



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 29, 1990

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Jack Reimer (Niakwa): Mr. Speaker, I beg to present the First Report on the Committee on Law Amendments.

Mr. Clerk (William Remnant): Your committee met on Tuesday, November 27, 1990, at 8 p.m. in Room 255 of the Legislative Building to consider Bills referred. On November 27, 1990, at 8 p.m., your committee elected Mr. Reimer as Chairman.

Your committee has considered:

Bill (No. 6)—The Business Practices Act; Loi sur les pratiques commerciales, and has agreed to report the same with the following amendments:

MOTION:

THAT the English version of the proposed section 1 of Bill (No. 6), The Business Practices Act; Loi sur les pratiques commerciales, be amended by striking out "Part IV" in the definition of "director" and substituting "Part II".

Mr. Reimer: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry (Mrs. Vodrey), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, it is my pleasure to table to the House today the Actuarial Report on the Civil Service Superannuation Fund as at December 31, 1989.

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, I would like to table the Annual Report for 1989 for the Public Utilities Board.

Hon. Jack Penner (Minister of Rural Development): Mr. Speaker, I would like to table the Annual Report of the Surface Rights Board.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct the attention of Honourable Members to the Speaker's Gallery where we have with us this afternoon Mr. Robert Kott who is the U.S. Consul General.

On behalf of all Honourable Members, I welcome you here this afternoon.

Also with us this afternoon, we have 20 visitors from the Glencross Church. They are under the direction of Dan Neufeld. These visitors live in the constituency of the Honourable Minister of Health (Mr. Orchard).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Minimum Wage Increase

Mr. Gary Doer (Leader of the Opposition): For the last three years, Mr. Speaker, we have been raising with the Government the whole issue of the minimum wage in the province, in fact, on 10 occasions in the Legislature and other public forums we have raised the question of why the Government has not raised the minimum wage in three years.

My question is to the Premier. We have received a copy of the employers' brief dealing with the minimum wage that talks about the rationale of keeping the minimum wage low is because of the implications and effect of the Free Trade Agreement. My question to the Premier is: Was that the reason why the Government has not raised the minimum wage for over three years to date, and will that also be the reason why they will continue to keep people on the lower wages and the working poor at a frozen rate as they have in Government since they were elected in '88?

Hon. Gary Filmon (Premier): No, Mr. Speaker.

* (1335)

Mr. Doer: My question to the Premier is: When will he raise the minimum wage in this province? What

will he raise the minimum wage to, or will he be listening again to his employer organizations that have said that the serious nature of the Canadian recession and the serious nature of the Manitoba economic situation is reason enough to not only look at freezing the minimum wages, but the consideration in the future that the Government should lower the minimum wages for the working people of Manitoba?

Mr. Filmon: Soon, and to whatever level Cabinet decides, and no, Mr. Speaker.

Mr. Doer: It is nice to have the callous answers from the Premier, Mr. Speaker. Three years now—

Mr. Speaker: Order, please.

Point of Order

Hon. Clayton Manness (Government House Leader): On a point of order, Mr. Speaker, I know the word "callous" probably is not out of order, but for weeks now the Member has been complaining about the long answers of the First Minister. Indeed you have admonished all of us for our long answers and now when the Premier does give a short, precise, and fully definitive answer, the Member has the gall to stand in his place.

Mr. Steve Ashton (Opposition House Leader): On the same point of order, Mr. Speaker, it was very clear that the Leader of the Opposition made reference to this Government being callous because of the fact after three years it has not raised the minimum wage, and the Premier is now saying it is going to be raised soon. That is not good enough for the minimum wage earners of Manitoba. That is indeed callous.

Mr. Speaker: Order, please. On the point of order raised, I would like to remind the Honourable Member that we do not make reference to the answer which was previously given. I would ask the Honourable Member to kindly put his question, please.

Mr. Doer: I will retract the word "callous" from the Premier and place it on the whole Government, Mr. Speaker, for not raising the minimum wage. I do not want to make any personal comments about the Premier's personality.

Free Trade Agreement - Mexico Government Position

Mr. Gary Doer (Leader of the Opposition): My further question is to the Premier. The working people of this province—the working poor, that are now increasing our food banks by 30 percent, stories are out everyday about the pressure on these people—have had zero increase in the minimum wage for three years. The employer organizations are saying that is because of the Free Trade Agreement with the United States. George Bush has now said that Canada is interested in the free trade negotiations going on with Mexico.

Has the Premier communicated the Manitoba Government's position to the Prime Minister about the free trade negotiations with Mexico? What impact will it have on the working poor in Manitoba if we already have it being cited for freezing the minimum wage in Manitoba? What can he table with us in this Chamber that there has been communication with the federal Government dealing with the free trade and continental trade agreement with Canada, the U.S. and Mexico?

Hon. Gary Filmon (Premier): Mr. Speaker, I want to begin by reminding the Leader of the Opposition that food banks began in this province under NDP administrations during the 1980s. Prior to that time they were not here in this province. They began during the NDP years, regrettably.

I can also recall that a Minister of the NDP Government, Maureen Hemphill, started a clothing depot because so many people were going on the welfare rolls and were below the poverty line under the NDP administration in this province, Mr. Speaker. The fact of the matter is that under his administration the NDP did not every year raise the minimum wage either. Those are all facts.

Mr. Speaker, we have indicated prior to the Leader of the Opposition, many, many times previously, that this administration is doing a full analysis of the potential impacts of a free trade agreement between the United States and Mexico as it affects Canada. That analysis is being done by the Department of Industry, Trade and Tourism.

It will be based on that analysis that we will make any public pronouncements, not based on some knee-jerk reaction because the unions tell him this is what he must do regardless of logic, regardless of facts, absence of any information—take a

position. We will not do that, Mr. Speaker. It will be a reasoned and well-considered position.

* (1340)

Minimum Wage Two-Tiered System

Mr. Steve Ashton (Thompson): Mr. Speaker, indeed the minimum wage is being reduced in terms of actual buying power in this province. It has been reduced 13 percent because this Government has not increased the minimum wage.

That is not the only recommendation the employers are making to this Government. They are also suggesting that we bring in another discriminatory minimum wage that would pay students less than other Manitobans would receive.

I would like to ask the Minister, will he categorically reject any suggestion of having a two-tiered minimum wage structure in Manitoba, a structure that would violate the Charter of Rights and would be unfair to those Manitobans who would be paid less than what other Manitobans are paid in terms of the minimum wage?

Hon. Gary Filmon (Premier): Mr. Speaker, we have indicated previously that as a Government we do not intend to violate the Charter of Rights.

Mr. Speaker, we as a Government will give a thorough review of the report and all recommendations that come forward from that committee, not just take one side of the issue and argue for one side. That committee has been set up in a balanced form throughout many, many administrations, administrations that were concerned with providing balanced policies to this province; the administration of Duff Roblin, the administration of Ed Schreyer respected that balance that was on that committee.

Now we have of course a New Democratic Party that no longer looks at a balanced view of this province, that takes sides, that takes partisan positions on issues when they are not necessarily in the best interests of the people of this province. We will not do that, Mr. Speaker.

Mr. Ashton: The NDP, Mr. Speaker, will not in any way support lowering the minimum wage, as was suggested, or a discriminatory rate.

My question again to the Premier was not in regard to the Charter of Rights in the general sense. I asked him specifically in regard to a two-tiered

minimum wage which was taken out of place in Manitoba several years ago by the previous NDP Government.

Will the First Minister reject a two-tiered minimum wage that would pay young people less than other Manitobans?

Mr. Filmon: Mr. Speaker, I will repeat: We will review the report and the recommendations of the committee and make our decisions based on that.

Employment Standards Night Worker Safety

Mr. Steve Ashton (Thompson): My final question is: Will the Minister also reject another recommendation made by the employers to eliminate transportation of the workers that was put in place to provide protection for workers working late at night? Will the First Minister at least reject that regressive move which would in particular put women workers in jeopardy? Will he reject that?

Hon. Gary Filmon (Premier): Mr. Speaker, we will do everything possible to protect the rights and the economic welfare of the workers of this province at all times.

Bill 24 Retroactive Application

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Premier.

Surprise, surprise—this Government, true to form, is now seeking through Bill 24, which was brought to the attention of this House yesterday, to totally abdicate its responsibility to conduct environmental impact assessments in this province. That Bill would allow this Government to entirely shed its duty to study the environmental impacts of a project even if that project simply may have an environmental impact on another jurisdiction—no will, may have an environmental impact. This is an outrageous and shameless attempt by this Government to cut costs and render redundant their own Environment Act.

My question, Mr. Speaker, for the Premier is: Will the Premier withdraw the part of this Bill which would allow this Government to enter into an agreement with any other jurisdiction, including the United States, to use that jurisdiction's assessment process without any participation by the people or the Province of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, the Member will be informed during second reading when the Bill is introduced by the Minister of Environment (Mr. Cummings) of exactly what the Bill is intended to do. The Bill is intended to do exactly what we have said. That is that we will have an opportunity to eliminate needless duplication so that you do not have the opportunity to forever forestall any proposal by virtue of claiming other jurisdiction involvement.

The fact of the matter is that we will apply the highest standards and the most restrictive process to it. That is absolute fact and this Government will not do anything less under any circumstances. The fact is that under any circumstances in which we have a project that affects Manitoba's interests, we will have public hearings in Manitoba to ensure that Manitobans will be heard on this process. The highest standards, the most restrictive process, that is what that Bill will provide for. I invite the Member to listen to the introduction of the Minister of Environment tomorrow.

* (1345)

Mr. Edwards: Mr. Speaker, we have learned not to base our conclusions solely on the words of the Minister of Environment. You show me—I would ask the Premier to show me where where the word "highest," where the word "restrictive" appears in this Act? This Bill provides that it would be effective November 1, 1990, retroactively.

What deal has this Premier already cut with the federal Government to get Conawapa through with minimal participation by this Government just when the federal Government is reducing its standards, which he knows full well?

Mr. Speaker: Order, please. The question has been put.

Mr. Filmon: Mr. Speaker, I resent the sleazy and dishonest approach that this Member is taking. There is no deal—no deal.

Point of Order

Mr. Kevin Lamoureux (Second Government House Leader): Mr. Speaker, on a point of order, all Members in this Chamber are honourable, and I would ask the First Minister of this province to withdraw the comments that are very unparliamentary in this Chamber.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, for all Honourable Members in this House, we do not expect any one Member to get up and state a case, indeed, where he tries to leave the impression that there is some back-room deal in his question. That is highly out of order. The Premier (Mr. Filmon) has indicated there is no deal. There never has been a deal. There is not a fledgling of a deal. There is no deal.

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, the Member for Inkster (Mr. Lamoureux) is quite correct. Beauschêne, Citation 489, lists numerous references to dishonest as being unparliamentary, and I would suggest you ask the First Minister (Mr. Filmon) to withdraw those comments.

Mr. Speaker: Order, please. I would ask the Honourable First Minister to withdraw those remarks from the record. Order, please.

Hon. Gary Filmon (Premier): Mr. Speaker, despite the fact that there is not one shred of truth in the statement made by the Member for St. James (Mr. Edwards), as an Honourable Member, I will not call him dishonest.

Mr. Speaker: The Honourable First Minister to withdraw the comments. -(Interjection)- Order, please. I have asked -(interjection)- unqualified withdrawal, with nothing attached to it.

Mr. Manness: Mr. Speaker, the Premier made no qualification whatsoever in his full withdrawal.

Mr. Speaker: Order, please; order, please.

Mr. Ashton: Our rules are quite clear. A withdrawal has to be satisfactory to the Member against which the statement was made, and it should not be -(interjection)- no, if the Government House Leader would care to consult the rules, I believe the intent of any withdrawal should be the broadest and should be without qualifications, Mr. Speaker. That is our normal tradition in this House.

Mr. Speaker: Order, please; order, please. On that point of order, the Honourable Member does not have a point of order. The Chair, the Speaker, has said that there would be an unqualified withdrawal. I am satisfied that there was. I just said that there would not be any riders attached to it.

* * *

Mr. Edwards: Mr. Speaker, my question is for the Premier.

If there is no deal, why does this Act include the ability of this Government to totally abdicate its responsibility and take on another jurisdiction's assessment process? He can read. He knows it says that. Why November 1, why a retroactive application to November 1?

