

On the other hand, I would indicate that the problem of the growing enrolment is not going away. I'm not sure if they are aware, but this school

division has just put down an offer to purchase on another eight acres, and this is looking down the road a few years. I know that there are three projects on the go right now, but they're trying to be proactive in some of the issues that they are facing. So they've gone out and put in an offer to purchase on another property in order to be able to—as soon as these are in the works, I think, believe, come back to the department and look for more spaces for students.

The comment that they made to me just in the past week was that the way the enrollment is going, and it looks and is projected rather, the huts may be staying around for a long time. I just want to indicate this, that while we are grateful for what we are getting, our job is not completed. Certainly that's the direction that we are needing to go. Just wondering if the minister would have any comments regarding the comments that I have made.

**Mr. Bjornson:** Certainly, we're very much aware of the continued growth and what challenges that might pose for a division such as your home division and such as Hanover School Division. As such, we've worked to be as flexible as possible and respond as quickly as possible to some of those emergent needs, given the unprecedented growth.

Every conversation I've had with your colleagues from Garden Valley School Division, they've all said the same thing. We had no idea we would be growing this fast. That being said, we're doing our best to respond to that. Certainly knowing the pressures on the infrastructures such as washrooms, we're working to address that with portable washrooms in a high-quality relocatable, as we like to call it. Don't call them huts any more. I like to say, high quality relocatables. Before that it was portables; before that it was huts and before that it was a school. Certainly, we're at a stage now where the pressures on that infrastructure have, of course, resulted in the announcement that we made this spring, with respect to the middle school proceeding, and with respect to the commitment to build a high school.

We continue to work with the school division and continue to monitor the growth, and we'll continue to address the needs to the best of our abilities. I would like to confirm for the member that we were aware that they were in the process of purchasing additional land for an additional school site. They've been working very closely with the Public Schools Finance Board and will continue to do so.

**Mr. Dyck:** I have a question regarding Western School Division. That's the one, Morden, I'm sure you're familiar with that. Again, I would indicate to the minister, and I would just appreciate his responses to whether I am seeing this correctly and whether they, as a community, are seeing it correctly as well.

I would indicate that, I believe, Western School Division, today is approximately where Garden Valley was something like eight to 10 years ago. They're just at the point where they are going—and, I believe, they've got a hut and they are looking for more huts next year.

When I look at what's taking place within that community, the housing starts that we have and continue to have, I would indicate that in order to be proactive, we are going to have to be looking at schools within Western in the near future as well. I would welcome a response to that.

**Mr. Bjornson:** I thank you for the question and that was part of a discussion I had with the board a couple of years ago, in fact, when they were pointing to what was happening in their neighbouring community and how they anticipated that the same would be true for their needs in the future.

I'll most certainly keep an eye on it and do our best to address those needs as they arise. I think the member can appreciate that those two divisions are quite unique in terms of the growth that they were experiencing, but we also have challenges in the 35 other divisions and some of their capital needs. We've had to be very flexible with the capital to respond to issues such as schools that are full of mould, which weren't in theory to be replaced for another 10, 15, 20 years, but we've had to accelerate those programs if there are issues of health and safety. These are part of the challenges of the capital program, but we are working to be as responsive as possible in as timely a manner as possible, and will continue to monitor and work with the Western School Division as that division continues to grow.

Certainly, I think we've learned something from what's happened in Winkler that can be applied to what happens in Weston in terms of being quicker to respond perhaps with the washroom facilities and alternative sites for classroom instruction. We've certainly learned a lot from Winkler and that'll be part of, I'm sure, our discussion with Weston once we see the growth that is anticipated to take place there.

\* (16:10)

**Mr. Dyck:** I'd like to ask a question regarding funding for students, an issue that has arisen—it's been there for many years; it was there when I was on the school board. But I believe it is, and you can correct me if I'm wrong, but September 30, you need to give your student count to the department, and that's, of course, how your funding is then responded to in the coming year, the funding for the students.

Now, in Garden Valley School Division, and I know at Weston, it's the same thing, with increased enrolments, and it doesn't happen in October necessarily, but within the next few months, you have a huge increase in student enrolment, the costs are there, and I know that in Garden Valley, it's been up to 300-plus students, which is a number of staff units. So they find themselves, if I can use the term, at the short end of the stick when it comes to funding because they are funding, and they don't receive that kind of funding from the Province for the next number of months.

