

**First Session - Fortieth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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

*Published under the  
authority of  
The Honourable Daryl Reid  
Speaker*

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

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ALLAN, Nancy, Hon.	St. Vital	NDP
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
ASHTON, Steve, Hon.	Thompson	NDP
BJORNSON, Peter, Hon.	Gimli	NDP
BLADY, Sharon	Kirkfield Park	NDP
BRAUN, Erna	Rossmere	NDP
BRIESE, Stuart	Agassiz	PC
CALDWELL, Drew	Brandon East	NDP
CHIEF, Kevin, Hon.	Point Douglas	NDP
CHOMIAK, Dave, Hon.	Kildonan	NDP
CROTHERS, Deanne	St. James	NDP
CULLEN, Cliff	Spruce Woods	PC
DEWAR, Gregory	Selkirk	NDP
DRIEDGER, Myrna	Charleswood	PC
EICHLER, Ralph	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FRIESEN, Cameron	Morden-Winkler	PC
GAUDREAU, Dave	St. Norbert	NDP
GERRARD, Jon, Hon.	River Heights	Liberal
GOERTZEN, Kelvin	Steinbach	PC
GRAYDON, Cliff	Emerson	PC
HELWER, Reg	Brandon West	PC
HOWARD, Jennifer, Hon.	Fort Rouge	NDP
IRVIN-ROSS, Kerri, Hon.	Fort Richmond	NDP
JHA, Bidhu	Radisson	NDP
KOSTYSHYN, Ron, Hon.	Swan River	NDP
LEMIEUX, Ron, Hon.	Dawson Trail	NDP
MACKINTOSH, Gord, Hon.	St. Johns	NDP
MAGUIRE, Larry	Arthur-Virden	PC
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor, Hon.	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
McFADYEN, Hugh	Fort Whyte	PC
MELNICK, Christine, Hon.	Riel	NDP
MITCHELSON, Bonnie	River East	PC
NEVAKSHONOFF, Tom	Interlake	NDP
OSWALD, Theresa, Hon.	Seine River	NDP
PEDERSEN, Blaine	Midland	PC
PETTERSEN, Clarence	Flin Flon	NDP
REID, Daryl, Hon.	Transcona	NDP
ROBINSON, Eric, Hon.	Kewatinook	NDP
RONDEAU, Jim, Hon.	Assiniboia	NDP
ROWAT, Leanne	Riding Mountain	PC
SARAN, Mohinder	The Maples	NDP
SCHULER, Ron	St. Paul	PC
SELBY, Erin, Hon.	Southdale	NDP
SELINGER, Greg, Hon.	St. Boniface	NDP
SMOOK, Dennis	La Verendrye	PC
STEFANSON, Heather	Tuxedo	PC
STRUTHERS, Stan, Hon.	Dauphin	NDP
SWAN, Andrew, Hon.	Minto	NDP
TAILLIEU, Mavis	Morris	PC
WHITEHEAD, Frank	The Pas	NDP
WIEBE, Matt	Concordia	NDP
WIGHT, Melanie	Burrows	NDP
WISHART, Ian	Portage la Prairie	PC

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 2, 2012

*The House met at 1:30 p.m.*

**Mr. Speaker:** O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom, and know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Good afternoon, everyone. Please be seated.

### ROUTINE PROCEEDINGS

#### INTRODUCTION OF BILLS

##### **Bill 19—The Use of Animals to Shield Unlawful Activities Act**

**Hon. Andrew Swan (Minister of Justice and Attorney General):** I move, seconded by the Minister of Housing and Community Development (Ms. Irvin-Ross), that Bill 19, The Use of Animals to Shield Unlawful Activities Act; Loi sur l'utilisation d'animaux dans le cadre d'activités illégales, be now read a first time.

*Motion presented.*

**Mr. Swan:** This bill is intended to address situations where persons use animals to enable them to engage in unlawful activities. This bill will create a new provincial offence of using animals to protect property on which unlawful acts are occurring. This bill, Mr. Speaker, is another measure to protect our first responders, protect the public, prevent the improper treatment of animals and continue to make Manitoba a hostile environment for criminal activity.

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

##### **Bill 210—The Participation of Manitoba in the New West Partnership Act**

**Mr. Dennis Smook (La Verendrye):** I move, seconded by the member from Emerson, that Bill 210, The Participation of Manitoba in the New West Partnership Act, be now read for a first time.

*Motion presented.*

**Mr. Smook:** Mr. Speaker, this bill would require the government of Manitoba to get into contact with the governments of British Columbia, Alberta and Saskatchewan to begin negotiations to join their economic partnership known as the New West Partnership. The bill would require the government to do this within one year after the bill receives royal assent. I urge all members of this government to support this bill.

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

Any further bills?

### PETITIONS

#### **Personal Care Homes and Long-Term Care—Steinbach**

**Mr. Kelvin Goertzen (Steinbach):** I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The city of Steinbach is one of the fastest growing communities in Manitoba and one of the largest cities in the province.

This growth has resulted in pressure on a number of important services, including personal care homes and long-term care space in the city.

Many long-time residents of the city of Steinbach have been forced to live out their final years outside of Steinbach because of the shortage of personal care homes and long-term care facilities.

Individuals who have lived in, worked in and contributed to the city of Steinbach their entire lives should not be forced to spend their final years in a place far from friends and family.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health to ensure additional personal care home and long-term care spaces are made available in the city of Steinbach on a priority basis.

Mr. Speaker, this petition is signed by T. Enns, J.M. Enns, D. Hoepfner and hundreds of other Manitobans.

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

#### **Cellular Phone Service in Southeastern Manitoba**

**Mr. Cliff Graydon (Emerson):** I wish to present the following petition to the Legislative Assembly.

And this is the background to this petition:

During early October 2011, parts of southeastern Manitoba were hard hit by wildfires. Thanks to the swift action of provincial and municipal officials, including 27 different fire departments and countless volunteers, no lives were lost and property damage was limited.

However, the fight against the wildfires reinforced the shortcomings with the communications system in the region, specifically the gaps in cellular phone service.

These gaps made it difficult to co-ordinate firefighting efforts and to notify people that they had to be evacuated. The situation also would have made it difficult for people to call for immediate medical assistance if they had required—if it had been required.

Local governments, businesses, industries and area residents have for years sought a solution to this very serious communication challenge.

We petition the Legislative Assembly as follows:

To urge the appropriate provincial government departments to consider working with all stakeholders to develop a strategy to swiftly address the serious challenges posed by the limited cellular phone service in southeastern Manitoba in order to ensure that people and property can be better protected in the future.

And this petition has been signed by D. Gosselin, R. Kenda and J. Casson and many, many fine Manitobans.

\* (13:40)

#### **Introduction of Guests**

**Mr. Speaker:** Prior to oral questions, I wish to draw the attention of honourable members to our public gallery where we have today with us 44 grade 9 students from Kildonan-East Collegiate under the direction of Mr. John Thompson and Mr. Lawrence Sangster. This group is located in the constituency of the honourable member for Concordia (Mr. Wiebe).

On behalf of honourable members, we welcome you here today.

#### **ORAL QUESTIONS**

##### **Election Campaign (2011) Regulation Breaches by Government**

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Through the course of the budget debate over the past two weeks, Manitobans have become aware of this Premier's broken promise to Manitobans not to raise taxes. What they weren't aware of until this morning was that, in addition to breaking promises, members of this Premier's government also broke the law when it came to running the election campaign.

Mr. Speaker, we've got one minister, his Minister of Health (Ms. Oswald), who's named by the Commissioner of Elections, we've got staff from within the Premier's office and within government: they broke the law.

I want to ask the Premier: Will there be any accountability within his government for these breaches of The Elections Act?

**Hon. Greg Selinger (Premier):** I thank the member for the question. It is important that we respect the judgments brought down by the commissioner for Elections Manitoba, and where a commissioner decides that we have done something that did not follow the act, we will take—accept our responsibility for that.

The commissioner did note in the one case that he believed that the misunderstanding of how the act should be applied was understandable and did not believe it was intentional. But in spite of those comforting comments, we accept full responsibility for the decision that has been rendered by the commissioner.

**Mr. McFadyen:** They could be excused for a misinterpretation of the act if it hadn't been for the fact that, in 2008, their former minister of Finance, Rosann Wowchuk, was also found guilty under the very same section of the act for doing virtually the same thing. And so, Mr. Speaker, there was a different commissioner in place at the time, Mike Green; there's a new commissioner who may not have been aware of the earlier breach.

I want to ask the Premier: In light of the fact that they knew the law—what the law was and yet they went ahead and broke it anyways, will there be any consequences?

**Mr. Selinger:** Again, Mr. Speaker, we accept the judgment of the commissioner. We do note that the commissioner stated clearly that he did not believe that the breach of the act was intentional. He expressed the view that he thought it was understandable how that act could have been misunderstood and that it was not intentional.

But we accept full responsibility for the decision that was rendered by the commissioner, and we do not dispute his finding.

**Mr. McFadyen:** Mr. Speaker, the trouble is that they had been found guilty once before. Rosann Wowchuk, the former Finance minister, was found guilty for breaching a very—for doing something very similar in the context of an earlier by-election. They knew what the law was; they arrogantly went ahead and did the event in any case.

So what we see with the government is a misuse of civil servants for political purposes. We have a track record in terms of their schemes under The Elections Act from prior years, including issuing federal tax credits for provincial donations, including falsifying—deliberately falsifying election returns in order to get the higher rebates than what they were entitled to, including the improper use of volunteer labour. There's a pattern of corruption in the government.

Will the Premier do something about it?

**Mr. Selinger:** Mr. Speaker, again on the specifics of this finding by the elections commissioner, we accept them without equivocation, the findings. The commissioner did indicate that he did not believe that the breach of the act was intentional. He indicated that he thought it was understandable how the act, given its lack of definition, could have been misinterpreted. But we accept full responsibility for the finding.

And in any case where the election commissioner makes a recommendation, we take it very seriously, and we will look forward to finding ways to clarify and improve performance in the future.

#### **Election Campaign (2011) Regulation Breaches by Government**

**Mr. Kelvin Goertzen (Steinbach):** Mr. Speaker, we often talk about the horrible reoffence rate that we have here in Manitoba, and nowhere does it seem that the reoffence rate is worse than in the NDP Cabinet.

Violation after violation, election after election, and one of the reasons that our reoffence rate is high is because there's no consequences when somebody breaks the law. I've heard the Premier himself say that in the past in a different context.

Now that his Minister of Health (Ms. Oswald) has been found to have violated the law, can he tell us whether or not there is going to be consequences, or is he content with having a revolving door of election breakers in his caucus?

**Hon. Greg Selinger (Premier):** Mr. Speaker, we accept the responsibility for the decision rendered by the commissioner, but it is important to note that the commissioner did not believe the breach was intentional. The commissioner did indicate that he thought it was understandable, given the lack of clarity of this section of the act, how that could have been done.

But, nonetheless, we fully accept responsibility for it. The member knows that. So, to try and exaggerate the motives behind it I think is unfortunate. It was done believing that it fully complied with the act, but now that it has been rendered—the decision has been rendered that it does not comply with the act, we take that as guidance for future behaviour.

**Mr. Goertzen:** Well, it doesn't appear he takes it seriously because there's no consequences, Mr. Speaker. In 1999 the Premier himself falsified his own election returns. The only one who paid a consequence for that was the chief electoral officer. Last term, then, the then-minister of Finance, well, she was found guilty of breaking the election laws. There was no consequence. Two-for-one tax receipts, no consequence. We've seen other violations, and now we have a new one where the Minister of Health has been seen to be breaking the election laws.

I'm asking him whether or not he takes these seriously. He talked in the past about wanting to have greater voter confidence, greater voter turnout. Maybe the first place he should look is within his own Cabinet to see what reforms can happen there and what consequences could happen so people could have confidence in the electoral system.

What are you going to do within your own house, Mr. Premier?

**Mr. Selinger:** I actually appreciate the question from the member of Steinbach. I think it is important any time a commissioner has rendered a judgment about

how the act should be interpreted that we should take it seriously, and we shall look towards what measures we can take to ensure these breaches don't occur in the future. Clarification, change in behaviour: those are all reasonable requirements when a decision is being made.

We do take it seriously. I thank the member for the question because, you know, this could happen to other members. It has happened to other members, but we put these laws in place to make democracy work as transparently and as fairly as possible in Manitoba. That's why we brought in the law to ban corporate union donations. We were only the second province in Canada to do that. That's why we look at increased measures for transparency, including public advertising.

We are very interested in ensuring that democracy works for all Manitobans and that they have the ability to influence democracy in an even-handed and fair way. So we will take this recommendation seriously.

**Mr. Goertzen:** Mr. Speaker, falsified election returns, cheques during elections, government resources used during elections, two-for-one tax receipts—I guess why we're creating a list, I'll table for the House a report by the elections commissioner on the last election indicating that the Minister of Conservation (Mr. Mackintosh) broke section 48 of The Elections Act three times during the last election, so I'll add him to the list.

It's hard to keep track of all these offenses. The only thing that's easy to keep track of is that there's no consequences. No wonder the Attorney General (Mr. Swan) needs more prosecutors. All the lawbreakers are beside him. Mr. Speaker, it's time that we have consequences for these very serious violations of the act.

I want to ask the Premier: Will he show a little bit of leadership? Will he show leadership by ensuring there are consequences? Will he show leadership by ensuring that he's taking real action on this, or is he just an empty suit?

**Mr. Selinger:** Mr. Speaker, I always appreciate the polite and congenial way the member from Steinbach asks questions. He always distinguishes himself by his ability to rise to the occasion to make his comments. He's well known for the ability to say sweet nothings in the House, Mr. Speaker.

The reality is this: There was a complaint made. There were five complaint may-complaints made,

one of which resulted in a recommendation and a judgment by the commissioner that the act was unintentionally breached. We accept responsibility for that. We will ensure that that decision provides guidance to future behaviour on the part of the government.

There were other complaints made that were dismissed. It's useful to go through this process because it clarifies the meaning of the legislation in practical situations that we all could find ourselves in the future. We think this legislation allows democracy to manage itself more transparently in the best interests of all Manitobans, because fair elections are what we want—

\* (13:50)

**Mr. Speaker:** Order, please. Order, please.

#### **Assistant Deputy Minister Appropriateness of Email**

**Mrs. Mavis Taillieu (Morris):** Mr. Speaker, in an email dated April 17th regarding an NDP political rally, the assistant deputy minister of Immigration says, and I quote: "I would like service agencies, especially, to feel free to release staff and clients to attend tomorrow's session in the gallery of the Legislature, if they choose." End quote.

Mr. Speaker, in an interview on CJOB last night, the Minister of Immigration and Multiculturalism said, and I quote: The emails that you're talking about, this is not unusual. This is continual communication.

Mr. Speaker, not unusual? If this is common practice in the Department of Immigration, then this is despicable.

I ask this minister: Is it common practice to use members of the civil service under this NDP government to send out emails and communications to staff encouraging them to attend NDP political rallies, yes or no?

**Hon. Christine Melnick (Minister of Immigration and Multiculturalism):** Well, Mr. Speaker, this is not a partisan issue. And we were sincerely hoping that members opposite would be standing up with us and other Manitobans for Manitoba.

The member has it wrong. In fact, the public servants—the email that was sent out to public servants said, and I quote: "I expect that some staff will be interested in attending in the gallery tomorrow. I would strongly recommend against this

because if staff are recognized in the gallery we would only be providing grounds for more criticism of the government as wasting taxpayers' money."

Here we have the ADM sending out an email, in fact, telling staff not to attend. The members opposite have it wrong. They are not focusing on the important issue of maintaining the most successful settlement services program in the country of Canada, Mr. Speaker. They still have time to get on board. They still have time to stand up for Manitoba.

**Mr. Speaker:** Order, please.

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

**Mr. Speaker:** We're very early into the question period here this afternoon, and I'm having difficulty hearing the answers to the questions that've been posed by the members. I ask for the co-operation of all honourable members. Please allow me to hear the questions and answers because if there was a breach of the rules, I'm sure you'd want me to take steps to take that under advisement and correct. So I ask for your co-operation.

**Mrs. Taillieu:** I should remind this minister if she's quoting from that email, where is it? Why isn't she tabling that email, Mr. Speaker? And what that—what she's saying here, if that email is true, and we haven't seen it except in media reports, it suggests that they knew what they were doing was wrong. They don't wanted to be caught in the gallery because they'll be recognized. So they knew what they were doing was wrong. They might get caught. Isn't that an admission of guilt?

So I ask the minister again: Is it commonplace in her government department to encourage staff to attend NDP political rallies, yes or no?

**Ms. Melnick:** Well, you know, the opposition needs to choose their position. First, it's bad that emails were sent, that they assume were being sent for staff to come. Now they're saying it's bad that an email was sent telling staff not to come. You can't have it both ways, Mr. Speaker.

We stand for Manitoba, Mr. Speaker. We have one position: We are building this economy, we are building this province, and we are welcoming the world. And I'm very happy to table the email.

**Mrs. Taillieu:** Well, Mr. Speaker, it's just a little too rich that this email surfaces two weeks later. What they are admitting in that email is that they didn't want their staff to show up in the public gallery and be recognized as taking time off work to attend the

NDP political rally. And that is shameful. They're just trying to spin this around. They know it's wrong, and they're trying to get out of it.

She's not answering the question we've posed here today, so I'm going to ask the Premier (Mr. Selinger). Does he agree with the Minister of Immigration that this is normal for his minister to direct the civil service to get involved in partisan politics, yes or no, Mr. Premier?

**Ms. Melnick:** Now, Mr. Speaker, talk about spin. Yesterday it was a bad email was sent telling people to come. Today it's a bad email was sent telling people not to come. They are spinning themselves.

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

**Mr. Speaker:** Order, please.

I think if I could give any advice to the members of the Assembly, we're wasting precious question period time. I would encourage all honourable members to keep the level down a little bit to allow answers to the questions that have been posed by the honourable member for Morris.

The honourable Minister of Immigration and Multiculturalism has the floor.

**Ms. Melnick:** Thank you, Mr. Speaker.

The real issue here is what will the member from Morden-Winkler say to people who ask him how he is defending the immigration system in Manitoba? What will the member from Steinbach say? What will the member from Brandon West say? And what will the member from Morris say when she is the one who wanted a standing vote on the resolution—

**Mr. Speaker:** Order, please. Order.

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

**Mr. Speaker:** Order, please.

I'm sure all honourable members want question period to proceed. I'm having a great deal of difficulty hearing the answers that are posed to the questions. Once again, I'm asking for the co-operation of all honourable members.

We have the public who is observing the proceedings here this afternoon, and I'm sure that they would want their members of the Assembly to act in the best regards, in sense of the operation of this Assembly.

So I'm asking for the co-operation of all honourable members. Please allow question period to

proceed to make sure that members of our viewing public will have the chance to hear the questions posed and also the answers to those questions.

The honourable member for Tuxedo has the floor.

**Assistant Deputy Minister  
Appropriateness of Email**

**Mrs. Heather Stefanson (Tuxedo):** The very fact that an ADM of the Department of Immigration is sending out any emails at all regarding an NDP rally at the Manitoba Legislature is inappropriate.

Mr. Speaker, let's go back to—let's—let me just quote what it says in the email that the minister just tabled in the House. It says: I would strongly recommend against this because if staff are recognized in the gallery we would only be providing grounds for criticism of the government as wasting taxpayers' money.

Oh, Mr. Speaker, well, not because it's wrong what he's doing and what her department is doing, but because they might be caught. That is absolutely unbelievable.

Does the Minister of Immigration believe that it is appropriate for public servants in her department to help co-ordinate political rallies for this NDP caucus, yes or no?

**Hon. Christine Melnick (Minister of Immigration and Multiculturalism):** Mr. Speaker, the community is very, very concerned about what is going to happen for—with immigration. I'll remind members we received a phone call on the Tuesday after the Easter long weekend that the federal government was unilaterally making a decision to cancel the settlement services annex of the Canada-Manitoba Immigration Agreement.

This is an agreement that their predecessors negotiated, Mr. Speaker. We thought they would stand up for their own agreement. This is an issue that Manitobans are talking about. This is an issue about the growth of the community. Community members asked the department to keep them informed. They asked to be involved in this very serious issue. Communication between the department and between the community at large is very, very important.

In fact, it's how we built the best model in Canada, not by muzzling people, allowing them to communicate so that we're able to welcome newcomers from 137 countries.

\* (14:00)

**Mr. Speaker:** Order, please. Order, please. Order, please.

**Mrs. Stefanson:** Mr. Speaker, there seems to be a pattern developing within this NDP government of using public servants and public money to push their own political agenda. We saw it with the Minister of Health (Ms. Oswald) where she broke the rules in the last election campaign. We saw it two weeks ago with the Minister of Immigration when her ADM helped to co-ordinate a political rally at this very Manitoba Legislature.

What's worse, Mr. Speaker, is that the Minister of Immigration seems to think that this is acceptable behaviour. She said in an interview with the *Winnipeg Free Press*, and I quote: "This is not unusual for the department to communicate. This happens on an ongoing basis."

Mr. Speaker, does the Minister of Immigration really believe that it's appropriate for public servants in her department to co-ordinate political rallies on behalf of her NDP caucus, yes or no?

**Ms. Melnick:** You have to wonder what the real agenda is on the other side of the House. Do they not want people to come and see this House in action, Mr. Speaker? Do they not want the departments to work effectively with the over 200 not-for-profits and institutional organizations welcoming newcomers? Do they not want newcomers? Do they not want to grow this economy? Do they not want people in a healthy democracy to speak openly about what their concerns are, to see their elected officials at work? Are they trying to muzzle this debate in Manitoba?

**Mrs. Stefanson:** Well, Mr. Speaker, Manitobans know that it is absolutely inappropriate for public servants to engage in political behaviour like this. The arrogance of this government to think that it is okay to break the rules of the public service to suit their own political agenda is absolutely unacceptable.

Since the Minister of Immigration seems to think it's okay, I want to ask the Premier today if he thinks it's okay. Does he believe that it's appropriate for public servants to help co-ordinate political rallies for his NDP caucus, yes or no?

**Hon. Greg Selinger (Premier):** Mr. Speaker, I appreciate the question because when members of the public, including non-profit organizations, ask for information of public officials, the public



officials usually try to give them that information, and that's what happened here.

The way the member opposite characterizes it completely ignores the history of this program in Manitoba. This program was initiated under the former Filmon government. It had bipartisan, non-partisan support all throughout the entire course of the program, and it's been supported until very recently, by all political parties in the House, all sectors of the community.

It was perceived as a non-partisan program for the benefit of Manitoba to grow the economy in Manitoba, and the public servant in question acted in the belief that he was doing what was in the best of all interests of Manitobans.

### **Strand Theatre Project (Brandon) Funding Concerns**

**Mr. Reg Helwer (Brandon West):** Mr. Speaker, Manitobans expect that they all have equal access to this government and that there are no special favours nor influence peddling.

Yesterday we heard from the member from Brandon East that he had requested that the Strand project in Brandon be fast-tracked, and comments in the *Brandon Sun* say that this request is made frequently. The Premier told us that this is not the case.

Who are we to believe, Mr. Speaker?

**Hon. Greg Selinger (Premier):** We clarified this. The member for Brandon West—the member for Brandon East (Mr. Caldwell), unlike the member for Brandon West, is a passionate, committed person who supports good things happening in Brandon. And I clarified that when those projects come forward, they are treated not unlike any other project, on their merits, and there was no fast-tracking.

**Mr. Helwer:** I don't believe my questions were answered yesterday and, again, the Premier is deflecting the question. Residents of Brandon are confused by the conflicting messages this government is sending.

Who do we believe? Indeed, can we believe them at all?

**Mr. Selinger:** Mr. Speaker, in this budget, for Brandon we announced four new firefighter paramedics. We didn't fast-track them; we put them in the budget as we said we would in the election. We announced continued support for expanded

recreation opportunities, including for the Brandon University Wellness Centre. We didn't fast-track it; we put in the budget as we said we would do. We announced more support for downtown revitalization, including the McKenzie seed buildings. We announced—we've announced recently \$5 million for the diking project.

And the member from Brandon West has voted against each and every one of these initiatives. The member for Brandon East (Mr. Caldwell) has passionately supported these investments, and we will continue to support good things happening in Brandon.

**Mr. Helwer:** Mr. Speaker, you know, I didn't raise the issue, but the Premier, in comments to the media, did. He raised the issue of conflict of interest.

Does the Premier believe there is a conflict of interest in the Strand project?

**Mr. Selinger:** Mr. Speaker, as I did yesterday and as I have done today, all good ideas that come from the community of Brandon are considered on their merits.

Some people, on this side of the House, support them and put resources in the budget to allow them to happen. Some members on the other side of the House, including the member from Brandon West, oppose them and vote against them. The people of Brandon will decide who's serving their best interests.

### **Freedom of Information Requests Government Record**

**Mr. Stuart Briese (Agassiz):** Mr. Speaker, yesterday we raised questions about this NDP government wanting to charge the *Winnipeg Free Press* a staggering \$1,881,699 for two freedom of information requests related to flood compensation that it claimed would take 62,723 hours to process. In the face of some bad publicity, the government has retreated, promising to provide the information by the end of this week and apparently for free. This raises a larger issue of how this NDP government handles freedom of information requests.

Mr. Speaker, will the Minister of Culture, Heritage, and Tourism—I ask, why does it take bad publicity for this government to change its tune, come up to—with 'transparency'. Why the flip-flop?

**Hon. Flor Marcelino (Minister of Culture, Heritage and Tourism):** And I thank my esteemed colleague for the question. I would like to reiterate

that periodically, concerns are raised about the government's performance in providing access to information under the freedom of information and protection act, FIPPA. And this promotes public access to the information held by government, its agencies, its public bodies.

We provide a large amount of information to citizens through important channels including the phone, the internet and in person, and we will continue to look for new opportunities to improve transparency and increase the amount of information to citizens.

**Mr. Briese:** Mr. Speaker, the hefty fee request made of the *Winnipeg Free Press* is not an isolated case when it comes to NDP government trying to stymie access to informations.

For example, our research staff had requested a government department copies of any correspondence sent to senior staff within the department related to achieving cost savings for the fiscal years ending March 31st, '08, '09, '10, '11 and '12. Three departments wouldn't provide the information. The others demanded a combined fee request of \$90,900 to provide it.

Mr. Speaker, why does this NDP government hide behind fee requests when it doesn't want to share information that white reveal its fiscal incompetence? Will they make it available now?

**Ms. Marcelino:** All request for FIPPA are being handled and taken very seriously. As a matter of fact, in 2011, 81 per cent of responses were provided on time. And, Mr. Speaker, in 2011, Manitoba received a grade of A in the annual Canadian Newspapers Association freedom of information audits.

Also, Mr. Speaker, and everyone knows this, the Manitoba government proactively releases ministers' expenses on an annual basis through department websites. Also, ministers' out-of-province travel expenses are released on a quarterly basis. Additional examples of proactive disclosures in Manitoba include online release of orders-in-council, *Hansard*—

\* (14:10)

**Mr. Speaker:** Order, please. The member's time has expired.

**Mr. Briese:** I presume from what's happened in the last two days that all the FIPPA requests are going to be provided for free from now on.

Mr. Speaker, slow response times to freedom of information requests, only partial information provided, use fee requests, all methods this government uses to avoid accountability.

For example, we asked for the total cost incurred by each department and filed in the 2011 flood. Yet we've been refused the specific information and instead directed to a website with only limited information about the cost of the flood. This is not transparency.

Mr. Speaker, since the Minister of Infrastructure claims this government has nothing to hide, is it now committed to providing greater access to information without using the roadblocks of exorbitant fee requests, stalling, or failing to provide complete responses? Will the breakdown of flood costs incurred by each department now be provided?

**Hon. Steve Ashton (Minister responsible for Emergency Measures):** Well, Mr. Speaker, as coincidence would have it, we're going into Estimates for MIT today, and whether we get to EMO today or whether we get to it over the next few days, I'm sure the member, as critic for EMO, will be asking many of those type of questions, and I can indicate I would—more than happy to answer questions.

I do want to indicate, by the way, that during the flood last year, I can't think of anything more transparent: the fact that we had daily press briefings, we held public meetings throughout the province, Mr. Speaker.

We've been dealing with an unprecedented historic flood, 30,000 claims, that's triple the number of claims from the 1997 flood. And we're committed not only to continue to fight that flood, because it's still in flood mode in many parts of the province, but also recovery, Mr. Speaker.

One of those aspects is, in fact, being open and transparent, so I look forward to the questions from the members opposite when we get into Estimates very shortly.

#### **Civil Service Politicization**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, last week I raised my concerns about the NDP's practice of having civil servants being involved in political activities, and that was when the Assistant Deputy Minister Ben Rempel wrote an email asking staff in the civil service to become involved in a

political rally. And I believed then that there would be other examples and, certainly, today we have another example of the NDP involving civil servants in political activities. And the election commissioner has said that this is wrong, that it broke the law.

I ask the Premier: Will he come clean today and tell us how many more times has the NDP involved civil servants in political activities?

**Hon. Greg Selinger (Premier):** The assistant deputy minister in question made it very clear that he recommended against any public servant being involved in the events going on at the Legislature that day. The email clarifies that and the member shouldn't—the member should not assume that there have been any other requests to do that.

Public servants do their job in the public interest. We have an excellent public service in Manitoba. They are well regarded around the country for the goods and services they deliver to Manitobans. And it is very clear from the most recently tabled email in the Legislature that the ADM in question recommended against his staff being involved in the events down here in the Legislature.

**Mr. Gerrard:** Mr. Speaker, we now have two very clear examples of the NDP involving civil servants in political activities. The instance that was brought forward by the election commissioner, in which he ruled today that the NDP broke the law, involved two Cabinet ministers, the Minister of Health (Ms. Oswald) and the Minister of Education (Ms. Allan). And it involved it using government staff, civil servants, in preparation of material and the organization of a political event in the campaign last year in the election—provincial election campaign.

I ask the Premier: Given the ruling of the election commissioner, what will the Premier do to discipline the Minister of Health and the Minister of Education?