Mr. Filmon: Mr. Speaker, I invite the Member to put those questions during committee in the review of this Bill. I invite him to have that entire discussion with the Minister of Environment (Mr. Cummings). I tell him that this Bill is intended to provide for the highest standards prevailing and the most restrictive process prevailing, the assurance that Manitobans will have access to full public hearings throughout any such - (interjection) -

Mr. Speaker: Order, please. The Honourable First Minister has the floor.

Mr. Filmon: The Bill refers to regulations, regulations that are out for comment and review, all of which will have the assurance of protecting the interests of Manitobans and their environment, Mr. Speaker.

* (1350)

Child and Family Services Funding

Ms. Becky Barrett (Wellington): Mr. Speaker, my question is for the Minister of Family Services.

At least five articles of the U.N. convention on the rights of the child that were tabled in this House the other day relate directly to the protection of children from all forms of abuse.

Can the Minister state that it is his Government's unwillingness to ratify this convention because Child and Family Service agencies are unable to provide the most basic mandate of protection services due to his Government's unwillingness to allow the hiring of front line protection workers, not because the need is not real, but because the agency has been forced into a debt position because of insufficient Government funding?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, we have discussed this issue in Estimates in previous days, and I have indicated that the increase in funding for Child and Family Services over the last two years has been substantial. The agency which the Member speaks of is in a deficit position and their request for additional staff has been denied because they are

already staffed above the allowable limit that was part of their funding last year.

Outreach Workers

Ms. Becky Barrett (Wellington): I have a question to the same Minister.

The Government has stated that it wants Child and Family Service agencies to increase awareness in education about abuse issues. How can this essential prevention work take place when there is a total of only 10 outreach workers for all of the agencies throughout the province and no money allocated specifically to enable them to do their jobs?

Hon. Harold Gilleshammer (Minister of Family Services): Again, as we discussed in Estimates, Mr. Speaker, there is staff assigned for outreach work by the agencies, that each agency has one staff person to do that and two of the larger agencies have two staff.

Certainly the question of abuse, child abuse, is of great concern to the public. There has been an increased awareness of child abuse, and because of legislation passed by this Government insisting that third party abuse be reported, there is an increase in those numbers.

I can tell you that the primary function of Child and Family Services agencies is protection and that bottom line work by the agencies is ongoing, that there is protection of children in this province.

Resources

Ms. Becky Barrett (Wellington): Given that 53 percent of the abuse cases in 1989-1990 went no further than preliminary investigation and given that many of these children are still at risk, can the Minister of Family Services explain what resources are currently available to monitor these situations and to provide the protection that the Child and Family Services agencies are mandated to do, to ensure that these children are safe and that they are not going to become part of this year's statistics?

Hon. Harold Gilleshammer (Minister of Family Services): Certainly there has been a dramatic increase in the number of the ones reported. Some of those have been investigated and there was no further action required on that.

I can tell the Member that I have visited four of the treatment centres in Manitoba, Children's Home,

MacDonald Youth centre, Marymount, and this morning I was at Knowles Centre, and all of them are doing excellent work in this area.

Certainly there is a real challenge faced by those treatment centres and other departments of Government including Health and Education to work with citizens in this province and particularly children. The bottom line mandate of agencies is the protection of children, and I can assure you that is an ongoing concern.

Family Violence Case Reviews

Mr. Dave Chomiak (Kildonan): Mr. Speaker, my question is directed to the Minister of Justice (Mr. McCrae). In one day we see two separate instances of the inability of the justice system to deal with abuse against women. In one case, despite the fact that guidelines existed to the contrary, charges were not laid by the police. In another instance the woman actually contemplated dropping a charge and although she preceded she now lives in fear.

While this Government studies, Mr. Speaker, two more women become victims in a system that does not protect them. Can this Minister report back to the House that he has investigated these instances and ensure the House that such breakdowns will not occur in the future?

Hon. Clayton Manness (Acting Minister of Justice and Attorney General): Mr. Speaker, I will take the question as notice.

* (1355)

Police Protocol

Mr. Dave Chomiak (Kildonan): Mr. Speaker, my supplementary is to the same Minister. What steps will he put in place to ensure that the guidelines that already exist, the protocol with the Police Department, is in fact working and is in fact in effect?

Hon. Clayton Manness (Acting Minister of Justice and Attorney General): Mr. Speaker, similarly, I will take that question as notice.

Prosecution

Mr. Dave Chomiak (Kildonan): Mr. Speaker, my final supplementary is: What steps will this Minister also put in place to ensure that women are not put in a position where they have to contemplate dropping charges, and what steps are in place to

ensure that the Crown attorneys do proceed on charges in all instances?

Hon. Clayton Manness (Acting Minister of Justice and Attorney General): Mr. Speaker, I know the Minister of Justice (Mr. McCrae) will want to report fully on those questions.

Economic Growth Government Forecast

Mr. Reg Alcock (Osborne): Mr. Speaker, I have a question for the Minister of Finance.

Repeatedly the Minister of Finance has stood up in this House and told us how well the Manitoba economy is doing. Today we find out that fully 61.9 percent of Manitobans disagree with him. They believe that it is going to get worse, the highest number of Manitobans reporting that belief since the study that uncovered it was begun in 1986 and twice as many as were reported in the national study done by the Angus Reid corporation.

Can the Finance Minister tell us why his belief about the economy is so different from that of Manitobans?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, quite simply because my views are based on fact, not on polls. I believe and I think every Member of this House would agree, probably the best measure of the economy other than the economic forecasts themselves which show this province doing extremely well in a relative sense across Canada, but probably the best indicator after that is the sales tax revenue.

As I have indicated many times on many other occasions in this House, and I will indicate again, sales tax revenue in this province continues to increase at a level not at the rate of inflation, however at a level which is amongst the second or third highest in this country and at levels far above zero.

Mr. Speaker, I say that although there is obviously some discomfort in some of our sectors, nevertheless the general economy of the province is doing reasonably well.

Mr. Alcock: Mr. Speaker, let us talk about some facts. There are 4,000 more registrants with Unemployment Insurance this October than there were last year. Income Security applicants in the City of Winnipeg are up 10 percent. Those are some

facts that are different from what the Finance Minister would have us believe.

Why does he continue to insist that things are going so well when there is so much evidence to the contrary? Will he now admit that we are moving past recession and into depression in this province?

Mr. Manness: Mr. Speaker, in spite of the Member's wish for his own political reasons that our economy do worse than he would see, let me indicate that I have had occasion over the last two or three days to talk to representatives of the banking community, people who on a daily basis have an opportunity to meet with their clients. They are surprised at the incredible strength within the Manitoba and the Winnipeg economy in particular.

As they survey the scene nationally, they say that unquestionably this province is a beacon in the dark because it is performing so well in a relative sense. As far as the hard numbers, I do know that for the first eight months within this country Manitoba had retail sales that were 5 percent up as compared to Canada as a whole at 2. I do know that in other areas including private and public capital investment, up 11 percent as compared to Canada up 6 percent.

Those are hard facts. They are part of the record and indeed they show that this province is doing reasonably well under the circumstances.

Child and Family Services Budget Cuts

Mr. Reg Alcock (Osborne): Four thousand new registrants with U.I. is a hard fact also, Mr. Speaker, as is the fact that 50 percent of our young people are moving out of this province to find jobs compared to the rest of this country.

Mr. Speaker, with hard times goes high stress on families. With high stress goes social problems. Why does this Minister of Finance have a member of his Treasury Board working with Family Services attempting to enforce 10 percent cuts in the level of service of child protection in this province? Will he call that staff person off?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I do not know how it is anybody even responds to a question like that. I mean we are fully - (interjection) - well, the accuracy is that we have made increased commitments to that area of programing in the Government by the rate of 15 percent. That is the accurate, that is the number that

is in print, that is the number that we are debating and giving passage to in our Estimates review.

Mr. Speaker, that is the fact, and when the Member comes along with a story or some incident of which I know nothing about, I say to him, that is an unfair representation of the facts.

* (1400)

Portage la Prairie Flight Training School

Mrs. Shirley Render (St. Vital): Mr. Speaker, this morning the Honourable Charles Mayer announced that south Portage had been named site specific for privatized training for military personnel. Would the Premier indicate to the House the economic impact that this positive statement will have for Portage and indeed for all of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I want to thank the Member for St. Vital for coming forward with a very intelligent question, a question of course that recognizes some of the positive things that are happening in Manitoba. You know, unlike the Member for Osborne (Mr. Alcock), who is always hoping for the worst and trying to make it happen because of his own personal political beliefs, the fact is we are delighted—

Mr. Speaker: Order, please; order, please. I have recognized the Honourable First Minister to deal with the matter raised by the Honourable Member for St. Vital. I would ask the Honourable First Minister to keep his remarks relevant to the said question.

Point of Order

Mr. Reg Alcock (Osborne): This has occurred twice now in this House, and I believe it is incorrect to impute motives to questions asked in this House and to suggest that Members who are bringing legitimate concerns about the economic future of this province are being done strictly for personal gain. That is simply untrue. They should both withdraw those remarks.

Mr. Speaker: Order, please. The Honourable Member does not have a point of order.

* * *

Mr. Speaker: The Honourable First Minister, to the question posed by the Member for St. Vital.

Mr. Filmon: Mr. Speaker, in response to that excellent question, I just want to say that we are very pleased. A great deal of work and effort and lobbying has gone on on the part of the people of the Portage la Prairie area, and certainly Members of this administration worked very hard to convince the federal Government to do what was right, which was to ensure that the request for proposals was site specific to Portage la Prairie for the training of the Canadian Armed Forces for their basic flight training.

It means a considerable number of jobs, in the range of several hundred. It involves tens of millions of dollars of annual benefits to the community of Portage la Prairie. It is a very good announcement, and it is a very good Christmas present for Portage la Prairie.

Economic Growth Government Initiatives

Mr. Leonard Evans (Brandon East): Now we get softball questions over a situation where we actually only have 200 jobs less than we had at the present time—200 less.

Mr. Speaker, I have a question for the Minister of Finance. He seems to reject the opinions of the people of Manitoba, but a valid opinion poll released today shows that the level of pessimism in this province has never been higher. Sixty-two percent of Manitobans believe that the economy will get worse next year. They see the negative implications of free trade, of the GST, and I say the Government sits idly by and refuses to take any action, refuses to recognize the economic situation in this province.

When will the Government, when will this Minister, when will the Premier (Mr. Filmon) recognize the threat to our economy, and when will the Government do something, anything, to stimulate the economy of Manitoba?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I appreciate the new exercised style of the Member for Brandon East. It adds a lot to Question Period and for that I say thank you.

Another time I will have an opportunity to talk about what happens when one becomes a purveyor of doom, and how it is that if you tell the message long enough indeed some people may even begin to believe it, act accordingly and cause the very demise that of course people are forecasting.

I say to the Member opposite that the economic plan that this Government has embarked upon is working. The very first basis of that is to attempt to deal with the tremendous debt, the legacy of NDP debt that we inherited. We are trying to deal with that. I say that there is no other swift solution.

The Member may think that the solution is to go and borrow more money, go further into debt, try and create a quick economic stimulus that hopefully will create some type of long-meaning jobs. Mr. Speaker, we know that model does not work. We know that it will be put to doom, and I say to the Member, our way is better.

Industrial Development Government Initiatives

Mr. Leonard Evans (Brandon East): Mr. Speaker, there is no evidence of an industrial development strategy, so my question is: When will the Government finally develop a working, meaningful industrial development strategy to alleviate the economic conditions in this province? When will it recognize the serious situation? Here are thousands of jobs, of people laid off in this province in the manufacturing sector.

Mr. Speaker: Order, please; order, please. The question has been put.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the Member surprises me. I think if it has been proven anywhere, it has been proven at night when we turn on our TV sets, the fact that the State trying to create wealth, indeed that model does not work. Without the creation of wealth, indeed you cannot create long-term meaningful jobs.

We are embarking on a process where we are trying within this province to come to grips with our debt situation. We are trying to keep taxes at a low level relative to the other provinces. I say, Mr. Speaker, it is a slower approach than maybe the Member would like, but it is working. It is working in relative terms as we look at our economic gross statistics as compared to the rest of Canada, when we look at our employment statistics as compared to other jurisdictions. It is working, and I would ask the Member to acknowledge that.

Mr. Leonard Evans: Mr. Speaker, that is small comfort to the thousands of people who have lost their jobs in all these companies, many of which have been affected by free trade.