I'm just wondering if the minister has looked at that funding arrangement, and if there is something that could be done to assist the school divisions, because right now, and I know added to that—and they were in a real dilemma again this year—the minister has said, well, they were only allowed to add a percentage to the mill rate and the dollars that they could be asking for, but they can't live within those parameters.

So I'm wondering if the minister has a good resolution to that kind of a problem.

**Mr. Bjornson:** I thank the member for the question, and certainly I've said it often, that growth is a good problem to have, and you have to be flexible and respond to that growth. As such, we do have an increasing enrolment grant that is a part of that strategy to respond to growing communities.

I know that the September 30 deadline might appear, at the surface, to be quite arbitrary, but that is something that school divisions are very comfortable with in terms of a deadline and has served us well.

Where it doesn't serve us well, if we know that kids are coming after the 30th, then provisions can be made for those students that we know are forthcoming, but if there's an extraordinary growth that was unexpected, we will certainly endeavour to be flexible, work with the school division and see how we can work with them to address those needs that might arise for two or three hundred. As you

say, if the number is two or three hundred students coming and that has not been anticipated, then we'll certainly be flexible and work with the school division, recognizing the exceptional circumstances. We'd encourage them to have that discussion with us when that influx of students would take place, and how we can assist in addressing those needs.

**Mr. Dyck:** I thank the minister for the answer.

Just a question on that, though. Are you saying that there does not need to be a name attached, that they could go on past years' experience and indicate on September 30 that we expect another 300 students and then put this into the funding arrangement? I think that's something that they would welcome.

**Mr. Bjornson:** We can't base it on the past, but we can look at the need—we'd have to have—we couldn't put the horse before the cart in that particular scenario because who's to say that instead of 300 they don't get 400, and then you're right back at the table with that same issue, that your growth has exceeded the expected number of students that would be in the school system.

The date, the 30th, is—as I said, on the surface it might be arbitrary, but it is something that works best for most divisions. When it doesn't work, we need to find out what we can do to work with divisions to assist them when you have exceptional circumstances, and we'll work with school divisions if there are, indeed, exceptional circumstances. And, too, again, if they came forward anticipating 300 and suddenly 400 students showed up, then we're right back where we started from, in terms of trying to address that situation. So, in the event that we see a spike in enrolment, post-September 30, that was not anticipated next year, that's a conversation I would encourage the school division to have with us to see what we could do to address that emergent need.

**Mr. Dyck:** Just to go further on that, is there retroactive pay? Okay, what I'm saying is, is if by the end of December you've got an extra 300 students, and let's just assume then that the cost per pupil is \$4,000 per student, and that may be high—I'm not exactly sure where we're at right now. But can the board submit those names and then get paid for the October, November, December months? Like, somewhere the cost per pupil is there. Someone has to bear that, and my understanding right now is that cost is borne by the local taxpayer because somewhere they need to get that money from in order to be able to hire the extra teachers that they need and I know the huts are supplied by the

department; I understand that. But the cost per pupil is still there. Someone's going to pay for it. I'm just wondering how to go about that.

**Mr. Bjornson:** I guess, as someone who taught in the system, and I know that the magic deadline of the 30th—I know that in a small school such as mine, in Gimli High School, after that date, you might have some students come to the school, but after that date you might also have some students leaving the school. But certainly the numbers that we're talking about, in the case of Garden Valley, are quite extreme. So you don't see that balance that you would see in smaller schools where the deadline of the 30th works, where they have the names of the students, they have to be registered and they have to be in the building.

\*(16:20)

So there's no standard solution for an issue that is certainly not the standard. That being said, though, we would be very flexible in dealing with the school division if you see numbers like that in the school division, and that is a discussion that we will certainly have with them in the event that you have such a spike in enrolment of students that show up after that somewhat arbitrary deadline of the 30th.

But, again, I have to say that that is a deadline that works for just about every other school division. Just in the case of Garden Valley, the circumstances are exceptional, so it would have to be given some exceptional consideration, which is what we are prepared to do in working with the division.

**Mr. Dyck:** Maybe, just to make further comment on that specifically, just giving you a little bit of an idea of some of the pressures that the school division is under. Again, when you have the number of students that we have, and I know it was in excess of 300 students, which, you know, you do the quick numbers, if you have 30 students in a classroom, that's 10 teachers, which is a fair cost.