**Mr. Selinger:** Mr. Speaker, again, we fully accept the findings of the commissioner including the comment that he did not believe this was an intentional breach of the act, including the comment that he could understand why the act was interpreted in the way that it was. But, nonetheless, he found that it was a breach of the act; we fully accept that. There was no untoward or ill-motivated behaviour here. People thought they were properly following the act. The commissioner has ruled otherwise, and we will take that as guidance in future behaviour.

**Mr. Gerrard:** Mr. Speaker, the election commissioner has been very clear that the NDP broke the rules. The NDP involved civil servants in a political activity. This is the second major time that we—this has come to light within the last period.

I ask the Premier: Why has his government, on more than one occasion, broken normal democratic processes which emphasize the independence of the civil service? I ask the Premier once again: How many times have members of his government involved civil servants in political activities?

Will the Premier come clean today, or are we going to get more and more of these activities coming out in the days and the months ahead?

**Mr. Selinger:** Again, the member shouldn't jump to conclusions about whether there's any involvement of political—public servants in political activities.

In the case of the commissioner's complaint—or ruling, he decided that there was a breach of the act, but he also indicated that he did not believe it was intentional. So people will take the guidance from that ruling and they will act accordingly in the future. It's an important decision that has been rendered by the elections commissioner.

And we—the public service in Manitoba is very highly regarded for its high degree of professionalism, its commitment to public service, and its willingness to serve the public. And we want to continue to have a very strong public service in Manitoba, and where any untoward behaviour is detected, that will be corrected. But we should put it in the context of a public service that has rendered excellent service to the people of Manitoba and is well regarded across the country.

**Mr. Speaker:** Order, please.

### **Create and Rate Program Student Antitobacco Videos**

**Mr. Matt Wiebe (Concordia):** Mr. Speaker, an important story, perhaps not talked about enough, is the significant investments this government has made in reducing smoking and preventing youth, in particular, from taking up smoking for the first time.

Already, the rate of youth smoking has gone from 29 per cent to 15 per cent and we are committed to keeping moving that number down.

Can the Minister of Healthy Living please tell us about a new initiative designed by the young people of our province, including some of the great students

that were here from Kildonan-East and joined us in the gallery today? And it's for the young people of our province to help them in making a choice not to smoke in the first place.

**Hon. Jim Rondeau (Minister of Healthy Living, Seniors and Consumer Affairs):** I'm pleased to receive a question on healthy living and keeping our province well.

The Create and Rate program is Manitoba's first produced antitobacco video program and has given students from across the province the opportunity to develop videos and discourage other youth about not using tobacco.

It's interesting because, I'm pleased to let all people know, that this has had great take-up across the province. Schools across the province and students across the province were really creative. There's 10 videos online today. What's happening now is students are asked to look at these videos created by our students, rate them, and then we'll continue to publicize those that are the best and chosen the best.

But what I'm excited about is students are excited about giving the message. Whether it's students working against tobacco, which is a great initiative launched by this government, whether it's this program, we—

**Mr. Speaker:** Order, please. Order, please.

#### **Manitoba Hydro Southwestern Power Grid Connections**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, with the expansion of the petroleum industry in southwest Manitoba, businesses are moving in or expanding despite infrastructure shortfalls. Manitoba Hydro's inability to provide permits and service connections in a reasonable time frame is impeding growth for oil companies and local businesses.

Mr. Speaker, Manitoba Hydro is telling some oil and gas companies wanting to invest in our southwest region that they will not be able to connect them to the power grid until next year. These companies are being told not to create jobs until 2013 because Hydro doesn't have the resources available to provide the needed services.

Mr. Speaker, when will the minister admit that his government's political interference in Hydro is delaying rural development and job creation in southwest Manitoba?

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act):** Mr. Speaker, I'm very—I'm glad the member asked that particular question, and I can indicate to the member that this year will be the record number of wells drilled in the southwest Manitoba. In fact, it's in excess of 500 wells will be drilled and \$1 billion will be invested and we will probably achieve 50,000 barrels of oil a day.

\* (14:20)

Mr. Speaker, the expansion in the oilfield has been tremendous. The co-operation has been tremendous. People come forward. There's been so much activity, the companies have actually moved from Calgary to headquarter in Brandon, something I think members opposite should be aware of.

With respect to providing electrical power, Manitoba Hydro has been busily engaged, and with respect to the flood, with respect to damage control with respect to the flood, and there's a process in place with respect to queuing as it—

**Mr. Speaker:** Order, please.

**Mr. Maguire:** Well, Mr. Speaker, last week I checked with the member—with the minister's department, and we're pumping 40,000 barrels, so he's out by 10, but anyway.

Mr. Speaker, Gibson's Auto Electronics in Melita had to wait more than eight months for their newly built business to be connected to Manitoba Hydro's power source. Another business relocating into Melita's new industrial park, was originally told it would have to wait six months before Hydro could do a connection. Mr. Speaker, how do you build a shop or a business with no power?

Mr. Speaker, is the minister so ashamed of the billions his government has stripped from Manitoba Hydro to feed his government's spending addiction that they can't even provide timely services for oil companies or local businesses?

Why is the minister so against rural development when his government is the financial beneficiary of hundreds of millions of dollars a year from this booming industry?

**Mr. Chomiak:** Mr. Speaker, you ought to see how difficult that it is to get cellphone service in there from the privatized telephone system. In fact, the oil company in question had to build their own tower to get telephone service in, and is expanding so rapidly. And Manitoba Hydro has actually diverted additional

resources to that part of the province in order to connect people in that part of the province, to recognize the fast growth.

And, yes, we're targeting 50,000 barrels this year, Mr. Speaker.

And I suggest that if the telephone system had not been privatized, the private companies wouldn't have had to build their own tower in order to get cellphone service to that area of the province.

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

## MEMBERS' STATEMENTS

### Pembina Valley Hawks

**Mr. Cameron Friesen (Morden-Winkler):** I'm very proud to inform the Legislative Assembly that at the Esso Cup in Charlottetown, Prince Edward Island, the Pembina Valley Female AAA Midget Team won the gold medal.

In a game last Saturday that was watched by many fans, live on TSN, the Hawks beat their competitive rivals, The Thunder Bay Queens, 4 to 2, to capture the National Female Midget Hockey Championship for the first time in team history.

It was a tough road for the girls to get to the Nationals. First they had to win the province in their division, then win the best of three series against the winning team from Saskatchewan, and then travel to PEI where they played seven games. Two of the players, Madison Hutchison and goalie Brittni Mowat, were also declared All Stars for the tournament, which is a great honour. What a great result for the team on their first trip to the Nationals.

I want to congratulate Head Coach Jeff Andrew and Assistant Coach Reid Sloan, as well as Rob Van Deynze and Samantha Hunt. Their victory is also owing to the support of many groups and sponsors who have supported the team along the way and Hockey Manitoba and Hockey Canada who helped cover the costs for flights, meals and accommodations. These grade 9, 10, 11 and 12 girls have made 12 southern Manitoba communities and our entire province very proud.

And along with the MLA for Sprucewoods, the MLA for Midland, the MLA for Emerson and the MLA for Morris, I extend congratulations to the team. May you carry with you this victory and the lessons learned to your future goals both on and off the ice.

I want to introduce to you the names of the Pembina Valley Hawks AAA Midget Team: Kristen Hunt, Kendra Friesen, Destiny Collins, Brooke Drummond, Katie Seymour, Chelsea Van Deynze, Kenzie-Dawn Dearsley, Jessica Kaminsky, Cassidy Carels, Kate Friesen, Kaela Sibbald, Kari Braun, Brandi Clayton, Erin Johnson, Tamara Martens, Kali Irwin, Kailee Rutherford, Kathryn Lukowski, Kelsey Conrad, Lauryn Keen, Captain Madison Hutchison and Brittni Mowat.

Thank you, Mr. Speaker.

### Highway 6 Palliative Care Fundraiser

**Mr. Tom Nevakshonoff (Interlake):** End-of-life care and support for families and friends before and after the death of a loved one are some of the most difficult and indispensable services that our front-line health-care workers provide.

It is with this in mind that I acknowledge and thank organizers of the Highway 6 Palliative Care Dinner Theatre event that I was fortunate enough to attend on April 21st at the Camper Hall. Put on by the Highway 6 Palliative Care Committee, which provides palliative care services from St. Laurent to Gypsumville, this annual fundraising event has gained a reputation for providing a night of stellar entertainment.

In conjunction with the Ashern Drama Group, three plays were presented to the delight of attendees: *Eve and Adam: The Untold Story*, written by Richard Orloff; *Oh My God, It's Another Play*, written by Rich Orloff; and *37 Postcards*, written by Michael McKeever. The director of all three performances was Merle Klyne. The actresses and actors were brilliant in the performance of their roles, showing a depth of talent that was truly at a professional level. The same can be said in regard to the preparation of the meal itself.

Municipal officials donned server attire and waited on the over 200 people who attended this enjoyable evening. Fun was had by all. The Highway 6 Palliative Care Committee, a dedicated group that provides training, oversees volunteers and delivers palliative care throughout the northwest district of the Interlake Regional Health Authority, made this event possible.

Mr. Speaker, palliative care is a very important part of the health-care spectrum. The focus of care is on achieving comfort and ensuring respect for a person who is nearing death and maximizing the quality of life for the patient, family and loved ones.

It was my privilege to attend an event that highlighted and supported the good work done by palliative care providers in the Interlake.

Thank you, Mr. Speaker.

### **Wear Blue Day**

**Mr. Kelvin Goertzen (Steinbach):** Mr. Speaker, it's a pleasure to bring awareness in the Legislature to a tremendous initiative that is happening today in southeastern Manitoba. Today is Wear Blue Day throughout the southeast. It is part of the Out of the Blue initiative where schools, businesses and other organizations are encouraged to do blue awareness activities, to increase awareness and support for positive mental health, reduce the stigma of mental health and undertake initiatives to stop suicide. Some will be wearing blue, others will be painting blue, some will be baking blue, and those are just some of the blue activities that are taking place. The Out of the Blue campaign is an initiative and developed by the South Eastman Suicide Prevention Committee, and it is supported by the South Eastman Regional Health Authority.

While we are today in the Legislature and not in our home communities, I am pleased to be wearing my blue Out of the Blue shirt, along with my MLA colleagues from the southeast: the member for Dawson Trail (Mr. Lemieux), the member for Emerson (Mr. Graydon) and the member for La Verendrye (Mr. Smook). I am sure that all of us, through personal experience, family or friends, have been touched by this illness. We are united in our support for this initiative and join with other—with our respective constituents, who are today making a statement that the issue of mental health and its consequences is important to all Manitobans.

Mr. Speaker, nearly half of those who suffer from depression or anxiety have never gone to see a doctor for help. That has to change and it begins with awareness and an understanding that this is not a source of shame or embarrassment. Out of the Blue encourages help-seeking behaviour by direct and honest talk about mental health illness and suicide.

Together with the members for Dawson Trail, the members for Emerson, the member for La Verendrye, I commend those involved with the Out of the Blue campaign and their goal to ensure that help is sought, the stigma is ended and no more lives are lost as a result of mental illness.

Thank you very much, Mr. Speaker.

### **International Workers' Day**

**Mr. Jim Maloway (Elmwood):** I rise today to commemorate International Workers' Day, more commonly known as May Day, which has been held across Canada and the world yesterday. May 1st has been designated to recognize the struggles undertaken and the victories won by working people throughout the world since 1889. May Day initially began in order to honour the 1886 general strike in the United States, which forced owners to recognize the eight-hour working day, in which over 350,000 people took part. During the 1886 general strike, an explosion in Chicago's Haymarket Square killed several policemen, and culminated in the unjust arrest, trial and execution of eight anarchist political prisoners who later became known as the Haymarket martyrs. Three years later in Paris, the International Workingmen's Association declared May 1st an international working class holiday to remember their sacrifice.

Mr. Speaker, May Day has a strong tradition in Winnipeg, including the march on May 1st, 1920, to protest the imprisonment of the 1919 general workers—general strike leaders and the oppressive social, economic and political conditions of the day.

May Day parades were held in Winnipeg throughout the 1920s, '30s and '40s, attracting thousands of workers every year to march, speak and peacefully advocate social change. Since the revival of this tradition in the 1980s, May Day has evolved into Mayworks, which is a month-long festival of events and intended to honour and promote the many contributions that working people and their organizations have made to progressive social change in our province and worldwide.

There are many events taking place as part of the 2012 Mayworks Festival. I would encourage all of my colleagues to attend as many as possible and to support working people in this province.

Mr. Speaker, the entire month of May is an important time to reflect on the benefits that organized labour has brought to all of our lives, in terms of safer, more just working conditions, securing higher wages and many of our cherished social institutions. It's time to give thanks to the working people who struggled to create a better world for everyone, including those who took part in the 1919 Winnipeg General Strike.

Thank you, Mr. Speaker.

\* (14:30)

### Artificial Flooding Compensation

**Hon. Jon Gerrard (River Heights):** Today there are many around Lake Manitoba who are still suffering because of the artificial flooding which occurred last year because of the diversion of large amounts of water from the Assiniboine River through the Portage Diversion and into Lake Manitoba.

The diversion of this water saved many, many people along the Assiniboine River from Portage la Prairie to Winnipeg and in Winnipeg. But in order to save these people, many around Lake Manitoba and Lake St. Martin were sacrificed. There have been previous occasions when people have been sacrificed by artificial flooding to save others, and the NDP sadly have never handled these situations well. This includes flooding from the operation of the Shellmouth Dam. It also includes individuals south of Winnipeg who were flooded artificially as a result of floodway operations in 1997.

This past weekend I visited an area just below the Shellmouth Dam where there have been problems for many years with artificial flooding. After the Shellmouth Dam became operational in about 1970, it was apparent there'd be significant discharges of water which would artificially flood the farmland below the dam on a regular basis. Such flooding—artificial flooding has occurred on at least 13 occasions in the last 41 years.

With this frequent artificial flooding has come a major cost to farmers. They've lost crops; they've lost hay land; they've lost a lot of money. These losses have occurred in order that others downstream can be protected from floods. People like Gene Nerbas, Rick Leay and Ron Witty, with whom I've visited, have asked for years for some compensation as a result of this artificial flooding. Indeed, after the flood of 2006, Gary Doer, then premier, came to visit and promised there'd be compensation. But it has never come in a way that's fair and appropriate.

For example, one of the farmers lost \$110,000 canola crop which was just about ready to harvest. Because a decision was made that it was necessary to discharge water from the Lake of the Prairies compensation of \$2,700—2.5 per cent of the losses was provided. Is that fair? No.

The farmers in this area are still fighting for justice and fair treatment, and it's very sad that this artificial flooding has occurred dating back to 1972,

41 years ago, and that those who've been artificial flooded have never been treated fairly.

### GRIEVANCES

**Mr. Speaker:** The honourable member for Morris, on a grievance.

**Mrs. Mavis Taillieu (Morris):** Yes, Mr. Speaker, on a grievance.

Mr. Speaker, I feel compelled today to stand on a grievance in this House. If there was ever a reason to grieve against this government, it is now with their politicization of the civil service in Manitoba.

You know, Mr. Speaker, it goes to the heart of democracy. Governments get elected—yes, but the civil service are here to provide guidance to any government and to serve the people of Manitoba. And what we have seen is a blatant—a blatant misuse and abuse of the civil service here in Manitoba under this NDP government. And the arrogance of the whole thing is that they don't think it's unusual, and they don't see anything wrong with it. How arrogant is that?

Well, it's arrogance beyond belief, Mr. Speaker. I cannot believe that they think that this would be an acceptable practice. And what did we see going back some two weeks now, we saw emails which—a letter first of all from the assistant deputy minister in the Department of Immigration and an email from the assistant deputy minister sent out. And I've quoted from that email many times, but I'd like to read it again. That email said and I quote: I expect that some staff will be interested in attending in the gallery tomorrow. He says some staff. I would strongly recommend against this because if staff are recognized in the gallery, we would only be providing more grounds for more criticism of the government as wasting taxpayers' money.

Now this is an email that just surfaced today, Mr. Speaker. Two weeks ago there was an opportunity for them to provide another email, but no; takes two weeks to drum up another email. But, really, what this email says, is that they are quite afraid to have their staff show up in the gallery and get recognized, because if they're recognized in the gallery they know that they're doing something wrong. They're getting caught supporting the government and I think that's just an admission of guilt on the part of this government.

The—it's just unconscionable how this government has treated the civil service in this

regard, Mr. Speaker. Emails going out, encouraging people to go take time away from taxpayer-funded jobs in this province and to take services away from immigrants, people that work in settlement services agencies, to take them away from providing services. We have to wonder how many services were not provided to newcomers in this province because of this government's blatant attempt to politicize the civil service and corrupting them into doing their political bidding.

And so, again, this is wrong. It goes against the heart of democracy—go against the heart of democracy in this province. The idea that they think that there's nothing wrong with this, and the minister gets caught up in it all the time. First of all, she says, I see nothing wrong with this. And then she says, I didn't send the email. And then she says, well, it's usual practice.

Well, we're just wondering, Mr. Speaker, is this usual practice within this government. How many times has this already happened that we don't know about? How many times are we going to see this happen again? This is blatant, arrogant abuse of the civil service in Manitoba under this NDP government, and it's wrong.

There are other groups out there emailing us saying, it's wrong, and I know the minister probably got the same email I did today. And some of those other ministers got the same email, because the public is 'outrageous' at this now, Mr. Speaker. They're saying, it's wrong, civil service are to be non-partisan. The best civil servants in this province have been here through successive governments. And it is wrong to corrupt them into doing political build—bidding of this government.

And you know what also says to me, is it that the culture in this government is that civil servants have become so ingrained with the political philosophy of this government that they see this as part of their job, Mr. Speaker. And I think this is—goes to the heart of, again, democracy in this province, when you have political civil—or civil servants who aren't—supposed to be non-political and non-partisan, when you see them being co-opted into doing the government's bidding. And that is wrong, and it's wrong on so many levels. But we see this culture developing within this government that the lines are blurred. And that's exactly what they're attempting to do.

Imagine. Imagine trying to tell civil servants to get down here and support their political bosses. Now, what choice do they have, Mr. Speaker? Your

boss tells you, come and support us in our political philosophy. So what choice do they have? Now, it seems that they don't really want a choice; they're quite happy to do the political will of the government. And that is wrong.

I cannot believe the arrogance shown by this government, these ministers and this Premier (Mr. Selinger) and this minister of immigration, into suggesting that this is a non-partisan issue, Mr. Speaker. Really? This—why did this occur? Why did this happen? Why did this occur on the order paper as a government resolution?

Well, we all know why they did it, Mr. Speaker. It was purely partisan to get a vote against the federal Conservatives—purely partisan, turned it into a circus, which, it was to—just because they wanted to make a political issue of it. And to do that they had to politicize their own staff to do their bidding. And that, as I say again, is wrong. It's just so many—on so many levels, wrong to use the civil service to do the will of the government.

\* (14:40)

People of Manitoba, as I said earlier, rely on a non-partisan civil service to provide guidance to the government of the day. They're not there to do the work of the government, Mr. Speaker. These are not elected people. They're there with expertise in their areas to do a job, but they're not there—they're not there to do what their political bosses want them to do. And we've seen this—we've seen this in several areas but most blatantly and most recently with the Minister of Immigration having directed her staff to send an email to have staff and service providers within organizations come to the Legislature to support her in her political bidding.

I think what we need to have here is a committee where we can get some answers. We've asked this minister I don't know how many times—six times before she even stood up to answer a question. We've asked: Did she or did she not direct that email to be sent? She has never answered that question, Mr. Speaker, and we need to get to the bottom of what exactly transpired. Let's see all of the emails; let's see all of the email strings, where those emails went to, what the responses were, where's the minister fall into all of this. Let's find out. Let's have some answers because it's important to know how systemic and how deep the roots of this go.

And the only way we're going to get some answers, if we can have a committee called and have



the Minister of Immigration and Multiculturalism (Ms. Melnick) and her assistant deputy minister come before that committee and answer questions, Mr. Speaker.

And we want truthful answers here, Mr. Speaker, because it's a very, very serious issue. And, as I said, it goes to the heart of democracy in our province, in our country. And I think what this NDP government has done here—this arrogant NDP government—by corrupting the civil service, is just despicable. Thank you very much.

**Mr. Speaker:** The honourable member for Emerson, on a grievance.

**Mr. Cliff Graydon (Emerson):** On a grievance, Mr. Speaker.

I rise today on a grievance and my grievance is going to deal with one specific topic: home care. It is unfair, Mr. Speaker, that this Province can treat those disadvantaged by our society, those who need our help, with such a lack of concern.

Mr. Speaker, I raised on a number of occasions the plight of Keith Bergen. Keith is a man who simply wanted a bath and to have his life back. This is a man that was treated incredibly unfairly; there's no doubt about that. Every single Manitoban should expect a high level of home care in this province, and that has clearly not been the case for Mr. Bergen and his family.

We were told time and time again that this was part of a process that had to happen with numerous mistakes and costly measures implemented by Home Care that, in fact, didn't work. That the timeline to get a bath in Manitoba for able-bodied individuals was five months, there would be protesters lined up on the grounds of the Legislature calling this government to account. Instead we allow those that are on—disabled to go without a bath for five months.

Before all this happened, Mr. Bergen was a productive member of society. He attended work on a regular basis, went out to eat with friends, and attending movies with family and friends and his respite worker. He was known for his strong sense of humour and his outgoing personality.

That all changed in September 2011. While at his home, he suffered two falls which resulted in several injuries. After a prolonged stay in St. Boniface Hospital and Health Sciences Centre and after countless sessions of physical therapy, he returned home in December of 2011.

From there, several of his therapists and caseworkers came in and realized that several things needed to change in his apartment, including how he receives a bath. Medox Health Services had been providing this service for over 30 years with no issues or concerns on the part of Mr. Bergen or his family. Manitoba Health decided that their department could provide that service instead.

From there, the experience kept getting worse and worse. Manitoba Home Care tried numerous different methods and lifts in his apartment, all of which didn't work. Finally, after a wall lift was installed that did work, Manitoba Health realized that they had nobody trained to operate the lift and/or give Mr. Bergen a bath. For the time being, Manitoba Health told Mr. Bergen that he should give himself a sponge bath, something that he does not have the co-ordination to do and something that is by no means sufficient for personal hygiene purposes.

Manitoba Health finally allowed Mr. Bergen, on the final day of April, to access a Winnipeg hospital for bath. That's almost five months, Mr. Speaker, where Mr. Bergen did not have a sufficient bath. The amount of red tape and bureaucracy has been astounding. For all the simple tasks of giving someone a bath, it took a question to be raised on the floor of the Manitoba Legislature for something to happen and for this man to get a bath, not including dozens of phone calls between government employees and Mr. Bergen's family.

Mr. Speaker, to top it off, after I raised the question to the Minister of Health (Ms. Oswald), one of his caseworkers had the gall to remark that the squeaky wheel gets the grease. That's just not acceptable. When in conversation with Mr. Bergen, while I thank the Minister of Health for dealing with this issue in a very timely—in very timely fashion, I cannot believe that one of her employees would say such a thing. Mr. Bergen was reluctant to even approach me in the first place and only did so after extensive discussion with his family.

Are statements like these supposed to scare people like Mr. Bergen away from ever saying anything to an elected individual? What does this say about society when we prevent our people from approaching their elected representatives? This government is basically telling everyone who is disabled or has a problem with home care that they have to speak up and demand better services before anybody would listen to them rather than home care providing the best quality of service all the time.

And even when they do speak up, they need to be prepared to withstand offensive remarks. Now how is that fair, Mr. Speaker? We should be protecting those who can't speak up for themselves, but we're also demanding that they speak to one of their MLAs before they get any decent home care. What about those members of society who may not have the advocates in their corner to demand this kind of service? Are they just allowed to fall by the wayside?

One of my rights as an MLA is to ask questions of this government, and after those questions are answered and the work begins, why should my constituents be shamed or be ridiculed from sharing those concerns with me? This reflects poorly on my ability to represent the people of this province in my constituency and reflects on my credibility as a representative of the people that I cannot effectively represent the people's concerns in this House.

My issue is quite clear: that by treating Mr. Bergen with comments such as this after he had the courage to go to an MLA and seek a better plan of action than what he was being subjected to, it is degrading and unacceptable. The most vulnerable in society should be subjected to the best protection and client service that—society can provide, including from MLAs, both opposition and government.

If I'm not allowed to effectively represent my constituents by asking questions in this Legislature and getting actions from a minister, then what is the point of being here? At the best of times, a democracy is a place to represent the views and the needs of the constituents we all represent. The government is to set policy and directions for all of the constituents and the opposition holds the governments to account over their policy direction. And that is—and that—and this is constituted is faced with and now—this constituent is faced with and now he's being subjected to comments like this. In a democracy that's unacceptable path to take.

The entire voting public should be treated with the same and the MLAs that represent the public should have the basic rights afforded to them in a democracy. In this case, constituents are being treated unequally based on their disability.

Rural constituents have to bear the burden of this weakened health care system in my riding. Ambulances are in short supply. In many cases, constituents have to wait for over a half an hour for an ambulance in good weather conditions, not to mention winter weather. Another compounding issue

is the lack of cellphone coverage, meaning that if a health problem should arise out on the highway or in a non-coverage area, an ambulance is even further from helping those in need.

We cannot expect a health-care system to be in good order if it cannot help the people that it's designed to help. Why does this government treat rural constituents differently from urban constituents? Aren't we all Manitobans? This government seems content to create a health-care system that benefits those that live in communities with ambulances and with cellphone services.

By amalgamating RHAs, this division seems to be further—but RHAs are now going to be moved further and further away from the constituents rather than closer, with no measurable benefit. Rural constituents are going to have to travel increasingly large distance to access health-care services. This is done at the apparent cost saving to the government. However, there's—there will be no cost savings to the constituents who will have to purchase gas that is more expensive, drive vehicles that are more expensive to register, all in a simple task of accessing health care that is farther away.

\* (14:50)

Health care is supposed to be a basic right, something that is easy to access. This government has decided to make it more difficult to access and more expensive to do so. Programs like the panelling process: how far are our seniors going to be sent from a care home? Now that the RHAs are going to cover such a geographic distance, how many seniors are going to be sent to the complete other side of the region? To whose advantage are these changes? The government has changed home care programming to nobody's benefit but making things look somewhat appealing on paper.

Once things are enacted, however, where are the standards regarding the quality of care? Does this government just focus on the quality of patients—or the quantity of patients rather than the quality of care provided to the patient? This RHA process has left many rural constituents asking questions but this government seems content not to answer them. We have concerned constituents fearful of speaking out on this issue because they're afraid the poor quality of care they receive will only further deteriorate. And, Mr. Speaker, I can't blame them.

The example of Mr. Bergen is just one example of degradation based on speaking up for your own

rights. How can we expect people to speak up for themselves? Where has the care gone from home care?

Thank you, Mr. Speaker.

**Mr. Speaker:** The honourable member for Steinbach, on a grievance.

**Mr. Kelvin Goertzen (Steinbach):** On a grievance, Mr. Speaker.

I was not planning to do a grievance today, Mr. Speaker, until I heard the news this morning about another election violation by the NDP, and I feel I can't hold my tongue any longer, and I wanted to speak in this House about this specific issue before it ate away at me so much I couldn't sleep at night.

And, you know, I think it's important to go back and sort of look at the history and to look at how many different violations under The Elections Act there have been by NDP members of this Chamber and former members of this Chamber.

It goes back as far as 1999 when many members of the government, including the Premier, falsified election returns to get a rebate that Elections Manitoba ultimately determined that they weren't entitled to.

And we've certainly had questions about the process of how that was revealed and what happened, but the germane part of the debate for today is that those members in the NDP Cabinet today and caucus and those who were involved before tried to get money from the electoral process that they weren't entitled to, and ultimately, they were found to be wrong and they had to pay the money back.

But it simply stands as a mark against the government, and there should have, of course, been further consequences to that. Now, there were consequences to the chief electoral officer as time went along but there still has been no consequences to any member of the government.

And now, you know, more recently, after that, we saw and learned about a two-for-one tax receipt scheme where members of the NDP were splitting different donations between the federal NDP and their provincial party and then having the money funnelled back, sort of in a fashion that resulted in two receipts being issued when, in fact, a federal contribution was truly a provincial contribution, and there was a number of members of the current caucus who were involved in that. I know the Minister of

Energy (Mr. Chomiak), in fact, was the campaign manager for the government during that year when these election violations happened, and so he was intricately involved in that scheme.

We know then, fast-forwarding, when the then Minister of Finance, Ms. Rosann Wowchuk, when she was in this House during a by-election, she clearly violated one of the electoral rules and was found to have done so after it was investigated, by handing out a government cheque during an election—during a by-election, Mr. Speaker.

And all of us know, and it wouldn't take a seasoned politician, and she certainly was a seasoned politician already at that point, but it wouldn't take a seasoned politician to know that you don't hand out government cheques during an election time and yet she did that. Flaunting the rules and indicating that somehow perhaps that she was above it. And then when she was ultimately found to have violated those rules, Mr. Speaker, by officials with Elections Manitoba, there were no consequences that came to her by the government. They simply said, oh well, it happened and what are we going to do, and sort of went about their business.

And now today, we learn Mr.—and I—you know, there's so many different violations, I forget them. But there was, of course, the—we talked a little bit today about the Minister of Conservation (Mr. Mackintosh), who violated on three separate times section 48 of The Elections Act, I believe it was, Mr. Speaker, and was found to have violated that act three times in the last election and not much has, sort of, come of that.

And then today, the revelation, Mr. Speaker, that the Minister of Health (Ms. Oswald) and, to a lesser extent, the Minister of Education (Ms. Allan), were involved with a—involved, and wrongfully so, with using government resources, with touring in a government paid-for facility prior to the election, during the blackout time, when there's supposed to be 90-day-blackout period.