Manufacturing Industry Government Initiatives

Mr. Leonard Evans (Brandon East): Mr. Speaker, when will we see some policy specifically directed to the manufacturing industry which this Government has neglected? We want leadership and we do not have any leadership. We need greater attention to our manufacturing industry which is definitely going down the tube because of free trade and because of economic policies of the Mulroney Government. What are you going to do about these people who are laid off?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, as much as we can within our ability to do so. That is why we are beginning to unroll the payroll tax which has done more to harm the manufacturing industry in this province than anywhere else in Canada. That is why we are trying to look at labour reform captured within Bill 12.

These are the areas that we can work on within the area of the manufacturing sphere to once again create the climate that allows people to profit, so that ultimately that profit can be taxed in support of all the services that the Member has asked us to spend more money on on a daily basis.

Ducks Unlimited Canada Licence Withdrawal

Ms. Marianne Cerilli (Radisson): Mr. Speaker, my question is for the Premier. Earlier this week the Manitoba Naturalists Society appealed the licence to Ducks Unlimited. Today, the Friends of Oak Hammock Marsh are also announcing that they too are appealing the licence. These groups expressed the disappointment felt by many Manitobans that this Government has issued a licence to put up an office structure on a wildlife management area in the first place.

My question to the Premier is: Will he show some leadership on this issue and instruct his Minister of Environment (Mr. Cummings) to cancel the licence based on the objections of these groups?

Hon. Gary Filmon (Premier): Mr. Speaker, this is the typical approach of the new New Democratic Party in this Legislature which is that you do not listen to all of the facts, you do not listen to the whole story, you make up your mind, you put on the blinders and you side with one group, and you

ignore the very process the New Democratic Party put into their piece of legislation.

The Environment Act, as it exists, calls for public hearings, public hearings which were not given to Limestone, the biggest single investment in any project in North America during the '80s. It was exempted from an environmental review. Manfor was exempted for an environmental review. It was never licensed. Now these born again environmentalists say, forget the process, forget the Clean Environment Commission, make an ad hoc decision. Mr. Speaker, I reject that approach, because it is the wrong approach.

* (1410)

Expansion

Ms. Marianne Cerilli (Radisson): Mr. Speaker, it is this Government's practice to collude with corporations and jeopardize the environment.

My question for the Premier is: Is he aware of the plan submitted by the architectural group in charge of the project to expand by 10,000 square feet beyond what is stated in the commission's recommendations? If so, will this Government allow this expansion of the building?

Hon. Gary Filmon (Premier): Mr. Speaker, the Clean Environment Commission has reviewed the entire proposal. That proposal has now been appealed to the Minister. Any new facts, any new information, any new rationale that was not considered by the Clean Environment Commission that may be contained in these appeals will be considered by the Minister when he makes his review of the situation.

Mr. Speaker, I am not going to inject politics into a decision as important as this in protection of our environment. This has gone before a non-partisan review by the Clean Environment Commission. This has been the subject of expert advice from scientists, from naturalists, from people throughout this continent who have given their advice. It is now going to be the subject of an objective review as a result of the appeals to the Minister. We will wait until we see that review done. We will not make decisions based on only knowing a small part of the story.

Ducks Unlimited Canada Minister's Endorsement

Ms. Marianne Cerilli (Radisson): Mr. Speaker, my final supplementary is for the Minister of Natural Resources.

Given this Minister's endorsement of the proposal in a letter that appeared in the *Stonewall Argus*, is the Minister willing to stand by his endorsement, given the fact that environmental groups are outraged and opposed to this project?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am perfectly willing, I always have been, to stand by the position stated over and over again by this Government, by my Premier, that this proposal will have to live with the existing process that was established, as just pointed out to the Honourable Members, by the former Government, and improved upon, I might say.

It is now going through that whole process. That process has not been completed. The Minister responsible under The Environment Act is receiving these appeals and will make his judgments. I see absolutely no inconsistency with that position that has been taken by myself, whether it is by letters to the *Stonewall Argus*, something like that. Of course I am a proponent of the plan, my department is involved in it, but I have always indicated in this House and on other public occasions that the process must, the project must satisfy all the environmental requirements as legislated by this province.

Family Violence Prosecution

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I deeply regretted earlier in this Session that the Minister of Justice (Mr. McCrae) took as notice questions for which I thought there should have been an automatic response.

I would ask the Premier if he would say very clearly to this Chamber, because I think it is a very important signal for the Premier to give, that under no circumstances will the protocols with respect to the police and the laying of charges of sexual assault and spousal assault that have been in place since 1983 be changed.

Hon. Gary Filmon (Premier): Mr. Speaker, not fully understanding the intent of the question, I can say

that it is always our Government's intention to provide the greatest possible protection to spouses who are in danger of abuse or who are obviously faced with abuse.

We have done everything possible, including massive increases in funding to shelters, to supports for women who are experiencing family violence, and we will continue to do that. The intent of the review that has been commissioned with the full support of women's groups in the community who want to see greater restrictions, better processes to protect the innocent victims of spousal abuse and violence—that is all that we are working for and we do not want in any way to change the rules or change the protocols so that they should put any person, not even one person, at risk.

Mrs. Carstairs: I thank the Premier for that, because I think it is an important signal for us to send out today, that charges will continue to be laid when spouses are assaulted.

Ottawa Program Evaluation

Mrs. Sharon Carstairs (Leader of the Second Opposition): I would like to table a document, Mr. Speaker, called *The Ottawa Police Force Wife Assault*, and I would ask the Government of the Day to review this program, which is a pro-active police program in which the police are themselves, in the Ottawa Vanier area, going to victims of a potential assault, working with them so that the police becomes the friend in the case of an assault and not an adversary.

Will the First Minister consent today to review this program and if possible initiate it in the Province of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I thank the Member for River Heights for making a positive suggestion and for a very sincere desire to improve the circumstances for the protection of women who are at risk of domestic violence.

I will not only accept that, not only review it myself and refer it to the Justice Department, but also the Pedlar commission review, to ensure that they make comment and recommendation if there is substance in that report, in that folder, that would assist us.

Service Delays

Mrs. Sharon Carstairs (Leader of the Second Opposition): I have a final question to the Minister of Family Services.

Can the Minister of Family Services tell us if any additional staff, personnel, have been assigned to deal with the increasing number of calls indicating that there has been assault so that the treatment of these women and the help provided to their family can take place with the least amount of delay?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, I cannot give you a specific answer today on staff increases, but I would echo the comments made by the Premier that this is a concern of our Government. We have taken some steps in that direction with the shelter system, and we would be pleased to review that pamphlet.

As far as a specific number in terms of staff, I will try and get that information for the Member.

Health Care System Government Position

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, yesterday in Interim Supply the Minister of Finance made some fairly outrageous statements. He spewed out Mulroney's line about health care having to suffer because of the national debt. He dismissed the significance of the Canada Health Act and the historic role it has played in Canada, and he is looking more and more like Nero who fiddled while Rome burned.

I want to ask the Minister of Finance if he knows that among industrialized nations only the United States and South Africa fail to provide access to health care for all their citizens. Is this the model he wants? Is this the direction this Government is taking—

Mr. Speaker: Order, please. The question has been put.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, it is probably out of order that I would classify that question as one of the most bizarre I have ever heard.

I made my representations yesterday on the record. They have been reported very accurately in today's paper. My answer made yesterday stands.

Mr. Speaker: Time for Oral Questions has expired.

ORDERS OF THE DAY

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I have kind of a complicated list of orders. I might ask you to take them down.

I ask for unanimous consent, firstly, that we waive private Members' hour today; secondly, that there be unanimous consent to sit this evening, Mr. Speaker, in kind of a split time, from seven to 11 in the Chamber and eight to 12 in the Committee Room 255.

This afternoon, Mr. Speaker, we will consider the Department of Family Services in the Committee Room and Rural Development in this Chamber.

This evening, Health in the Committee Room at 8 p.m., Rural Development to continue its consideration in the Chamber at seven. Should Rural Development conclude at or before nine o'clock, Mr. Speaker, I would ask for the unanimous consent of this House that we would then enter into the Department of Energy and Mines, the Estimates thereunder.

Mr. Speaker, these are the items that I think House Leaders have agreed upon for today's orders.

Mr. Speaker: Is there unanimous consent to waive private Members' hour? That is agreed.

Is it the will of the House to sit between the hours of seven and 11 this evening in the Chamber and eight to 12 in Room 255? That is agreed? Agreed.

* (1420)

Is it also agreeable that we do Family Services in Room 255, Rural Development in the Chamber? Is that agreed? Agreed.

At eight o'clock, we will be doing Health in Room 255. Is that agreed? Agreed. Rural Development in the Chamber starting at seven, and if time permits before 11, we will go to Energy and Mines. Is that agreed? That is agreed.

Order, please. We have to backtrack here. If Rural Development would finish before 9 p.m., we would then move to Energy and Mines. Is that agreed? Yes, that is agreed.

Mr. Manness: I move, seconded by the Minister of Northern Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into

a Committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Seine River (Mrs. Dacquay) in the Chair for the Department of Rural Development; and the Honourable Member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Family Services.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—FAMILY SERVICES

* (1430)

Mr. Deputy Chairman (Marcel Laurendeau): Order, please. Would the Committee of Supply please come to order? This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Family Services.

When the committee last sat, it had been considering item 4.(b) Child and Family Support: (1) Salaries \$1,958,800, on page 61. The Honourable Minister, you had some questions to answer?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Deputy Chairman, I have two items to report on. On November 27 I provided the Member for Osborne (Mr. Alcock) with a copy of Guidelines for Approval of Special Rate Funding and Rehabilitation Community Living. The guideline indicates that a dollar limit of \$125 per day of service above currently authorized rates is imposed upon special rate funding applications. The Member for Osborne stated that this guideline was not consistent with my earlier statements. The Member believed that several days earlier I had indicated that \$150 per diem maximum could be approved. I wish to advise the Member that, although the official Hansard transcripts are not yet available, a review of the tapes indicates that I had, in fact, stated that a special rate of \$15 per day to as high as \$120 per day above basic rate could be approved. While my reference to \$120 per day was slightly less than the \$125 per day outlined in the guidelines, I wish to advise the Member, for the record, that I had not indicated that \$150 per day special rate could be approved.

Secondly, on November 22, the Member for Wellington (Ms. Barrett) requested a list of

community residential care facilities showing locations and number of persons served. I am pleased to provide this information for the critics at this time.

Mr. Reg Alcock (Osborne): Mr. Deputy Chairman, just in reference to the comments the Minister said, the Hansards are very late, and we will check the tapes and have an opportunity to come back to that discussion. That discussion did not take place, and one question and answer went on for some time and the figures were repeated many times. In many ways it is—well, we will see what comes out of it.

There was another item that the Minister has been promising to bring forward information on that is yet to come, and that is the costs, the money spent to date on the child welfare information system. I keep asking for that each day, and I am wondering when we might expect an answer to that.

Mr. Gilleshammer: Mr. Deputy Chairman, we will have that information for our next meeting which I understand will be on Monday.

Mr. Alcock: Yes, that is right. Monday is indeed the day we are meeting next, so perhaps then—and I think the Minister has already given an assurance we can come back to that area of the budget to talk about it once that information is tabled, should we have passed out of Child and Family Support by that time. So we will perhaps deal with that then.

I had indicated at the close of questioning on Tuesday that I would like to spend some time today talking about the year-over-year increases for the Child and Family Service protection agencies. I indicated to the Minister at that time that really what I wanted to do was just to deal with this information that keeps being placed on the record as to the size of the year-over-year increase. Despite the fact that the Minister has tabled grants lists which show increases between minus-five and plus-seven, he continues to insist—I should not say the Minister continues to insist, perhaps he will clarify his position today—but certainly as recently as Question Period the Finance Minister (Mr. Manness) is insisting that it is a 15 percent increase, and not the increase that is displayed in the grants list.

Now I recognize that there are additional monies forthcoming, the deficit relief money being one item, but that is to pay off old debts and has nothing to do with the size or the quantity of services that people can offer year over year. So, in terms of the

increased funding for child protection, that is, the money that is going in on an annual basis to support the protection of children in this province, can the Minister tell us what the average increase is?

Mr. Gilleshammer: I have indicated to the Member previously that last year we spent some \$41 million on Child and Family Services agencies. This year, we will be spending \$47,825,000 in this particular area, an increase in excess of \$6 million which turns out to be in excess of 15 percent. Yes, that includes the \$2 million for deficit relief, \$1 million for exceptional circumstances, and \$250,000 for agency workload. This is an increase of 15 percent in our budget from what was allocated last year. This is money that is coming from the taxpayers of Manitoba into the Child and Family Services system, and we have to work very hard to ensure that money we are spending for the protection of children is spent in the most appropriate way possible.