I know that in talking to the city council—of course, they were trying to hold the line on taxes this year, but the school division really had no choice. They needed to, and they wanted to, supply a good education for the students, so they had no choice but to go and hire more staff. Consequently, those dollars do have to come from somewhere, and they just go, basically, if I use the term, throw it on the lap of city council and say, collect the money. So it's a pressure that's both ways.

Understandably, the fact of having growth is good. I'm not denying that, and I'm not saying that it's something that we don't want to have. What I am saying, though, is, and I think I'm hearing it, that there is flexibility available to the school division, that in talking to the department, they could probably try and work out a little different arrangement than what is the now very rigid September 30 deadline for students and talk to the department and find out whether there is an opportunity to be able to recover some of those added expenditures that they are incurring right now.

**Mr. Bjornson:** I thank the member again for the question, and, certainly, that's something that we can discuss with the school division. Of course, we'd have to look at it on a case-by-case basis. As I said, it's exceptional circumstances, and we'd have to look at what that would mean for the school division and what it has meant for the school division. So, certainly, we're prepared to have that discussion with the school division and look forward to that conversation.

**Mr. Dyck:** Before I give it back to the critic, I just want to make a comment regarding looking down the road. I know I've made this comment before. But, in Boundary Trails, right now, this coming year we're expecting 1,000 births. So it's not only immigration that's impacting on our student enrolment—I think the water is really good out there. I would suggest to you that probably the cold, cold winters that we've had, maybe, are helpful as well. Whatever. I'm not going to start suggesting that we come to any—

**An Honourable Member:** No.

**Mr. Dyck:** No, never. But, anyway, the point I want to make is in looking ahead and the planning for the future. We will be having students entering the schools. There's no doubt about it. I've used, also, the example and said that, if only 500 of those come from within that region, that still is 500 students that we need to find a space for, and that's in four or five years.

So, just as a comment to the department as well, in looking ahead. I think I mentioned before that I can see this being the twin cities of Manitoba. I think they're going to do everything possible to make sure that this does take place. So you add that, combined with immigration, and I think we can justifiably say that growth will continue within the area. It's something that we need to be aware of. I know that the department and the minister are aware of it, but we also need to plan for in the coming years.

**Mr. Bjornson:** I understand that that is part of the long-term plan in response to that anticipated growth. That is why the division has purchased an additional eight-acre site as the member himself has stated in the Chamber. So we'll certainly monitor that growth with the community, and as I said, we've learned from their growth, and we'll continue to learn from that growth and find the best way possible to address those needs.

I certainly appreciate your advocacy on behalf of your students and your community and I look forward to the shovel in the ground and cutting some ribbons with you. So I thank you for those questions.

**Mr. Schuler:** Yes, thank you very much. Where there are areas where we haven't seen the kind of growth that we'd like to have or perhaps even areas where they would just be happy with status quo, just keeping the amount of students they have, there are always those areas that have high growth. I think maybe one should go to my colleague from Pembina, and maybe testing the water is something one could recommend. I don't know.

The schools that have been put forward—my colleague from Pembina has spent some time asking about it, and I know there are a few other areas where there's been very high growth. I know from experience that Oak Bank Elementary was declining in population for awhile. In fact, there was the threat of losing the vice-principal, and all of a sudden, in one fell swoop, in one year, 30 more students enrolled at Oak Bank Elementary school. The interesting part about that story is that it was three families. So how quickly things changed and now the school is doing very well. That's what happens.

But I'd like to draw the minister's attention to Waverley West where we understand that the minister has decided there doesn't seem to be any need. Could the minister give us an explanation why it is in that quadrant of the city where we are seeing substantial growth, that there doesn't seem to be any investment in a new high school?

**Mr. Bjornson:** Well, again, I'd caution the honourable member putting words in my mouth. For him to suggest that I've said there is no need is inaccurate. We recognize that there will be a need and, certainly, I don't think he'd want to argue with the Member for Pembina on the immediate and urgent needs in his community versus the emerging needs in Waverley West in that subdivision.



For the member's information, there have been two elementary school sites that have been selected anticipating the growth in Waverley West. We know that a subdivision of 30,000 homes will require educational facilities. We also have a consultation with the developers and the Public Schools Finance Board to select a potential site in Waverley West for a high school.

So to suggest that we're not planning for that need is inaccurate. Also, there have been steps taken in the past to address population of high school students in that community and yes, I appreciate that there is a bus ride involved, and it can mean a bit of time on the bus, but as someone from rural Manitoba, that's something that we're very familiar with in our realities in rural Manitoba and the bus rides to school.