And, you know, it was again one of those situations when it happened, Mr. Speaker—really everybody who was, sort of, involved in some way with the election, said, well, how can this be? How can the government do this? I know there was questions from the media immediately. There were questions, certainly, from members involved with the political process. We all saw this as a—as an immediate fraction of the rules that we're governed under. In fact, some of the rules that were brought in

by the very people that are breaking them and yet, they did that and it leaves one with the impression that they simply were willing to do anything to win the election and they would deal with the consequences after.

And why that's—all of this collectively and individually, Mr. Speaker, is part of the grievance that I bring forward today, is because all of us should know that elections are run fairly, that we're all playing by the same rules and that when those rules are broken, that there are some consequences.

And I know that, you know, within the context of the act, for different sorts of things there are consequences laid out, but I'm talking even beyond that. Because the Premier (Mr. Selinger), ultimately, he's the boss of Cabinet and that's how it sort of works in our system. He appoints members to Cabinet. He's also the boss of members of his caucus. We all are responsible to our own constituents, but within this building and within the roles that are fulfilled, he is the leader. That's why they call the position, the leader, Mr. Speaker. And when you're invested with the position of being the leader, it's incumbent upon you that you take leadership.

And so we've been asking today, during question period, for the Premier to take leadership; to take leadership within his own caucus and within his own party and not to look at these election-law violators as not being important. And he seemed to slough it off today, Mr. Speaker, sort of saying, well, you know, it happens all the time. Well, it's been happening all the time in their party, that's true, but every time that it happens and that them—the—there's a ruling against them, or there's, certainly, a clear case against them, they decide that, well, there's—you know, there nothing we can do; there—we're—it's all been taken care of; it's been investigated. But there are no consequences. And I wonder if the Premier doesn't, sort of, see the relationship, that when there is an action—when there's a violation, if there's no consequences it leads the individual who has broken the law or done something else wrong, to simply do it again.

We know that in raising our own children, Mr. Speaker, that when there are things that our children do that are wrong, you have to instill some sort of a consequence, whatever a parent feels is appropriate. And it's not really any different with a political party and individuals who are supposed to be acting under the law.

When you look even more broadly in the justice system, many of us have talked about the need for there to be consequences. The Minister of Justice (Mr. Swan) and I have had great debates about that in this Chamber and other places and I think he talks about it—I'm not sure if he really believes it, but he's talked about the need for consequences in the past. It doesn't—it isn't always backed up by action but he at least talks about it.

But now, when there are individual within his own caucus who repeatedly—repeatedly, Mr. Speaker; we're not talking about one time, we're talking about falsified election returns; we're talking about two-for-one income tax receipt schemes; we're talking about handing out cheques during an election period; we're talking about violations of the act in regards to advertising; and we're talking about, today, using government resources and—in a blackout period and trying to advertise something the government has done, when you're not supposed to be doing that.

\* (15:00)

And so, I mean, I hope that in this discussion today, in bringing forward this to members, that the Premier will get the message that there has to be some consequence laid upon the Minister of Health (Ms. Oswald) for sure, and perhaps, I know the Minister of Education (Ms. Allan) was also somewhat involved in this as well. There needs to be a consequence. There needs to be something that says this action wasn't appropriate, because if you simply allow it to go without any sort of consequence, without any sort of repercussion, you know it's going to happen again. And I would suggest that's why it continues to happen again, and again, and again, in the NDP party.

Part of it's because they're willing to do anything to win elections, and part of it is because they know that if they get caught eventually, after an election, their Premier and the hierarchy of their party are not going to do anything about it. They're simply going to go out and shrug their shoulders and say, ah well, you know, we made a mistake. And then, of course, the next day the Premier will go out there and bemoan the fact that we have low voter turnout and that people aren't interested in voting.

And I don't know, I suppose he doesn't see the relationship between continually breaking the election act and low voter turnout. I'm sure he sees those as two mutually exclusive things that aren't at

all tied in together, but I don't, Mr. Speaker. And I certainly hope that the Premier will take this now, the new—a new day, a new step, to come forward and tell us what action he's taken against his ministers who were involved in the most recent breaching of The Elections Act.

So, Mr. Speaker, that is why I felt compelled this afternoon to stand up and use my grievance. I know we're only granted one a session, so I selected it carefully because there are many other things that come up that are—or that are—should be grieved against the government, but I thought that this was the appropriate one to do at the appropriate time.

Thank you very much, Mr. Speaker.

### ORDERS OF THE DAY GOVERNMENT BUSINESS

#### House Business

**Hon. Andrew Swan (Acting Government House Leader):** Yes, on House business, I'd like to remind the House that as Committee of Supply is set to begin, Estimates will be considered on Friday morning as per rule 4(5).

Also on House business, Mr. Speaker, I'm tabling a revised Estimates order, signed by the Acting House Leader and the Opposition House Leader (Mrs. Taillieu). I'm sorry, correct that—by the Government House Leader (Ms. Howard) and the Opposition House Leader.

And the House should know that as per the leaf provided yesterday, the Estimates for the Department of Infrastructure and Transportation will take place in room 254 today, notwithstanding the Estimates order that was previously tabled.

And, finally, Mr. Speaker, could you please canvass the House to see if there is leave such that tomorrow and Friday, the Estimates for the Department of Agriculture, Food and Rural Initiatives are considered in room 255.

**Mr. Speaker:** Is there leave of the House such that tomorrow, Thursday, and Friday, the Estimates for the Department of Agriculture, Food and Rural Initiatives are considered in room 255? *[Agreed]*

**Mr. Swan:** Yes, thank you, Mr. Speaker. I'd like to call Committee of Supply.

**Mrs. Mavis Taillieu (Official Opposition House Leader):** Yes, on House business.

**Mr. Speaker:** On House business.

**Mrs. Taillieu:** Yes, as discussed with the Minister for Energy and Mines (Mr. Chomiak) just earlier, I just wanted to ask for leave to have our staff attend in the Chamber with the Leader of the Opposition for the Estimates process.

**Mr. Speaker:** Is there leave of the House to allow staff to enter the Chamber for the Leader of the Official Opposition (Mr. McFadyen)?

**Mr. Swan:** I'd just like the opportunity to discuss this with my colleague, who would have had the discussions with the member from Morris, so perhaps we can resolve into Committee of Supply, and in the next couple of minutes I can get word to her.

**Mrs. Taillieu:** Yes, Mr. Speaker, this is a practice that has been happening for the last several years in the Chamber. It's nothing new, so it's just as we discussed earlier.

**Mr. Swan:** Yes, I would just ask for a very brief, five-minute recess so we can just confirm those conversations, Mr. Speaker.

**Mr. Speaker:** Is there leave of the House to grant a five-minute recess to allow for this matter to be sorted out? *[Agreed]*

Then we'll have a five-minute recess and then return.

*The House recessed at 3:04 p.m.*

*The House resumed at 3:07 p.m.*

**Mr. Speaker:** Call the House to order.

**Mr. Swan:** Yes, with respect to the question raised by the member for Morris (Mrs. Taillieu), indeed there is leave.

**Mr. Speaker:** Leave has been granted.

We'll now resolve into Committee of Supply.

Mr. Deputy Speaker, will you please take the Chair.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)  
INFRASTRUCTURE AND  
TRANSPORTATION**

\* (15:10)

**Mr. Chairperson (Mohinder Saran):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of The Department of Infrastructure and Transportation.

Does the honourable minister have an opening statement?

**Hon. Steve Ashton (Minister of Infrastructure and Transportation):** Yes, Mr. Chairperson.

I'm very pleased to be able to present our Estimates, both for MIT and also for EMO. I do want to indicate that, following discussions with the opposition critic for MIT, we'll be focusing with MIT today, but I, of course, will be referencing, well, earmark some of the issues affecting EMO.

First of all, obviously, one of the key items in the Estimates is the continuing historic investment in our highways and bridges across the province. This budget and our Estimates includes \$589 million to renew and improve roads across the province. This includes \$50 million for repairing flood-damaged roads and bridges. We are continuing to not only match but exceed our commitment as part of our 10-year plan, and I look forward to discussing some of the significant investments that are included.

Of course, no discussion of our Estimates this year would be complete without some comments about the flood. And when I say flood, it could be described as the 2011 flood, but I think more appropriately it's the 2011-2012 flood because we continue to have flood conditions in parts of the province. Both MIT and EMO were very much on the front lines. I want to commend EMO, of course, for its lead role in fighting the flood, but I also want to commend our water control instructors, special operations and traffic engineering, regional construction and maintenance staff for the leadership they showed during the provincial response. I can't say enough about how our staff was there when I—I know the phrase 24/7 is perhaps overused at times; it was an accurate description of what happened. In many cases you had people out 24/7 sleeping in pickup trucks, out on the front lines dealing with some of the most challenging circumstances

imaginable. And I do want to put on the record my appreciation as minister, and I'm sure more members of the Legislature in terms of their role.

The challenge, of course, is not just the flood, it's in the rebuildings. We've already identified 80 bridges and there have been 200 roads that have been identified in terms of some degree of reconstruction. I want to say some degree, that can range from repairs through to replacement. We are going to be very much involved with flood recovery for the next year and into the following year as we work on those significant infrastructure challenges.

I do want to note that since the last Estimates we also have had the transfer of the hydrological forecast in water management branches, formerly of Water Stewardship, to MIT, and this further consolidates MIT's role in terms of both flood control and water services in the province.

I do want to indicate that we have announced the creation of two flood review task forces and three other flood-related review initiatives. These task forces will be meeting this year with Manitobans, consulting Manitobans, and will provide a series of recommendations. One, of course, deals with the regulation of Lake Manitoba and the other with the overall flood review, and we're fully anticipating significant recommendations from those arm's-length initiatives.

I do want to stress that we're continuing to have a very significant investment in our highways infrastructure. We're continuing to upgrade 75, commence structural rehabilitation on the Perimeter Highway. We've—we're going through Morris, of course, finishing the work in that community this year, continuing the reconstruction of Highway 10 north of Brandon. And there are various other projects, whether it's on 59, Highway 6, Highway 9.

I could run through the list. In fact, I'd be more than pleased to deal with a lot of the very significant construction areas that we're dealing with. I do want to indicate that we also have seen some significant work, and we'll be doing further work at the Port of Emerson. I think it's important to note that this is a very significant port of entry for the country. We are, actually, a busier port of entry than the port of entry just south from Vancouver, and it's one of the busiest in the country.

I'm more than pleased to get into some of our plans. I do want to indicate that we have also, over the last year, brought in a new spring road restriction

policy. We are particularly attempting to have a new approach that also recognizes some of the regional realities and, particularly, with Saskatchewan, and we've also moved to harmonize the weight restrictions in terms of trucking as much as possible between Saskatchewan and Manitoba. That arose out of our joint federal-provincial—our joint provincial meetings with the cabinet from Saskatchewan.

I'm very pleased to answer any questions in terms of infrastructure, and I do want to stress again that, notwithstanding the recent increase, the first time in 19 years, the gasoline tax. We still have the second lowest gas tax, and, as we—we'll be going through the Estimates, see that members of this committee will see the degree to which we're investing that. In fact, it's really on a ratio of about 2-to-1, and that compares very favourably to the federal gas tax and related—tax-related levied on gasoline where it's about 25 cents for every dollar that's raised.

Mr. Chair, we continue to be a very significant transportation gateway. I want to note the concern that we do have with the impact of the elimination of single-desk marketing at the Wheat Board on the Port of Churchill. The Port of Churchill has relied on the Wheat Board for about 90 per cent of its shipments the last period of time. That's very—a very significant concern for us, and we will be working with the federal government on a task force and working with Manitobans to look at further opportunities.

I do want to stress as well that we're continuing to develop CentrePort. We've made significant progress on the infrastructure side of it, and we've also seen some progress with the City of Winnipeg and the RM of Rosser, coming to a \$17-million agreement for water and waste water serving the 1,100-acre development. I can't understate the significance of CentrePort. I think we will see over the next number of years how forward thinking CentrePort is.

I want to also stress that we are moving to a sustainable intercity bus service. As members will know, we've introduced legislation that provides for a more flexible regulatory framework. I say flexible because we're going to continue to regulate in terms of safety issues, and we have announced that the service maintenance agreement will be terminated this year. And, in July of this year, we'll be moving to the new system, and, as we speak, there are many communities, many private sector operators, who are

looking at providing that bus service, along with Greyhound, which continues to indicate its intent to offer a very significant intercity bus service.

\* (15:20)

I do want to stress that we're very proud of our initiatives in terms of the management of the government buildings, that are—many of which are under this department. Also we are very proud of our involvement in a number of very significant projects over the last number of years, a combination of corrections and post-secondary institutions. Of course, the women's jail is due to completion. There's been significant work at Headingley. There's been other developments throughout the province, but probably the biggest projects we're dealing with currently are the UCN campuses. So I'm very much looking forward to that.

There are many initiatives in MIT, and I look forward to discussing—discussing these initiatives with the opposition and other members of the committee.

**Mr. Chairperson:** We thank the minister for those comments.

Does the official opposition critic have any opening comments?

**Mr. Ralph Eichler (Lakeside):** Mr. Chair, yes, I want to thank the minister for his update and those comments. We do look forward to the debate on Estimates as we move forward. And, of course, a large portion of the debate will be focused around the flood of 2011.

Having said that, I, too, want to commend the staff and those volunteers that have put their lives on hold, and we know the hardship that has transpired as a result of the flood of 2011. And we know, as well, that a number of those issues have not been resolved. I agree with the minister. There is no way this flood will be over and dealt with in its entirety by December of 2012. In fact, I'm sure it'll be well into 2013 as well.

In regards to the trucking regulations, I do agree with the minister in regards to moving forward on those. I know that part of my critic responsibilities is meeting with the various shareholders and those that have such an interest in infrastructure as well. And I know those were lobbied to the government and certainly want to reiterate the support from our side of the House for those in regards to CentrePort.

I have a large portion of that, of course, in my riding, as the minister's well aware and other members on that side of the House. And I continue to support CentrePort and will continue to support CentrePort, not just because it's in my area—because it's such a vast commitment to the people of Manitoba to see Manitoba grow and—prosperous. Something that all members of the House certainly don't take for granted. We know it's going to take a lot of work, and we will work with the government in order to ensure that that does move forward as quickly as possible, but in a sustainable way that's going to make Manitoba that much better of a province to live, work and play.

The minister did briefly talk about the correction—women's facility that under construction and almost complete. We certainly wanted to talk about that as well.

The rest of it, basically, I want to spend my time once we kind of figure out where all we're going to be going, what with the changes in his department, what questions we'll be actually able to ask in this department and what ones we'll have to refer to in others.

So, once we get clarity on those, we'll be able to move forward fairly quickly, I think. But we do have our regular questions we like to ask at the beginning, so we're more than happy to work with just MIT today and, of course, as the minister and I did talk about, the member from Agassiz is our EMO critic, and he has a number of questions as well. So we'll have some shared time in order to deal with those as well.

So, with that, looking forward to moving forward, Mr. Chair.

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

Under Manitoba practice, debate on the Minister's Salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 15.1.(a), contained in resolution 15.1.

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

**Mr. Ashton:** To introduce our staff, starting with Doug McNeil, deputy minister; Paul Rochon, assistant deputy minister; Lance Vigfusson, assistant

deputy minister of Engineering and Operations, Ian Hasanally; assistant deputy minister of Administrative Services; Steve Topping, executive director of Hydrological Forecasting and Water Management.

**Mr. Chairperson:** Thanks, Minister. Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

**Mr. Eichler:** Global, Mr. Chair.

**Mr. Chairperson:** Thank you. It is agreed that—then that questions for this department will proceed in a global manner with all resolutions to be passed once questioning has concluded.

The floor is now open for questions.

**Mr. Eichler:** Typically, as I said in my opening comments, Mr. Chair, the questions are important and, of course, I know it takes a little time, but, having said that, we'll go through the painful process today of the standard questions that we'll be asking of all ministers, of course. And, as we move forward, we'll try and get the questions and answers through as quickly as possible so we get into the meat and potatoes.

But, first of all, we needed a list of the Cabinet committees that is served by the minister.

**Mr. Ashton:** I was formerly with CDC, but in terms of Cabinet committees, I'm not sure of the definition that the member has. There's various, you know, ad hoc committees that develop. I am involved with some ad hoc committees, but essentially, I'm quite busy being MIT and EMO minister without the added responsibility of any of those Cabinet committees.

**Mr. Eichler:** So—just so we're clear on that—you're not currently a member of the Treasury Board, then.

**Mr. Ashton:** No.

**Mr. Eichler:** The political staff and names, of course, and the position and whether or not they're full-time employees of the department.

**Mr. Ashton:** Yes, I'm assuming the member's talking about technical appointments. Maybe, I'll just kind of, you know, combine the discussion. And the technical appointments in the department are: Donna Kildaw, who's my EA; we've got Clif Evans, special advisor. There's also Charles McDougall, Robert Allentyne, Dale Edmunds, Elaine Embury—we should stress those are the—Elaine Embury is



Lieutenant-Governor—that appears under this department; Phyllis Fraser; and there's also Sig Laser as a policy analyst as well.

I do want to indicate that I also have Kurt Penner, who is not currently a technical appointment in this department. He's a former special assistant in another department and—that's been transferred.

**Mr. Chairperson:** Member for Lakewood—member for Lakeside.

**Mr. Eichler:** We'll get it right.

But these are all full-time employees, Mr. Chair.

**Mr. Ashton:** I believe so, yes.

**Mr. Eichler:** The list in the minister's staff in his office and deputy minister's office, could we get a list of those, as well?

**Mr. Ashton:** Is the member referring to clerical, secretarial and other staff?

**Mr. Eichler:** That is correct.

**Mr. Ashton:** Rather than waste time right now, and, you know, sort of, getting it written down and recorded, but I can put that on the record a little bit later on.

**Mr. Eichler:** Yes, the specific thing we want is that—for it to be recorded in *Hansard* so we can do our due diligence. I know the minister's well aware of that, so that's why it's important that we do that.

**Mr. Ashton:** No problem, I'm just suggesting rather than, sort of, have a pause of a few minutes while we gather it, we'll gather it concurrently, and perhaps at the next sitting.

\* (15:30)

And I can offer, by the way, with similar questions down the line. If—and it's up to the member but, you know, given the relatively short amount of time available on Estimates, it may be useful to take questions as notice until the next time and then table the—when I say table, read it into the record next time.

**Mr. Eichler:** Yes, I'm fine with that, Mr. Chair, and thank the minister for that.

The current staff employed within the department, do we have a number there and if there has been any new names that have been hired since 2010-2011, and whether or not they were hired through competition or appointment?

**Mr. Ashton:** Well, Mr. Chair, I've given the technical appointments, so basically the remaining appointments would be through civil service and, again, I can get the—is the member talking about overall SYs or specifically in minister's, deputy minister's office or a combination?

But, you know, basically, the reason I read the technical appointments into the record is the normal civil service process would apply to other appointments, you know, and I can get that, even some background, if the member wishes, on how many staff positions have been hired.

Again, it might take a bit of time to gather, but we—I could read that in the record next Estimates, if that's acceptable to the member.

**Mr. Eichler:** Yes, that'll be fine, Mr. Chair.

Those positions that—that's been reclassified, if we could get an update on those as well, Mr. Chair.

**Mr. Ashton:** I'll do the same with that, as well.

**Mr. Eichler:** The staff years that's currently filled or the vacancy rate, we need that information as well.

**Mr. Ashton:** I'll take it as notice again and, once again, I'll provide that the next sitting of Estimates for this department.

**Mr. Eichler:** Vacant positions, as well, if we could get a list of them and how long they've been vacant, and if they're going to be filled or not, Mr. Chair.

**Mr. Ashton:** Again, I can provide some information on any and all the issues related to staff vacancies.

**Mr. Eichler:** I know with the mergers of the various departments and I know that there's been a number of changes within the department, so it's going to be a little bit more difficult for us to get through these but we certainly understand. We know it's going to take some time, but it is also very important for our colleagues and for my colleagues and, of course, other members of the government side of the House that we all understand what the—is involved in the department and as a result of that, who's where and positions that they carry.

**Mr. Ashton:** Yes, and I just want to reiterate that in terms of responsibilities in this department, probably the big differences from last year is the responsibility for the taxi board has been transferred to local government, reflecting that the taxi industry that is regulated by the Province is actually strictly in the city of Winnipeg. So it's, again, got a municipal dimension as well as a transportation dimension.

And as I did indicate in my opening statements, the hydrological forecasting, water management branches of Manitoba Water Stewardship have now been transferred to MIT—as the member knows, the Department of Conservation and Water Stewardship has essentially been transferred, you know, the former department of Water Stewardship has been transferred to one of the two departments.

As I think the member will see, the key focus of the transfer to our department, MIT, is in terms of both water management and hydrological forecasting. Again, these are areas that are not strictly related to floods but are the prime water stewardship responsibilities, in terms of floods.

You could say to some degree we are the quantity department when it comes to water and the quality department is Water Stewardship—you know, Conservation and Water Stewardship. I mean that's maybe a bit of a generalization, but it's probably the best way of describing the changes since last year.

**Mr. Eichler:** With respect to the—so we know moving forward on our questions, so we don't have a bunch of questions asked that's not really pertaining to the department, but, in regards to Water Stewardship, how far back are those expenditures in contracts? Did they transfer just recently or will those be part of our discussions in the Estimates process going forward, because there's been a number of expenditures made with respect to the flood and through Water Stewardship and moving forward through 2012-2013 as a result of those expenditures?

**Mr. Ashton:** Yes, the direct transfer, both in terms of staff and other aspects, responsibility, was April 1st—beginning of the fiscal year.

**Mr. Eichler:** On the contracts that are awarded directly—and typically we use a number of \$25,000 that's been let. How many contracts have been let by your department for \$25,000 or more, and who were those contracts awarded to?

**Mr. Ashton:** Yes, obviously, it'll be a fairly significant number. I can get a list of the contracts for the member for the next sitting of Estimates.

**Mr. Eichler:** Again, so that we could have it included into the record once, similar to what we're doing with staff, if that's agreeable to the minister, Mr. Chair?

**Mr. Ashton:** No prob.

**Mr. Eichler:** In regards to the position that's been relocated from rural to northern Manitoba or vice versa, Winnipeg relocated to another part of the province, within a department, as a result of the amalgamation, I guess, of the departments. Could we get a list of them as well?

**Mr. Ashton:** Yes, I'll provide that information.

Again, the transfer that took place at Water Stewardship, essentially of existing staff and existing positions—those positions are continuing. But, if the member is talking about any relocation of staff, we'll provide that information.

**Mr. Eichler:** In regards to departmental initiatives—and we know, you know, there's press releases out every day and we try and follow those as closely as possible—what are they for 2011-2012, in is as far as updates? Is there any updates to those releases that you've announced that hasn't been brought forward, or the work is still be-in-progress that hasn't been met?

**Mr. Ashton:** I'm not sure what the member is referring to. You know, we have a lot of initiatives in the department. I've outlined probably some of them in my opening comments. There are many other initiatives as well. So I'm not sure what the member is asking.

**Mr. Eichler:** Well, in regards to one of them, of course, and, you know, we have the bill in the House in regards to the inner city—the bus, those are—that's one of them that comes to mind. Of course, there's a few others in regards to speed zones, those initiatives, and timelines that we might want to move these forward and, of course, the cost is going to be involved in those.

**Mr. Ashton:** Yes, I'm certainly prepared to entertain questions on any of those items. We have been quite transparent. Both of those areas, for example, involve legislation. We are going to be involved in the usual consultations on the speed zones—I won't get into the details of legislation, that's more appropriate for debate and legislative committee. But, certainly, I think we've flagged this as a priority for department and for government; a municipal-based approach for school zones.

On the intercity bus, there is a legislative format. And I know I've had the opportunity to brief the member on the legislation and I'm sure we'll get into some of the details to discussion there. The key

element in regards to the Estimates is the fact that we're transitioning to a more flexible system. We did put in place interim supports to maintain the Greyhound service. We always recognized that was interim, that it would not continue and that we had to come up with a sustainable bus service.

And, in fact, one of the key elements of the public consultation we heard throughout the province, was people thought that was important, the sustainability, as well as the bus service itself. Certainly, Greyhound's given notice of some reduction of service or elimination of some routes, but at the same time, there's an ability now which was not in place—or would not be in place, you know, without the change to environment to—for other private companies or communities, or both, to enter to provide that service. So we will be, you know, working on that as well.

\* (15:40)

And the key issue now, though, is as we transition to a more flexible regulatory system, we will continue to regulate the safety issues; that's important. But there's a greater ability for entry and exit. We didn't copy any other jurisdiction directly, but it—there are similar features in other provinces and their experience has been very much what we're seeing develop here. There's initially, obviously, some move to move away from providing service in some areas, but, again, there's been others enter into that service. And, in fact, with the new system there's an ability to actually have companies compete as well, which was really, you know, not necessarily banned under the old system, but didn't happen, in effect.

So we are proceeding to the next step in terms of the intercity bus provision, more flexible system.

**Mr. Eichler:** Still on accountability and, of course, travel by—out of your department, was there any delegations led by the First Minister that was paid for out of your department that you're aware of?

**Mr. Ashton:** No, and, of course, the ministerial travels all disclosed every three months. It's, I think, available and, if I recall correctly, there was none for the last quarter. Of course, you know, there's a bit of a lag, so that information is also available. But if the member wishes, because I know this has been raised sometimes in Estimates as well, it's—I mean, we can print out the website and bring it here.

**Mr. Eichler:** Would appreciate that. Of course, your own ministerial travel, of course, and those details of

those trips and who went, whether it was in province or outside the country, costs that would have been taken out of your particular budget, not your MLA expenses, but out of the MIT or your other department of Water Stewardship through that merger.

**Mr. Ashton:** Yes, again, it's public information. I could certainly bring it in, but even for the current quarter, which I think is not even, you know, the third—the last quarter that's not yet on the website. As I said, there was no ministerial expenses during that period.

**Mr. Eichler:** We're just about through the list here that we need to get through—

**An Honourable Member:** And guess what's left?

**Mr. Eichler:** —not much left, yes, just that much.

This is the people, that staff, that is retired from the department in 2011 and 2010, and I guess the beginning of 2012 as well. If we could get a list of those individuals that have retired from the department.

**Mr. Ashton:** Yes, we've got a number of retirees. I do want to flag, too, that we had a fair number of retirees that came back during the flood to work, so there may be some confusion there. We were very fortunate to get a lot of our experienced staff back. You know, we had the army and we had an army of retired staff, and I can get a list in terms of turnover.

And I do want to just flag, it may be of interest to the member, as well, that, obviously, succession planning is a big issue for the department. We have a significant number of people that are at retirement eligibility or significantly beyond it, and so we are very much focused in on succession planning. And that will be an ongoing challenge for the department in many budget areas, actually, over the next number of years because we have a very significant cohort of potential retirees. Of course, we encourage them to stay as long as possible. We have very valuable staff, but, you know, we have—we've lost some very valuable employees through retirement in the last number of years and that's the same across government. And we wish them well.

**Mr. Eichler:** I certainly concur with the minister on those comments. Any time you can take advantage of wisdom and knowledge it's invaluable, as we all know. Anybody that's been in business certainly knows that. So that's good to hear, and I look forward to getting the list.

As far as the list, as well, there must have been, or probably has been some just contract-basis positions as well, if we could get that list as well when you're tabling those retired.

**Mr. Ashton:** I assume the member's talking about sort of general contracts or—okay, yes, I made a commitment earlier. We'll provide a list of the overall contracts at the next sitting.

Is the member also interested in the retirees brought back for the flood? Because there are a fair number in that category. We can provide that as well.

**Mr. Eichler:** I agree that there will be a number of list on that—number of people on that list and we look forward to get that. I know the member from Agassiz will be asking the same question so we might as well deal with it now and then we'll have it ready—one less thing, so we can move on and talk about the flood when he gets here.

**Mr. Ashton:** Consider it done.

**Mr. Eichler:** Moving into government spending, in regards to capital investment, if we could get some of the details around the decrease of almost a million dollars in capital investment, that's on page 141 in the Estimate book, I believe—actually, I'd asked this question in the House—and clarify for us why that's down almost a hundred million dollars for this particular year.

**Mr. Ashton:** I think the member's referring to page 136.

**Mr. Eichler:** No, page 141, B7.

**An Honourable Member:** Oh, are we talking about the—

**Mr. Eichler:** Yes. Yes, sorry.

**Mr. Ashton:** 136 in the—I guess we're reading—I'm reading from the budget, the overall Estimates, and the member's reading from the Supplementary Estimates. I'll just double check that. I assume it's the same.

**An Honourable Member:** I think so.

**Mr. Ashton:** Yes, actually, as was pointed out with the budget rollout, this section, insurance and capital assets, includes a variety of capital asset apps and programs. It's far broader than, certainly, highways. I do want to stress, by the way, if you go through the budget, you will see that our department is the second-highest increase of any department in government. The highest, I believe, is Local

Government. That should come as no surprise with the significant increase in transfers to local governments.

In our case, if the member is looking through—one of the areas that's increased very significantly in this budget is in terms of amortization that essentially reflects the degree to which we now have significant—with the capital projects we've had, over the last number of years, completed and now, essentially, being funded through the capital amortization. As the member knows, this department's been very significant in building prisons and post-secondary campuses, and there's been—if I can run through, and if anybody's interested, some of the details and some of the projects, maybe in a moment. But the page 141 that he's looking at, the 136, reflects the shift in a number of areas. There's reduction in the completion of the women's correctional facility so, again, there's—you know, in previous budgets, there was a significant line item for that.

Water bombers, we are completing the water bomber purchases. We purchased two. We are continuing to add to our water bomber fleet. And I don't know if it was foresight, but going in, you know, in some years of significant rainfall and flooding, we were thinking of what might happen with our, I think, our 19—circa-1972 water bombers. Let's put it this way: Richard Nixon was president and Pierre Trudeau was prime minister, so we're going back. Mind you, the Rolling Stones were playing and they're still playing so, you know, some things change; some things don't. But, so that—the water bombers is a very significant part of that.