As the Member knows, Governments are under a lot of pressure to be accountable for their expenditures. Taxpayers in many jurisdictions, at the municipal level, the provincial level and the federal level, are concerned about taxes. We are working very hard to see that this money is spent in the best possible way to assist the children and the families of Manitoba.

Mr. Alcock: Perhaps, before we enter into the debate, the Minister could explain to us, exceptional circumstances funding. What are those funds meant to support?

Mr. Gilleshammer: These are placements, which need approval centrally for clients, that cost the system in excess of \$81 per day.

Mr. Alcock: So that is placement money. The \$250,000 which the Minister referenced and for which the previous Minister issued a press release saying that this was to go to support children in their homes, to give the agencies an opportunity to keep children at home and work with children at home, we now understand has been cut to \$150,000.00. It is not \$250,000.00. At least that is what is indicated in this letter dated November 20 that says: As discussed in our meeting, the Department of Family Services has received a \$250,000 service staff grant to be utilized by Child and Family Services agencies of Manitoba. One hundred thousand dollars of this grant has been directed to assist in the implementation of the Structured Care

Continuum, while the other \$150,000 is to be used by agencies in providing family support services to children and families at risk.

So this \$250,000, however it is directed, is directed to support after the fact of intervention?

Mr. Gilleshammer: Yes, there is \$250,000 to be spent for agency workload; \$100,000 of that is dedicated to assist agencies with their workload in conjunction with working with the Structured Care Continuum.

So of this some \$48 million that is going into the agency for Child and Family Services for agency work, that small portion of \$100,000 is being spent to help agencies working with children and, as I referenced, in regard to the Structured Care Continuum.

Mr. Alcock: So in effect, Mr. Deputy Chairperson, the press releases that were put out by the former Minister, extolling the value of working with families and the Minister's own statements on supporting children in their own homes, rather than bringing them into care, are really quite misleading because the department is choosing to misdirect or redirect those funds to support its own attempt to enforce a system of care on children in foster families that nobody in this province wants.

* (1440)

I think that is inappropriate, and I would ask the Minister to suggest that the department redirect that money to the source of which it was originally intended for, which was to support children in their own families at home.

Mr. Gilleshammer: On the contrary, this has not been misleading. It is money that is being spent to assist families and children in Manitoba. I am well aware from questions in the House and comments made by the Member that he has concerns about the Structured Care Continuum, and I acknowledge that he has concerns there.

I had indicated to him the other day that I would take his concerns seriously, but by the same token, this amount of money that we are discussing, which is certainly a small portion of the budget allocated for Child and Family Service agencies, is being used for the benefit of families and children in this province.

Mr. Alcock: Mr. Deputy Chairperson, I will return to this debate. As we move down to the child maintenance lines, I would tell the Minister that it is

exceptionally dishonest to put it forward to support children in their own homes as an alternative to care and then remove that money and apply it to the foster care program, which operates at a quite different end of the system.

However, the discussion I wish to have right now and the question I started off with was the year over year support for child protection in this province. The figures that the Minister has given us, in terms of support to those agencies, include a \$2 million deficit pickup, which does nothing to expand the service base this year. It does relieve the financial pressure on the agencies from previous years, but these agencies are currently running deficits.

So this will alleviate problems created by Government in previous years, but it will not do anything to expand the amount of service that these agencies can offer to protect children.

He then references exceptional circumstance funding, which is relative to placements. Now it is important that placements be available for children who come into care, but again that has nothing to do with the agency protection budgets. That money is over and above that, or aside from that, as part of the child maintenance funding and the Minister ought not to be mixing apples and oranges when we talk about this very important question because the real question is the resources agencies have to protect children.

Then he goes on to talk about a \$250,000 grant for agency workload, which again is important in terms of the support it can provide to families, but does not do anything to enhance the base of protection workers available in this province to children and families.

Mr. Gillieshammer: The Member references amounts of money and indicates that these are negligible; that these do not matter; that this is not money that is going to Child and Family Service agencies and that because agencies have run deficits in the past, we expect them to run deficits in the future and forever.

This is money raised from Manitoba taxpayers. This is money that is going into the system. This is money that is addressing needs in the system. Surely, as a Finance Critic for the Third Party, the Member has to acknowledge that this is not some special pool of money that Government can draw on from time to time that comes from nebulous sources somewhere else. These are dollars that are going

to cost the taxpayers; these are dollars that we have to raise in this province, dollars paid directly into the system.

Certainly, it is part of the year-over-year increase in funds, this year compared to last year. If you want to nit-pick about the amounts of money that we are putting in there, and say the budget has actually decreased, because you cannot count this, and you cannot count that, and you cannot count the other thing, you can go further than that; you can show tremendous decreases. These are dollars that are being put into the system to assist the agencies, to work with families and children. Our stance has been from day one, and will continue to be so, that these are dollars that we are putting into the system to help agencies work with families and children. If our disagreement is as fundamental as that, then certainly we are going to come out of here with two different points of view. Our point of view is that this is part of the money that this department has been allotted this year, that we are directing to Child and Family Service agencies, and as such is part of this year's budget.

Mr. Alcock: I have repeatedly acknowledged the fact that there is an overall increase of that magnitude to this department. That is not in dispute.

What is in dispute is the way in which the Minister now—and I had thought he had stepped aside from this, but certainly the Premier—has used that overall increase to discredit the important work that the child protection agencies do. When we asked a question about the resources available to intervene in issues of child abuse, to intervene on behalf of children in this province, the Minister repeatedly tells us that there is a 15 percent increase.

There is a 15 percent increase when you include the deficit pickup and the child maintenance lines of this budget. There is not a 15 percent increase directed towards the protection of children; there is an overall 3.75 percent increase. I just think the Minister would do himself some credit, and stop doing a disservice to this system, if he would just simply acknowledge that fact, and let us move onto the discussion about child maintenance.

Mr. Gillieshammer: To my knowledge, and if I am in error on this, I humbly apologize. This is the first time the Member has publicly recognized that there is a 15 percent increase in the budget in reference to this particular portion of the budget. I am pleased to hear him say that, that he acknowledges this 15

percent increase. Certainly we are not saying that every line of the budget has been increased by 15 percent; we are saying the total budget for Child and Family Services has increased from some \$41 million to almost \$48 million. The previous Minister, in her press release in June, certainly referenced the \$2 million for deficit relief, the \$1 million for exceptional circumstances, and the \$250,000 for agency workload. That, taken with the other increase, is 15 percent.

Again, I am pleased that the Member acknowledges that, and our disagreement perhaps has disappeared, if you accept that.

Mr. Alcock: I need only direct the Minister to my initial questions in the House of some four weeks ago on this question, and to my opening statement in the Estimates process in which I have acknowledged that all along.

Given the Minister's excitement at the fact that I have acknowledged it, perhaps he then will acknowledge that there is an overall 3.75 percent increase to Child Protection?

Mr. Gilleshammer: I can give you some additional information on the budget. For instance, the Foster and Special rate increases are at 9.8 percent, the Support Services at 13.8 percent, the Service and Administration at 3.8 percent, and the total is 7.2 percent. Combined with the items that we talked about before, the Deficit Relief, the Agency Workload and the Exceptional Circumstances Fund, that come to an increase of 15 percent.

Mr. Alcock: I am sorry, I attempted to cut in because I was acting prematurely because the Minister did finally state, on the record, that the Service and Administration funding has gone up 3.8 percent, which is exactly what we have been saying since the first day we came into this debate.

The increases in foster care are important. They are very important and the agreements that this Government came to with the Foster Parents' Association some few years ago are groundbreaking. They set a standard for a very high quality foster care system in this province, and I think the Government is to be congratulated for that. So this 9.8 percent increase does reflect an agreement that was begun some two years ago, maybe three years ago, and also reflects on volume increases.

* (1450)

The Exceptional Circumstances funding is a creative way to deal with a difficult situation in the provision of care to children that are in care. It is a welcome addition to the system; the Government is again to be congratulated for that.

When you move down to the Service and Administration funding I suspect, my belief is, that it is a product of a blinkered, political view of these agencies that has nothing to do with the important services that they offer. It is an attempt to, I do not know, exact some kind of price from them, that you turn around, despite the fact that you acknowledge significant increases in child abuse, that you acknowledge significant increases in the number of kids in care and the number of families that require work, that you turn around and give those agencies less than the rate of inflation to deal with those problems. I think that is wrong. I think it is a misguided approach to the quality of life and the protection of children in this province, and that is the point we have made from the day we walked into this House.

Now I appreciate the Minister putting that on the record. I think had he done it a long time ago we could have foregone an awful lot of debate and dealt with some of the realities that this Minister and this province is faced with.

Mr. Gilleshammer: Well, I have always tried to make the Member aware of the realities. What you are picking out is one aspect of the total budget picture. -(interjection)- I think the Member had an opportunity to put his thoughts on the record, and I do not interrupt him because I do appreciate his input as a former valuable member of social services in the community, and someone who still provides information and advice to them. I will just continue if you like.

I think you have to look at the whole picture. We have indicated that there were increases for Foster and Special Rate of 9.8; for Support Services of 13.8; Service and Administration, 3.8; and Community Outreach, 7.2. Pardon me, the total is 7.2, and with the other items we have mentioned, it adds up to 15 percent. That is a strong commitment this Government has made to Child and Family Service agencies.

I am pleased the Member references the tremendous work that has been done with foster parents and some of the other accolades that he

presents for the previous Minister and the Government.

If the Member is saying that there are challenges ahead for us in Family Services, I accept that. I see a lot of challenges that this department is going to be facing. As I have taken the opportunity to visit agencies and treatment centres, nobody makes light of the fact that there is a tremendous amount of work to be done out there.

I can tell you it was an uplifting experience this morning to visit the Knowles Centre and to talk to a group of people that have a tremendous pride in what they do and pride in the fact that they operate with a balanced budget, that they are innovative, that they access community funds in other ways.

I have now visited all four of the treatment centres and am getting a pretty good understanding of the treatment aspect of working with children in this province. I acknowledge that there are challenges ahead of us and that there are reforms that we want to look at in the system, but by the same token I see a tremendous commitment over the last few years for additional funding in this department.

The Member is taking exception to where we have placed our priorities. I can tell you that the system that the Member has had some responsibility in setting up—and I think he has acknowledged that there were flaws in it—is going to take some time. We are going to work co-operatively with the players in the game to make this a better system. By the same token, we value the Member's input from time to time, and I take very seriously the things that he suggests that we do.

So I just put those thoughts on the record that we are not going to fix the social ills in Manitoba in the last budget or the last seven or eight weeks that I have been in office, and I am recognizing that we have a challenge ahead of us.

Mr. Alcock: Good. I appreciate those remarks by the Minister. It is true that the system had many flaws in it, and it is true that there were problems with it. Some of the things that I have seen undertaken relative to care, I think, will provide an improvement in the quality of care offered to children in this province.

I think there is a problem when you do not address the front end of this system. You do not address the issues that are created by the increase in child abuse in this province, and you do not address the

issues that are created when you see a 10 percent increase in people accessing Income Security in the City of Winnipeg. It suggests a significant increase in the financial stress on families, which, if there is one item that is correlated with Child Protection, the need for child protection, it is low income. All of the studies throughout North America demonstrate that. As we see it going up, and as we see stress increasing in the families, it is more than reasonable to presume we are going to have more pressure on these agencies.

The Minister keeps making the point that the agencies do receive a lot of money. It is not an insignificant amount of money, but in the total provincial scheme of things we spend three-tenths of 1 percent of our total budget on child protection. We spend another 1.4 percent on child maintenance and related services, but we give less than 1 percent to the protection of children. I think the Minister would do well to review; we are going to be back at this table within four months, five months, as we go into a new Session. I would really hope that when we get back the Minister has reviewed his position on these agencies because I think that the statements that have come out to date have misled the public, have given the public a sense that these agencies that are working against such tremendous odds to provide protection are, in fact, fat and overbudget and flushed with resources. That is simply not the case.

I am pleased that the Minister has made the statements he has today. I am pleased that he has acknowledged the level of support that the agencies are receiving. I hope he will put aside, and I will commit to putting aside, this debate so that we do not continue to add to the burden that those workers face as they are trying to do the work that they do, and we get on with the work of finding out how we can strengthen those agencies. We do not strengthen them by making their job more difficult.