Currently, we have in our capital announcement, we'll be adding on to Shaftesbury school to address some of the short-term growth, four classrooms as well as some renovations to the library and other infrastructure to address some of the growth in the southwest neighbourhoods in Winnipeg. Previously, I had the privilege of opening, I believe, five classrooms at Vincent Massey Collegiate that were designed to address the short-term needs, and I say short term because, again, we do recognize that a subdivision of 30,000 homes will require the construction of schools.

\* (16:30)

I've met with the parent group recently to discuss the when, and the when is the unknown at this point in time, but there has been a report that has been submitted that proposes a possible time frame. In anticipation of that, sites have been selected for schools for development and I agreed with them. I would have loved to have a high school in their community right now.

I agreed with them that that area should have had a high school when that area was fully developed over 20 years ago. That being said, there is none, and we need to ensure that a high school is developed in anticipation of the growth in Waverley West and in anticipation of some of the demographic changes that might occur within that community where in the long term there will be a need for a high school.

Surely to justify an expenditure of that significance, and it would be a substantial expenditure, as the member should know, building a high school is not an inexpensive undertaking, that

we have to be sure that the students will be there to justify that expense. Right now the students are accommodated through the additions and renovations that have been made in neighbouring communities. In the long term, there will be a high school in that community. It has been underserved.

There's no question with, as I said, a development that came up 20 years ago that perhaps the school should have been built 20 years ago as the development was, I believe, completely developed by the late '80s, early '90s where there were no lots available anymore for residential. I believe the developers had also sold some of the lots that had been the intent of the developer as potential high school sites. So part of the Waverley West development is the fact that it is Crown land, and we are working with the developer to find sites that would serve the needs of students in the future.

**Mr. Schuler:** Far be it from me to accuse the minister of speaking out of both sides of his mouth, but the minister says that until this point in time there aren't enough students to justify building a new high school and incurring the cost of putting up a new high school but that perhaps they should have built it 20 years ago.

Minister, if in your eyes they don't need one today because there aren't enough students, my goodness, why in heaven's name would they have needed one 20 years ago. Minister, we've got to stay focussed, and I'd recommend to him maybe he should stay focussed on Riva Harrison's lines because that way he doesn't get himself into trouble like this.

I would like to ask the minister if he could explain to us why it is that if he's the developer, and he is. I mean, it's his government. It's the Doer government. It's his Premier who's the developer. In the end he sits in his smoky backrooms and decides what kind of development is going to take place, so he's the developer.

When will he have that conversation with himself? He'll sit himself down at his desk and say, all right now, Mr. Developer, he'll ask, as the Minister of Education, where—[interjection] or Ms. Developer, but in this case we know his gender, so we know that he is a mister, and, Member for Brandon East (Mr. Caldwell), I thank him for pointing that out to me, but this case his gender is male and he'll say to himself, Where shall I put the school? And he'll have this debate with himself.

I have a question for the minister: Why is this debate taking so long, this debate within himself on a location for the school when he's the developer and he's also the Minister of Education? Can the minister tell us when this inner debate should come to an end and he can let the community know where the high school would be located?

**Mr. Bjornson:** I can assure the member that I'm not speaking out of both sides of my mouth. Quite frankly, there were students 20 years ago that would have justified the construction of a high school, and we have had to respond to the short-term growth that we've experienced by having these students attend to neighbouring schools. Pembina Trails has done a great job with the existing infrastructure that they have, and Pembina Trails has advocated for the construction of the five new classrooms that were built at Vincent Massey Collegiate. They've also advocated, in the short term, for the construction of the 40 classrooms and the infrastructure in the library that we announced in our capital plan so, yes, hindsight is 20-20, and 20 years ago, it would have been nice for there to have been a high school in that community.

We do know, though, that today there will be growth. We know that the subdivision that is an incredible subdivision of 30,000 homes, the size of the city of Brandon from what I understand, will require educational institutions. That's why there are sites for elementary schools, and that's why a site has been identified for a high school. There will be a high school there.

Madam Chair, I'm not sure if the member's onside right now with his own leader, who happens to be the MLA for the area, because right in the *Winnipeg Free Press*, the article says, and I quote: "Tory opposition leader," the Member for Fort Whyte (Mr. McFadyen), says "his party favours building schools where people live, though," and I quote, "I would not adopt a build it and they will come approach. You should build as soon as you possibly can, after the population arrives."