The—there is a note here in terms of the highway capital program. It is somewhat less here, but, on the other hand, the floodway authority also includes the East Side Road Authority. And the key things happening there: we're virtually complete now on the floodway expansion, and there's a very significant investment by the East Side Road Authority; it's actually increasing to, I believe, \$80 million.

\* (15:50)

And, while I'm not the minister directly responsible for the administration of the East Side Road Authority, and I'll defer to the Minister of Aboriginal and Northern Affairs (Mr. Robinson), in terms of specific questions, that's what does appear under this item.

So, overall, we have a very significant increase—is that amortization is coming online, and what you see here really is the vast majority of this, in this particular line item, is because of significant projects that have been completed, either the women's correctional facility, the water bomber purchase and the floodway and the remaining balances: the highway program versus the East Side Road Authority.

**Mr. Eichler:** Staying on the same page in the Estimates book, in regards to the highway infrastructure dollars for Estimates for 2012-2013, appears to be written at three hundred and fifty thousand and forty-five—yes, three hundred and fifty million, I guess. And it was from three hundred and sixty-six thousand, a difference of sixteen thousand or—what's the explanation there?

**Mr. Ashton:** Well, again, if you look at what's happened, that's the capital that includes core capital and the flood. It does not include the East Side Road Authority. In fact, with East Side Road Authority, even though it shows a decrease, in fact, it's actually an increase there. And effectively what's happening with the East Side Road Authority is we have a very significant investment that's coming on stream right now—historic development in that area.

Some other information that, maybe I'm pre-empting some further questions, but I think maybe if it interests the member, as well, last year our total expenditures on highways was probably in the range of about \$350 million. We're still getting—or pardon me, \$550 million, including the maintenance as well. We're still getting our final year-end numbers.

We did have a significant carry-over last year, in terms of highways projects, the largest, I think, probably in history. Simple explanation: the flood. There was a significant amount of effort put in, as this member knows, to the flood—some of which related to highways, but a lot of it was, you know, the channel, dikes, et cetera. So there were significant capacity issues. We have a significant carry-over into this year's budget.

So we're probably in the range—our actuals last year were probably around \$550 million, subject to some year-end modifications, and our total this year, we're looking at, is budgeted 589—that's capital and maintenance. And, of course, it doesn't appear as one line item. I can, you know, if the member is interested, I can identify the areas where it—you

know, the components that do fit in. But that's where we get the 589 figure. This is one component of it, but there's also the maintenance as well. Winter roads is included in that. So it does include that.

It doesn't include expenditures, direct or indirect, in terms of municipalities, you know, through the local government. As the members knows, there is some funding there—some pretty significant funding, particularly the city of Winnipeg, where we don't, you know, Highways doesn't have any direct responsibility in the city of Winnipeg—the equivalent or all of city of Winnipeg roads.

I mean I'm just going by memory from when I was minister. I think we're about 50 per cent plus of the regional streets and bridges. So they've—the \$589-million figure doesn't appear in this line item, but that's the explanation essentially of the components that do.

**Mr. Eichler:** Staying on the same page, when you look at the water-related infrastructure, it's up about \$3 million. Is there projects there that—that's going to be announced shortly or is it just a carry-over of maintenance for the projects that's ongoing?

**Mr. Ashton:** A fair amount of that is flood related, again. I do want to indicate that—and I'm not sure if the member wants me to get into, you know, too much of the flood's side. I mean, it's both MIT and EMO, but I'll focus mostly on the MIT side. We did last year do a significant amount of work, both in the previous fiscal year and this fiscal year. So the member will know that—the Assiniboine dikes, for example, we did a very extensive upgrade to the Assiniboine dikes. I can indicate that during the flood year, we did a lot of work at Souris, Brandon—essentially, you know, MIT-related work. This, of course—it doesn't include the outlet, but there's, you know, there was that work as well. I can indicate we're also into some ongoing work that's identified here: dams, reservoirs and dikes. We've already done some work on the Portage Diversion. You know, so there's a series of things happening across the province.

And over the next period of time we're—over the next two years in particular we're going to face a couple of dimensions here, regardless of what happens with the flood reviews. One is the roads and bridges: 80 bridges; about 200 road sections. We're quite a ways along on the roads—not entirely. There are still some roads that are under water even, you know, and the member knows some in his area.

The bridges will take somewhat longer. We got \$50 million of our capital program this year for the bridges. We'll probably have a similar amount next year. In some cases, like the Waskada bridge, we're looking at total reconstruction. And these were fairly significant projects. I think that's a \$12-million project.

But, in addition to the major highways and bridge-related capital items, we are also involved with repair and restoration of existing infrastructure, and in some cases—obviously, where possible—taking temporary dikes and turning them into permanent dikes.

The *[inaudible]* in the EMO side, but if the member's interested, we do have a list. We provided it in our release on the highways of the—the highways projects. If I recall, there are over 300 roads and bridges that were identified there. But, if the member's interested more on the order-related infrastructure, I can provide a similar list at the next sitting.

**Mr. Eichler:** Yes, we can either do it now, or you can read it into the record, or to have it entered at another time.

**Mr. Ashton:** Yes, and again, with the more detailed questions, I'm open, but, you know, just—I thought to save time, I'll get the lists and I'll read it into the record next time.

**Mr. Eichler:** And maybe you covered this off in the 'amortation' of—but when you look at the general assets, still on page 141, you go from \$223 million to \$170 million, and why would that be in the general assets, a difference of, I believe, \$53,000 if I calculate it right here.

**Mr. Ashton:** Well, again, the big difference in the general assets is the government's capital program. We still have a very significant capital program identified. But we have completed the women's correctional facility; that's probably the big difference on that item.

And also, earth services, we essentially bought two water bombers the previous year. We're purchasing one this year. Both of them, you know, I mean, both years have very significant investment, but obviously we've—we got two the previous fiscal year; we're down to one this year.

So again, that bottom-line figure really in—it's essentially, you know, we're completing the major investment in our water bombers and we have a very

significant gap in our government services capital program, but not as significant as last year.

**Mr. Eichler:** Just for my own information, I'm trying to wrap my head around the 'amortation' of the assets. Could you explain that to me again? I'm having trouble trying to come up with the numbers that would reflect—and how would I realize those numbers in respect to your capital investment?

**Mr. Ashton:** Yes, again, it is probably the most significant pressure—you will see—and I'll just try and make sure I'm reading from the right book—so we're—so that—*[interjection]* Yes, but the key issue here is the—on the amortization. Maybe I'll give the, sort of, a 30-second historic comparative.

In 1999, when I was then-minister of Highways, every road in the province was basically treated as an operating expense, so what we would normally consider capital was actually operating. There was no ability to amortize.

\* (16:00)

In keeping with what is not only our—increasingly the public sector practice, but, you know, which is standard practice in the private sector, we've moved to amortize that and other capital expenditures. So what happens when we build a road, we build the floodway expansion, we build a building—it's not expended, you know, it's not listed as an operating expense, that's the, you know, the concept of the part—the capital. And actually the specific costs related to capital assets are listed on page 133 of the supplementary Estimates, and what you will see is there's a—there is a trend line of increased amortization, but that really reflects, again, the very significant capital program we've had, that's been not only roads and bridges but also in terms of government buildings and general assets—that includes obviously what we're referring to earlier.

And I can get into, sort of, what, you know, the formula the member wants. It varies, you know, there's a different amortization, as there is in the private sector, for say, a paved road, you know, the paved surface which lasts a certain period of time, the underlying base of a road which lasts for a longer period. But what it's really allowed us to do is to have a much longer term approach for capital investment, and you still have to obviously balance the, you know, the ability of the Province to, you know, to make the payments. It's no different than meeting payments on a mortgage or bank loan.

But what you're seeing here is really—you know, and if you look at the overall increase in the department, you will see that there's a very—there was a very big increase in the department, and a lot of that is really reflected in our increased amortization. We are the second highest increase of any department in government, and it's because we've—we're still in the middle of a historic capital program across the department.

**Mr. Eichler:** So out of the total of \$589 million that you refer to, how much of that is actually payments on the debt?

**Mr. Ashton:** None. The 589 is the actual capital investment this year, the actual maintenance this year, the winter roads this year. So the \$589 million is a reflection of actual dollars spent on roads and bridges, not including municipal roads and bridges this year.

**Mr. Eichler:** Does that total of 589 include dollars transferred from the federal government for compensation for their share of that or is it—that's the provincial share alone at 589?

**Mr. Ashton:** There's some cost recovery. I mean, the key thing that's happened over the last two years on our capital program, we've gone from 80 million-plus to maybe around 20-odd million for federal expenditures on highways.

But, again, the basic fact of the matter here is we had a very significant investment which we're going to be maintaining as part of our 10-year plan—in fact, we're exceeding it. If the member recalls, the 10-year plan basically was based on a \$4-billion 10-year investment. So we're significantly above it—in particular the last four years—I believe we're into year six of the capital program. We were able to ramp it up.

Just on the issue of federal cost recovery, I'm not—one thing did change to, I should mention. Some of your—some of the infrastructure programs are now under local government, but I would just comment from the highways perspective that I did meet with Minister Lebel in December. The minister, along with Steven Fletcher, who is the parliamentary secretary, you know, for infrastructure responsibility in western Canada, is basically now involved in some consultations over the next period of time.

If you look at the winding down of the stimulus program, what we're really left with is some ongoing programs—program funding, but we're—really outside of border crossings, there's not a significant

investment we're seeing over the next couple of years. We are hopeful these consultations will lead to a renewed infrastructure program. I think—you're probably aware—I've said this on the record, but I think our government's position has been quite clear that we'd like to see an ongoing infrastructure program.

We certainly appreciate the investments the last couple of years, but you can see the difference. I mean, \$80 million-plus focused on the highways—national highway system. If the member wishes, I can get a list of the projects, but it's down about \$20 million-plus this year. So it's a—very significant reduction, but our goal is to try and maintain a sustainable level of funding for infrastructure over the next number of years regardless of what the federal cost recovery is.

**Mr. Eichler:** Yes. If we could get a list of those projects it would be helpful.

**Mr. Ashton:** Yes. I can provide that. I'll also perhaps get a list of the—not just the direct capital projects, but the programs. There's—I know from my days as minister responsible there's about nine different programs, so I'll try and give the member a breakdown of which program is which.

**Mr. Eichler:** You talked about bridges as well, and, of course, a number of those bridges were washed out or damaged because of the flood. So out of those dollars that are allocated for this year, are those dollars being matched or the 90 cent or whatever equivalent federal dollars. What does that translate into the provincial dollars being applied?

**Mr. Ashton:** I can speak both from an MIT perspective and an EMO perspective on that. It'll be a mixed situation; depends. I'll give you the example of the Waskada bridge: Our current cost estimates to reconstruct the Waskada bridge is in the range of about \$12 million. We are—maybe I shouldn't use this after question period today, but we're fast-tracking it. I don't think anybody will disagree with fast-tracking it. But that—again, replacing an existing bridge is eligible under the DFA cost formula, but if you're doing what we're also doing, which is—we're not just going to replace the bridge, we're going to build already for decades out. There's a lot of growth in the area. There's a lot of—well, like, the member for Arthur-Virden (Mr. Maguire) was referencing the growth in the oil and gas sector. We're more than aware of that. So that's, you know, it's hard for us right now to give an exact breakdown.

I want to stress too, by the way, one key qualification on the 80 bridges; those are the bridges that we have been able to assess that there is damage on. I don't want to overstate the 80, but I don't want to understate it either. I mentioned the Waskada bridge. You've got the bridge just west of Brandon where there was some significant issues, structural issues. In some cases, it's more minor repairs, but we're still getting in and accessing the bridges. Part of it is yet waiting for the water levels to get down to determine what the damage is. So there may be further bridges. But when we're talking about flood recovery, we're looking at \$50 million this year, \$50 million next year. Some of that may be recoverable from the federal government. The fact is it's got to be spent anyway and it's no different than what we did last year. I think the member's aware, you know, from our briefings and some of the issues he's raised, that we're into the situation with the some of the expenses last year that—some of them we certainly believe should be 90 per cent eligible. The outlets come to mind. There was a commitment by the Prime Minister for 50 per cent for mitigation projects, so we may end up with some 50, some 90, and if it's a new enhancement to a bridge we may end up with nothing.

So I wish I could answer the question in detail, but we'll get some cost recovery. By the way, it does take quite some time for disaster financial assistance to recovery. We had some payments, I think, that took close to a decade after the '97 flood. So our budget is based on—we've got the need; we're anticipating \$50 million in both years, and we'll deal separately with the cost recovery from the feds. I don't mean that as a shot at the feds. I think, you know, DFA is there. I'm going to raise this—I'm off to ministers' meetings in the next few days. At that level, and a 50 per cent commitment, I think, is very positive. So it's not a shot; it's just a reality that we have to spend the money as a province, and it takes some time before we get it back, and we often don't know what we're going to get back. But you don't have a choice, right? You either spend it or you don't, and in this case we're going to spend it.

**Mr. Eichler:** While we're still on bridges, and my colleague from Charleswood would be remiss if I didn't ask this question for her on the perimeter, the west perimeter, that bridge out by, I believe, it's Roblin. Could you give us an update on that? I know that they—it was supposed to be completed in 2011, but there's not a lot going on there, so if we could get an update on that as well.

\* (16:10)

**Mr. Ashton:** Yes, there—that's an issue involving the girders. We're inspecting them. We will be determining the girder which needs to be repaired, so that's the delay in that particular project.

**Mr. Eichler:** Well, you know, of course, the public has all kinds of theories, and I think it would be good to clarify for them, you know, in fact, what those deficiencies are. If it's just the, you know, an engineering problem or if it's already been tendered out, or when's the completion expected to be now with those deficiencies that you're talking about?

**Mr. Ashton:** Current time frame, I've been advised, is towards the end of the summer—it should be completed. And I know there are many a theory out there when it comes to overpasses or bridges. The only thing that I look for as minister is not the theory or theories, it's the engineering advice. And if I'm advised that we need to check out the girders for possible problems, I accept that advice. That's essentially what's happened here, and I think—I know it's been a bit of an inconvenience, but we're anticipating that we should be ought to get some movement by the end of the summer.

**Mr. Eichler:** I'll be certainly pleased to pass that on to the member from Charleswood, because we know with CentrePort moving forward fairly quickly, an increase in traffic, and so whatever we can do to alleviate some of that stress—and I've actually had a number of occasions where I've sat there at the red light and wondered when we're going to get this thing fixed, and so I know that those people that are—travel on the perimeter certainly would be very pleased to see it move forward, you know, in a very timely manner.

In regards to the Administration and Finance, this is on page 11, I believe, we have a increase of roughly \$60,000 in the Administration and Finance. Are we making some changes in that particular department?

**Mr. Ashton:** It's the general salary increase.

**Mr. Eichler:** Sixty thousand dollars for four employees is—so, that's—is that correct?

**Mr. Ashton:** Yes, okay, well, just—perhaps we can get some clarification exactly which line the member is referring to.

**Mr. Eichler:** It's on page 11, under Administration and Finance, Estimated Expenditures for 2012-2013, is \$8,903,000, whereby it was \$8,559,000 for '11-12.



**Mr. Ashton:** Yes, that's the 4 per cent change, right. That's—

**Mr. Eichler:** That is correct.

**Mr. Ashton:** It's for—actually, for 81 staff.

**Mr. Eichler:** So, in theory then, we really don't have a wage freeze for all staff. Is that correct?

**Mr. Ashton:** Well, we do have a collective agreement that had a wage freeze for a period, and then an increase—I think the member's aware of that—and there are various salary adjustments that do take place, but I wouldn't underestimate the degree to which our civil servants, and, I think, dare I get—dare I say I can add MLAs have been very much affected by the freeze, but there again, the general salary increase—we're now into the year, what—three, I believe—three of the contract, yes, which is the first year of an increase in three years.

**Mr. Eichler:** Certainly, we know the staff do a great job and they're certainly entitled to, you know, increases, and it's just wanting to clarify the fact that, you know, we are \$60,000 higher, so it's good to get that information.

In regards to the recent announcement in regards to photo radar and moving from analog to the digital world, what are we planning on making this change and when do we expect the program to be up and running?

**Mr. Ashton:** Just by way of background, very briefly, the member's aware we did receive this request from the City of Winnipeg police. They do have a film-based set of equipment. We—in addition to this request, we're also waiting for the results of the TIRF study, the Traffic Injury Research Foundation which did come out. We did indicate that concurrent with that, we would also consider this request from the City of Winnipeg police. We have authorized it. I did as minister and they will be able to now switch to the digital process.

I can't really answer the questions on how quickly. You know, that's up to the City of Winnipeg police. I would anticipate it will be fairly soon, and a key thing it does, it provides them with a more modern type of equipment. That was one of the major concerns that they had. It doesn't expand photo radar in any way, shape, or form, and really, quite apart from the administrative and equipment side for the City of Winnipeg police, it really won't make much of a difference for Manitobans. But I'm anticipating the City of Winnipeg will be moving

fairly quickly on this. They did indicate it was a priority for them and we have agreed to it.

**Mr. Eichler:** The technology that's referred to in the digital equipment, it always brings up the debate on revenue generating and whether or not this is going to be something that's going to be just another tax grab from the general public. And of course, that's something that we all know that is not necessarily aimed at those that are paying already but certainly err for caution in regards to, you know, new equipment. Of course, there's going to be flaws in it, and there may be some type of concern whether or not it's going to be, you know, a move better than the existing technology. Where do we get our information to base it on for the new equipment?

**Mr. Ashton:** Well, I think the key thing here is that the photo radar model that we have in Manitoba is a targeted photo radar. When I say targeted, it's restricted to certain areas. I think the member's more than aware of which areas. I know there was a debate at the time it was brought in. I was minister and I do recall that the opposition at the time actually argued that hadn't gone far enough. So you know, I think—which is a legitimate debate, but I think the balance here is right on the public safety side. Does it provide some revenue to City of Winnipeg police and City of Winnipeg? Yes, it does but it's just the fact that it's restricted, I think, indicates that that's not the prime purpose behind it.

In terms of the accuracy of the equipment, this is the more modern equipment. The difficulty the City of Winnipeg police had identified with the old equipment is that it was becoming obsolete. Even the provision of film was becoming more and more difficult. Certainly, it was inefficient, and we wouldn't want it to have an unnecessary cost or unnecessary inefficiency. So my understanding is it meets, you know, the type of equipment they're looking at—I mean, there are standards that have to be met, and this will be part of it. So it won't lead to a change in the operation of photo radar. What it will lead to is a more efficient and up-to-date equipment being used. That's the only real change.

**Mr. Eichler:** Is it a cost recovery program? Do the Province get reimbursed through fines or costs that—or revenue that's generated as a result of fines?

\* (16:20)

**Mr. Ashton:** It's a firm operated by the City of Winnipeg police. We do have an agreement with them. I can get the details of the agreement if the

member's interested, and it is available, by the way, to any police authority in the province. So if the member is interested with some of that background I could provide it for the next committee meeting.

**Mr. Eichler:** Yes, I would like to get a copy of that if it would be available to us.

In regards to the total cost for that, do—would that be available to us as well, or do we know that cost now?

**Mr. Ashton:** I do believe it's in the public domain, but I can try and get some background information for the member if that's useful.

**Mr. Eichler:** I do have a couple of other questions that my colleagues asked me to bring forward.

One is the wait times at Hespeler and 52, and this was brought forward, by the way, the member from Steinbach. And, of course, they're concerned that this has been lobbied for a number of years for traffic signals there, and the numbers are well above the threshold for the lights—as—he's asking for an update on that particular intersection.

**Mr. Ashton:** You know, we have some challenges that I think are actually good challenges to see. Steinbach, Winkler, a number of other communities, actually, where we're getting urban traffic issues in what previously had been rural, you know, small rural cities or towns that are growing. And it's interesting, I just met with the mayor of Winkler yesterday, and there's some similar challenges in Winkler.

Now I know the member for Steinbach (Mr. Goertzen) would want me to put on the record that we did—in fact, I was out for the opening of a set of traffic lights in Steinbach not that long ago. And I did tell him that there's a bit of an element of be careful what you asked for, you might get it. Because with traffic lights you also get some people that don't actually like them when they're brought in, but they are important for management. There's about three or four issues that we're working with in Steinbach and we're trying to determine the priority in some of those areas.

But I do want to acknowledge on the record that we are getting some significant urban traffic issues in those communities and that's really the result of some dramatic growth. I think the recent census shows that there's been very significant growth in the communities affected.

So if you want to pass on to the member for Steinbach—who I know is not shy at speaking for himself, but since he's doing it indirectly—that we certainly do take it seriously. And, actually, in the capital program we also are surfacing the highway in his area as well. So I'm more than happy to brief him on the—a lot of things are happening in the Steinbach area, which I think is a clear recognition of the tremendous growth that's taking place in southern Manitoba.

**Mr. Eichler:** Know he'll be happily to hear that and, yes, in fact, you're right, Mr. Minister, in regards to Steinbach growing, of course. And, you know, the safety issue is what he's more concerned about than anything else, and, of course, responding to those requests from his constituents.

Staying on that same theme, our member from Arthur-Virden had asked that there be an update on the bridges at Coulter on Highway 251 over the Souris River.

**Mr. Ashton:** Yes, and I had the opportunity to meet with the two affected RMs and with the member for Arthur-Virden (Mr. Maguire) and local citizens. We are—I'm going to use the word again—fast tracking this bridge. And we are hoping to go to tenders soon, start construction this fall, completion by next fall which—if we're able to meet those deadlines—would be a remarkable achievement. We're certainly in the range of \$12 million right now, so it will be a significant investment.

I do want to stress that the design is based on looking out over the next series of years—I mean, the next few decades. This is something that will be more than just a replacement, and, certainly, we're moving ahead with the Waskada bridge.

**Mr. Eichler:** Thank you for that, Mr. Chair and Mr. Minister.

Also, he had asked in regards to Hartney Highway 21, in regards to that particular bridge as well.

**Mr. Ashton:** Yes, one of the—there's two dimensions here. We are in a better position here to be able to provide an interim bridge, an Acrow Panel Bridge. There are some engineer issues. It is a PTH, as the member's aware, so there are some design issues. But, certainly, again, we're trying to complete those and go to—go through all the stages, including environmental assessments that may be necessary.

I should flag, in all-in case with all bridges, when you—whether you reconstruct or proceed with any kind of significant repairs, you often are into some very significant environmental requirements. We also have to meet the requirements of Transport Canada for navigable waterways. And we've had a number of projects that have been delayed.

In some cases you have to ensure that a yacht can go under the bridge, which was of some interest in Gods Lake Narrows, when the—when the—when there was a delay in getting the approval for that, there are no—there's no yacht club, believe you me, in Gods Lake Narrows, and people were somewhat amused by it, other than being frustrated by the delay.

But, again, this is a significant priority for us, and I don't underestimate whether it's the bridge at Hartney or in Coulter, the inconvenience that it's caused. It's one of the reasons, when I say that the flood is not over, even in areas where the floodwaters have receded, we're seeing some significant inconveniences to business, to schools and to individuals. And our goal is to get back to normal as soon as possible. And when I say, back to normal, in many cases we'll actually have a new and improved infrastructure as the end result.

And, if the member's aware of some of the pressures in bridges over the last number of years, if there's a silver lining in some of this, it is to the degree in which we're going to be renewing bridges for many years to come. You know, bridges are going to last for decades.

**Mr. Eichler:** You tweaked my interest in regards to the environmental licensing. And my understanding was that the changes in legislation federally, that that would be using that term again, fast track. Is that not the case in these or is it provincial environmental problems that we have to go through?

**Mr. Ashton:** The department advises we haven't got any information on the specific new processes. I do want to put on the record with DFO, that there has been some improvement. I think that's the general consensus with municipal leaders, certainly with our department, over the last number of years. However, there's still a fair degree of frustration with some of the processes and some of the analyses that have taken place.

And, certainly, we would hope for a, you know, fairly—no pun intended here—streamlined process. But, having said that, I don't think that this

department or our government would want any lessening of the environmental standards. The key thing, though, is, I'm always reminded of—a few years ago we had a bridge that got washed out, and I remember I was given the decision point by the department, and we could either replace the bridge, and that would take a year and a half, or put in two culverts, and that could be done immediately. And, of course, this was the bridge into—which accessed into Leaf Rapids. So that would have meant the road would have been closed for a year and a half. So I think there has to be some greater realization of that.

\* (16:30)

I do want to put on the record, though, that we had very significant co-operation from federal departments and agencies during the flood, particularly with the outlet, but I actually—I think that it's worth knowing that—I'm advised, as well, too, there's actually going to be a meeting on the new process coming up as early as next week. So, we're hopeful it will be an improved process.

**Mr. Eichler:** Yes, I did have a number of conversations with my federal colleagues, and my information was—and, you know, I'd like it corrected if it's wrong but—there had been no stoppages because of DFO or environmental licensing by the federal government. So, if that information's wrong, I'd like it to be corrected.

**Mr. Ashton:** I'm not sure if the member's talking about during the flood or sort of historically or recently.

I—during the flood, there was significant co-operation. I want to put that on the record. And I think everyone, including federal agencies, understood that this was an emergency situation. So, if that's what our federal counterparts were referring to, that's accurate and I would certainly echo it from our perspective in MIT.

**Mr. Eichler:** Yes, it was the flood—since the flood, and so, you know, we want to, of course, see those, you know, infrastructure and deficits cleared up as quickly as possible. So we don't want to, you know, blame the feds for holding up through DFA or—not DFO, but through Fisheries and Oceans or through environmental licensing that that's going to be the roadblock to keep it from getting moved ahead fairly timely.

**Mr. Ashton:** Yes, and I would echo that. Certainly, our approach in any of the meetings that we're having with the feds is that, you know, we want to

see proper environmental review. That's not the issue. The key thing really is the turnaround time, and I think that's been the bigger frustration that we've had and the municipalities have had, as well.

And they have made some progress in scoping the environmental approvals to a greater degree than was the case previously. You know, clearly if you have a major project that will have a—you know, some significant impact on movement of water, you want to have a significant degree of scrutiny. We have no difficulty with that.

However, when you're dealing with smaller projects, often culverts or, you know, something of that scale, common sense would really indicate, yes, having some degree of scrutiny, and that's important, but keeping it in balance and making sure that it—time frames are realistic, as well.

So we're hoping that the excellent co-operation we've seen during the flood will continue in an ongoing basis.

**Mr. Eichler:** Thank you. As the minister's well aware, Mr. Chair, that the member from Portage la Prairie has been requesting updates on Highway 227 in regards to the bridge there, and if there could be an access, either a drive-through for those farmers that are on both sides of the Portage Diversion, that they be allowed to have a temporary structure put in there, whether it's just a gravel or culvert put in, so that those producers could not have to go all the way around to get on another piece of land that they need to get at.

**Mr. Ashton:** Yes, I know the member has raised the issue: it's actually two bridges that we're dealing with.

One is a municipal bridge. We're anticipating getting it—basically repair it later on this year.

There is also, I think, the bridge that the member's referring to. It'll take somewhat longer to repair. I do want to indicate that, as is the case, whether it's in Waskada, or in this situation, it—you know, there've been proposals for low-level crossings, but we have to look at the span of the bridge, you know, what the costs are, access issues, et cetera. So I know we're certainly considering that, but we are going to make significant progress on the municipal bridge which is pretty close to the draw-up structure. So, what I'd suggest on that, by the way, I know the member for Portage has the raised the issue, and I'm more than happy to make a, you know, a more detailed briefing available to him. It might be

better than just relaying second hand, but I can certainly raise that. I know he's raised the issue in the House, and it is a significant concern. We have a number of bridges in that category where we know there's a significant inconvenience to people, and we really are doing what we can to get everything back to normal as soon as possible.

**Mr. Eichler:** Yes, I know the road very well. In fact, I know a number of people that use it on a regular basis, or did, before the flood of 2011. And I know a number of the colonies that, you know, haul their livestock to Neepawa for processing, use that road as well, so it's a definitely major road for the number of people that use it on a regular basis. So I encourage the minister and his staff to move fairly quickly on it.

The—I would be remiss if I didn't ask about my own area, and that has to do with Summit Road and the bridges that are being replaced there. I met with my local council there in Rosser and, of course, they're very concerned about whether or not the roads for those farm implements—they'll will be turned back to the perimeter for safety issues and, of course, they'd like an update on when that bridge will be totally replaced so that they can move that farm equipment back and forth.

**Mr. Ashton:** The department's asking for better clarification. Is this outside the city? In Rosser? Or is it inside the city as part of the CentrePort?

**Mr. Eichler:** It's in the RM of Rosser.

**Mr. Ashton:** What I was going to suggest is I will ask for an update. Rather than tie up the time right now, I'll try and get an update by the time we meet and discuss MIT the next time.

**Mr. Eichler:** That'll be fine. Actually, there's one on Sturgeon Road as well, so we might as well roll that one in there as well, that's out and been replaced, which is, you know, good, but, at the same time, those farmers and producers are trying to, you know, get on the land. It certainly makes for an inconvenience for them, but, again, the safety is the main thing that Rosser council is concerned about; diverting that farm equipment out to the perimeter which is so busy, and safety issues for those trucks and cars that go down that road each and every day. So they're very concerned about the farm traffic on the perimeter.

**Mr. Ashton:** I'll get back in the next—

**Mr. Chairperson:** Mr. Eichler.

**Mr. Eichler:** Thank you.

In regards to the list of roads that—and upgrades that the minister and the First Minister tabled, I believe just last week, there was a number of projects there that's been talked about. And I know that the government come under fire by the heavy equipment people about a number of projects that were cancelled or put on hold. Could we get an update on those?

**Mr. Ashton:** Yes, I think—I assume the member is referring to the Manitoba Heavy Construction Association. We did meet with the Manitoba Heavy Construction Association just recently. I can indicate that I thought it was a rather fruitful meeting. Certainly, there was a concern, and I've been very upfront, publicly, given the circumstances of the flood last year. We ended up with a significant number of projects that were carried over from last year. We're getting the final numbers, and it certainly will be significantly higher than normal and, again, this very much because the industry was focused in on dealing with the flood situation.