Mr. Gillieshammer: I hope that we can continue to work together as we pass these lines this afternoon. I would ask the Member to perhaps make some suggestions at some point, if he feels that there are other departments where we can secure part of this funding. I know that I have been getting advice from some Members of the other Party that we spend too much on the environment and we could take some money out of there, and perhaps out of Natural Resources and put that money into Family Services.

* (1500)

I appreciate that help because this, as you know, is not my budget. When we face Treasury Board, I will take those valuable suggestions forward, but he knows that if we are going to take money from other departments we have to present a good case. I know his leader tried to help out just prior to the campaign by indicating that the hospital in Minnedosa does not need to be built and the hospital in Virden should not be built. I know I took those suggestions seriously and consulted with my constituents to see how they felt about it. There are certainly mixed reviews of that, so any time that you want to take money from other departments it is always good to have the support from all areas to try and make that case. So it is going to be a new experience for me in working with my department and working on a budget, and I appreciate that advice from both Members.

Mr. Alcock: Despite the fact that the Minister makes those statements somewhat facetiously, I will make some suggestions, because we are facing a time in this province where money is going to be tight. Nobody disputes that. We are facing a time when taxpayers are feeling enormous pressure, but that is not the time that you would give up on providing support to people who are the most vulnerable in the province. That is perhaps the time when you do reduce the number and amount and miles of highways that you build; that is the time that maybe you put off a construction project until a year when you are a little more flushed; that is perhaps the time when you do the kinds of things that the Minister of Finance (Mr. Manness) has talked about, about holding down expenditures so that you can provide the needed support services to ensure that people are protected through what will be some of the more difficult times in the history of this province.

I have also made a suggestion from within this department. He spent \$1.9 million abusing the rights of children at Seven Oaks. I have suggested on the record several times that he should just shut that facility down and reallocate those funds to the protection of children. So I am not the least bit shy about advocating very strongly for this department and for people who are so vulnerable.

I would hope that the Minister would do exactly the same thing, because being in Government is making tough choices. In tough times, hopefully we are making those choices on behalf of those people

who do not have the abilities to protect themselves the way the rest of us do.

Mr. Gilleshammer: Mr. Deputy Chairman, well, I want to assure the Member that we are not going to give up and abandon people that access Child and Family Services, but by the same token, we cannot simply stop highway construction and hospital construction to reallocate those dollars. Certainly we will be entering into discussions with officials in Government to help with the setting of budgets.

We will again have to make a strong case for social services, as the previous Minister did, receiving very significant increases in budget for social services. I believe it was 9 percent the first two years and 8.2 percent this year. I think the Member has recognized that increase. I would hope that we could continue to access the available funds in what he has acknowledged as tough times and tough choices that we have to make.

So we will continue to do that. I would hope that our next budget would continue to reflect the care and concern of our Government for vulnerable Manitobans.

Mr. Alcock: Yes, I believe it was the Finance Minister who said that a dollar paid is a policy made. The policies of this Government are reflected in the way in which it funds the services that it provides. Thus far, its policy on the protection of children is a negative one. It is not a positive one. I would hope that when we are at this table again that we see the Minister's commitment and the Government's commitment to the protection of children reflected in a more adequate way.

Now I have some questions on the grants list that is covered by this particular department, if the Minister would like to deal with that. I notice under the grants list that was tabled the Ma Ma Wi received an increase above the average rate of increase that was given to other agencies. I believe the percentage, although it is not in front of me, is about 6 percent. I also understand that agency has two unfunded foster care workers, one cultural services worker and shares the bail supervision program with the Department of Corrections.

During the election, during the aboriginal debate, the Premier specifically referenced Ma Mawi and specifically indicated that this was an important service and that these services would be supported. I am wondering why this grant does not reflect that commitment on the part of the Premier (Mr. Filmon).

Mr. Gilleshammer: I can provide the Member with some information that perhaps would assist him. Under payments to External Agencies, the Ma Mawi budget went from one million six to one million seven and then under another section of payments to External Agencies, Family Dispute area, Ma Mawi received an increase in budget there to one-three-nine, a 26.3 percent increase. So it is covered in two areas to reflect the changes to Ma Mawi.

Mr. Alcock: Yes, I recognize the two amounts although that second is in Family Dispute. The positions I referenced were a foster care worker, a cultural worker, and a worker in a bail supervision program, programs that were discussed at the aboriginal debate during the election, that the Premier (Mr. Filmon) expressed great support for and yet in the budget there is no apparent funding for.

* (1510)

Mr. Gilleshammer: Yes, we are going to have to do some research on that information that the Member is providing and come back with an answer the next day.

Mr. Alcock: I would be quite prepared to accept that, but I think that we are in all likelihood going to pass through this. We will just simply come back to that item and reopen debate at that time. I trust the Minister will give us that undertaking.

We spoke last time briefly about Native agencies, the Native agencies' involvement with the child welfare system and their relationships with the directorate. The Minister told me at that time that basically the Native agencies were supportive of the extended care continuum and that they were participating in it, that the relationship was quite consistent with that of the relationship of the non-Native agencies.

I wonder if the Minister can tell me if he has had any information that would differ with that position taken two or three days ago?

Mr. Gilleshammer: Yes, I had indicated the other day that they were not fully participating at this point, but by the same token they had not rejected it. I have had two meetings, one on Monday of this week, with some members of a particular agency.

Yes, our meeting on Monday was with representatives of Awasis, and one working day previous in Dauphin we met with the West Region

Child and Family Services. The issue of the Structured Care Continuum did not come up.

There are other issues that we are currently in discussion with them, and have agreed to meet again some time in the first quarter of the new year.

(Mrs. Rosemary Vodrey, Acting Chairman, in the Chair)

Certainly, those two groups made me aware of concerns that they had over some other areas that we are going to have to be dealing with.

Mr. Alcock: Perhaps the Minister could share some of those concerns with us?

Mr. Gilleshammer: We have extensive information that the Native Child and Service agencies provided for us, both in our meeting at Dauphin and our meeting here on Monday.

My recollection is that one of the issues that we discussed was day care on reserves, and a request coming from the Rolling River Reserve in western Manitoba in particular, and the whole issue of day care on reserves was something that they brought up.

There is a question of jurisdiction, whether agencies are in fact to service children on reserves, and in addition would like to be involved with Native children and families wherever they are located, and a question of the striking of another Child and Family Service agency to service the Swampy Cree Tribal Council, were three of the ones that I recall.

There may well have been some other issues raised, but these were simply preliminary meetings in both cases for me to get to know some of the principals involved with the Native child care agencies, and in both cases I would say we had a frank discussion.

I see again an area where there are some real challenges and an area that we are going to have to pay some attention to in the next few months.

Mr. Alcock: The Minister and I have spoken about the issue of the Swampy Cree and he informed me at that time that the department was fully supporting the move to create the separate agency for the Swampy Cree. That issue I am aware of.

The question of the protection mandate off reserve, the serving of Native people wherever they reside, is that an issue that the Government is prepared to move on now?

Mr. Gilleshammer: I can certainly make a commitment. It is one we are going to have to do some thinking about. It involves some extensive consideration and has some long-term ramifications for Child and Family Services in the province. So we have made no off-the-cuff commitment to change that system.

It is an issue that, as I say, I was made aware of by department staff over the last few weeks, and certainly the case was made both by the west region representatives and the Awasis people. Again, I think a tremendous amount of work has to be done before we are in a position to make a recommendation to make changes.

Mr. Alcock: An issue that there has been some work done on, those Native agencies that have adoption placement authority, the Native agencies that deliver a full range of services on a reserve, adoption is one of those services that they provide. Has there been any change in their policies relative to the provision of adoption services?

Mr. Gilleshammer: I am informed there have been no policy changes in that area. I can tell you, in my discussions with these two organizations and with Native bands that reside in my area of the province, that I have been treated to a wonderful history of the Native family and the care and concern that they have for their children and their extended families.

I can tell you, at the opening of a band office at Rolling River, which is close to my home, that I attended in the summer months, one of the impressive aspects of that ceremony was the honouring of the elders. It is an interesting service they went through that day.

I am well aware that the Native community has, if not a unique, certainly a different perspective on family than you or I might have.

Again the adoption issue, there has been no change in policy, but it is certainly one that we have to give some consideration to in terms of study.

Mr. Alcock: I am pleased to see that the Minister is as aware of that issue as he is. I think it does him great credit, because it certainly will be an issue that he will be dealing with.

The question then of permanency planning was one that the Minister and I had an opportunity to talk about in the past, and I have twice asked him for numbers of children in the province who are currently awaiting written permanency plans. There

has been a suggestion that the number would come forward at some point. Perhaps now is the time.

Mr. Gilleshammer: I can provide the Member with some numbers that I think he has been asking about in the past. Let me say that I think the permanency of the placement of the child is something that is very important in gaining some stability for individuals in homes where the proper care is provided. This is an issue, I am sure, that foster groups have had before them for some time. I can say that—well, I will not say it, I will give you some numbers instead.

* (1520)

The estimated number of children in care at the end of March of this year was 4,002. The number of children registered on the automated ward registry was 1,323. Of that group 779 were with private Child and Family Service agencies, 373 were with Native agencies and 171 were being dealt with by regional offices.

I could break that down by agency if the Member would like, but certainly one of the challenges in working with foster children is appropriate placement. I am sure that people who are in the business of diagnosing the type of child that comes before them, have a very difficult job in doing that, but in addition try to make an appropriate placement. While I know the Member has some concerns about the Structured Care Continuum, I think it is important that work be done to try and make appropriate placements.

Mr. Alcock: Absolutely, absolutely, Madam Acting Chairman, and I think the Minister is absolutely correct when he talks about the importance of permanency and continuity in the life of a child. In fact if he reads the legislation he will find that it is written into the best interests test, that it is considered that important that we have included it in the definition of best interests of a child.

It is one of the reasons why the requirement for written permanency plans was placed into the duties of agencies and the legislation, because we discovered at the time that the Act was under consideration that we would actually uncover children in group homes that nobody knew anything about. They were behaving well, and they just sort of got lost in the system. The well-behaved child, particularly a latency-aged child, would just tend to exist in a home and then all of a sudden would emerge unattached to any kind of family or any kind of future direction at age 12, 13, 14. All sorts of

problems would erupt. So it was a very real concern which is why that requirement was written in.

I also should say, I mean, this concern about permanency goes to the very heart of my concerns about the Structured Care Continuum. In fact, I think there would be a cause to go to court against the Minister if he tried to implement it, simply for violating the best interests of children and charge him with committing an act of child abuse. We will leave that given that he has agreed to reconsider that decision. I shall not press that one any further.

I would ask this question. There is a requirement for written permanency plans to be filed. The Minister has identified 1,323 children, I presume, to whom this requirement would apply. I would ask of those 1,323, how many written permanency plans are currently on file with the director?

Mr. Gilleshammer: While they are getting that information, I would say that I have taken the Member's concerns on the Structured Care Continuum seriously. I think that, you know, from my preliminary investigation of that, it certainly is not the department's wish, desire or plans to uproot children here, there and everywhere.

I think, while I do not have the learned Member's background and experience in working with children, it makes some sense to me, but being a parent I have some knowledge of children and being a former schoolteacher and principal, I have worked with children. I have some sense that having children, if not in their own home, in a home where they are properly placed. I speak very candidly about that, that I think that appropriate matches are very important.

I would not want the Member to think that the Structured Care Continuum was the exact opposite of that. I am in discussions with the department on it. I have committed to taking some personal interest in it as I am in many aspects of the department. I would be very concerned if, taking the Member's comments to the extreme, people were going to be uprooted every month and changed because it might be good for them. That is not the intention. I see stability in the system being very, very important. Now, I forget the question, but we will get an answer anyway.

Yes, I am told there are written plans for these 1,323 that the department has and that they are reviewed on an annual basis.

Mr. Alcock: Now, just help me with this information. So that there are adequate permanency plans in place for every child in care who requires it. Is this what the Minister and the department is telling us? Better ask them.

Mr. Gilleshammer: I indicated that there was an annual review and that there were plans for these children in terms of permanency planning. I would expect that part of the concept of the annual review is that plans could be studied and looked at on an annual basis, and hopefully positive changes could be made where necessary.

Mr. Alcock: I must confess that information is at variance with information that has been conveyed to the agencies, and I will take that information back and perhaps raise it the following week when we meet again. I will confirm my sources before I go any further with that line of inquiry.