Just to re-emphasize that last point and the quote there, "you should build as soon as you possibly can, after the population arrives."

That, in a nutshell, is why the school has not been identified to be built in the next couple of years because the population has not arrived. There are a lot of homes that will be built. Our economy is weathering the storm quite nicely, and we know that when those homes are built, that there will be a need.

Certainly, having two elementary school sites identified and having a site identified for the high school speaks to our commitment to service the needs of those children who will be living in those homes in Waverley West.

I want to assure the member I'm not talking out of both sides of my mouth. It might be a different lay of the land in Waverley West had a school been built 20 years ago when the community had completely filled up that subdivision, and when the developer was selling off land that the developer had suggested would be school sites, selling off those sites and developing them for more residential properties. So now we're responding to that and we're responding to it by working with the developer. Ladco is also part of that discussion in terms of an appropriate site and anticipating the need that will be there when the subdivision grows the way it is anticipated to grow.

**Mr. Schuler:** Oh, why we love at the Estimates process. So 20 years ago, there was a necessity for a high school. Today, where we're facing the prospect of 30,000 more homes, we don't want to build a high school until the bodies are there, but they've been there for 20 years. No, with that kind of logic, one wouldn't want to accuse the minister of speaking out of both sides of his mouth. We wouldn't want to do that, so I will focus the minister back on the question.

Can the minister tell us, has a site been selected for the high school, and can he tell us the physical description of that site location?

**Mr. Bjornson:** I would like to remind the member that 20 years ago was the peak of enrolment in the province of Manitoba. Over the past 20 years, enrolments have declined quite substantially in the province of Manitoba. That is why I refer to the fact that the numbers would have warranted, at that time, a school. That being said, I know students were transferred by bus to attend schools in neighbouring communities.

The member has asked, will I confirm a site. I believe I've said in three answers that a site has been selected for a high school. In terms of a description for the site, is he talking about the legal title, parish, all the other descriptors that would be attached to that title? I'd like to ask the member for clarification on that.

**Mr. Schuler:** You know, maybe if the minister could just tell us on, for instance, what streets will border the property of where that school is to be

located. I think that's what this committee is looking for.

\* (16:40)

**Mr. Bjornson:** I've just been advised that the site is east of the Kenaston extension. The Kenaston extension, as the member would likely know, has not been built yet, and that would be located south of what is described in the development plan—south of what is described as neighbourhood A, which is currently under construction.

**Mr. Schuler:** I just want to go back, the minister mentioned that, 20 years ago, a high school should have been built at the peak. I would suggest to the minister probably that wasn't the time when they should've been building a high school. They should actually build with some anticipation that there's going to be continued growth and not necessarily build at the peak because the school would then, basically, have sat empty 10 years later if you build at the peak.

What we would like to indicate or know from this minister—maybe he could indicate, now that he has a site selected, and I take it it's been set aside, that it is now set aside legally in the development plan. I know the minister is just getting some information. I take it that it is now a legal set-aside in the development plan.

Madam Chairperson, I'll rephrase that in the form of a question. That was more of a statement. Has that location been identified as a—it's now legally identified as a site for a high school in the development plan? Question.

**Mr. Bjornson:** Well, I can advise the member that currently the site has been identified on the preliminary planning and that it will be legally identified once the development plan is final, which, I think, speaks to our commitment. We're ahead of the game here in terms of the site selection. It's clear that we would like this site for the construction of a high school. So that's part of the work that the Public Schools Finance Board has been doing with the developer and with Pembina Trails School Division, that this will be part of that development plan once it is submitted for final approval.

**Mr. Schuler:** My question to the minister is, as we know from the other facilities that have been put forward as to be built, we know full well that this is not something that happens from today until tomorrow, there is a lot of work that has to go into

them—drawings, so on and so forth. I suspect there will be community consultation, that kind of thing.

Is the minister at all looking at beginning that process so that when the time comes to build the high school, at least there will have been some discussion, some indication of what kind of facility they'd be looking at? I know it will be tough to consult with the local neighbours, because currently there aren't any. But, to actually begin the process, have they given the school board some indication to start the process of looking at what kind of facility they'd like to look at?

The process can take a long time, and, even with the renovations of the schools that the minister has mentioned, those schools are currently full. Even with those, they'd be hard pressed to take a lot more students. Just on a go-forward basis, what kind of proactive work is the minister planning?