\*(16:40)

We have indicated that a number of projects have had to be delayed while we focus in on the bridges and flood-affected roads. We're making significant progress already on the roads. Actually, quite a bit of work was done last year and this was always contemplated as being something that would be expected in these kind of circumstances.

When we adopted a long-term plan, it always had some flexibility and it had some recognition of the degree to which we would have to adjust that over time. As I said, there's a significant capital program this year. I can provide a full list of projects but we did have to postpone a number of projects, move them, you know, back later in the capital program, although, again, we're—we've been getting our year-end numbers and we did indicate that some of the projects that were in the November list that we were looking at originally delaying may be able to proceed with some of the carry-over that's taken place.

So, bottom line here is, this is a significant capital program this year. There was last year, although, if you look at it again, probably the most significant element of last year was the degree to which the industry was very busy on flood projects.

You know, it was a fair degree of carry-over, I think in the range about \$80 million from last year. We get carry-over every year, but that's significantly

higher than normal so we've had to manage that, make sure we focus on the flood, and there'll be significant work for the industry again this year.

**Mr. Eichler:** On the carry-over that the minister was referring to, Mr. Chair, the \$80 million, those are just flood related, just so I'm clear on that?

**Mr. Ashton:** That's the whole—out of the whole program, it'll be a mixture of the types of projects and, again, in some cases you had weather delays, but many cases, quite understandably, contractors were putting all available resources into things like the outlet and other flood related projects. So I, you know, I want to make it clear the industry was there for us again, as they've always been, but, again, that significant carry-over, it's a variety of projects, you know, from paving through to, well, you name it, you'd see the general kind of range of projects.

**Mr. Eichler:** Thank you, Mr. Chair, and for those updates. I know the member from Morris has a couple of questions in regards to road upgrades and that, so I'll turn it over to her at this point.

**Mrs. Mavis Taillieu (Morris):** And I know that I have a number of significant provincial highways running through my constituency with No. 1, 2, 3, 75 and 59, as well as some others but—and, as well, the south Perimeter and west Perimeter Highway, so—but I want to specifically ask a question today in regard to the intersection 330 and the south Perimeter, Brady Road, the extension of Waverley and the proposed bypass, I think, that is going to be developed there.

As you know, Mr. Minister, you were the recipient of an email, same as I was, from a very impassioned mother who lost her son at that intersection of Brady Road and the Perimeter Highway just over a year ago, and she's sort of asking for more information as to what will be happening there, and I know it wasn't that long ago—it was probably last year as I think about it—where there was an open house and there were some maps showing some alternate—different suggestions as to how this would be developed in the area. But I'm just wondering what progress has been made, where we're at, if there's going to be more open houses for the development of Brady Road intersection, intersection going to La Salle on 330, the intersection at Oak Bluff and Highway 3, and the intersection that's just north of that into the industrial park. What kind of development is going to happen there that's going to improve the safety on that stretch of highway?

**Mr. Ashton:** Yes, the member's quite correct. We do have a consultant working on options. We're also working with the City because, obviously, it involves Brady Landfill and the Kenaston connection that's within City jurisdiction and we are looking at a variety of options to deal with some of the traffic pressures in that area. The member's quite correct, there's some fairly significant passenger—you know, vehicle movements and we are looking at a long-term solution that involves the City as well. It's not the only area of the city we're looking at as well, but, you know, if we're going to get any of those options to be viable for the future a lot of it has to be working with the City as well. So we do have a consultant working on this and we're looking at options on how to manage the traffic pressures in that area.

**Mrs. Taillieu:** Thanks for that answer. I'm just sort of looking for further open house dates, further options that may be suggested for this. I know that the people in the area have been consulted, but at that open house they were told that there would be further consultations and further options available to look at. And then if you could suggest what kind of time frame you might be looking at for either the open house and then going on from there.

**Mr. Ashton:** Yes, no date's been set for a subsequent open house, but there's every intention to have further consultations. It's not unusual, you know, where the—a project of this scope, magnitude, for us to have a series of open houses. And we'll undertake to make the member aware when we do actually proceed, given her interest in this important area. So we'll, as I said, there will be further meetings, but we haven't set any dates yet.

**Mrs. Taillieu:** Just—perhaps the minister could indicate where in the long-term planning would this redevelopment of the Waverley and the bypass around St. Norbert—which would involve these intersections, I believe—where in the long-term planning would that fall?

**Mr. Ashton:** Well, I think the member's description is probably the first place to start in terms of sort of long—you know, the long-term planning. Obviously, there's a number of steps you go through before you have ability to actually put something in the capital program. I mean, it has to be engineered, costed out, you know, that subsequent step. It's certainly on the radar screen for the department. I think it's on the radar screen for the City, as well, with their components.

If I could, I'd point—also the—I know I'm trying to pre-empt any questions the member might have, but obviously the other focus on 75 is Morris and the flood, improving the number of days in which 75 is closed due to flooding, and work is proceeding on the hydrological side of that as well. Again, no simple solutions, but that's important component of that. But, certainly, the concept of a St. Norbert bypass is something that's certainly on the horizon for the long-term development in that area.

Having said that, but there are also other components that are sort of more immediate, and I think the member knows the background on this. That's, again, where the focus has been on Brady Road, some of the traffic control issues. And as you move to a—whatever longer term option is determined it's important also to deal with some of the immediate situations in terms of traffic.

So it's not in the capital program, but then, again, something that is still being scoped out wouldn't be in the capital program. That doesn't mean it's not necessarily going to be a program at some time in the future.

**Mrs. Taillieu:** Thank you for that answer, and I do recognize the importance of Highway 75. I recognize that, certainly, and I think—thanks for reminding me about that, because I think there was a commitment to do a hydrological study and that should be done by now, I think, if my memory serves me correct. I'm just wondering if it is.

**Mr. Ashton:** I'm glad I've got into this because, actually, it gives me the opportunity—*[interjection]*—yes, I know. But a lot of our hydrological-based projects have been somewhat delayed because of the flood. The rally was last year, pretty well any and every hydrological engineer or technician in the province, we had them—not directly, but indirectly, you know, because we're dealing with consulting engineers working on the flood. So there has been something of a delay that has impacted that.

\* (16:50)

But, having said that, it remains a priority for the department, and I should put on record too, since we're talking about 75 through Morris, that the No. 1 question that I've been getting over the last number of years around Morris is actually not been in regards to this, but when are you going to get the highway through Morris fixed? And, of course, as the member knows, the reason for the timing of doing that work was to do with the utilities and municipal

components which are being done. So this year I'm looking forward to, you know, lot of improvement on 75, and I'm actually looking forward to driving through Morris as well. And I'm sure the member will be as well because once we get finished that portion, we really have made huge progress on 75. What remains is really the flood issue. And as the member knows, as well, too, from, you know, I've been at public meetings; I know she has as well, one of the key issues in and around there, the clear message we got from the—from a number of the public meetings I went to was to be very, very careful about the impacts of whatever we do, on potential impacts on flooding of other areas, you know, because if you're looking at any kind of 'hydrological' shift, you run the risk of, you know, setting off a chain reaction: a road can be a dike, you know, there are various different components of it.

So, yes, there has been a delay because of the flood last year, but it's still a priority and we're still committed to moving forward to getting a solution that will not necessarily eliminate [*inaudible*], but we'll significantly decrease it. And advised, actually, that we've got 90 per cent of the southbound lanes rehabilitated—I like that word, "rehabilitated"—and 40 per cent of the northbound lanes rehabilitated. So it's going to be new and improved by the end of the summer.

**Mrs. Taillieu:** Well, thank you. I sure hope they are because Morris is having its 50th anniversary of the stampede next year, and they want that road done. So we'll hold you to that.

**Mr. Ashton:** You know, someone who is actually been out to the stampede and good friends out in Morris, and the late Emil Kran used to bug me about—I went to his funeral actually, and he's probably watching now—my conscience will be clear by the end of the summer and certainly by next year because I did tell him we were going to get it back to a normal level. I know it, you know, it—some people, I think, thought that it was maybe a way of keeping long-distance travellers awake coming back on, you know, from a long drive. It maybe performed that function, but we're going to have a road that's going to really soothe the, you know, the nature of what is our main connection. I mean—and our, you know, our connection with the US and going through Morris.

Yes, we're going to have a road that people are going to really be proud of again.

**Mrs. Taillieu:** Okay, this is getting way too friendly, here, so.

Long-term plans to bypass from CentrePort way out past the White Horse statue out in St. François, there's a number of people that have been put on hold, I guess, is the term, in terms of developing their land along there or whatever they want to do with their property. So they're told there's a long-term plan to do this bypass, and so highways won't allow it to happen because of some long-term plan with this.

So, I mean, how long into the future is this plan, because I don't think you can put people on hold for 20 or 30 years? I mean, you look at how long it took to get the Moray bridge, William Clement parkway, done. [*interjection*] It took—yes, probably 40 years. So, you know, even though there's long-term plans made, I mean, at some point, you know, how realistic is it, and how can you put people on hold for that long a time?

So what is the estimate as to what we're looking here in terms of that bypass?

**Mr. Ashton:** Well, I think it's important to kind of put things in sequence. The main focus right now obviously has been CentrePort Canada Way, has been very significant progress on that. The Headingley bypass is still very much something that's part of our long-term planning.

We anticipate, as we complete CentrePort Canada Way, moving to doing the kind of studies that are important around Headingley. I appreciate that there are people that are anxious to—I know the long-term alignment, but quite frankly, as the member would know, when we're into any major project, the last thing you want to do is end up with a situation where you don't have planning. You then ended up in expropriation. You end up with a far more difficult circumstance for people than don't have currently.

So our intent is certainly to move in that area. And it's not unusual. There are other areas of the province where we have potential for long-term developments. And certainly there's been a lot of development in Headingley, and a lot of development in and around Headingley that we're aware of. So this is—it's not unusual, and I appreciate that some people would like decisions sooner rather than later, but, again, if you look at CentrePort Canada Way, it's a relatively new development. It's certainly been something that we've been—I use the term one more time, fast-tracked the last few years. And it does very much have implications for Headingley, potential for Headingley bypass. So

the—I guess the—I know it's not necessarily going to make some people who want a decision immediately happy, but it is certainly in our planning horizon, and we will be doing the necessary studies. And once that happens, if there's land that's not required for it, it will be released and people can proceed accordingly.

**Mrs. Taillieu:** It's just—the reality of the way things work is it takes a long time and, certainly, the cost, the magnitude of such a project and the billions of dollars it's going to take really puts it a long time into the future, realistically, and in some cases, I would say, not in the lifetimes of the people that own property along the area. So I think there has to be some significant steps towards, okay, where's this going to go, and narrow it down so that the people that are going to be affected, fine, but the people that aren't going to be affected should be free, then, to carry on and do what they would like to do and not be encumbered by Infrastructure and Transportation putting these liens, I guess, on properties that may or may not be affected.

So I think there's an obligation on the part of the department and on the part of the government to not tie up people generation upon generation in this. And I'd really appreciate it if the minister could narrow this down because it's a significantly costly undertaking. We know that these things don't happen in five, 10 years. As I say, it could be the next generation. It could be, as the member for Assiniboia just said, the Silver—Silver Avenue is still not done, and I think it's 40–52 years. So it's significant, and to make these kinds of restrictions on people now and into the future that long is really just not fair. I'd really like to see some movement on this.

**Mr. Ashton:** Well, I think it's important to recognize that we have similar situations elsewhere in the province. It's not unusual when you know that there are significant traffic pressures that you have to—the department has to protect the alignment. In some cases, too, we, in fact, many cases throughout the province, we're actively involved with purchasing where we do have a potential alignment for projects not—programmed in the capital program.

So, you know, I could run through situations where you actually have landowners want to sell and we are purchasing. The key thing here, though, is to get the study done, and, again, well in advance of the actual programming of a bypass around Headingley, you would end up with having an identified route or routes that would allow for release of some of the

land. So that's our goal is to move to do the studies that are necessary to do that over the next number of years.

So, even if it's something that's not necessarily constructed, you know, for some time, the planning stage precedes that. So, you know, if that's any assurance to the member. Now, having said that, I know, I'm advised or people phone the department every two weeks, I understand it's frustrating for individuals in that sense but, we, you know, we have to go through the process.

And, you know, I do want to, in defence of the department, point out that this is how you develop major projects like that. You've got to have some ability to protect the, you know, the land, and I'd rather do that and be upfront with people and then narrow it down and release the land than go the other route, because, in many cases, there's nothing more difficult for people than when you have an expropriated route. In some cases you can't avoid that, but it's always the last resort, and I've seen that with major projects. You know, this may inconvenience people but it's a better option than not protecting it and then expropriating later.

**Mrs. Taillieu:** And I appreciate the answer. It's just that I hear from constituents all the time saying, like, the property I own is not anywhere near where there's a proposed highway, and maybe they don't know where the proposed highway is. And I think that's what needs to be narrowed down, but to tie up people just to say, no, because of this happening is really not fair. It needs to be more narrowed down and, okay, this is the route, this is what is going to be restricted. But I don't think you can just, you know, blanketly say no to everybody that makes an application within the department. I just don't think that that is fair to people. But I—I'll leave it at that. I've said what I need to say there.

I just have one more question. I'd like to know when the hydrological study in the Morris area was promised to start. And I believe it was to take one year. So I'm just looking for that—those dates, when it was to start and when it was to be completed.

**Mr. Ashton:** I'm just looking at the time constraints here and what I was going to suggest is I'll provide a detailed answer at the beginning of the next Infrastructure Estimates in the next few days.

**Mr. Chairperson:** Order. For your information, as set out in the Estimates sequence, this section of



the Committee of Supply will consider the Estimates of the Department of Conservation and Water Stewardship tomorrow.

The hour being 5 p.m., committee rise.

### FINANCE

\* (15:10)

**Mr. Chairperson (Rob Altemeyer):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the exciting Estimates of the Department of Finance.

Does the honourable minister have an opening statement?

**Hon. Stan Struthers (Minister of Finance):** I'm thrilled that you would use the word "exciting" to describe Finance Estimates. I'm—I say that because not only are they exciting but they are very central to what we do as decision makers, whether you're in government or whether you're in opposition. I said it in the House yesterday; I was very honoured to bring a budget forward. I was thrilled to do that.

It's a budget that I think reflects the kinds of values that are important to Manitobans. It is a kind of budget, I think, that is good for the uncertain economic times in which we live, in which we find ourselves. It's a kind of budget that many other jurisdictions have at least elements of in terms of their approach to dealing with uncertain economic times, a downturn in the economy in Manitoba, factored on top of that, a flood, an unprecedented flood with an unprecedented price tag to go along with it. These are all things that we need to account for.

We—beginning ahead of Budget 2012, our government made a decision that we were going to take a multi-year approach to coming back into balance. We didn't want to take the approach that we would do it all at once with deep cuts to programs and expenditures, I think, that were necessary. We want to do it in such a way that we can control expenditures in the upcoming budget year and we want to do it, all the while, by protecting those things that matter most to Manitobans: health care, public schools, universities, services for kids. We want to continue to invest in infrastructure, roads, bridges, other forms of infrastructure.

It's my contention that Budget 2012 does that, and it's my contention that the Estimates in each department will show that. It will show that

this budget is, indeed, a good budget for the times—uncertain times that we live in.

I look forward to the questions from, not only the critic on behalf of the Conservative Party, but any of their colleagues that come forward. I want to be sure that she knows that our staff is available, whenever necessary, to answer some—the technical questions she may have, provide briefings, whether it be through questioning here at the Estimates stage or, in terms of legislation that we bring forward, briefings and those sorts of things. We'll be sure that we're available for members opposite to answer their questions. And, of course, arm-twist them into supporting Estimates and legislation and the rest of it.

So I also—just before I wrap up, I want to say a lot of people put a lot of time into preparing the budget, into preparing these Estimates. I've been the Finance Minister for seven months now, and I am absolutely impressed with the people in the Department of Finance, who have briefed me, sometimes having to brief me over and over again as I take on the learning curve involved in Finance. But I can't say enough good things about the folks in the Department of Finance for their professionalism and work ethic, and their commitment to this process, and to their commitment to the people of Manitoba through the work that they do.

I also want to say that my special assistant, Amelia Ramsden, and the folks that work in my front office go over and above the call of duty to make sure that everything works fine, and I do want to pay particular attention to Amelia and to the folks in my front office as well.

So, with those few words, I don't want to take up too much time, and we look forward to hearing from the member for Tuxedo (Mrs. Stefanson) and having discussion about our 2012-13 Estimates.

Thank you, Mr. Chair.

**Mr. Chairperson:** We thank the minister for those comments.

Does the official opposition critic have any opening comments?

**Mrs. Heather Stefanson (Tuxedo):** I have to say to the minister, it's nice to be back in Estimates with him again. I think we were—we've covered off maybe a couple of other departments where we've—I've been a critic for his ministry and so this is—it's great to be back again. I think we've always had a good working

relationship when it comes to the Estimates process, and I look forward to continuing that, and—but certainly I also want to thank the department staff for all the work that they've done, and we know how much hard work goes into preparing the budget documents, and so we appreciate, on our side of the House, as well, all the work that goes into that by the civil service as well.

Mr. Chair, I do have a few opening statements with respect to this budget and, unfortunately, as we've already voted on the budget speech, I guess, and I think it was no surprise how members on our side voted and members on the other side voted, but I have to say that I'm deeply concerned about the direction that this government is taking us in this province.

First of all, one of the most important things that we've been debating in the Manitoba Legislature since we came back into session and since the budget was introduced was a promise that was made by the Premier (Mr. Selinger) of this province during the last election campaign, and he made a promise not to raise taxes. And I'm going to quote it again, because I think it's important to drive home the importance of this issue, because it's not honest to say one thing during an election and then, your first available opportunity, turn around and change that.

\* (15:20)

He said, and I quote, in a fact check that came out from the—it said a fact check on 2010-11 Public Accounts show Manitoba's five-year economic plan on track, it said. And it said, and I quote, it's dated September 2nd, 2011, I quote: Today's release of the 2010-11 Public Accounts shows that the NDP's five-year economic plan is on track to return the budget to balance by 2014, while protecting jobs and services without raising taxes.

And, he also said in a—in an interview, or actually during a debate during the last election, on CJOB he said, and I quote, our plan is a five-year plan to ensure that we have future prosperity without any tax increases and we'll deliver on that. And, you know, I just—it's very, very difficult for us to be able to do our jobs when one thing is said during an election and the first available opportunity that this Premier had and members opposite had to break their promise, they took it.

And, you know, it—during the election campaign, I'm sure many of them were going door to door; no, you heard our leader on the radio this morning, you

saw our fact check sheet, we are not going to raise taxes.

And, keep in mind, those are—those were promises that were made by the leader of the NDP and the Premier at the time. And I just don't think it's incumbent upon a premier or a leader to come out during an election campaign and say something that they really had no intention of ever keeping because I think it's dishonest to Manitobans who went to the polls and voted, based on trusting what they heard during the election campaign would be, you know, true, and now we see that that is not true.

So, when we—when I—when this budget was introduced and, in the Manitoba Legislature, I was really concerned when I saw that the NDP broke their promise and they raised taxes by at least \$184 million. I mean those—that was a promise they made and they didn't keep it and so I think it's important for Manitobans to understand that.

But, there is also—there's another way of—maybe it's not increasing taxes but it's kind of like a back-door way of doing things, and it's increasing fees that Manitobans have to pay for various services that are offered in different government departments. And it's one of the things I have brought forward, Bill 211, and I look forward to having the debate on that and hopefully members of the government will be able to see fit to support that, that bill, because all it calls for is transparency and accountability within the government by listing those fees in the budget documents, how they compared to this year, last year, so that Manitobans can open up and see in a schedule in this—in the budget books exactly, you know, how certain fees that they—that affect them compare to previous years. And that's really all that that piece of legislation is doing. It's not that controversial; it's just a way of making things more transparent and accountable for the people of Manitoba. So I look forward to further debate on Bil 211 to ensure that the transparency and accountability is brought forward with any future budgets that are brought forward.

We talk about \$184 million in taxation. I think it's important to break down where those taxes are coming from and who most will be hit as a result of the NDP's tax hike in this election, or in this budget, I should say.

All the taxes, you know, that are being increased, you know, they're affecting people. Seniors, for example, on the dividend tax credit reduction of—from 11 per cent to 8 per cent is

effectively a tax increase of 4 per cent. I mean, seniors rely on the dividends—dividend-yielding stocks in their portfolios because they rely on a steady source of income. And when the government suddenly taxes part of that away, it affects their day-to-day life. Dividends are usually paid out quarterly and many of those Manitobans would have received a dividend distribution this year already and now, you know, they're going to be taxed on that distribution that's already gone out to them as of—based on stocks that they owned back—it's going to be retroactive back to the beginning of this year. So it's a very difficult thing to administer and I think it's going to be very upsetting to a lot of seniors in the community.

I think that many of the PST expansion on services and products that are primarily used by women is—it was a direct target on them, and I think it's extremely unfortunate that the government chose products that specifically, for the most part, harm women in our communities.

Increase in fees and taxes for volunteers. The expansion of the PST to include various insurance products, and I know that there's some issues with respect to the insurance companies and, indeed, to consumers with how that is going to be rolled out. There's a lot of questions around that that I know we'll get into throughout the course of the Estimates process, Mr. Speaker—or I mean, Mr. Chair.

I think also yesterday we saw the fallout of the gas tax hike in the province, and yesterday was known in most provinces as May Day but in Manitoba was known as gas tax hike day, and how that affected Manitobans all across our province. And I know, just driving home and passing by and some of my colleagues passing by some of the gas stations on the way home the day before, I mean, the cars were lined up. They wanted to fill their gas tanks before the gas tax was increased the next day, and I think one of them actually ran out of gas, from what I understand. So it's one of those things that—it does affect many, many Manitobans. I know, for example, you know, with—I know, just taking, you know, what it is to drive your kids across the city to go to soccer games, for hockey, all of those things, I mean, that's an added tax on Manitoba families.

And so I think there's so many things that we want to talk about and there are many questions that we have with respect to this budget. So I know we offered an alternative for Manitobans to see what some of the ideas are that we have for them out

there, and I hope that—I know that members opposite actually sort of voted against those yesterday when they voted on the budget. But I hope that through the dialogue, through—that we have here in Estimates that hopefully they'll listen, because we're bringing these forward on behalf of constituents that are asking these questions and I know that they deserve to have the answers to those questions.

So, having said all of that, Mr. Chair, I'm happy to move on with the—with questions.

**Mr. Chairperson:** We thank the honourable opposition critic for those opening remarks.

Now, just so we're all on the same page, under Manitoba practice, debate on the Minister's Salary is the last item to be considered for a department in the Committee of Supply. So accordingly, we shall now defer consideration of line item 7.1.(a) contained in resolution 7.1, and that'll be dealt with last.

And, with that said, at this time, we'll ask the minister to invite his staff to join us here at the front table, and maybe after they're settled you could be so kind as to introduce them to the committee.

**Mr. Struthers:** I'm joined at the table here by Mr. John Clarkson, who is the deputy minister of Finance. I'm joined by Mr. Jim Hrichishen, assistant deputy minister, taxation, economic and intergovernmental and fiscal analysis. I'm joined by Mr. Errol Kavanagh, executive director, admin and finance; and Mr. Richard Groen, a director for tax policy.

**Mr. Chairperson:** Thank you very much, Minister.

\* (15:30)

One item before we proceed to questions is, does the committee wish to proceed through the Estimates chronologically or to have a global discussion?

**Mrs. Stefanson:** It would be great if we could proceed in a global fashion, having—but respecting the fact that there's lots of different areas of Finance. And I know, in the past, I often worked with the minister to ensure that we could co-ordinate a little bit in terms of the line of questioning so we don't have the entire Department of Finance here, as well, to answer questions. So I'm certainly prepared to work with the minister on that.

**Mr. Struthers:** That sounds good to me.

**Mr. Chairperson:** All right then. So it's therefore agreed that questioning for this department will

proceed in a global manner with all resolutions to be passed once all the questioning has been concluded.

The floor is now open for questions.

**Mrs. Stefanson:** And just at the beginning of Estimates we usually have a list of general housekeeping-type questions that I will work through fairly quickly.

I'm wondering if the minister could provide us with a list of all current Treasury Board ministers.

**Mr. Struthers:** Yes, the member for—what does your, yes, the member for Fort Richmond (Ms. Irvin-Ross), vice-chair of Treasury Board; the member for Gimli (Mr. Bjornson); the member for St. Johns (Mr. Mackintosh); the member for Southdale (Ms. Selby); the member for Minto (Mr. Swan). How many is that, Mr. Chair?

**Mr. Chairperson:** You're getting close.

**Mr. Struthers:** Oh, the MLA for Dauphin—okay, I forgot him—good information given to me by my deputy minister there—and that's the six of us.

**Mrs. Stefanson:** Okay, I wonder if the minister could provide a list of all political staff, including their name, position and whether or not they are a full-time or a part-time employee.

**Mr. Struthers:** I have two: Rosalie Pshebylo, who's been my executive assistant for a number of years, works out of the office in Dauphin; and Amelia Ramsden, who I mentioned earlier, who is the special assistant and works here in the legislative buildings.

**Mrs. Stefanson:** So there's only the two political staff and—that are in your department? There's no other political staff anywhere else?

**Mr. Struthers:** I believe that's all of them.

**Mrs. Stefanson:** So the minister has mentioned the list of staff in his office, I'm wondering if he could also list the staff in the deputy minister's office.

**Mr. Struthers:** These are members of the civil service. We've met my deputy minister, John Clarkson, the secretary to the deputy minister, Rachel Lamirande, and the correspondent secretary, Shannon Wall.

**Mrs. Stefanson:** Can the minister indicate the number of staff currently employed in the Department of Finance?

**Mr. Struthers:** We have 476.4 full-time equivalents.

**Mrs. Stefanson:** Can the minister indicate, is that—has the number of staff increased or decreased over last year?

**Mr. Struthers:** I should also add that we have 40 full-time equivalents at the Manitoba Securities Commission, which is part of the Estimates that we're—would be dealing with. The—this is an overall—net overall increase of 4.7 FTEs.

**Mrs. Stefanson:** Just perusing the *Hansard* from last year when I asked the questions, it said that the department has 452.2 full-time equivalents, and this was the minister saying this in this year. So it—I'm just—476.4 plus the 40 is significantly more than that.

**Mr. Struthers:** Yes, we've—since the last year's Estimates, there's been a of couple areas in which there have been transfers of FTEs from other parts of the government into the Department of Finance. One was the—oh, gosh—one was from the financial institute's regulatory branch, a number of positions there, and of—and from the—from ETT we transferred some folks connected to the Priorities and Planning Committee of Cabinet. I don't have particular numbers for each of those, but I'll commit to get back to the member on specifics. But there were transfers into the department from other parts of the government that would attest to the increase in numbers that—from last year to this year.

\* (15:40)

**Mrs. Stefanson:** Okay, so from those—are those—I mean, the difference between last year at 452 and this year at 476, twenty-four increase, is—so, I guess, between those two transfers, where you said the financial institution regulatory branch and ETT, is that—would that—would the total of those two areas then be 24 full-time employees?

**Mr. Struthers:** I—that would be part of that. It could be close to being that whole number but, to be accurate, I'll undertake to get that information back for the member for Tuxedo.

**Mrs. Stefanson:** Okay, and I thank the minister for that. Just wondering if the minister could give me a breakdown of employees across all, you know, sections of the Department of Finance. How many people work in all the different areas? Like, the—it's sort of the breakdown is what I'm looking for of the 476.4 full-time employees.

**Mr. Struthers:** It's broke—we can break it down into four different categories: corporate services with a total of 31 FTEs; fiscal and financial management, 342.4 FTEs; Treasury Board Secretariat, 88 FTEs;

Priorities and Planning, 15 FTEs. That gets the grand total of 476.4 FTEs.

**Mrs. Stefanson:** So the employees who move from the other two areas, the regulatory branch and ETT, are they—so they're also included—so they've moved over to fiscal management or treasury board or where do they fit in in this breakdown?

**Mr. Struthers:** On page 14 of the Estimates book, there's a chart there that shows where the FTEs are located. The Financial Institutions Regulation Branch is under the fiscal and financial management, it was part of the 342.4, and that's a total of 9.2 FTEs. And the Priorities and Planning, the group that came over from ETT, there's 15 employees there. Oh, right, it's a combination of the Priorities and Planning Committee of Cabinet at 13 and the Premier's Economic Advisory Council with two FTEs.

**Mrs. Stefanson:** Could we get a list of the names of these 24 individuals that are now moved over to the Department of Finance from the other areas?

**Mr. Struthers:** We'll undertake to get that for the member for Tuxedo.

**Mrs. Stefanson:** Were those done as a direct transfer? So are they being paid for out of the Department of Finance now? Or were they seconded, and are they being paid for by another government department?

**Mr. Struthers:** They're paid for out of the Department of Finance.

**Mrs. Stefanson:** So that would obviously free up those salaries from another government department and should show up in their Estimates as well. Is that right?

**Mr. Struthers:** They'll show up in the adjusted vote for each of those departments.

**Mrs. Stefanson:** Does the Department of Finance hire anyone on contract for any services?

**Mr. Struthers:** The answer is, yes, there's two. The—and the two positions are the Independent Administrator and the Tax Appeal Commissioner.

**Mrs. Stefanson:** And what's—how much is currently—what is the—what are the terms of the contracts on both of those? Are they three years, one year? When are they up for renewal?

**Mr. Struthers:** These are both legislative positions that are ongoing. So there's no term limit on that.

**Mrs. Stefanson:** Were these contracts tendered?

**Mr. Struthers:** There were nominations accepted for the position, and then interviews and a selection process that took place to fill those two positions.

**Mrs. Stefanson:** How much does the current Independent Administrator make on an annual basis in this contract?

**Mr. Struthers:** The Independent Administrator works on a billing basis, and we've budgeted \$34,000 for that—in that line.

**Mrs. Stefanson:** Did this—was this individual also employed last year or is this a new position?

**Mr. Struthers:** The position of Independent Administrator was created in 2006 and the same person has been in that position from then till now.