* (1530)

I would just come back to the Minister's opening remark where he talked about the department not wanting to uproot children, and I agree. I do not think anybody wants to. I think though, when you put in place administrative systems, and when you hold the administrative systems ahead of the interest of the children, that becomes the result. I am absolutely convinced that will be the result of this particular proposal.

Mr. Gilleshammer: The Member is obviously speculating on the outcome of a system which has not yet been put in place, but I would hope in everything we do, the care and concern for the child is uppermost. I am not naive enough to think that every foster home is going to work, every match is going to click just appropriately, and there are times that changes have to be made, hopefully in the interest of the child.

I think the Member is perhaps overreacting when he thinks that the changes would be made for administrative convenience or simply because a system has to be conformed to. Again I would certainly give my instructions that we do what is best for the child.

Now from time to time there may be some disagreement even between professional workers, and perhaps the Member has even participated in those debates with co-workers. There may be a variance of opinion as what is best for a particular child. I can tell you from sitting around with

professionals who work with children, there are times when there are different viewpoints. Again I would state very clearly, the objective of a system is not to play with the lives of children as if you were playing bingo and see how many you can move per month. It is important that children have stability and that foster care is delivered in an appropriate way. That would be the focus of any system we put in place.

Mr. Alcock: Good. On the issue of salaries of workers, and this issue came up in the paper the other day and the Minister has made some comments on it, am I to understand that the Minister or the department has final signing authority or final approval of salary agreements negotiated between the agencies and their unions?

Mr. Gilleshammer: What I indicated to whomever asked the question is that we do not plan on being involved in the negotiations that occur between the employees and the employer. Just as I believe occurs with health institutions and school divisions where there is funding from another source, there certainly will have to be some consultation.

Mr. Alcock: Well, the Minister has issued a guideline of zero, and agencies are going into negotiations pending the end of a contract March 31. So is the Minister in effect saying, no salary increases?

Mr. Gilleshammer: No, I have not said that.

Mr. Alcock: Before the agencies sign an agreement with their bargaining units, does that agreement have to be presented to the department?

Mr. Gilleshammer: We are, again, going to leave the bargaining between the employees and the employer, but at some point, just as with the health system and the education system, the department will be involved.

Mr. Alcock: Perhaps the Minister can tell us how the department will be involved. What form will that involvement take?

Mr. Gilleshammer: Yes, there will be consultation.

Mr. Alcock: So if the agencies come to you and say that we have negotiated a cost of living in our agreement, are they presenting that information for information purposes or for approval?

Mr. Gilleshammer: Well, again, we have said that the bargaining will have to take place between the employer and the employees, and I do not think it

would serve the process well if we start speculating about the outcome of the negotiations.

I think it is important that they have an opportunity to negotiate, and I have simply said that there will be consultation at the end of the process.

Mr. Alcock: At the end of that process. I agree with the Minister, we shall not bargain now or speculate on the nature of the agreements. Let us just ask the question, when the agencies are presenting that information to the Minister, are they presenting it for information to the department or are they presenting it for approval?

Mr. Gilleshammer: As I indicated, it will be a similar process that health care institutions have to go through, and there will be consultation before agreements are finalized. Again, we would leave that bargaining to the principals involved.

Mr. Alcock: Can the Minister describe the form that consultation will take?

Mr. Gilleshammer: I expect it will be extensive.

Mr. Alcock: Can the Minister expand upon his remarks?

Mr. Gilleshammer: Well, there will be extensive consultation at that time, and again I do not think we can get into detail on that consultation which is going to take place on an event that has not happened yet.

Mr. Alcock: My final question then. The question is: Is the information being presented to the department for the department's information or for the department's approval?

Mr. Gilleshammer: Well, the final answer to the final question will be that there will be some extensive consultation.

Mr. Alcock: At the end of that consultation, approval or information?

Mr. Gilleshammer: We would anticipate that after that consultation that the parties will be in a position to finalize an agreement.

Mr. Alcock: So then the Minister is telling us that the agencies are not free to finalize an agreement until they have had this consultation?

Mr. Gilleshammer: I think that is an accurate statement.

Mr. Alcock: Can the Minister tell us a little bit—we have spoken in the past, and we have referenced different numbers of children, in this case for example on the question of permanency planning,

there were 171 children who were in the care of workers in the regional offices, and these workers deliver child protection services as well as case management and permanency planning among other things.

Are the workers in the child protection agencies paid salaries at the same level as the workers in the Government?

Mr. Gilleshammer: Yes, I am told that additional money has been added for the funding formula for the agencies to bring salaries up to the equivalent of the MGEA workers.

Mr. Alcock: Money was included in this year's budget to do that or is that in the past? When was that achieved?

Mr. Gilleshammer: One of the features of the 1990-91 funding increase was \$500,000 to address staff salary issues in keeping with recommendations of the joint funding formula committee. That was a half a million dollars which went to staff salaries.

Mr. Alcock: Then the Minister is saying, if we were to look at say the average beginning level salaries for a worker working for the Government and a worker working for say one of the five agencies represented by CUPE that they would be at the same level now as would say a worker with two years experience or a worker with five years experience? If we were to look at those on average they would be exactly the same, within nickels and dimes?

* (1540)

Mr. Gilleshammer: The intention of that funding which is passed on to the board was to achieve that parity. We are in a position, I believe, where the board is making those decisions, and we think that a playing field has been developed whereby that type of parity can exist.

Mr. Alcock: If that parity does not exist on an examination it is the responsibility of the board, because the Government policy is to provide sufficient funding to ensure that funded positions are funded at the same level as Government positions?

Mr. Gilleshammer: Yes, basically that is correct.

Mr. Alcock: Okay, can we return for a moment to the information that is before us on page 72 of the Supplementary Estimates? I note in the breakout of Other Expenditures, there is a figure given there for Other Operating of \$337,000 that has reduced to

\$103,000, perhaps the Minister could detail for us what the \$337,000 was for?

Mr. Gilleshammer: We do not have the specifics here today, but we will endeavour to get that for the Member. If he is looking at that page, there has been a decrease in the Other Operating but a significant increase in the Capital Expenditures, and from memory, we think there has been a shift from that one area to the other.

Mr. Alcock: Where capital has increased from \$85,000 to \$296,000, Other Operating has gone from \$337,000 to \$103,000, and that would account for it. I mean, that is the move.

Mr. Gilleshammer: That is our preliminary analysis of that, and if it is different we will bring that information back to you.

Mr. Alcock: The capital is for the acquisition, it says here, of the development of Child and Family Services Information System project, is that correct?

Mr. Gilleshammer: Yes, that is correct.

Mr. Alcock: Is this for the purchase of new technology, the hardware?

Mr. Gilleshammer: Yes, it has to do with the management information system.

Mr. Alcock: Can the Minister tell us what happened with the hardware that was purchased earlier for the same system?

Mr. Gilleshammer: It is not currently in use. I think we talked before that one of the priorities that has jumped out at me as Minister is that we have to put a system in place for the management of this information. It is one of the priorities in the short time that I have been involved that we have been taking an active look at and something, I hope, when we get on with the next budget and plans over the next year, we can make some positive advances in.

Mr. Alcock: I would appreciate a detailed listing of the Other Operating, both in '89-90 and in '90-91 to reflect what you are not doing that formally cost some \$234,000.00. Further to that, I would just like some understanding of the increase in transportation costs. They have gone up some 62 percent.

Mr. Gilleshammer: It relates primarily to an increase in northern travel.

Mr. Alcock: And the 76 percent increase in Communications?

Mr. Gilleshammer: It is a budgeted amount that is intended to do increased advertising for foster parents and foster homes.

Mr. Alcock: So the \$63,400 that was spent in '89-90, what was that spent for?

Mr. Gilleshammer: That is for a cross section of expenditures for communications within the branch.

Mr. Alcock: Would that include foster care equipment?

* (1550)

Mr. Gilleshammer: Partially.

Mr. Alcock: So there is a new campaign in the order of \$50,000 specifically targeted to foster care?

Mr. Gilleshammer: These are funds that have not yet been spent. It is for resources, for adoption and foster parenting.

Mr. Alcock: So in the \$111,000 that is budgeted for this year to be spent, I guess, between now and the end of March, there is an adoption and foster parent campaign. Is there any additional spending on child abuse?

Mr. Gilleshammer: Not in terms of communications spending within that line.

Mr. Alcock: Is the department not intending to advertise the child protection services or the child abuse services as it has in the past?

Mr. Gilleshammer: Yes, that is part of the base expenditures there and part of the ongoing expenditures of the department.

Mr. Alcock: Part of the \$63,000 that was spent last year and is included in this year is to fund a child protection campaign.

Mr. Gilleshammer: Yes, it is not a part of a campaign. It is the ordinary expenditures of the department in terms of pamphlets and the printing of protocols for child abuse.

Mr. Alcock: Then in the Supplies and Services line, what is the reason for the 44 percent increase in that particular line?

Mr. Gilleshammer: This funding was costs related to some professional fees and some outside contracts.

Mr. Alcock: Part of the \$502,000 that is budgeted, a roughly \$150,000 increase in that particular line is for external contracts. Can the Minister detail the contracts for us?

Mr. Gilleshammer: Most of that was for the Reid-Sigurdson high risk inventory report.

Mr. Alcock: The Minister then is—I am a little surprised frankly that the department cannot account for the \$230,000 reduction in the other operating line. As we come into Estimates I would have thought that we would be able to receive an answer to that relatively quickly so I would like to see the answer to that on Monday. It just seems like it is a very large change that one would normally anticipate questions about in a forum such as this.

Can the Minister assure me that there is no lessening of the preparation in advertising, on behalf of abused children, or awareness campaigns, to make children, teachers and the like aware of the abuse protocols?

Mr. Gilleshammer: The answer is no, there has not been any decrease.

Mr. Alcock: I thank the Minister for that information. I think it is fairly clear, the agencies who deliver front-line child protection services receive a 3.8 percent increase in service and administration, and the department that supervises them receives a 22.8 percent increase in overall operating.

Can we move to maintenance of children? I note under Child and Family Support, Maintenance of Children line, there is \$275,000 for the directorate. What are those funds directed towards?

Mr. Gilleshammer: I do not want the Member to leave on the record the thought that money is being spent on some other systems in place of what he sets as his priorities. We have indicated, and went over those numbers of 15 percent additional funding for child and service agencies, we broke that down, and had some agreement on that.

Expenditures within this department have to do with the care and concern for children and families, and he has recognized our major increases relative to other departments. Sometimes within budgets with certain branches, there is a shifting of priorities, but certainly the care and concern for children is there. I would not want the Member to indicate that because there are some shifts in expenditures of small amounts of money in terms of a total budget that there is any lessening of the concerns for child abuse and the protection of children.

Mr. Alcock: The Minister can account for \$230,000 in one of the lines. I agree, the Transportation costs have gone up, cost of gas has gone up, we all incur

that, and the department has budgeted for an increase in its Transportation costs.

Supplies and Services, supplies have gone up, and the department has budgeted for an increase, as the Minister did in his own office.

When it comes to the agencies, they get their 3.8 percent, despite the fact that the department is prepared to put 22.8 percent in.

My question was about the \$275,000 that was applied against the directorate under the Maintenance of Children line.

Mr. Gilleshammer: The Member references increases in my office, and we went through this, the Deputy Minister's office and my office, the other day, and there has been no increase in expenditures there. There was a reallocation from within.

I know the Member would not want to leave on the record that there have been major increases in the office expenditures, and leave the impression that there was a greater increase there than for the care of children. That simply is not true. There was simply a reallocation from within.

Mr. Alcock: Yes, the Minister has a very large budget, and is able to reallocate.

The Minister, when we discussed this, and it is on the record, said that there were significant increases in the operating cost of Transportation and Supplies. We both agreed on that, and I do not contest that. Those same costs apply to the directorate, obviously, because it is budgeted for significant increases.

I am not contesting the fact that there is a need to increase Transportation costs, or that supplies of paper and pencils have gone up, those are legitimate costs. Courier services and postage, those things are a cost that these agencies incur. The department has given itself a rather healthy increase, that is all I am simply noting, as the Minister did in his office. The Minister found the funds in his office by reallocating from some other sources, but he still had to increase those service lines to meet needed increases in the costs. That is very straightforward.