**Mr. Bjornson:** The member might recall that there was a lot of discussion around the potential for this site to be not only a high school but also to partner with other entities such as the City of Winnipeg. I know that federal Cabinet ministers of the previous and the current government have been part of that discussion as well as an area member of Parliament who just discussed the possibility that this site should not just be for high school, but also to look at some other amenities that currently are lacking in the area with respect to a community recreation complex as well. We're being proactive in terms of identifying the site and the recognition that the site is also large enough to consider that as part of the community planning process.

It's an opportunity to do something very unique in the city of Winnipeg in that you can have a recreation complex attached to the site or attached physically to the building or certainly in proximity to the school on that same site, as there's ample room on the acreage that is being designated as such.

I know Pembina Trails has been in discussion with the city to this end, and they think it would be a fit, and certainly I do as well. I know that, as I said, federal members of Parliament have been part of that discussion. The part that they haven't been discussing, of course, is the funding because schools are entirely the responsibility of the provincial government unless it's First Nations capital which is federal jurisdiction.

That being said, it would be interesting to see what federal MPs could bring to the table in that

discussion. It makes perfectly good sense to have a vision for a community that includes not only the educational institutions, but the recreational opportunities that could be tied into that site and could be part of one large complex. Yes, there is planning to that end.

There is discussions going on right now with the City of Winnipeg and Pembina Trails School Division. In fact, I believe there are meetings being hosted by Pembina Trails School Division to explore what options could be available, and what partnerships could be forged in an effort to provide not only an educational institution, but a recreational institution for that community as the community grows. It's a very unique opportunity that has engaged a number of different partners at the table in the conversation about what that could look like.

**Mr. Schuler:** My question to the minister is, when he put a one-hour cap on riding the bus, I take it that applies to every student in the province?

**Mr. Bjornson:** There's currently not a cap, as the member suggests. It's a target essentially for school divisions to try their best and make their best effort to keep the bus rides to a maximum one hour. We do recognize that there will be circumstances where that's not at all feasible. We do know that there are some students that regardless of what you do, driving a speed limit or driving to road conditions, some students do travel a tremendous distance in rural Manitoba to get to their schools.

Certainly, we recognize that riding the bus in the city of Winnipeg is very different in the fall and in the spring than it is in the winter in terms of that time frame. What we're asking school divisions to do is make their best efforts to minimize the bus ride time for students, because we recognize that that could have an impact on learning. Certainly, I know what's happened in the past, having seen that, as a rural Manitoban, they would buy bigger buses and create longer bus routes. You'd see school buses where they might have previously carried 30 or 40 children suddenly carrying 50 or 60 in some places, which means those children are on the bus for a long time.

\* (16:50)

I know my son was the first to be picked up in kindergarten on his bus route and spent 45 minutes driving around the countryside before he made it five kilometres to his school. So we know that there are a lot of variables that impact bus ridership for students, but we're saying to the school divisions, we think

that we should be looking at a best effort to reduce the bus travel time for our students and hope that they would be able to do so to the benefit of all students that happen to travel on our buses.

Dr. David Yeo is joining us at the table and this is a part of his bailiwick, if you will, so if the member has a subsequent question, he's here to assist me in that regard.

**Mr. Schuler:** As we wait for the developer, which is the minister and his government, and the Department of Education, which is this minister and his government, to decide when they're going to build this much-needed high school, one of the recommendations that came from this minister and one suggestion was that perhaps students could be bused into St. James.

My comment to that is, would that not violate his one-hour maximum bus ride if that was, in fact, to take place? Because if you keep in mind road conditions, if you keep in mind traffic conditions, so on, so forth, that would have put those buses more than likely over the one-hour cap that the minister had put on for busing of students. My point to the minister is, as all the other high schools fill up and we wait for the renovation projects which are, again, a Band-aid solution, and we wait for the minister to be confident that, although 20 years ago there was already a need for a high school and now 30,000 more homes are going to be built, while we wait for the minister to come down on one side or the other on this issue, students are going to have to be bused further and further away, how does the minister rectify that with his desire to have a one-hour cap for students on a bus ride?