**Mrs. Stefanson:** How much has been paid to that Independent Administrator on an annual basis since 2006? Has it been \$34,000 or has it ever gone over that or if—could we have a breakdown on what's been paid on an annual basis?

\* (15:50)

**Mr. Struthers:** These are all reported in our annual reports. We can—I think we can get that information for the member for Tuxedo. This year we budgeted 34,000; last year we budgeted 38,000. But we can get more numbers dating back to each year to '06. *[interjection]* Oh, okay—well, I'm sorry. We budgeted 34 last year; we spent 38.

**Mrs. Stefanson:** Okay, so do you think that you're on track to stick to 34 this year, given that it was budgeted 34 last year and it was overspent?

**Mr. Struthers:** Yes.

**Mrs. Stefanson:** What is the basis for that? I mean, if in past years we've gone over budget in terms of what we've paid this person, then what's the basis for thinking that you'll stick to it this year?

**Mr. Struthers:** Back in 2008, they'd made some changes to—in the area of labour-sponsored funds that required extra work to be done in this—by this person in this position. We believe the work level has decreased and will level out, and that gives us the—some confidence that we're going to hit our target of 34 grand.

**Mrs. Stefanson:** You mention this was listed. Do you mean it's listed in the Public Accounts books?

**Mr. Struthers:** All the details are in the—in our department's annual report.

**Mrs. Stefanson:** And what are the—so is this a position that's going to be phased out now, if you're saying that it was originally brought forward for specific reasons back a number of years ago and the reasoning behind being able to stick to the budget for it is that the need for this position is maybe declining? Is there a phase-out of this position contemplated?

**Mr. Struthers:** Yes. Well, first of all, we look at positions and if there's ways in which we can reduce the cost to the taxpayer, we look for those opportunities. We don't want to be spending money if we don't need to. That's the first premise that I operate under. What we noticed in 2008 was an increase because of some changes that were made. I understand the point of the member opposite; if there's an opportunity now to not spend that money, that's fine, except that there still is an ongoing need for the position in terms of monitoring the provincially registered laboured sponsored—labour-sponsored funds that do still exist and still—that still issue tax creditable shares to investors under the Small Business Venture Capital Tax Credit. So there's still work that is done in this position, but I fully expect that it would level out at the \$34,000 mark that we budgeted.

**Mrs. Stefanson:** The minister mentioned a Tax Appeal Commissioner as well as another contract. Could you indicate—could the minister indicate what the terms of the contract were, whether they were tendered, and how much is currently being paid and budgeted for for the Tax Appeal Commissioner for this year?

**Mr. Struthers:** The position of Tax Appeal Commissioner was set up in the same way that the Independent Administrator was. It's a nomination process, and the amount that we have budgeted in this position is \$19,000.

**Mrs. Stefanson:** The—I guess what I'd like to know is what the process is going forward. It sounds to me like there was—was there advertising that took place on the part of the government to indicate that there was a need for these services to be delivered?

**Mr. Struthers:** The position of Tax Appeal Commissioner was established in 1993. What happens is that there's—with a number of different businesses around, we canvass and get names forward and then review those names to make sure

that we use the most qualified, the one that has the best technical resumé, I suppose. So it's a canvassing of businesses. The names come forward and then we choose from—review those names and put that person in place.

**Mrs. Stefanson:** So has that same person been in there since 1993?

**Mr. Struthers:** A person by the name of Dick Russell [*phonetic*] held the position from 1993 up until fairly recently. Unfortunately, Mr. Russell passed away, and Mr. Dan Torbiak is now occupying the position of Tax Appeal Commissioner.

**Mrs. Stefanson:** And is it just that people stay in those positions until they move on, or is there some sort of a review process that takes place on a regular basis to ensure that the services are being delivered to—in the most efficient and effective way possible?

**Mr. Struthers:** Yes, there is a review. It's done on an annual basis. The deputy minister leads that along with some folks in the Taxation Division and along with input from folks in the business community.

\* (16:00)

**Mrs. Stefanson:** The minister mentioned earlier that there's been some transfers in from other departments or agencies into the Department of Finance. I'm just wondering if he can indicate if—have any full-time employee positions moved to other departments from Finance?

**Mr. Struthers:** We had one position that was transferred from Finance over to Innovation, Energy and Mines. It was a position connected to innovation technology initiatives. That would have occurred since the last Estimates of this department.

**Mrs. Stefanson:** And is that position—was it seconded over again? Has it moved over entirely so that position is no longer paid for by the Department of Finance?

**Mr. Struthers:** She's correct.

**Mrs. Stefanson:** Could the minister provide us with a list of individuals who may have retired in the Department of Finance in the last year?

**Mr. Struthers:** I do—I want to correct myself on something I said earlier. I referred to Mr. Dick Russell [*phonetic*] as Mr. Glen Russell, so I apologize for that.

I also can inform the member for Tuxedo that there were 20 retirements in the Department of Finance. I can break that down for her into three categories: six retirees from Administrative Support; 13 retirees from Professional/Technical; and one managerial retirement.

**Mrs. Stefanson:** Yes, just—there seems to be something off about the numbers here, in terms of the number of employees, based on the answers that I received from the minister last time, where there was 452.2 full-time equivalents. And I thought we sort of, maybe, dealt with that situation when you mentioned the financial institutions regulatory branch and ETT employees moving over. That was roughly about 24, which would bring us up to the 276—or sorry, 476 full-time employees that the minister mentioned. But now, with one person leaving and going to another department and 20 retirements, it just doesn't seem that the numbers add up here. And maybe you can explain it to me. If not, you know, we may have to move on, but I just—it just doesn't seem to be adding up, so if you could maybe explain that.

**Mr. Struthers:** What we're dealing with are full-time equivalencies. There could be some vacancies that skewed the numbers that we've been talking about. There could be some decreases in those numbers. But I think what we probably should do is commit to making sure that we can square the circle on these numbers with the member for Tuxedo. We'll undertake that with our staff to make sure that we can have some numbers that jive.

**Mrs. Stefanson:** I appreciate that—those comments from the minister.

I just wanted to—one last question with respect to this and some housecleaning on the general questions: Can the minister indicate how many out-of-province trips he has taken in the past year and the pertinent details of these trips, such as purpose, dates, who went and who paid and what were the costs?

**Mr. Struthers:** I think the member asked me to—for out-of-province trips. Yes, they were—out of province there was one trip. It was just before Christmas in December; it was to Victoria, British Columbia. It was for the federal-provincial-territorial Finance ministers' meeting, and I think she heard all about it on the news, so.

**Mrs. Stefanson:** Unfortunately, the news doesn't always cover the costs associated with these things,

so I'm just wondering, if the minister doesn't have those details right now, if he would endeavour to get back to us with those—with the details, as I outlined in my question.

**Mr. Struthers:** I can do even better than that. I can give that number to my friend from Tuxedo right now. The cost was \$939.88.

**Mrs. Stefanson:** And I do want to move on to another area of expenditures, and this we know from the budget deficit that is—that we're looking at for this year. Based on the third quarter report that came out, we're looking at—they're projecting a deficit of \$1.12 billion and a portion of that, and albeit not the majority of that, is attributed to the flood. But we know the majority of those expenditures fall under other government department increases in expenditures and—but I do want to, just for this period of time, focus on the flood-related costs and overruns. And I'd like to know specifically how much was budgeted for last year and what are the numbers expected? I mean, the numbers that were given, I guess, in the third quarter report were just projections. Does the minister believe that we're—that those numbers—those projections are on track for the deficit remaining where it is for this year?

\* (16:10)

**Mr. Struthers:** First of all, the \$1.12 billion: that was last year; that was the 2011-2012 year.

This year, in the budget, she will know that we've—that we are projecting a \$460-million deficit. That's 2012-2013, and that's this year—fiscal year beginning about a month ago, beginning of April. So, at the third quarter, we put some numbers out to the public that were contained in the \$1.12-billion deficit that was there for last year. The number that—to the end of December, that I can report to the member, is five hundred and ninety-eight million seventy-nine, in terms of what we had—what has been expended to fight the flood. We—as—so those are the numbers that we have and that we deal with now.

**Mr. Ian Wishart (Portage la Prairie):** And referring to the expenses from last year, we have received in—I think you've been referring to a similar sheet that shows that five hundred and ninety-eight seventy-nine total. I just wanted to go through a few details as to what some of these programs were and where the monies came and went from. You do show a hundred and—no—\$112,191,000 from AgriRecovery. Could the minister explain

where that funding comes from and what programs that was used to support?

**Mr. Struthers:** As the member knows from a previous life, AgriRecovery is a federal-provincial—it's a Manitoba-Canada program, that we've participated with the feds on this program on a number of occasions. I—in a previous life, for me, I had a lot to do with that and wished two summers in a row that it wouldn't rain so much, causing farmers not to get to seed and the rest of it and not to get to feed their cattle, and the member for Portage knows all the—all of the challenges that the farm community faced.

It is listed as one hundred and twelve million one hundred and ninety-one. I would suggest that to get more details on that, it would be—I think I would advise him to attend Estimates for the Agriculture, Food and Rural Initiatives. I think they will be able to give him a very detailed breakdown of exactly what the programs were as part of that program, and he might even be able to, you know, make some suggestions on how we squeeze the money—some of that money out of the federal government, who, to my knowledge, hasn't quite stepped up to bat on each of the areas of that AgriRecovery program that we were speaking with the feds about as late as last fall.

So I appreciate the question from the member from Portage. I think it's an important one, and it is a very substantial way in which both the Province of Manitoba and the Government of Canada stepped up to the plate to help farmers when they were in need.

**Mr. Wishart:** And I thank the minister for his answer and we certainly will be happy to take it to the Agricultural Estimates, but the revenue traditionally in this program is 60-40 as the minister knows. The revenue for that is therefore not yet received from the federal program, so it's somewhere as a receivable?

**Mr. Struthers:** Well, there's aspects of the AgriRecovery program that the federal government hasn't completely signed on to yet. I know they been doing assessments of the need, and that's fine. We want decisions both at the federal and provincial level to be based on what the actual need is. That's okay by us, and the last I know, they've been working on that. And certainly, from my perspective, it's never too late to have the federal government write a cheque for—you know, to cover their responsibilities.

I'll give an example: There was a \$3-million green feed section—line in that AgriRecovery. We came through with our 40 per cent of the green feed section of that AgriRecovery program. The federal government never did come through. We ended up covering their part of it, because, as the member can understand, there were ranchers and farmers getting together all last summer, making arrangements to—for the grain farmer to grow the green feed to actually help feed the cattle that needed to be fed. Rather than hauling hay from all over the province, it made a lot of sense, locally, to make those kind of agreements. That was going on without the kind of commitments from Ottawa in terms of their chunk of the \$3 million. So we couldn't leave—as a Province, we couldn't leave the Manitoba rancher out there and the Manitoba farmer without payment, so we've stepped up to the plate on that one.

That doesn't mean it's too late for the federal government to give us 60 per cent of \$3 million, which would be what, \$1.8 million. We would take that money any time. We need to convince the federal government to cough it up.

**Mr. Wishart:** So exactly how much has been received back from the federal government related to these ag recoveries? And do you have an estimate of the outstanding amount?

**Mr. Struthers:** I can give him a partial answer, but, again, I would encourage him to visit my colleague, who, I believe, Estimates are coming up fairly soon, to get some more detail on this.

But I can tell the member for Portage that through the—from the federal government, as of December 31st, 2011, through the AgriRecovery program we had received \$62.6 million. That's shy of the complete package in AgriRecovery, but that's the latest number that I can give to the member.

**Mr. Wishart:** Thank you, Mr. Minister, for the answer.

Moving on to the next one listed, which is the Lake Manitoba Financial Assistance Program. That is a wholly provincially funded program, in my understanding, and we list, so far, \$24 million having been paid out under that. However, we do know that there are a number of outstanding claims against that, and it would be, I suspect, impossible to estimate the total amount. But do you have a feel for what percentage you're at, in terms of the claims, verse the 30,000 that—claims that have been claimed against it?



**Mr. Struthers:** We can give them that, the number that he quoted, \$24.837 million as a general number. For more detailed information on that, I would refer him to the Estimates of my colleagues, the Minister for Emergency Measures. Under—in his budget, in the MIT budget, he has emergency expenditures that he can give the member for Portage a much more clear and accurate breakdown of that overall number.

\* (16:20)

**Mr. Wishart:** And I think you probably appreciate why we're asking the Finance Minister these questions because we have found it difficult to get to the bottom. You've already referred us to two other departments and we're not a third of the way down the list. So we are finding it very difficult to get to the financial bottom of some of these questions.

Moving to the third question, a new program that the name actually is fairly well-known nationally now—the Hoop and Holler compensation program which is not covered, if I'm understanding correctly—was not covered under DFA—was a provincial program only, and I know that this one is fairly nearly complete in terms of percentage of claims paid out. Is that a correct number? Is it within your early Estimates?

**Mr. Struthers:** Well, yes—first off, and every department has Estimates that they deal with and this department in Finance deals with what you see here is the general number. The Estimates of other departments are much more detailed and can give the member the kinds of information that he is looking for.

The Hoop and Holler compensation program—the \$3.467 million—I know it might be frustrating but I'm going to refer him again to EMO and to my colleague who is, I believe, in another committee room, as we speak, answering questions on Estimates. But they do have the Estimates that are more detailed than what we would have in this department.

**Mr. Wishart:** Would the same be the case then for what is categorized as other financial assistance—municipal and individual? Is that also EMO and property tax relief probably as well?

**Mr. Struthers:** The member for Portage has that correct.

**Mr. Wishart:** However, the other one in here listed—AgriInsurance Excess Moisture program is

funded in a different way and I suspect you're going to refer me to Agriculture for that one.

They previously referred us to Finance to answer these questions, by the way, which is why they're coming up.

But that one, any dollar that comes out of agri-insure, as the minister knows, is not even fully government money. There is, of those dollars, 40 per cent of what is paid out is actually producer money.

Is the number in here reflective of government funding or the total accumulated number?

**Mr. Struthers:** I can understand the frustration if the member is feeling he gets bounced around and I don't want to do that. But—well, I'm going to do it, I guess.

The details of that would be found within the Estimates of the Department of Agriculture. The member is right. There's—AgriInsurance is part of the business risk management suite of programs that are offered by a federal-provincial government co-operation. You know, the 60-40 split, plus in this case, the contribution by producers.

The one thing I will say is that people at—the farmer doesn't get enough credit for the good decisions they make to participate in AgriInsurance. I've always believed they should get more credit for this. We have an excess of an 85 per cent participation rate, and when I was Agriculture minister, in talking with my counterparts in Alberta and Saskatchewan, they could hardly believe that we had that good a participation rate compared to theirs, which is much lower.

As a matter of fact, at one point they wouldn't believe me; they had to call the deputy minister, Barry Todd, over and they believed him and they wouldn't believe me for some reason. But—go figure, eh.

But it's true. It's a high participation rate. We have put in place, I think, some good policies to encourage that participation right to stay high or go higher. We see farmers participating in top-up programs that we've offered to make sure that they're covered in terms of AgriInsurance. Because farmers are very clear, they want to make money on the open market. They want to get—they produce the best products in the world, they want to sell it in the market and get a fair price for it. If for whatever reason that doesn't happen, they want to be able to fall back on, as their first line of defence, AgriInsurance, and they participate in that. I would

hate to see the size of the bill that would have been in place if we didn't have a good AgriInsurance program in place, not just last year, but the year before that when we had about 1.3 million unseeded acres.

So these are valuable programs. I can help out the MLA for Portage in terms of that larger, global number, but I'm afraid I'd have to refer him to Agriculture Estimates to have more of a detailed breakdown of that \$161,795,000 number.

**Mrs. Stefanson:** And I guess the frustration that we're having is that we sent in a FIPPA request requesting what all the expenditures were by government departments related to flood expenditures. And we received something back that, you know, basically from all of them saying, you've got to go to the Department of Finance. So that's why we're here asking the questions, and so—because virtually every time we have been referred back to the Department of Finance for this information.

And just—for example, in March we filed the freedom of information request asking for the breakdown of the total flood costs submitted for payment by several departments, including Aboriginal and Northern Affairs, Agriculture, MIT, Conservation, Water Stewardship, Local Government and several others. And maybe if I could just read into the record the response we received, or part of it, from Finance, and then maybe ask a couple of questions about it: This is all legitimate. Flood fighting and mitigation expenses incurred by departments were disbursed from appropriation 27.1, which is under the control of Manitoba Finance. And he says: In other words, departments did not incur any flood fighting and mitigation costs. All expenditures were incurred by one department, appropriation 27.1, which is why the breakdown you are seeking is not available.

So, again, you know, the wording is interesting, and I guess we're just fine. In the interest of transparency and accountability, when my colleagues and all of us are trying to go back and deliver the information about what the true expenditures are with respect to the flood, you know, we're getting bounced around from different government department. And so I'm wondering if it's possible, because as we understand, from the freedom of information request that was sent back to us, we have to do this through the Department of Finance, and not through the individual government departments. And it has to do with the way that things are

accounted for. It says: As is normal accounting practice, once expenses are recovered from appropriation 27.1 they cease to exist in departmental accounts. Whenever a cost is recovered it is considered to be attributed to the department from which it is recovered. In other words, departments did not occur any flood fighting and mitigation costs.

So it just—I don't really understand what's going on here. All we know is that there is a lot of expenses as a result of the flood, and we're just trying to get a breakdown of where those expenditures are. And I'm maybe just looking for a little direction from the Minister of Finance so that we don't have to be bounced around in different government departments. Could he, maybe, just indicate how we could get this information?

\* (16:30)

**Mr. Struthers:** I understand the dilemma that members office—members opposite are facing, and I want to be helpful in terms of getting as accurate and as broken-down a number as I can for the members. You will know that each of the programs that you've referenced from this page, each of them have criteria and terms of reference and those sorts of things to guide decision making in them.

I, also, do want to say that the vote 27 that the member referred to, that's a general number too. But let me undertake to come back with some more specific numbers if we can get—to the extent that we can do that. I don't want to participate in bouncing you back and forth and around from one department to the next. So let me come back and—check with some officials and come back and see if we can help you with that.

**Mrs. Stefanson:** No, I appreciate the minister's co-operation here. I mean, I think he can see I think we're all trying to get to the same thing, and that's to be sort of the most transparent and accountable we can for Manitobans who are asking these questions. And so if it possible to get that kind of breakdown on a departmental basis, or whatever the most detailed information is that you can get back to us on, that would be great.

Yes, I just—I'm just going to pass the floor over to one of—my colleague from Brandon West, who does have some questions related to this as well.

**Mr. Reg Helwer (Brandon West):** Mr. Chair, through you to the minister: Well, I guess looking back at what we received there in that FIPPA

response, it's a little concerning to me that once these expenses have recovered they cease to exist in departmental accounts. And my understanding of generally accepted accounting practices is that's not correct. But maybe you could explain to me how that happens, where there's no offsetting journal entries.

**Mr. Struthers:** All of the expenditures—the flood-related expenditures are being recorded under the emergency expenditures, under vote 27 is what we refer to it as. And they're being reflected in there. They're—they'd be reflected accurately in that line in the budget.

**Mr. Helwer:** So then where can we see the detail of that line in the budget? You've—trying not to bump us back to the departments, but, from what it sounds in here, the departments are telling us they don't have the detail. It's just amalgamated up into that one line item?

**Mr. Struthers:** Yes, I know the point that the member for Brandon West is coming forward with.

That's what I've undertaken to come back with already. Like I said, I don't want to bounce members from one Estimates table to the next. To the extent that we can, I've undertaken to get that information for members. We'll do so as quickly as we can and come back to the member with that.

**Mr. Helwer:** So is that something we can expect during the Estimates process?

**Mr. Struthers:** That kind of depends how many questions you have, I guess, and how long you keep me here. But I don't want you to be waiting for it either. I want to make sure that we're thorough and accurate and come back with as much information as we can, and I'll do that as quickly as we can.

**Mr. Helwer:** Mr. Chair, are organizations, such as Crown corporations, covered in the same method, same way, expenses that they would have had flood fighting?

**Mr. Struthers:** The vote 27, the emergency expenditures, that's related to core government. A company, an entity like the Manitoba Agricultural Services Corporation would—he'd need to go to the Agriculture Estimates and ask them questions there directly. But they're—that could be—there could be costs reflected in MASC. We just talked about AgriInsurance and AgriRecovery and some of those programs. That would be separate from vote 27.

**Mr. Helwer:** So, for instance, Manitoba Hydro has had some flood-fighting expenses. Where would that type of detail be available?

**Mr. Struthers:** Like I said, the flood-fighting costs that are directly related to the core area of government would be found in vote 27.

If it's Manitoba Hydro that the member's interested in, Manitoba Hydro would then reflect those costs in its reporting.

**Mr. Helwer:** All right. Where would you suggest that we look for those types—that type of information in Manitoba Hydro's reporting?

**Mr. Struthers:** Yes. The member for Brandon West could direct the questions to the minister responsible for Hydro. And I would think the best forum for that is through the Crown corporation—Standing Committee on Crown Corporations. I think that's his best shot at getting the answers that he seeks.

\* (16:40)

**Mr. Helwer:** Are flood-related expenses for Crown corporations eligible for federal repayment?

**Mr. Struthers:** The Minister responsible for Emergency Measures (Mr. Ashton) would probably have that kind of detail. He—I think he could get an answer if—Hydro could help him—the minister for Hydro, through the Crown corporations committee—the standing committee. But I think they'd have—he'd have to get that kind of information from that group.

**Mr. Helwer:** Well, should those expenses be eligible from the Crown corporations for DFA, would they not fall under the appropriation 27.1?

**Mr. Struthers:** Well, like I've said, the vote 27, the emergency expenditures, that's related to core government, not related to expenses that Hydro may go through—there—may incur.

I'm trying to think of—you know, maybe a hydro line needs to be moved because of flood conditions. If that can be traced to core government, and we ask them to do that, then it would be reflected in vote 27. It would be a core government expense.

If a hydro facility was flooded and it was outside of the core government entity, then that would be Hydro—that would be that Crown corporation's expense and they would have to reflect that in their reporting.

**Mr. Helwer:** So the dike that was built around the hydro generating plant in Brandon, that would be Hydro's expense, not core government.

**Mr. Struthers:** I would encourage the member to speak with the minister who's responsible for that area. I don't want to—I don't—I really don't want to give the member some information that may not be accurate. I think he can count on accurate answers from the minister responsible. He, probably through the Standing Committee on Crown Corporations, would be the best forum for that.

**Mr. Helwer:** Well, I want to get back to—a bit to the accounting practices here. This is still a bit of a mystery to me, so please bear with me.

But once the—it's moved on the department under the appropriation 27.1, what is available for an audit process down the road should the federal government or you need to audit the federal government's repayment? How do you go back and say, you know, we need more money because you didn't pay us appropriately here? Where do you find that detail?

**Mr. Struthers:** The—all of the transactions—all of the invoices, they're all flowed through vote 27, whether it's the provincial auditor or an auditor on behalf of the federal government, they can track that. We certainly do have the ability to track what we transact and also the federal government. We don't want to leave ourselves in a position where we're unsure of, any time, if the feds are not coming through on their responsibilities, and we don't want to falsely accuse them. So we—we're meticulous about making sure that there's the transaction and the invoices are tracked through vote 27. And I've always been open to advice that the provincial auditor may have in terms of making sure that flow through and that accounting is up to the generally accepted principles of accounting.

**Mr. Helwer:** So is that detail available?

**Mr. Struthers:** That's the sort of thing I've committed to coming back with as—to the extent that I can, yes.

**Mr. Helwer:** Now this particular accounting practice is something that's a little unusual. How long has it been in place?

**Mr. Struthers:** The departments verify that the invoices have come forward to make sure that the criteria for each of the departments that we set out are met. That money is accounted for and flowed through vote 27. That's part of the core government.

So, from an accounting perspective, that's, I think, pretty straightforward.

I can't imagine a government in modern history not having a line in a budget to account for floods or fires or droughts or whatever natural disasters come along. I was actually reading some documents from the 1952 budget where the minister was complaining about the feds not coming through on federal money to help Manitoba pay for the 1950 flood, and I would think that the payments in those days were coming from a line much the same as this.

I don't know the exact date upon which, you know, that line was established. I know that it predates my time in this building because it was used back in the '90s when I was first elected to the House.

So it's auditable. Is there a word "auditable"?

**An Honourable Member:** Auditable.

**Mr. Struthers:** Auditable, okay good. I didn't invent a new word? Okay. So it's auditable. It's a long-standing practice in government that we want to be able to be flexible enough to have money available when Manitobans need it when Mother Nature intervenes.

\* (16:50)

**Mr. Helwer:** Well, that kind of leads me to the next question then, Mr. Chair. What specifically falls under this category is—I assume it's all disasters, but flood, fire, what else? What is it limited to or what is it extended to?

**Mr. Struthers:** I think that—I mean, that kind of detail the—my college—my colleague in EMO can give him all kinds of that detail.

But I think he can understand that there's the kinds of things that would be included, we deal a lot lately—you know, in recent times—with excess moisture, flooding. One of the most challenging years on history, I believe, was what, 1988 when we were trying to deal with drought and federal programs in—on the agriculture side. I know from my experience in Conservation that a lot of—there's a lot of draw upon vote 27 when we're out fighting forest fires.

So those are the kinds of things that just spring to mind as we talk about vote 27, but I would suggest that for more detailed information than that he would talk to my colleague the minister in charge of EMO.

**Mr. Helwer:** So just to simplify it for me then, can you walk me through a process of: I built a dike in Brandon during the flood; I issue my invoice to EMO, I assume, and EMO gets the invoice? Do they actually put it on their books, or is it just flowed through right into this and then paid for out of this? Or does that invoice ever hit their books, and be paid through their books, or is it never actually there?

**Mr. Struthers:** The—when you've built your dike and you've protected your property and you've got an invoice, and it shows how much you spent on it, that money—that monies comes directly out of vote 27. The role of EMO or Water Stewardship—Conservation, Water Stewardship, or the department, would be to verify that that's true, verify the work took place, that sort of thing. That's—I mean, that's part of the rigour that we need to have in place to—whenever you're dealing with taxpayers' dollars, you need to have that kind of rigour in place. So that would be the role of the department. The money would be flowed through and accounted for through vote 27.

**Mr. Blaine Pedersen (Midland):** The minister from his previous role in MAFRI, the Ag Department, will have some familiarity with this. Can the minister—first of all, MAFRI had a great deal of overtime through MASC and through staff being seconded from their regular jobs to help in the flood fight in the past year. There was a great deal of overtime. There was probably accommodations, travel, equipment, extra equipment used. Has the Department of Finance reimbursed MAFRI for any of these expenses from the 2011 flood fight?

**Mr. Struthers:** Basically, the answer on the overtime is pretty much the same as the answer on the dike that the member for Brandon West (Mr. Helwer) built here in the previous question.

The role of Agriculture would be to verify the overtime, the expenses, as you mentioned, the travel costs, and those sorts of things, to flight—to fight the flood. They would verify that expenditure; make sure it's true and accurate. And then, through vote 27, the same accounting process would take place and we would then flow that money through vote 27.

**Mr. Pedersen:** So has money flowed?

**Mr. Struthers:** Has money flowed—boy, has money flowed.

As of—I reported earlier, as of December 31st, \$598,079—sorry, \$598.79 million has flowed in—you know, to fight the flood of 2011 in Manitoba.

**Mr. Pedersen:** Well, I can read on the paper how much it is but there's no breakdown then for overtime. You mean to say that MAFRI didn't specifically invoice you then for overtime, for accommodations, travel, extra equipment? That—you've told me that there's \$598 million-and-change but that's a lot of change just to write to MAFRI—no invoice specifying what this is for?

**Mr. Struthers:** What I can verify for the member for Midland, is that, verified by all departments, a number of \$1.6 million in overtime. That's not broken down into MAFRI specific. But, again, the departments would, through vote 27, indicate to us what are legitimate expenses in terms of overtime the departments have come across. We would flow that money from vote 27. And that number again is \$1.6 million.

**Mr. Pedersen:** So what you—if I understand what you just told me then, the Department of Finance has paid out \$1.6 million in overtime to all government departments and you cannot tell me how much specifically has gone to MAFRI, of that \$1.6 million in overtime?

\* (17:00)

**Mr. Struthers:** Well, what I am saying is, that \$1.6 million isn't recorded in the way the member for Midland (Mr. Pedersen) describes. That \$1.6 million is verified by all of the departments. It's recorded through vote 27, as \$1.6 million. I've been referring some of his members to other departments but, in this particular case, I could probably refer you somewhere, but they wouldn't have that number either, I don't think. It's just not recorded that way. It's recorded against the flood of 2011.

**Mr. Chairperson:** The hour being 5 o'clock, committee rise.

#### EXECUTIVE COUNCIL

\* (15:10)

**Mr. Chairperson (Tom Nevakshonoff):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for Executive Council.

Does the honourable First Minister have an opening statement?

**Hon. Greg Selinger (Premier):** Yes, I do have a brief statement, and I'll just give some high level

information about some of the changes since we last met.

The Estimates are pretty straightforward; staffing levels are comparable to last year. I think budget this year is essentially flat compared to last year.

The funding for the Manitoba Council for International Cooperation comes from enabling appropriations, but is administered by the Executive Council, and the grant has gone to a million dollars over the last five years. We're keeping it at the same level this year. And, from time to time, we do give the Manitoba Council of International Cooperation money for disasters around the world. We gave \$200,000 for the emergency relief efforts in east Africa—Somalia, this year, and \$100,000 to the Philippines in December for recovery from a tropical storm.

There are some changes to the deputy minister ranks following on Cabinet changes announced in January, including the restructuring of some departments.