* (1600)

Mr. Gilleshammer: Well, the Member who so ably represents the position of Finance Critic in the Third Party is again trying to—and I know he would not deliberately mislead the public—but the expenses

last year were \$98,300 and the expenses this year are \$98,300, a zero percent change. There has been some reallocation from within and I think it leaves the wrong impression on the record if the Member is going to talk about increases in the office of the Deputy Minister and the Minister, there is no change in that and the Member is well aware of that.

Mr. Alcock: Far be it for me to belabour a point like this, but I do note right here in print it says that Supplies and Services have gone up from 22.4 to 25, and Transportation has gone from 20,000 to 25,000, simple math, the Minister can use his fingers if he likes, he will find that those are both increases. Now it is true that he did have a sum of money listed as Other that he was able to decrease, and some of Communication funds, well Communication funds we have seen to be spent, at least in the Directorate line, on advertising the worth of their various programs, and he was able to decrease those lines to cover those costs.

The point is, though, he recognized increased operating costs in two important areas, that is all. It is true and I admit, quite freely, the bottom line on this is 98.3 to 98.3 because he reallocated within his office to do that.

Mr. Gilleshammer: Well, the last statement you make is correct, there is no change in that budget, a zero percent change and I think the Member has some cursory experience in finances which would I am sure lead him to the conclusion that Other is a portion of this budget that would have some flexibility in it, and there has been some reallocation, but the total remains the same so there is no increase in the total budget.

Mr. Alcock: Well, Other, in the case of the budget under discussion on 72, has got a \$234,000 difference that the Minister cannot account for at this point in the Estimates process. Let me come back to the question I asked. Under the Maintenance of Children, the Directorate has got \$275,000 assigned against it, what is that money for?

Mr. Gilleshammer: The amount of money that the Member is referencing is money allocated for the management information system.

Mr. Alcock: Then I am a little uncertain because the Minister indicated earlier when we were looking at Other Expenditures, that the increase from \$873,000 to \$1,073,000 to support the 52 staff in this directorate was a result of the management information system. It says here, Development of

Child and Family Services Information System project, and that is referenced against that line. So is this \$275,000 over and above that?

Mr. Gilleshammer: Perhaps the Member could clarify where he gets the \$275,000.00? I think that would help us.

Mr. Alcock: On page 73, under Maintenance of Children and Adjusted Vote '89-90. When you come down against the directorate there is a sum of \$275,000.00.

Mr. Gilleshammer: My apologies to the Member. We thought you were referring to a different line. That \$275,000 that you referenced as directorate costs are those paid centrally for the repatriation of children to Manitoba or for out-of-province placements.

Mr. Alcock: Good. I thank the Minister for that. I can understand from his previous answer though that the capital costs relative to equipment are \$275,000, under the Other Expenditures, relative to the management information system, and I just appreciate that clarification.

The \$1 million that the Minister referenced on the special circumstances funds, are they included in that Foster and Special Rate Care line under Maintenance of Children on page 73, where it goes from \$26 to \$29 million? Is \$1 million of that this exceptional circumstances funding?

Mr. Gilleshammer: That is correct.

Mr. Alcock: The \$2 million in deficit relief funding, would that be found in the \$19,788,000 to \$22,798,000 against Child and Family Services agencies, Service and Administration Grants?

Mr. Gilleshammer: Yes, that is correct.

Mr. Alcock: The \$250,000 that was originally to support children in their own homes and has now been taken over. Is that also in that line, the Child and Family Services, Service and Administration Grants, or is that up in the Support Services, the \$7,177,700 to \$7,676,700.00?

Mr. Gilleshammer: That amount, which is going for work with children, is in the line that the Member referenced first.

Mr. Alcock: That amount, \$150,000 of which is going to work with children. The other \$100,000 has gone to support the department.

At the bottom line here, \$250,000 for Child Abuse Initiatives, could the Minister explain what that is for?

Mr. Gilleshammer: Just before I do, I would like to take the initiative to indicate that his remarks were incorrect. The \$250,000 is going to work with children and families in the province, and we have covered that territory before.

* (1610)

It is a series of five projects which are being funded for treatment.

Mr. Alcock: Five projects, assuming an even apportionment of \$50,000 each, undertaken and delivered by whom?

Mr. Gilleshammer: I can provide the Honourable Member with some information. These are projects that have to do with the topic of child abuse. The first was one that is being taken on by Marymount incorporated, the second by the Child and Family Services agency known as NEW FACESS, the third is the Manitoba Association of Residential Treatment Resources, the fourth was in conjunction with the Reid-Sigurdson Report and project, and the fifth is one that has not been completely finalized yet, but will be done in conjunction with the Winnipeg-based agencies.

Mr. Alcock: The Minister referenced the Manitoba Association of Residential Treatment Agencies, is this what is euphemistically known as the, big four, the four that receive service administration grants, Marymount, Knowles, Children's Home, and MacDonald Youth Services?

Mr. Gilleshammer: Yes, it is the other residential treatment resources, excluding the ones that the Member referenced as the "big four."

Mr. Alcock: I would presume that it is the group home operators as a unit that are accessing this.

Are the funds in those first three cases, the Marymount, NEW FACESS and the Manitoba Association of Residential Treatment Centres grouping, all for the same thing?

Mr. Gilleshammer: The first two revolve around treatment and the third one is to provide some expert clinical resources.

Mr. Alcock: I note this is ongoing, \$250,000 last year, \$250,000 this year, no operating increase, but can you detail what the Reid-Sigurdson one was for? Is this an ongoing study?

Mr. Gilleshammer: It is a refinement of what is called the High Risk Inventory.

Mr. Alcock: Then the \$150,000 increase in the Supplies and Services line, which the Minister said was for the Reid-Sigurdson High Risk Inventory, is that in addition to the \$50,000 which is in the Child Abuse Initiatives line? Are Reid-Sigurdson now getting \$200,000 for this inventory—and his quality of sports jackets has not improved that much.

Mr. Gilleshammer: I am sorry, I missed that last comment.

Mr. Alcock: The sports jacket comment or the comment about the increase?

When we were speaking about Supplies and Services here, the Minister said that the bulk of that increase—it is about \$150,000 in round terms, \$155,800 actually—no, actually \$154,200.00. The Minister said the bulk of that was for contracts and the biggest chunk of that he said was for Reid-Sigurdson on this High Risk Index. Now we have another \$50,000 over in the Child Abuse Initiative line for Reid-Sigurdson, bringing us to something in the order of somewhat less than \$200,000.00.

Mr. Gilleshammer: The former amount was to do research in conjunction with the referenced report and the latter amount is to do with implementation. I still was confused by the Member's reference to sports jackets. Maybe he would like to clarify it.

Mr. Alcock: I was just referencing actually Eric Sigurdson's choice in his haberdashery. I shall not go further with that. I noticed it had not improved to the extent that this contract would seem to indicate.

Okay, I am fine on all of that.

I have one question on the grants list left. Villa Rosa and Salvation Army Lindenview Residence are now receiving grants. They were not in the previous years; they now are. My recollection is that prior to this they were fee funded. That is, they got a daily rate for young women who were placed in their centres by mandated agencies.

The grants that they are now to receive in the '90-91 year, are they an estimate of the amount of fees that these organizations were previously receiving and are now receiving them in a grant form, or is this over and above the fees that they receive?

Mr. Gilleshammer: I am told that the grants are in part replacing the per diem fees.

Mr. Alcock: The grants are in part replacing the per diem fees. Are these facilities being moved then to a grant plus fee structure similar to the one that was talked about for shelters? Is that the intention?

Mr. Gilleshammer: That is correct.

Mr. Alcock: Despite the fact that the two facilities offer the same service, the considerable difference—one grant is nearly three times the size of the other. Does that reflect the historical pattern of the provision of services? Was the one residence used three times as much, or did they collect three times as much in fees in the past?

Mr. Gilleshammer: I am told that it reflects the services that they provide.

Mr. Alcock: I just noticed in the grants list of '89-90 when you look at the Child Abuse Initiatives, the child sexual abuse treatment program, which I presume is this Child Abuse Initiatives line that we talked about before, it references in '89-90 only \$135,000 in grants and then in '90-91, \$250,000 in grants. They had \$250,000 in grants in '90-91. The Minister has given us detail on four of the five and says one is yet to be allocated and will be allocated in the last quarter of the year, I trust.

I am wondering if the Minister could reconcile for me the difference between the \$135,000 referenced in the grants list, and the \$250,000 included in the Adjusted Vote on page 73? Presumably, this is a fee payment of some sort, to whom? On behalf of what?

*(1620)

(Mrs. Linda McIntosh, Acting Chairman, in the Chair)

Mr. Gilleshammer: It is a reflection of what was in last year's budget that was not totally spent.

Mr. Alcock: Madam Acting Chairperson, it is a pleasure to see you back at the helm.

The Acting Chairman (Mrs. McIntosh): Pleased to see you, too.

Mr. Alcock: This \$250,000 in fact then is incorrect. That is not the level of support that was provided last year; \$135,000 is the level of support that was provided last year.

Mr. Gilleshammer: We are going to have to do some further consultation on that and report back at

our next meeting with the exact details the Member is requesting.

Mr. Alcock: I note now that there are a series of items for which we are going to have to wait for those reports. Perhaps we should move on out of this area, and we will just reopen this area on Monday afternoon, once the Minister has got his briefing books up to date and I have received the information that I have requested. I believe the Member for Wellington (Ms. Barrett) has some further questions, and then I would be prepared to move on to Seven Oaks Centre for Youth.

Ms. Becky Barrett (Wellington): I did not have any. He asked the questions I had on that section.

The Acting Chairman (Mrs. McIntosh): Shall the item pass?

Mr. Alcock: With a qualification of reopening.

The Acting Chairman (Mrs. McIntosh): With the qualification of reopening?

Mr. Gilleshammer: We have made every effort to bring back information to the Honourable Member as quickly as possible, and we will continue to do that. When we bring that information back, if he has a question on it, we will be happy to answer it.

The Acting Chairman (Mrs. McIntosh): Item 4. Child and Family Services (b) Child and Family Support: (1) Salaries \$1,958,800.00. Shall the item pass? The item is accordingly passed. No?

Ms. Barrett: Sorry, I am ahead of myself. You are right.

The Acting Chairman (Mrs. McIntosh): The item is accordingly passed.

Item (2) Other Expenditures \$1,073,200—pass;
 (3) Maintenance of Children \$50,036,600—pass;
 (4) External Agencies \$32,495,700—pass.

Item (c) Seven Oaks Youth Centre: (1) Salaries \$1,616,100.00.

Ms. Barrett: In the draft Annual Report for '89-90, it states that Seven Oaks Centre is a provincial facility providing temporary emergency shelter and protection for children. I am wondering if the Minister can define what, temporary, in the context of Seven Oaks, means? Are there regulations that determine the length of stay for anyone?

Mr. Gilleshammer: I guess it is temporary as opposed to permanent. There does not appear to

be an average length of stay that we can enumerate for you.

Ms. Barrett: When does a child then leave Seven Oaks?

Mr. Gilleshammer: I am told that the child would be appropriately placed when a stable plan is presented by the Child and Family Services agencies. Then the child would be released and the plan would be put into effect.

Ms. Barrett: Can the Minister tell us what the average stay for children in Seven Oaks was?

Mr. Gilleshammer: I am told that the range in the length of stay would be from a few days to a few months.

Ms. Barrett: Madam Acting Chair, how do children get referred to the Seven Oaks Youth Centre?

Mr. Gilleshammer: Madam Acting Chairperson, they are placed there by the agencies who do work in this area. Perhaps I could give you some information that would be listed under admission criteria. The children would fall into these categories: chronic sniffer or substance abuser combined with chronic running which poses an immediate threat to the child; child with medical psychiatric validation as being a suicidal risk, but security and protection are also a major issue; thirdly, a child with medical condition evaluated by a medical doctor whose life is at risk because of his/her lifestyle; fourthly, obvious life threat, that is, a child's life has been threatened; and fifth, the child's behaviour that poses a serious immediate threat to the safety of others. That is the admission criteria.

Ms. Barrett: Madam Acting Chair, so this is a court of last resort, in many cases, for these children. They are deeply troubled children. Number one, I notice that the centre was downsized to 32 beds. Can the Minister tell me what the number was prior to the downsizing?

Mr. Gilleshammer: The number previously had been in the range from 48 to 52.

Ms. Barrett: Can the Minister explain the rationale behind the downsizing?