**Mr. Bjornson:** Once again, I'd ask the member not to put words in my mouth. It was not myself or my department that suggested, in any way, shape or form, that students from Pembina Trails would be bused to St. James. There was an independent report that had been commissioned to look at the short-term and long-term needs of school capital, and the independent third party suggested that St. James school division should not sell Silver Heights Collegiate, as it could be potentially a site for students from Pembina Trails. That was a suggestion by the consultant. That was one that we immediately rejected. So, for the member to suggest that that was my idea or my department's idea, is completely and utterly false.

Again, the cap that he refers to is not a cap. I have to remind the member that it is a target, and it's

also a target that we have allowed five years for the school divisions to attain. There could be a lot of changes in dynamics in the school divisions over the next five years in enrolment, in demographic shift within certain school division boundaries. There's a number of variables that would come into play, but ultimately we would hope that school divisions could reach that target. Again, we do recognize that there are some areas where that's simply not possible unless you're going to develop some rapid transportation that would operate within the rule of law as far as speed to get a student to school. We know that that's going to be impossible in some areas because of the distance that students have to travel.

The distance that you're talking about, if you measure it in terms of time only, yes, I recognize that travelling through the city of Winnipeg, in different parts of the city, is not without its challenges. The two seasons that we have, construction and winter, could have impacts on a variety of transportation routes that could make it difficult to meet that target of one hour, but, again, that's something that school divisions will have to work towards, that goal, and hopefully achieve that goal, because we know that it's better for kids to be sitting in classrooms and not on the bus for a prolonged period of time on either end of that school day.

So it is a target, not a cap, a target, and we would hope that school divisions make their best effort to meet that target and realize that not all school divisions will be able to do that for every student in Manitoba.

**Mr. Schuler:** To the minister, then, the developer, which one can easily confuse with the minister because they're actually the same thing—the developer and the minister are one in the same, and, I suspect in agreement that the students, then, would be picked up and will be bused further and further away as the developer and the minister waffle on when it's an appropriate time to build a high school, which the minister said actually would have worked 20 years ago going forward.

It leaves a lot of unease and confusion in the community. In fact, I learned something over the weekend. In the United States, in a lot of states, when you go to buy a house, they actually list the school division as part of the listing. It's a very big part of it because parents are very concerned where their kids are going to school and the reputation of

the school division and so on and so forth, as are all parents; they want to know what kind of access they're going to have to schools, what kind of facilities their children are going to. How are their children going to be educated? In this case, the developer/Minister of Education is all of a sudden and it's sort of like the *Pirates of the Caribbean*, Captain Barbossa saying that the pirate's code is, well, more of a guideline than a code.

A year ago we had the minister thumping the table hard and fast—we're going to put a cap on it. Not 30 seconds more than an hour, and now the minister sits there and says, well, it's more of a guideline. It's not really a hard and fast. I've no idea why we went through that whole process, and I'll make sure I take the minister's words out of *Hansard*. We'll mail that out, so that everybody knows it's a guideline. This isn't a policy or anything more than guideline.

Again, what is going to concern individuals who would like to buy and perhaps build in this development is that their children are going to be bused, by the minister's own words, for an hour or more. They'll have to find the most convenient school. Does the developer/minister find that acceptable?

**Mr. Bjornson:** Perhaps the member was watching a different Disney movie with some fellow pounding his fists saying it is a cap. I never said that it would be a cap. I have always said that it would be a target, and we would hope school divisions would work towards that target. I think everyone will agree that students are better served to be spending more time in the classroom and less time on the buses.

Certainly, working with our partners in the school division to achieve that end, I think, is a very admirable goal. Again, I would ask the member not to put words in my mouth and not to create some fictitious scenario of me pounding my fist on the table, because I'm not known as a table pounder, quite frankly. I don't think I've done that in my five and a half years as minister.

Again, the issue of being the developer and working with the community, we are way ahead of the curve on this particular issue because we have the luxury of having been the property owner in this particular scenario. We do have to work with the developers, and that's unprecedented, quite frankly, because I heard from the parents that met with me

who were lobbying for the school in Fort Whyte the other day. They said, yes, we moved into our homes, and many of us had lots that backed onto open fields. The developer told us, they said this is where the school will be built. Well, certainly, the member must be familiar with the process, that it is the Public Schools Finance Board that makes that determination with the school division—not the developer. That's been the past practice, but today the practice is working with the developer. That includes Ladco, it includes ourselves as government, and it includes Pembina Trails School Division, to identify the site

where a school will be built. That's the difference. We're treading on new territory here.

**Madam Chairperson:** The hour being 5 o'clock, committee rise.

Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** The hour being 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 27, 2009

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