Grant Doak moves from Family Services and Consumer Affairs to the Department of Innovation, Energy and Mines. John Clarkson moves from that department to Finance. Hugh Eliasson retains his responsibility for Entrepreneurship, Training and Trade, but exchanges his Finance role for a new role as the deputy minister of Immigration and Multiculturalism. Fred Meier adds Water Stewardship to his continuing role as deputy minister of Conservation. Cindy Stevens adds Healthy Living, Seniors and Consumer Affairs to her responsibilities while retaining her role in Culture, Heritage and Tourism. Jeff Parr adds responsibility to Family Services while continuing as deputy minister for Labour. And Jan Sanderson moves to the new Department of Children and Youth Opportunities from Healthy Living, and Don Norquay moves from the Department of Water Stewardship, now merged with Conservation, to be deputy minister responsible for Strategic Partnerships.

I do want to thank the public servants for the services they've offered during the flood threat last spring and summer and their ongoing efforts to continue to rectify all the dislocation out there, and they're still working on that as we know. When we sat down for Estimates a year ago, we were pretty much at the major peaks of the floods on the Red and the Assiniboine—the flood peaks hadn't quite come

down yet—I reported that 600 public servants were directly engaged in preparatory work. By the time the flood was over last year, that 600 quadrupled and included hundreds of Canadian troops on an emergency basis in—at two events, and they helped us maintain our dikes against record volumes of water in the Assiniboine and the Souris. They, along with all the community volunteers, are to be commended for ensuring flood damage was kept to a minimum.

For the past two years, budget debates have been over—in the Chamber have been overshadowed by concerns over the state of the global economy, although there is a recovery going on, with some exceptions, such as it looks like a second dip into recessioning in Great Britain, but the US does seem to be recovering.

It is—it's a great deal of uncertainty still remains in the global economy. And it is true that Canada and Manitoba have come through this period of global recession and uneven recovery reasonably well, but it's also the case that the recent flood is a reminder of some of the uncertainties that we face along with these storm clouds still overhanging the economies in Europe.

In the face of continued uncertainty, we remain committed to the five-year economic plan announced in Budget 2010. We did participate in the national stimulus program, continuing to a—contributing to a variety of infrastructure projects that maintained short-term demand and employment while creating long-term public assets. And at the same time, we chose to 'polest'—protect public services, such as health, education and public safety, and we worked towards rebalancing the books over a multi-year period.

In Budget 2012, it keeps us on the course of sustaining economic growth in Manitoba while maintaining the services that matter most to our citizens. It continues to support a high level of investment in infrastructure, highways, schools, hospitals, and continues our government's signature commitments in the areas of child care, opportunities for youth and post-secondary education.

So we are trying to balance the need to provide essential public services with infrastructure and growth in the economy, while coming back into balance over five years and protecting those services that matter to Manitobans, while reducing the deficit last year by over a half as we come into this year's budget and working towards the five-year plan. And,

with those brief comments, I will conclude my opening statement.

**Mr. Chairperson:** I thank the First Minister for those comments.

Does the Leader of the Official Opposition have any opening comments?

**Mr. Hugh McFadyen (Leader of the Official Opposition):** I just have a brief opening comment.

Firstly, I want to thank the Premier for his opening statement, and also—we'll get the opportunity, when staff join us, but pay my compliments to the staff of Executive Council and the other hard-working civil servants throughout government who serve the province well.

\* (15:20)

This is my sixth opportunity to participate in Estimates for Executive Council. The first four times were with the Premier's predecessor, Mr. Doer, and the last occasion and this time with the current Premier

And one observation I would make is that we were disappointed in the fact that last year's Estimates produced a lot of undertakings by the Premier to come back with answers to questions and very few direct responses.

And, in fact, many of those answers didn't arrive at my office until September of last year, which is a full four months after Estimates was complete and six months after the start of the fiscal year, which is really not acceptable if we're being asked to consider and vote on enabling appropriations for government to make expenditures in the Legislature. To receive answers to questions six months into the fiscal year really doesn't enable us to fulfill our responsibilities to Manitoba taxpayers in the way that we should.

And that responsibility becomes increasingly significant in this current environment of rising debt, large deficits, rising taxes and cuts to some front-line services. Our ability to do our job is dependent on the government providing information and providing it in a timely way and not waiting six months from the start of the fiscal year to send that, and four months after we're required to vote on the department's appropriation.

With that, Mr. Chairman, we look forward to a more productive session this year and I'll wrap up my opening statement with that comment and look forward to questions and answers.

**Mr. Chairperson:** I thank the Leader of the Official Opposition for his opening 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—the First Minister's staff to join us in the Chamber, as well as staff of the Leader of the Official Opposition. Once they are seated, we will ask the minister to introduce staff in attendance.

Just to clarify the record, we shall defer consideration of line item 2.1.(a), just for clarification.

If the honourable First Minister would introduce his staff.

**Mr. Selinger:** Yes, I have with me two members of Executive Council. Going by seniority, I would do Maria Garcea first. Yes, and then I would introduce her—the person she's trained so ably over the years, the clerk of the Executive Council, Paul Vogt.

Yes, I would just like to clarify with the Leader of the Opposition: Did we not do Estimates 2010 in this Chamber together, as well as 2011?

**Mr. McFadyen:** I stand to be corrected. It was so much fun that it felt like just one round of Estimates.

**Mr. Chairperson:** Okay, the honourable Leader of the Opposition still has the floor.

**Mr. McFadyen:** Well, and I'd like to welcome the staff of Executive Council, both Maria and Paul. I've had the pleasure of dealing with both of them at various points in time over the years and certainly want to express my appreciation for the professionalism that they bring to their positions.

I'd also like to introduce at this point in time, Jonathon Lyon, who is chief of staff within the office of the Leader of the Opposition, and who bears some resemblance to an individual who at one time sat in this chair.

**An Honourable Member:** Howard Pawley.

**Mr. McFadyen:** I'm not referring to Howard Pawley.

Mr. Chair, just in terms of—just approach to Estimates, I'm—I am planning to start with some specific questions about Executive Council and the

budget and the personnel and the Estimates of expenditure and then would propose to move into some broader questions on other line departments, as well as Crown corporations and general questions with respect to government policy.

And so, just in terms of Estimates for Executive Council and the current composition of the staff complement there, I'm familiar with some of the individuals who are there. I'm certainly familiar with the two members of staff who join us in the Chamber today and again, thank them. I want to thank Mr. Vogt, as well, for his timely assistance on some particular matters that we've had opportunity to discuss over the past period of time.

Just in terms of the staff composition, can the Premier just outline who are the current members of the Premier's senior staff, in other words those members of staff who would report to the Premier on a day-to-day basis?

**Mr. Chairperson:** Before I recognize the First Minister, I ask the committee for their indulgence.

I have to put the question: Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion instead?

**Mr. McFadyen:** Mr. Chair, it's been our practice in past years to proceed on a global basis, and I would propose that we proceed on that basis again this year.

**Mr. Chairperson:** Is that agreeable to the committee?

**Mr. Selinger:** It depends how global; it's global, you know.

**Mr. McFadyen:** Thank you, Mr. Chairperson. That sounded like a yes to me.

**Mr. Chairperson:** Okay. We'll take that as agreement that we'll proceed on a global basis, and I recognize the honourable First Minister.

The honourable First Minister.

**Mr. Selinger:** Thank you. I wouldn't want anybody to misinterpret what I said—either the person chairing the meeting today or the Leader of the Opposition.

Yes, I'm prepared to consider it on a global basis, as long as we do get back and do a line-by-line vote and deal with that in a timely fashion. But I understand that this is an opportunity for us to dialogue about some of the larger issues that we're addressing in the province of Manitoba. And I think

we've had good conversations in the past, and I'm prepared to do that again.

I know the member will want to get back to a line-by-line debate, and then if we go global and we deal with a wide variety of issues, I'm hoping when we get back to the line-by-line that we'll move expeditiously to bring that to a vote.

**Mr. Chairperson:** Thank you. If the Leader of the Opposition would just repeat the question that he'd put before I begged the indulgence to put the question on a chronological or global.

**Mr. McFadyen:** Now that we have a consensus that we'll proceed on a global basis, I want to just ask the First Minister if he can indicate who are the members of his senior staff, in other words those people who report to him on a day-to-day basis?

**Mr. Selinger:** Mr. Chairperson, I thank the Leader of the Opposition for that very specific question. And some of the people are Paul Vogt, clerk of the Executive Council, well known to us all; acting chief of staff, Ihor Michalchyshyn; director of Communications, Nammi Poooroshab; director of Issues Management, Maeghan Dewar; director of Premier's Secretariat, Alissa Brandt.

**Mr. McFadyen:** Are all of these individuals staff of Executive Council?

**Mr. Selinger:** Question again, please?

\* (15:30)

**Mr. McFadyen:** The question is whether all of the individuals named are staff of Executive Council.

**Mr. Selinger:** Yes.

**Mr. McFadyen:** In addition to the individuals mentioned, could the Premier provide a list of all current staff members in Executive Council and, as we've done in past years, indicate the salary levels that those individuals are at?

**Mr. Selinger:** Yes. As we've done in the past, we'll make that information available to the Leader of the Opposition.

**Mr. McFadyen:** I just note the Premier mentioned that he has an acting chief of staff currently. Is there some reason why that individual is in an acting capacity and not a permanent capacity?

**Mr. Selinger:** Because he's taking actions as chief of staff. He's doing the job.

**Mr. McFadyen:** I think the point of the question is whether there's some reason why the title is acting chief of staff as opposed to chief of staff.



**Mr. Selinger:** That was the basis upon which I filled the job.

**Mr. McFadyen:** And can we assume from that the Premier is in the process of seeking an—a permanent chief of staff to replace the acting chief of staff at some point?

**Mr. Selinger:** Not necessarily.

**Mr. McFadyen:** And the department, as I understand it, has entered into some contracts with former staff of Executive Council. And as I understand it, Michael Balagus, the former chief of staff, has now been hired by government on a contract.

Can the Premier just outline—or just confirm that Mr. Balagus is now on a contract with Executive Council?

**Mr. Selinger:** No, the former chief of staff is not on a contract right now.

**Mr. McFadyen:** The reason for the question is that there was a—and if you just bear with me for one moment, I just need to—I'll come back to the question. I just need to find the piece of paper that led to the question, so I'll move on and I'll come back to that one.

The other contractual position relates to David Woodbury, who was the associate secretary to Treasury Board and, as I understand it, has been hired on a contract with the government under a fairly recent order-in-council.

Can the Premier just outline the terms of that contract?

**Mr. Selinger:** Yes. There is no contract with Mr. Woodbury at this time. The order-in-council allows for that to occur, but there is nothing in place at the moment.

**Mr. McFadyen:** Is Mr. Woodbury performing any work on behalf of government presently?

**Mr. Selinger:** As I said earlier, there is no formal contract with Mr. Woodbury. He may be providing advice to his successor, but that would be on an informal basis.

**Mr. McFadyen:** And so can the Premier just indicate what the intention is with respect to Mr. Woodbury in light of the order-in-council which authorizes a contract? The order-in-council's dated April 4, 2012.

**Mr. Selinger:** It simply creates the possibility of engaging Mr. Woodbury, given his long experience in government, to undertake tasks for which he could add value to government.

**Mr. McFadyen:** I would just quote from the order-in-council. Under background, point 3: It says, the Manitoba government requires the services of David Woodbury to provide consulting services to the government regarding various program initiatives. And I wonder if the Premier can be a little bit more specific about the requirement that's referenced in the order-in-council?

**Mr. Selinger:** As I said before, there is no contract in place at the moment. But Mr. Woodbury has wide experience in government, most recently at Treasury Board, and his institutional knowledge is quite deep and we could see that he could provide value in some of the initiatives we're taking with government renewal and streamlining different agencies. And there may be a very useful role for him to play in helping move some of those initiatives forward.

**Mr. McFadyen:** I wonder if the Premier would undertake to advise us once that contract is entered into and provide us with the details of that contract.

**Mr. Selinger:** We will—if and when we put a contract in place, we'll advise the member of what the role is that Mr. Woodbury might be engaged to perform for us.

**Mr. McFadyen:** Can the Premier just indicate the role, if any, currently being played by Angela Mathieson within government?

**Mr. Selinger:** Yes, well, I'll take that question as notice and endeavour to get the information for the Leader of the Opposition.

**Mr. McFadyen:** Could I also ask the Premier if he could indicate whether any positions within Executive Council have been reclassified since last year's Estimates?

**Mr. Selinger:** I believe that the director of the Premier's Secretariat retained the salary she had before she entered into this new role. So, in effect, she was reclassified when she came over to perform the role.

**Mr. McFadyen:** And can the Premier just indicate the names of the current Cabinet committees and the composition of those committees?

**Mr. Selinger:** Obviously, we still have Treasury Board; and, we also have the Priorities and Planning

Committee of Cabinet; and the Aboriginal Issues Committee of Cabinet; the Healthy Child Committee of Cabinet; the floodway committee; and there's the Manitoba action group on murdered and missing women; as well as the Compensation Committee of Cabinet.

**Mr. McFadyen:** I thank the Premier for identifying those seven committees, and could he also provide us with the names—or the—indicate the composition of those committees?

**Mr. Selinger:** Yes, first of all, I'll indicate the membership of Treasury Board. The chairperson is the Honourable Stan Struthers, the vice-chair is the Honourable Kerri Irvin-Ross. Other members of the committee are the Honourable Gord Mackintosh—

**Mr. Chairperson:** Just to—I'm sorry to interrupt the First Minister, but he shouldn't be reading the names, he should be using their titles instead.

\* (15:40)

**Mr. Selinger:** All right. Well, I'll start over again.

The chairperson is the Minister of Finance (Mr. Struthers) and also the president of Treasury Board. And he has the initials SS.

**Mr. Chairperson:** And the Clerk informs me that it's just the MLAs that have to be identified by their official titles.

And again, my apologies, the Deputy Clerk, not the Clerk, so—the Premier has the floor.

**Mr. Selinger:** All right, I'm good. Based on the wise advice from the Deputy Clerk to you, Mr. Chairperson, I'm going to try and do this again. The Minister of Finance (Mr. Struthers) chairs the Treasury Board, the deputy chairperson is the Minister of Housing and Community Development (Ms. Irvin-Ross), and the other members are the Minister of Conservation and Water Stewardship (Mr. Mackintosh), the Minister for Immigration and Multiculturalism (Ms. Melnick), the Minister of Justice (Mr. Swan) and the minister of—and, also there's a member of the Legislature who sits on Treasury Board as well, the member for Selkirk (Mr. Dewar).

So, I'll see if I can do this other ones as well. In—on the planning and priorities committee, I believe the MLA for St. Boniface chairs that committee. And also the member for Fort Rouge (Ms. Howard) acts as the vice-chair of that committee, and the member for Kildonan Park sits

on it, as well as the member for St. Johns (Mr. Mackintosh), and the member for Keewatinook (Mr. Robinson)—the MLA for Kewatinook, and the member—the MLA for Dauphin, as well as the MLA for Seine River. And there's a rotating member of caucus that also participates on that committee. I'd love to give you the names, but I seem to be restricted from doing that. I think that might make it clearer for you.

The Aboriginal Issues Committee of Cabinet is co-chaired by the member for Kewatinook and the member for St. Boniface (Mr. Selinger), the vice-chair, the member for Kildonan (Mr. Chomiak), and other members of the committee are the member for St. Johns, the member for St. Vital (Ms. Allan), the member for—I'm just going to make sure I got this—Fort Richmond (Ms. Irvin-Ross), and the member for Fort Rouge, as well as the member for Logan (Ms. Marcelino), and the member for Point Douglas (Mr. Chief), and the member for The Pas (Mr. Whitehead). That's the Aboriginal Issues Committee of Cabinet.

The Compensation Committee is chaired for—by the member for Dauphin (Mr. Struthers) as well. Other members are the member for St. Vital, the member for Minto (Mr. Swan), and the member for Fort Rouge. Do we really have to do it this way, Mr. Chairperson? Okay.

The Healthy Child Committee is chaired by the member for Point Douglas. Other members are the member for Keewatinook, St. Vital, the Assiniboia, Seine River, Fort Richmond, Minto, Fort Rouge, Logan, Wolseley, Kirkfield Park, St. James, Burrows are other members of the Healthy Child Committee of Cabinet.

The floodway committee is chaired by the member for Thompson (Mr. Ashton) and ably assisted by the MLA for Dawson Trail, as well as the MLA for Riel.

And the Manitoba action group on murdered and missing women is co-chaired and personed by the member for Keewatinook and the member for Fort Richmond.

**Mr. McFadyen:** And can the Premier indicate who staffs each of those committees?

**Mr. Selinger:** The Treasury Board secretary is Barb Dryden. The planning and priorities committee of Cabinet is Anna Rothney. The Aboriginal Issues Committee of Cabinet is—we'll get that for you; he

just joined us. The Healthy Child Committee is staffed by Deputy Minister Jan Sanderson. The floodway committee is staffed by Doug McNeil, and the Manitoba action bureau on missing and murdered women is staffed by Nahanni Fontaine. And we'll get you the name for the Aboriginal issues. Aboriginal Issues Committee of Cabinet is staffed by Rob Ballantyne.

**Mr. McFadyen:** I've just got—just to circle back on the earlier question. There was an order-in-council, dated January 25, 2012. It's order-in-council No. 00030\2012, and it authorizes the clerk of Executive Council to enter into a contract with Michael Balagus to provide consulting services to Executive Council during a transition period of up to six months.

Can the Premier just indicate whether that contract—any such contract has been entered into?

**Mr. Selinger:** No, it has not.

**Mr. McFadyen:** Can I just ask the Premier whether it's the—his intention to enter into such a contract?

**Mr. Selinger:** It remains an option.

**Mr. McFadyen:** And in—just in light of the six-month period referred to in the—in this contract, for how much longer does that remain an option?

**Mr. Selinger:** We'll get further information for the member on that.

**Mr. McFadyen:** And just—it's just curious that they would pass an order-in-council authorizing such a contract and then not enter into it. Can the Premier just walk us through why that would have happened?

**Mr. Selinger:** Simply to allow the possibility for it to happen if we deem it necessary and valuable.

**Mr. McFadyen:** The creation of the policy and planning—or sorry, Priorities and Planning Committee, with dedicated staff, can I just ask the Premier, he mentioned that Anna Rothney staffs that committee. What does Anna Rothney's position and pay?

**Mr. Selinger:** We'll take the question on notice and get the information on the specifics for the Leader of the Opposition.

**Mr. McFadyen:** And how often does that Priorities and Planning Committee meet?

**Mr. Selinger:** The schedule calls for meetings every two weeks.

**Mr. McFadyen:** And notwithstanding what the schedule provides for, how often has it been the practice of that committee to meet?

**Mr. Selinger:** Every two weeks.

**Mr. McFadyen:** And how many other staff are there to support the operation of that committee?

**Mr. Selinger:** I'll undertake to get that information for the Leader of the Opposition.

**Mr. McFadyen:** And can the Premier just indicate what sorts of matters are brought before the Priorities and Planning Committee?

\* (15:50)

**Mr. Selinger:** I think the title of the committee really speaks to the role of it. It's to address priorities of government and plans to address those priorities across the entire range of government.

**Mr. McFadyen:** And is there—was there additional staff required to support that committee beyond the policy secretariat within Executive Council?

**Mr. Selinger:** The staff of an Executive Council that are there already plus the staff that used to provide support to the Community Economic Development Committee of Cabinet, are merged together in the planning priorities secretariat.

**Mr. McFadyen:** Were staff or are staff within Executive Council subject to the pay freeze?

**Mr. Selinger:** Yes, all staff are treated the same way as the broader public service, where they had a two-year freeze as part of a four-year agreement.

**Mr. McFadyen:** I'm just wondering if the Premier can elaborate on the issue of the pay freeze. Can he just define what he means by pay freeze, because we know that under normal circumstances there are a couple of different things that can happen on an annual basis within government and the civil service. There can be a cost-of-living adjustment and there can also be a movement from one step to another within the classification system, which will have the result of increasing people's pay.

Can the Premier indicate whether pay has gone up by virtue of either one of those processes within Executive Council?

**Mr. Selinger:** In terms of the cost-of-living increase, it was zero for those two years and staff inform me that they believe most people were at the top of their classification so wouldn't have received an increment. But in the case of an individual who may

not have been there, they may have received their increment.

**Mr. McFadyen:** Can we then get just a breakdown of the staff who received increments during that two-year pay-freeze window?

**Mr. Selinger:** We'll undertake to provide that information to the Leader of the Opposition.

**Mr. McFadyen:** Just in terms of the listing of staff positions within Executive Council that the Premier's undertaken to provide, can we also get a list of any positions which exist but which may be vacant presently?

**Mr. Selinger:** We'll undertake to get any vacant positions and identify them for the Leader of the Opposition.

**Mr. McFadyen:** There was a memo that went out from the secretary to Treasury Board to ministers and deputy ministers dated December 16th, 2011, and I've got one copy but can table additional copies if the Premier requires it. It's not controversial but it requests departments, and I have to apologize because I don't have copies, but it requests departments to limit rehire of retired employees, restrict—put in place a variety of restrictions on spending, restricting out-of-province travel, not filling vacancies, slowing down programming, using vacation credits and other measures—other cost management measures that would be quite commonly used in a situation where government was facing fiscal pressure. And I wonder if the Premier can indicate whether the measures that are outlined in the—this memo were applied as well to Executive Council and whether they continue to be applied to Executive Council.

**Mr. Selinger:** Broadly, yes, but I would note that in some cases people put a lot of hours in because of the demanding tasks they're asked to do. But, broadly, yes.

**Mr. McFadyen:** Can the Premier indicate whether any members of Executive Council were paid during the election window—and let me be more specific, from the political staff of Executive Council, not the civil service staff?

**Mr. Selinger:** I thank the member for the question because he made an important distinction there. Some of the staff carry on their functions as per usual, but any member that did decide to participate in the election either had to use holidays or take a leave of absence.

**Mr. McFadyen:** Can the Premier indicate whether there are any individuals who are supporting the work of Executive Council who are on secondment either from another line department or from a Crown corporation?

**Mr. Selinger:** Yes, there are no members on secondment from Crowns into Executive Council, but I'm informed there are some other people working in Executive Council seconded from some of the departments, as has been common practice in the past.

**Mr. McFadyen:** Can we get a—just a detailing of the individuals who are supporting the work of Executive Council on secondment?

**Mr. Selinger:** Yes, I will get the—identify any members that are on secondment to support Executive Council for the Leader of the Opposition.

**Mr. McFadyen:** And can the Premier just indicate, in terms of his own travel and travel on the part of Executive Council staff, whether that travel is accounted for within Executive Council's appropriation or is that travel paid for out of other line departments or Crown corporations?

**Mr. Selinger:** If it's a trade mission, travel can—sometimes claimed through the Department of Trade and if it's intergovernmental, sometimes travel is claimed through Local Government. But usually it's done through Executive Council.

**Mr. McFadyen:** Could the Premier just provide a—just a breakdown of his travel and his staff's travel over the past 12 months or so and which department has paid for that?

**Mr. Selinger:** All the travel is reported quarterly regardless of where it's sourced from. So the member can see the quarterly reports on travel that I've done as Premier.

**Mr. McFadyen:** And can the Premier also provide detail as to other members of those delegations, who else travelled on those delegations?

\* (16:00)

**Mr. Selinger:** Yes, we can provide information about any other government officials that may have travelled on those delegations.

**Mr. McFadyen:** And we appreciate the undertaking with respect to government officials, and can we also get detail of any other people who travelled on these delegations who may have had their expenses

covered out of any provincial department or a Crown corporation?

**Mr. Selinger:** We don't believe there are any cases where a third party has been covered by government, but we'll check. Most third parties that travel on the trade mission, for example, look after their own expenses.

**Mr. McFadyen:** We've asked about three specific individuals: David Woodbury, Michael Balagus and Angela Mathieson. Can the Premier just indicate or provide us with a list of any other individuals who have been hired on a contractual basis by Executive Council and any detail they can provide on those?

**Mr. Selinger:** Yes, I can provide that, but it will be a short list because there are no other people.

**Mr. McFadyen:** In terms of just government overhead at the executive level, we note as part of the reorganization of government at the ministerial level that took place that we have an additional deputy minister position which has been created or one that's certainly new to us, and that's the deputy minister of strategy partnerships. And I wonder if the Premier can just indicate or provide detail as to the job description of that deputy minister.

**Mr. Selinger:** The deputy minister responsible for Strategic Partnerships is not a new post in terms of adding posts, as I understand it. It's a new assignment of duties, and that person has— is responsible for the northern task force, flood-related issues and international water issues.

**Mr. McFadyen:** So how would those responsibilities differ from the responsibilities of existing deputy ministers? You've got a deputy minister of Water Stewardship. There's a deputy minister for Infrastructure. It just appears that there's some overlap between the functions just described and the functions of existing deputies.

**Mr. Selinger:** Yes, this individual role of deputy minister responsible for Strategic Partnerships doesn't have any program responsibilities. They strictly work on strategic plans related to the north, specific issues related to the flood and, as well, as issues relating to international water issues such as Devils Lake.

**Mr. McFadyen:** Can the Premier just indicate how many deputy ministers there are today versus how many deputy ministers there were in government, say, four years ago?

**Mr. Selinger:** We'll get that information for the member.

**Mr. McFadyen:** And there have been, as the Premier knows, quite serious and significant concerns raised about politicization of the civil service under his government. And one example which arose some time ago was the appointment of Rory Henry to the position of associate deputy minister within the Department of Education.

And I just want to add the premise to the question that it's not a criticism of the individual. Our staff have dealt directly with Rory Henry on a variety of significant political files over the years. He was the point person from Executive Council with respect to amendments to The Elections Act and the elections finance act. He was very significantly involved during the negotiations on amendments to Bill 37, the act that the government introduced—a lot of very, very political files. And he was good to work with and he was very capable, but those are very political files. To go from that into an associate deputy minister position within the Department of Education without a competition is something that, I think, raises red flags.

I wonder if the Premier can indicate why and how an appointment like that could be made without any competition.

**Mr. Selinger:** The individual in question is capable, as the member indicated, and worked on a variety of policy files, including ones related to electoral reform, but also is well qualified, having a PhD in history of education, and so had been doing work on Education matters including, you know, changing the date of school leaving to 18 and issues related to common report cards and common in-service days and other education-related matters, so seemed to be well qualified to play that role.

**Mr. McFadyen:** And that may or may not be the case. The issue is that there was no competition and the normal procedures were not followed in this appointment.

And so I wonder if the Premier can indicate whose decision it was to make the appointment and what process was followed to get to that decision.

**Mr. Selinger:** Appointments to associate deputies and deputies are order-in-council appointments by Cabinet, and they don't follow the civil service procedures on competition. They are appointments by order-in-council of Cabinet.

**Mr. McFadyen:** And I'm aware, certainly, that that's been the practice and the history with deputy ministers, although there'd be many examples of competitions held for assistant deputy ministers, and, in fact, I'd suspect that there have been competitions held for associate deputy ministers.

And, I guess, the question is why the departure from that process for this individual.

**Mr. Selinger:** We'll take that under advisement, but the advice I'm getting is that they're not aware of that being the case for associate deputies. We can think of one other associate deputy that was a direct appointment.

**Mr. McFadyen:** Can we get the detail on that other associate deputy minister direct appointment?

**Mr. Selinger:** We'll get the detail on that for the Leader of the Opposition.

**Mr. McFadyen:** Just following along on the discussion of departments and departmental reorganization: the government, for a number of years, made a significant number of comments about the stand-alone Water Stewardship Department, how this represented a new approach to doing things here in Manitoba, and then we note that the government has backtracked on that form of organization, merging the Department of Water Stewardship with Conservation.

Can the Premier indicate why the government backtracked on something that it had been touting as a great way to do things?

**Mr. Selinger:** Is the member asking me about the changes we made with respect to Water Stewardship?

\* (16:10)

**Mr. McFadyen:** Yes, and it goes back to—just to elaborate—Mr. Doer, in many of his speeches highlighted the fact that we had a stand-alone Water Stewardship Department that Manitoba was, I think in his words, a pioneer in the area of water management. I think he even said that we were the only province in Canada to have such a stand-alone department focused on water issues, and that's no longer the case. So I'm just wondering if the Premier can indicate what the reasoning is behind that.

Now, I know Mr. Doer gave a lot of good speeches. I'm not asking him to necessarily take responsibility for his predecessor's comments, but the

member for Kildonan (Mr. Chomiak) is here, so he may be able to help, but the—I wonder if the Premier can just indicate what the thinking was behind that merger.

**Mr. Selinger:** I must say I do appreciate the Leader of the Opposition's new attitude to making me responsible for the speeches of my predecessor. I've noticed many times in question period where's he's tried to hold me accountable for those sage remarks that were made in the past. But, in this case, we—*[interjection]*—never, never. In this case, we saw that there would be greater efficiency and more effective delivery of service with Water Stewardship and Conservation being in the same department, and there had been some overlapping duties that we had noticed, and we thought that the program for both Conservation and Water Stewardship would be more effectively delivered under a unified department.

**Mr. McFadyen:** And, similarly, I just want to ask the Premier if he can outline the rationale for moving Employment and Income Assistance, popularly known as welfare, from—sorry, to ETT from Family Services.

**Mr. Selinger:** Thank you for the question. A similar rationale: We wanted to get people that were in receipt of social assistance closer to labour market training opportunities and closer to job opportunities and, by moving that program of employment assistance into the department of employment, training and trade, it allowed people to get greater access to labour market training opportunities and closer to job opportunities through the employment centres that are run out of that department.

**Mr. McFadyen:** I just want to move on, just in terms of the government's general approach to new regulations and the regulatory processes and structures. Something we frequently hear from people who are impacted by government regulations is that there's very, very often announcements of new regulations without any prior consultation, with very little consultation prior to the announcement of regulations with the people who are being regulated or expected to comply. And so it's not to be interpreted as an objection to the goals of the regulation, but the fact that people who are expected to comply are very often not consulted, or not meaningfully consulted in advance.

And I wonder if the Premier can indicate whether there's any government-wide policy on

consultation processes in advance of the introduction of new regulations.

**Mr. Selinger:** Actually, I wouldn't overgeneralize on that. Many of the regulations do prior consultation before the regulation is brought in, and, often, when a regulation is announced, before it's enacted, there's additional consultation. So it depends, but there's quite frequently a good deal of consultation with people that may be impacted, including third-party stakeholders. And sometimes members opposite have said you enacted this law, but we haven't seen the regs yet, and that's because the consultation process is going on to get the regs to be tuned appropriate to the feedback received from stakeholders to then properly implement the policy or the legislation that's put in place. But my experience is, is that we do quite a lot of consultation. Now, if the member has a specific example that he's thinking of, that he thinks that there might have been more consultation, I'd be happy to review it.

The other phenomena that's occurring now, and I know the member's very aware of this, is section 35 requirements under the Constitution, and that is requiring a whole new approach to consultation around resource development decisions in the province. And so there's quite a lot of consultation going on to meet the government's obligations under section 35 of the Constitution. So there is a heck of a lot of consultation going on in this province with respect to laws, regs and other programs that we're bringing forward.

**Mr. McFadyen:** And I will—the Premier's asked if I can provide specific examples, and I will come back later in the process with some specific examples. It's a general question, because I and other members of our caucus routinely hear from people who are receiving new regulations and requirements and it's very rarely is there a dispute over the goals of the regulations.

The goals are almost always things that everybody can agree on, but, very often, as the Premier knows, there's a cost that comes with compliance and that people are being asked to bear. And very often they don't have the resources to comply, and so the risk is that they either don't comply because they don't have the resources and they find themselves offside, or they comply with this regulation at the expense of doing something else that's important. And so that's the general comment, and we get it frequently from people in

different sectors. So that's where the question's coming from, and I'll provide the Premier with an opportunity to respond to the general comment.

**Mr. Selinger:** This—I appreciate the question from the member because it is an important question. I know in my experience, for example, on consumer-related legislation—and we've brought some measures forward recently on cellphones and on car repairs. There is quite a bit of consultation that goes into that, before these measures are enacted, directly with people impacted and sometimes associations related to that field of activity.

Sometimes a measure is brought forward, say, in a budget where you're not really in a position to do prior consultation, but once it's announced as a budget measure, there will be a consultation after that to—if there's any bugs or things that need to be worked out. So it does depend on the specific nature of the legislation brought forward.

But I can tell the member that there is a growing requirement for consultation, particularly with respect to some constitutional jurisprudence related to section 35 of the Constitution. And we've had to put more resources in place to do that consultation properly to look at what accommodation measures are necessary when a new resource development activity occurs or a new public works project is being built, and we have to look at the impacts of that. And that often includes environmental impacts as well as impacts on traditional hunting activities or use of those resources by First Nations communities. So this is a growing field. But, even in the area of consumer affairs and health measures, there is often quite a bit of consultation that occurs before the measure's put in regulatory form and enacted as a firm rule.

**Mr. McFadyen:** Thank you, and I thank the Premier for the response. And the question is primarily directed to other areas of regulation, not particular—it's not really focused on section 35 consultations. We do recognize that that's opened up a whole new set of requirements, and a lot of those requirements have not been very carefully defined by the court. So there's a practical process that people are going through to try to understand what's required there, and I think that's a good discussion, a whole other discussion.

But the primary focus here is regulations on organizations apart from section 35. And so I'll come back with a couple of specific examples and then the

Premier can provide his feedback on that in due course.

I just want to come back—just to government spending in light of the size of the deficit and the increases in taxes that we're seeing with this budget and other financial challenges facing this government and others.

A couple of particular decisions are—seem inappropriate to us. And one is the appointment of a former MLA who, as an individual I quite like, but as a former MLA who's been appointed with a budget of close to \$200,000, is the Envoy for Military Affairs.

I just wonder if the Premier can just indicate how he can justify that kind of an expenditure for a former colleague at a time when cuts are being made in other areas.

\* (16:20)

**Mr. Selinger:** Just broadly the—that role was developed by the person in question, and that individual breathed life into that role and had a high degree of confidence from the military community here in Winnipeg. And for continuity purposes we thought it would be appropriate to allow that person to continue in that role, even as they retired from elected political life, and we've seen some very significant initiatives undertaken there. And I'm going to get more information for the member on that because there are—been some very good things done for military families.

There's been some excellent recognition, in terms of licence plates to recognize military service, and there's been some very excellent work done with respect to supporting families that have moved to Manitoba in the military sector. So it's a role that we think has played a very valuable part in helping the military community feel a part of Manitoba and feel a part of Winnipeg or Shilo, wherever they happen to be located, and we think has generated just a greater sense of community with the military folks that are here in Manitoba. And in many cases some of them decide to continue living and working here, even after they leave the military and retire from the military. And so we wanted to provide continuity based on the success that that individual had in pioneering and developing that role in Manitoba.

**Mr. McFadyen:** There's certainly, in terms of the history as we understand it, the former member for St. James developed those relationships as the MLA for St. James, by virtue of the fact that 17 Wing fell

within her constituency, and so, as an MLA should, developed relationships with her constituents.

What we're having a hard time understanding is why the new MLA for St. James, as MLA, couldn't fulfill those functions; why it—why a former NDP MLA needs to be consuming \$190,000 a year in taxpayer funds at a time when we've got very large deficits and we have a current member for St. James (Ms. Crothers) who represents that area. And, in fact, it may actually be—with redistribution, it may, in fact, be the member for Assiniboia (Mr. Rondeau) who now represents 17 Wing. But in any event we have an existing MLA whose job it is to represent the families within their constituency. Why do we need an added expenditure of, as we understand it, \$190,000?

**Mr. Selinger:** I take the member's question. I do want to say that MLAs continue to serve all their constituents and your—it may be the case that a good chunk of them now are in the constituency of Assiniboia and we all know how active that MLA is at the community level, and our new member for St. James is also showing a tremendous amount of connection and engagement with her constituents.

But in this case the budget—in the budget this year is the same as the budget last year; there's been no additional resources put to it. So the budget has been developed over the years. Some of the things that have been accomplished have been legislation that protected the jobs of reservists when they were called into service in Afghanistan and other tours. I mentioned the veterans' licence plates. I mentioned voting rights for troops serving overseas. The family resource centre at 17th Wing and, of course, the yellow ribbon of support campaign to support the troops. So there are a number of things that this individual has pioneered and continues to do in supporting military life in Manitoba and the families that are attached to the military.

**Mr. McFadyen:** You know, and again those are all good initiatives. Those are initiatives which have been undertaken thanks to the efforts of many people. The Military Family Resource Centre is a very, very good organization at 17 Wing that I've had occasion to visit on a couple of occasions. And the events and the initiatives the Premier is referring to are all positive events.

I think that the issue here is that while the former member for St. James was being paid as an MLA, she fulfilled many of those functions. We now have a former MLA who presumably would've been eligible



for the transition allowance also being paid an additional salary, which would not have been in place prior to her—prior to the election in connection with this new role.

And so I wonder if the Premier could just clarify whether the former member for St. James—and to be specific, Bonnie Korzeniowski—is drawing a salary now as part of that office's budget that she wouldn't have been drawing when she was the member for St. James.

**Mr. Selinger:** The member is getting paid for the role she plays as the special envoy and is carrying out the duties that we've discussed and has provided a good deal of continuity in that role and maintained a strong relationship with the military, which is what the objective was, to maintain a strong relationship. That individual had a high degree of confidence expressed in the services that she provided, and we wanted to continue with that.

**Mr. McFadyen:** I would just comment that there are certain members on the opposition side of the House who do a very good job of representing Shilo and the families at Shilo as part of their constituency responsibilities, and we would just expect them to do that as part of their job as the MLA. And we just struggle with the idea that we need both a current and a former NDP MLA to represent families at the expense of taxpayers.

And I wonder if the Premier can just provide a breakdown on that office's budget and—just in the interest of transparency for taxpayers.

**Mr. Selinger:** We'll endeavour to provide the member opposite that budget and how it's broken down.

And he makes the point that other MLAs represent military installations in Manitoba and the people that are living in them, and that is, of course, absolutely essential to the role of any MLA, wherever they live in Manitoba. If there is military families or activities in their area, they want to represent those people because they are, in fact, Manitobans during their time that they are here.

But the special envoy role is a role that has been created to provide additional support to the military community in Manitoba. And we think it's provided a lot of value and built a strong relationship with the military.

And we did see the military really step up during the flood, first mobilized out of Shilo. And the

17 Wing provide services all over the globe, actually, both in a military role and in a security role across the country.

So they are—it's not a hugely advertised fact that it's a very large community in Manitoba; 5,000 people work for the military in Manitoba and they make an enormous contribution to Canadian life as well as Manitoba life.

**Mr. McFadyen:** Just going to work through the Estimates book and just ask some questions arising from some of the numbers that are contained within the Estimates book.

And just starting with page 7 of the main Estimates book. Next to the—and this is the summary of revenue estimates—the levy for health and education, which is otherwise known as the payroll tax, is showing estimated revenue this year of—total revenue of \$410 million. And then there's an offset there by way of consolidation impacts where it shows a—in brackets an offset of \$104.4 million.

Can the Premier just indicate what that offset involves and is it—is this simply Crown corporations that pay payroll tax to government, or where does that \$104.4 million come from in terms of that offset to the \$410 million in revenue?

**Mr. Selinger:** I'll undertake to get greater certainty for that, but I think the member's on the right course of thinking there.

**Mr. McFadyen:** And just working down, there's a line referred to as other taxes where the amount of revenue projected is \$14.705 million. Can the Premier just indicate what that is comprised of?

\* (16:30)

**Mr. Selinger:** Yes, I'd be happy to do that, but I was wondering if you might want to ask the Minister of Finance (Mr. Struthers) that as well. But I'll get that information for him.

**Mr. McFadyen:** I just note that I've got the former minister of Finance—so I feel privileged to have the opportunity to ask these sorts of detailed questions of the First Minister, a First Minister who probably has more intimate understanding of the numbers than most people who've occupied that office prior to him, not that I would want to attribute anything to him that his predecessor may have done.

The—just under the—under fees and other revenues, there's a reference to service fees and other

miscellaneous charges, and there's quite a significant consolidation impact there of \$1,158,000,406.

Can the Premier just provide a description of that figure, which is a significant one?

**Mr. Selinger:** I'll get that information for the member and give him a detailed explanation for what those additional revenues service fees are. I'm pretty sure they come from the Crowns, but I'll get that information for him.

**Mr. McFadyen:** Just on the issue of the tuition fees line, which follows it fairly quickly, there's an estimate—a revenue estimate of two hundred and twenty-seven million seven hundred and eighty—sorry, two—yes, two twenty-seven, seven eighty-six.

Can the Premier also just indicate how that compares to prior years because, certainly, on this page that breakdown isn't provided.

**Mr. Selinger:** Again, we're getting into departmental estimates here, but I'll get that information for the member, and it's probably deeper in the book here when we go into specific departmental estimates, but we'll get that for him.

**Mr. McFadyen:** Then the other revenue line that's of interest is—and it's cited under the consolidation impacts—is Manitoba Hydro's net revenue of \$65 million. And I would just say that number seems to be at odds with what's been reported in the media recently where Hydro is estimating a revenue loss this year but for the rate increase. But the \$65 million seems to be out of line with what the recent media reports suggest in terms of Hydro's net revenue. It may be because of—I was going to say a difference in fiscal years, but that wouldn't be it because they've got the same reporting period.

So can the Premier just indicate whether he's confident that \$65 million in revenue is going to materialize?

**Mr. Selinger:** We'll get further information from him on that. I do note that, that again is an item he could discuss with the minister of Hydro, but he's asking global questions. I'm trying not to replicate what will happen in departmental estimates, but we're going at a high level here, and I'll get that information for him.

**Mr. McFadyen:** The size of the projected deficit for this year is an important issue for all the reasons the Premier knows. We're coming off of a year where the deficit is expected to—we haven't had a final report for 2011-2012—but expected to be in excess of

a billion dollars, and we've got, within the current budget, a projected core government deficit of five hundred and four million and one hundred and twenty eight. That's prior to the transfer from the Fiscal Stabilization Fund.

But I want to just ask the Premier if he can explain the line above that, which has a significant impact on the calculation, which is referred to as in-year adjustments and lapse of \$32,500,000, which changes that bottom line by some \$32.5 million.

What is that—what's the explanation for that figure?

**Mr. Selinger:** Again, broadly, estimates are just that, they're estimates. And every year there are certain expenditures that do not eventuate and they get recovered in what they call lapse or in-year adjustments. And so that's an estimate of what will likely lapse during the course of the year because of timing considerations, weather conditions, certain roads don't get built, for example, certain programs don't get fully acted upon, some things just aren't able to be done for a variety of reasons and this results in what they call a lapse figure in year that is—it's an Estimate that's done every year by Treasury Board and put into the expenditure lines as a recovery that reduces the year-end result.

**Mr. McFadyen:** We certainly know that there can be unexpected expenses that arise in a year and this figure seems to be a number that's used to describe unplanned for, unexpected reductions in expenditures. Is that a fair way to describe the meaning of that number?

**Mr. Selinger:** That would be reasonably accurate. It is the case that every year certain activities do not occur and there's a savings that's accrued because of that.

**Mr. McFadyen:** And so in terms of the deficit calculation, there's a transfer of \$56.065 million from the fiscal stabilization account and—so that brings the deficit number down to—or the core deficit number down to 448.

But we know from past years budgets that the Premier's indicated that that stabilization account was entirely dedicated to debt repayment.

So I'm wondering if the Premier is using that fiscal stabilization account—the same money multiple times in different ways.

**Mr. Selinger:** No.

**Mr. McFadyen:** I wonder if the Premier can explain the inconsistency between past comments which you said that that—the balance of that account was going to be 100 per cent dedicated to debt repayment. It was going to be used over, I believe, a three-year period for debt repayment and yet a \$56-million sum is now being transferred from that account to reduce this year's operating deficit.

How do you explain that discrepancy?

**Mr. Selinger:** I'll get him a more detailed explanation, but he'll note there's debt-servicing costs of about \$258 million and we said that in the five-year plan we would use the fiscal stabilization funding to repay some of the deficit costs.

So I'm assuming that that's the way they've expressed it here, but I'll verify that for him.

**Mr. McFadyen:** Thank you.

And, again, on the general kind of expenditure trends that we see within the Estimates—actually, let me—not—I won't go to expenditures, let me focus on the revenue side for just a few more minutes.

What we see is a—on page 9—a relatively modest percentage change in terms of income taxes, but very significant double-digit increases in other taxes and in fees and other revenue, and so I'm wondering if the Premier can indicate how, at this point in time, his government can justify a 10.8 per cent increase in revenue under the heading of fees—sorry, under the heading of other taxes.

**Mr. Selinger:** As we indicated in the budget, we did broaden the tax base without increasing the sales tax which remains the second lowest in the country, and I think that's expressed there.

**Mr. McFadyen:** And what analysis did the government do to ascertain which Manitobans would be most directly impacted by those revenue changes?

**Mr. Selinger:** That's in the purview of Treasury Board those kinds of discussions, but they looked at measures that would retain the second lowest sales tax in the country while looking at what potential there was to broaden the base.

**Mr. McFadyen:** And what we're looking at with the budget is a—the 10.8 per cent budget-to-budget increase in other taxes and then quite a stunning 22.3 per cent increase in fees and other revenue. And I take issue with this simply being a Treasury Board issue.

\* (16:40)

These are pretty fundamental policy choices the government makes as to who they're going to go after for revenue and where they're going to spend their money. And I wonder what analysis the government did to ascertain which Manitobans would bear the lion's share of those increases, the 10.8 per cent increase in other taxes, which would include the sales tax, gas tax and other taxes, and the 22.3 per cent increase in fees and other revenue.

What impact analysis was done to ascertain the circumstances of those Manitobans who would pay these increased taxes in fees?

**Mr. Selinger:** I—when I answered last time, I said the analysis was done within Treasury Board. They have the expertise to do that. Certainly, there's discussion at a higher level. Cabinet reviews all budget estimates and makes final decisions on them, and that's the normal course of proceedings in government, regardless of who the government is.

**Mr. McFadyen:** And I know the Premier is, he's—he understands these choices and these budgets well. And I think he must recognize that expanding the base of a sales tax has an impact on a particular group of Manitobans, both small business owners—and they've gone after predominantly female-owned businesses and people receiving those services, who are primarily women, in terms of the sales tax expansion.

The gas tax expansion disproportionately hits northern and rural residents and also suburban Winnipeg families who don't have the option of using transit to get their kids to swimming lessons and sporting events. And the fees and other revenues would have a disproportionate impact on—in term—in percentage terms on lower income Manitobans.

And I'm wondering if the Premier can explain why his government would be targeting low-income Manitobans for the lion's share of their revenue growth.

**Mr. Selinger:** I don't know that I accept the member's analysis of the impacts of broadening the revenue base in Manitoba. The reality is, is that, for example, if a revenue's increase for gas tax, that's a universal decision across the province. Some people have access to alternative means of transportation; others don't, but it's also the case that there's very significant investments being made in infrastructure in parts of Manitoba that require upgraded and improved roads.

And so the money—as we've indicated in the House and through other discussions, on a 2-to-1 basis, on the gas tax—is being re-invested in infrastructure in Manitoba, and repairing bridges in infrastructure that were damaged during the flood is one of the priorities.

So when we make decisions to protect front-line services such as health care and education, that has very significant benefits to families to do that. And when we make an announcement, for example, that we're going to make drugs available for—oral drugs available for people suffering from cancer so they can retain themselves in their communities and in their homes, that has very significant benefits to Manitobans.

And when we increase the caregivers' tax credit by 25 per cent, that's a real benefit to people in the community that are providing care to members of their family or members of their community. And often that care is provided by women, so we're very cognizant of the fact that we needed to ensure that certain services were in place that bear very heavily on families if they're not provided. And that's why we've made investments in home care and in CancerCare drugs and also continue to invest in education. So—and try to do it with a—regard to the fact we wanted to keep the affordability of Manitoba among the top three in Canada.

**Mr. McFadyen:** And the impact of these increases—it's the cumulative impact of all these increases that's of concern to people. When you look at a 3.5 per cent increase, the rushed rate increase that came in for Hydro, 3.5 per cent that was done over the weekend just before April the 1st, and you—and the chairman of—the new President and CEO of Hydro Committee indicating his expectation is that Hydro would be looking for 3.5 per cent increases for many years to come. This was not a one-time increase. He is expecting them to have to apply year after year for increases in that range in order to meet financial pressures at Hydro. So you got a 3.5 per cent Hydro rate increase effective April 1st, you have increases in the sales tax for particular services and an impact on the small business people who provide those services. You have an increase in the gas tax which has a very large impact on mothers and fathers and rural and northern residents who are trying to get by. You have an increase in taxes on insurance policies, which are paid for by people to protect their homes and properties.

If you take a hard look at it, what you're going to find is that between consumption of electricity, the need for fuel for people's vehicles and the other areas that are being taxed, I think the Premier will find that it is middle-income and lower-income Manitobans who are paying, providing the lion share of the revenue increase in government.

And I wonder how the Premier can justify that kind of a budget that penalizes the middle class and working class Manitobans in such a significant way.

**Mr. Selinger:** I have to say I reject the analysis of the Leader of the Opposition as to what the budget does for Manitobans.

It makes a very significant contribution to protecting services that matter to Manitobans, including health care and education and infrastructure services, services to families and children, and it does it by maintaining Manitoba's affordability advantage among the top ones in the country. And other provinces have confirmed that in their analysis.

I believe the Hydro rate, and the member knows this as well as I do, was set by the Public Utilities Board, and I understood it was 2 per cent, so we'll check that. Your—the members—Leader of the Opposition is saying three and a half per cent, but I understood that they approved a 2 per cent increase just as the last chairperson of the Public Utilities Board took his leave and retired.

The gas tax remains the second lowest in the country and the sales tax remains the second lowest in the country, and we did increase the education property tax credit for senior citizens to a level never seen before in Manitoba, \$75 this year, \$150 last year for a total of \$1,025 for all families. And the personal deduction has been increased by \$250, which has a 'disproportionate' positive impact on working families and middle-income families.

The increased deduction for spouses also has the same impact for families in Manitoba and working families and moderate-income families, similarly with the dependants deduction that has the same benefit for working and moderate-income families because it raises the threshold that people have to meet before they pay any taxes at all on the income they earn. So that has a bigger benefit for people that have smaller incomes because they have more income that is sheltered before any tax is paid at all, and it's—those benefits were put in place in January,

and I would hope the member of the Leader of the Opposition wouldn't forget those.

The property tax credit is at \$700, which is just about triple what it was under the previous government. We've increased that over the years. And the farmland education tax rebate is at 80 per cent, never seen before the—how much of the rebate is at 80 per cent, so we did make several measures that bear on the issue of affordability in Manitoba, while protecting front-line services.

We also said we would ensure that the bundle of services in Manitoba for home heating, auto insurance and electricity as a bundle would remain the lowest in Canada over this mandate, and so we are very cognizant of the need to—and our desire as a government to make sure Manitoba is an affordable place to live, but we also want to ensure that people have access to quality health care and good quality education at an affordable rate, and other services they need in their neighbourhoods, including public security. And my confirmation is, is that the increase was 2 per cent ordered by the PUB, for Hydro.

**Mr. McFadyen:** And it was—it's an interim approval at 2 per cent. The application was for 3.5 per cent and the PUB is reviewing the application, but they did grant an interim 2 per cent increase, which is correct. The president and CEO indicated his expectation is that they were going to require three and a half per cent increases going forward in order to keep up with the expenditure pressures that they're dealing with and the uncertainty in the revenue markets, and so, but it's not—the overall point is that rates are going up. The application is for increases at greater than the rate of inflation. Hydro's presentation to committee showed those lines crossing, that historically the rate of increase has been lower than the rate of inflation. Those lines have now crossed so that rate increases are greater than the rate of CPI, which is a disconcerting development.

\* (16:50)

And so I think we'll agree to disagree in terms of the impact on Manitobans, but we would note a very significant impact on middle-class and working-class Manitobans in terms of gas tax, hydro rates and the accumulation of tax and fee increases.

In looking at the revenue estimates on a line-by-line basis, I would just note the land transfer tax is expected to generate close to \$3 million in added revenue this year over last year, and I wonder if the

Premier could just indicate what the basis is for that projection.

**Mr. Selinger:** Subject to verification, that would indicate a very active real estate market in Manitoba.

**Mr. McFadyen:** And on the issue of retail sales tax, the increase in revenue from 2011-12 forecast to the estimate for 2012-13, is it 290—roughly \$290-million increase, in terms of retail sales tax? Part of that is attributable to the wider base, and, presumably, part of that is attributable to projections of more retail spending.

But can the Premier provide the breakdown on the analysis behind that expected jump in revenue on the retail sales tax?

**Mr. Selinger:** I want to verify: Is the member referring to numbers on page 10 in the Estimates book?

**Mr. McFadyen:** Yes.

**Mr. Selinger:** He's indicating the growth in revenues in the retail sales tax from \$1.65 billion to \$1.83 billion?

**Mr. McFadyen:** I—in fact, I'm actually looking at—you know, I think I was actually looking at budget to budget, but if you—but forecast to estimate. So 2011-12 forecast to the estimate shows an increase—pardon me—of about \$190 million, and so I wonder if the Premier can just provide that breakdown as to how much of that is related to the widening of the base, and how much is related to economic activity.

**Mr. Selinger:** I thank the member for the corrections. I just wanted to make sure we're following the same numbers, and I think that is a more accurate reflection of the change. And we'll get that information for him and show the breakdown of that.

**Mr. McFadyen:** And on the issue of the fees and other revenue, just looking at the subtotal for fees and other revenue showing a jump from 517 to 623 from forecast to this year's estimate, can the Premier just provide some further detail as to how that—what drives that increase in revenue on that line?

**Mr. Selinger:** Well, we'll get him further analysis.

I do want to invite him to attend the Estimates of the Minister of Finance (Mr. Struthers) who will have all the staff there that can give the detailed responses right in that specific situation. I mean, it's a little bit indirect here. I have to go back to those

folks to get that information, and I think if he wants a more direct answer with officials in the room that can give immediate and direct answers, I would invite him to do that.

I'd love to be there with him, but we've changed roles and there's a new guy doing that, and I think he's very able, and I know you've attended those Estimates in the past. And I appreciate the ongoing attention to these matters at this level, but I wouldn't want him to miss the opportunity to have full access to all the Finance staff that can give him those answers right on the spot.

**Mr. McFadyen:** I appreciate the invitation and, well, I'll check my schedule and we'll see what happens.

Mr. Chairman, just on the federal transfer line on the revenue estimates, just looking at the numbers, the 2011-12 budgeted number under the—across from the line, subtotal on federal transfers, was \$3,674,816,000 and there's—the actual is coming in considerably higher than that, almost 10 per cent higher at \$4,056,644,000. Can the Premier just outline—just explain this remarkable generosity on the part of the federal government last year compared to what was originally budgeted?

**Mr. Selinger:** Again, he could get an immediate answer if he attended the Estimates of the Minister of Finance (Mr. Struthers), but he will notice that that remarkable generosity is actually a decline in total transfers off of budget and certainly off forecast. So it's quite significant, the reduction. It's at an 11.3 per cent reduction off of forecast and a 2.1 per cent reduction off of budget. So, in either case, the point we've been making is that federal transfers are flat, was probably a modest claim. We didn't exaggerate it to say that it was an absolute decline. We've been taking a moderate approach on that, but this is a trend of flat revenue transfers from the federal government over the last three years.

**Mr. McFadyen:** And it's—the numbers that are interesting are not always what's printed as forward-looking estimates, but what actually happens compared to those estimates and what we're interested in, because we've been hearing a lot of complaining from the government about how hard done by they are by the federal government, but then when we see them budgeting three billion six hundred and seventy-four million dollars and then actually receiving in excess of \$4 billion for 2011-12, I'm just wondering if he can close the gap between the government's rhetoric and what actually happened.

**Mr. Selinger:** I think what we've said is just stating the facts. The member would like to put an evaluative adjective on that. That's unfortunate—but it's not unprecedented, I might add, but it is unfortunate, again. But the reality is that no matter how you slice it, the transfers are flat. They're actually declining, either declining 2.1 per cent off budget or 11 per cent plus off of forecast, but I've been saying flat in the spirit of generosity, that they've been relatively flat transfers. And that has been the case for the last three years, and on a percentage basis other provinces have seen double-digit increases in transfers, particularly the more populated provinces.

And now with the decision to go to a full cash transfer on health care, there'll be a very dramatic increase in transfers to the province of Alberta. So, as we review these matters on a Council of the Federation basis, we just look to have a system that's fair to all Canadians across the country as required by the Constitution requirement for equalization, comparable levels of service, at comparable levels of taxation. So, you know, to point out facts is not in any way to as I think the member used the adjective "whine." It's just to state the reality of the federation right now.

**Mr. McFadyen:** I did use the normatively loaded term "whine" in my question. That may be the opinion of some Manitobans, but in any event the Premier is right. I want to focus on facts. And there's an increase in the actual versus budget which I suspect is flood related from last year, and I think that's in part where the question was coming from.

We also note, though, and I would just want to note that under the Health transfer, we see an increase between actuals and budgeted, as we see a similar increase on the Canada Social Transfer. But I don't want to intervene in a fight between the Premier and the federal government. That's a fight for him to take on, and certainly we want to be constructive commentators on those discussions.

Just in terms of the overall picture, we see an increase in revenue of—from budget to budget of 3.5 per cent, and that's really in excess of what was contained in the earlier five-year plan.

And I wonder if the Premier can indicate why this jump on the revenue line—the revenue bottom line, particularly one that's so inconsistent with the earlier five-year plans that were put out.

**Mr. Selinger:** It certainly is—isn't because there's a net increase in federal transfers. I know the member would probably agree with me on that, just on a strict factual basis, without any normatively loaded evaluative terms. But, you know, it's growth in the economy, projected growth in the economy, some of the measures that were taken around base broadening. Those are all reflected in the bottom line on revenues. It is to be noted that over actual last year, it's a minuscule one-tenth of 1 per cent increase on the revenue side.

But I think we've discussed some of the other revenue measures. Certainly, the member has

raised it in question period why he thinks—what his concerns are about revenues. But, you know, these are modest revenues no matter how you slice it.

**Mr. Chairperson:** Order. The hour being 5 p.m., 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 morning.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 2, 2012

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Introduction of Bills</b>		Create and Rate Program	
Bill 19—The Use of Animals to Shield Unlawful Activities Act		Wiebe; Rondeau	675
Swan	667	Manitoba Hydro	
		Maguire; Chomiak	676
Bill 210—The Participation of Manitoba in the New West Partnership Act		<b>Members' Statements</b>	
Smook	667	Pembina Valley Hawks	
		Friesen	677
<b>Petitions</b>		Highway 6 Palliative Care Fundraiser	
Personal Care Homes and Long-Term Care—Steinbach		Nevakshonoff	677
Goertzen	667	Wear Blue Day	
		Goertzen	678
Cellular Phone Service in Southeastern Manitoba		International Workers' Day	
Graydon	668	Maloway	678
<b>Oral Questions</b>		Artificial Flooding Compensation	
Election Campaign (2011)		Gerrard	679
McFadyen; Selinger	668	<b>Grievances</b>	
Goertzen; Selinger	669	Taillieu	679
Assistant Deputy Minister		Graydon	681
Taillieu; Melnick	670	Goertzen	683
Stefanson; Melnick	672		
Stefanson; Selinger	672		
		<b>ORDERS OF THE DAY</b>	
		<b>GOVERNMENT BUSINESS</b>	
Strand Theatre Project (Brandon)		<b>Committee of Supply</b>	
Helwer; Selinger	673	(Concurrent Sections)	
Freedom of Information Requests		Infrastructure and Transportation	686
Briese; F. Marcelino	673	Finance	705
Briese; Ashton	674	Executive Council	717
Civil Service			
Gerrard; Selinger	674		



The Legislative Assembly of Manitoba Debates and Proceedings  
are also available on the Internet at the following address:

**<http://www.gov.mb.ca/legislature/hansard/index.html>**