Mr. Gilleshammer: The Member, I think, and I would quote her, said this is a court of last resort, or I suppose a place of last resort. Given the secure custody that exists there, it is not a desirable placement for children. In the view of the

department, there may have been children placed there inappropriately. I think, as in any institution of this nature, probably more beneficial work can be done with smaller numbers. If it was not necessary to house other individuals in secured custody and they could be accommodated in another fashion, that was deemed to be a desirable situation.

* (1630)

Ms. Barrett: The children who would have been there and for whom it was felt that the locked setting was inappropriate, where would those children then go? Instead of having those additional beds at Seven Oaks, what arrangements would be made for them?

Mr. Gilleshammer: Agencies would use other resources that were available to them in terms of treatment centres and group homes, foster homes.

The Acting Chairman (Mrs. McIntosh): No more questions?

Ms. Barrett: No, no.

The Acting Chairman (Mrs. McIntosh): You are asking a question? I am surprised, Reg passed them.

Ms. Barrett: In the Estimates it talks about the implementation of the restructuring plans for the centre and the enhancement of agency receiving resources and emergency family supports. I am assuming that means the services that were deemed to be necessary to take up the slack due to the closing of Seven Oaks, and I am wondering if the Minister can tell me if those enhancements have taken place or if there are problems ongoing.

Mr. Gilleshammer: I am told that those plans have been successfully implemented so that each section of the province has those back-up accommodations, which seem to be deemed suitable for that purpose.

Ms. Barrett: Madam Chair, could the Minister give me some background on the staff complement for Seven Oaks? There are two managerial and 39 professional-technical staff. I am particularly interested in what kinds of backgrounds the professional-technical people have.

Mr. Gilleshammer: The professional and technical staff there have some child care training primarily from community colleges.

Ms. Barrett: The beds have been downsized quite substantially but the staffing level has remained the

same as far as I can see. Was that a decision made so that there would be lower client-to-staff ratios?

Mr. Gilleshammer: I am told that there were overages there for additional staff that do not show up here, but there were additional expenditures related to staffing and this has now been brought into line at that number, and that is deemed to be the appropriate level of staffing for the reduced numbers that we have now.

Ms. Barrett: The Minister stated that the children have an average stay from a few days to a few months and that is based on the ability to make a plan for that child's continuing care and support.

Does it depend on the availability of additional support? Do these children mostly go to another agency? Do some of them go home? It appears to me that if most of the workers at Seven Oaks are child care workers and these children are in very serious trouble that there might be—and I do not mean to denigrate the care given by the staff at Seven Oaks, but it occurs to me that there are a lot of psychological requirements these children have, not only for their own physical well-being, but they have a lot of problems. The staffing complement there might not have the background to provide them with all of the counselling or assistance that they need and that their stay might be based on the fact that they are unable to find additional resources in the community.

Mr. Gilleshammer: Madam Acting Chairperson, the objective would be to get them into an appropriate treatment centre as quickly as possible. Some of those treatment centres, as I have found, may have a vacancy at the time, others may not. In some cases I think the situation would tend to stabilize by having the child remain in care in Seven Oaks for an appropriate length of time, but the objective would be to try and provide the appropriate treatment.

That whole concept of treatment is an interesting one. This morning when I was at Knowles we got into a discussion with, I think, some very professional, highly qualified staff about treatment—the measurement of treatment and when is treatment done. That is an interesting area. I think these professional staff have a real challenge in not only providing the appropriate treatment but determining I think things like the intensity of the treatment and when the treatment is sufficient and when the individual can be moved back into another

placement in the mainstream of society. I think that workers at places like Seven Oaks, Knowles, Marymount, MacDonald Youth Services and Children's Home have to make some very critical decisions and judgments based on their measurement of treatment. It is just an interesting sideline to all of this.

* (1640)

Ms. Barrett: It certainly is, and I think Seven Oaks is an interesting facility because it combines the concepts of treatment with the reality of being locked, so there is the element of imprisonment, if you will. These children, many of them are not there of their own free will, and so society says that they have to be there for their own, or others, protection. They are not voluntary in any real sense of the word; then they also are being asked to undergo treatment programs. It has some very challenging elements to it. I would not disagree with the Minister in one sense at all. Who determines when a child can leave?

Mr. Gilleshammer: It is one of the institutions I have not visited yet in my brief time in office and one that I am planning to go to at some point in the future. It is an interesting concept of closed custody. I would say that there is closed custody at some of the treatment centres as well.

In answer to your question, the Child and Family Services agency has guardianship of the child when it is in Seven Oaks. When they have a plan in place to put the child into a treatment centre, they in essence make that decision that an appropriate placement has been secured.

Ms. Barrett: This plan is put together in conjunction with the workers at Seven Oaks and the referring agency?

Mr. Gilleshammer: That is correct.

Ms. Barrett: I do not see in the Salaries or Other Expenditures anything that would relate to consultation. Is any consultation done with, say, psychiatrists or psychologists in this regard, or are these plans and assessments made with the Child and Family Services agency and the workers at Seven Oaks?

Mr. Gilleshammer: That type of professional expertise is accessed through the agencies.

Ms. Barrett: So the Child and Family Services agencies would use their own resources to—say there is a child at Seven Oaks who needs additional assessment to determine exactly what is going on

with him or her, so it would be their responsibility to hire or access that consultant to do that?

Mr. Gilleshammer: Yes, I am told that is the process. Again, I am looking forward to a visit there to talk with staff, but I would think that the relationships between agency workers and staff at Seven Oaks must be very compatible in dealing with what is the best interests of the child and finding appropriate professional help and appropriate placements. The lead is taken by the agencies as the legal guardian for the child.

Ms. Barrett: Is every child that comes to Seven Oaks put through an assessment process? Is there a standard assessment undertaking?

(Deputy Chairman in the Chair)

Mr. Gilleshammer: There is what is called a Secure Admission and Placement Panel, and I will just give you some information on the members of the panel. The panel shall consist of five to seven members appointed by the director from amongst the persons considered to be suitable for the work. Members of this particular panel shall hold office for two years, but members are eligible for reappointment once their term has expired. Thirdly, the panel shall consist of the following persons: the director of Seven Oaks Centre or designate; a representative from Child and Family Support; a representative from mental health; a representative from MARTR and Council of Child Care Treatment Centres; two representatives from the child caring agencies.

Mr. Deputy Chairman: Item (c)(1) Salaries—

Ms. Barrett: What are the age ranges of the children at Seven Oaks?

Mr. Gilleshammer: They would range from as young as 11 or 12 to the age of 17.

Ms. Barrett: Is that mandated, or is that just—I would assume that the 17-year-old means that older than that is not defined as a youth. Is there a regulated or statutory definition of the youngest?

Mr. Gilleshammer: There is no statute that indicates that bottom age. It is simply children that are placed by the agency.

Ms. Barrett: No further questions at this time.

Mr. Deputy Chairman: Item (c)(1) Salaries \$1,616,100.00.

Mr. Alcock: I do have a couple of questions on this particular line, but more than that, I have some

comments to make. I think we can get through this one pretty quickly.

I have said today, and I have said earlier in the House in discussion with the Finance Minister (Mr. Manness) and others, that I think this facility should be closed, that I think we should stop using it and that we could find better use for the funds that are applied against its appropriation. I say that not to cast any aspersions or to make any comment on the quality of work that is performed there, because I think that the staff that work there do their best to provide a caring environment for some very difficult, unmanageable children. I say that, because the facility exists as an abuse in this system.

It was as long ago as—well, let me just pause for a second and for the information of the Minister just cover a couple of quick things. Prior to 1979, unmanageable children in child welfare used to be taken to the Youth Centre and incarcerated there along with children that had committed crimes. There was a great deal of concern about this raised by the judges at the time, who were constantly having children brought before them for adjudication, children that had committed no crime whatsoever.

The system very neatly removed these children from the view of the courts and put them into what was then labeled as a child welfare institution. I note that the creation of the secure admissions panel—and I have a couple of questions about it should the Minister indicate that their policy is to continue to support this facility—but I note that the system has attempted to address this question of the appropriateness of placements. I also know that, as long ago as 1974, the United States, through federal statutes, stopped this practice of incarcerating unmanageable children. I also note that there are no other provinces in this country that operate similar facilities. The other provinces, if you wish to place a child in secure custody, you have to go before the mental health authorities and have the child judged mentally ill and they will go into a mental health facility—and we have such a facility here, the MATC, although there are concerns about the appropriateness of the program that is offered there and whether or not they are prepared to fulfill that role, or the child has committed a crime and they come before the courts. Otherwise, you have no right to incarcerate the children.

I think if the Minister were to ask the staff to search the records you would find a legal opinion from the Attorney General's office that suggests that. It says that the only way that they can maintain that facility is because it would take a case-by-case court challenge; in other words, every child would have to be adjudicated separately, that there are no class action requirements here in Canada.

We are spending nearly \$2 million to do something that does nothing other than warehouse some children. In fact, I do not know that there is a body of treatment literature that suggests that this intervention is helpful. I can share with the Minister a great deal of literature that suggests it is not a helpful intervention; in fact, it allows the system to rely on something that, rather than being consultative and supportive to children and families, it often sets up power struggles and it just defeats good casework practice.

* (1650)

I know a lot of people in the system feel that way, but have been confounded by the need to provide some short-term care for unmanageable children, and particularly respond to the pressure of the police late at night. There are other ways of meeting that need; agencies have demonstrated that. If you look at the intake patterns, you find that they tend to reflect more the placement preferences of near agencies, rather than agencies further away.

I do not know that there is a valid justification for spending \$2 million to continue this practice in this province, so I would simply ask the Minister if they will consider overtime, because it is not going to happen quickly, phasing this institution out in favour of more progressive service for children.

Mr. Gilleshammer: I had indicated to the previous Member that I have not had an opportunity to visit the centre as yet, and I guess to go along with that I am not prepared to make any commitment to the Member that that facility be closed. I think I heard the Member speak one previous time on this issue, so his thoughts are not a surprise to me. I have indicated that I have plans to visit the centre, and when I do, I will have the Member's thoughts in my mind and evaluate the work that the centre does. In fact, I think the last time I heard the Member speak it was on this issue with a great deal of passion. I do not doubt that he has some strongly felt thought on this, but I also suspect that there are others who feel differently. I hear what the Member is saying, and

so I say when I visit there I will have those thoughts on my mind.

Mr. Alcock: I have a couple of quick questions. What is the age of the youngest child incarcerated at the centre this year?

Mr. Gilleshammer: I am informed that there was a 10-year-old in care there.

Mr. Alcock: The Secure Admission Panel that the Minister referenced earlier, is every child that is placed at this facility panelled before entry, or is that a panelling process to panel children going into the other two facilities that also offer locked services, Marymount and Knowles?

Mr. Gilleshammer: Maybe I could provide some information here. It indicates to me that the Secure Admission and Placement Panel will be responsible for reviewing all ongoing placements to assess the need for a continued secure placement. Secondly, to ensure adequate planning is in place for those residents who require longer term placement; and third, recommend and facilitate long-term planning including access to Level IV treatment resources and exceptional circumstances funding.

Mr. Alcock: So this Secure Admission Panel does not pass on the admissibility of children prior to their placement in this centre? Is that correct?

Mr. Gilleshammer: There would be individuals placed there before the panel has an opportunity to meet. The panel, I believe, is more for the ongoing process of placing the child in other treatment centres.

Mr. Alcock: I am going to pass this item. I do not wish to discuss this one any further. I have made my feelings about it quite clear.

I would ask the Minister to do the two things. The first is that when he walks through that facility and tours it, try to imagine it from the perspective of a 10-year-old. The second thing is when he has an opportunity to meet with his colleagues across the country, speak to them about what they do. Speak to what other provinces in this country do to address this problem. It is a problem. Children are unmanageable at times, but there are other ways to meet their needs, ways that are more progressive and more helpful and more humane than what we in this province choose to do.

Mr. Gilleshammer: I can give that Member that assurance. I can tell you that I take the opportunity to visit. I told the staff at Knowles this morning that

as I drove up the driveway, I was mulling over in my mind what sort of young people I would encounter there. I can tell you I was pleasantly surprised, because one of the aspects of my visit this morning was to have students in three different areas conduct the tour and give me their analysis of the Knowles Centre and why they were there and how it functioned.

I was most impressed with the ability to articulate the circumstances that those young people found themselves in and make comment on the surroundings and so forth. I really appreciated that and I mentioned that. I can assure you as I do plan to visit Seven Oaks, I am sure the same thoughts will be running through my mind. What sort of individuals will I encounter there, and what sort of circumstances? I do not have a prejudgment on that as I expect that, in my experience, I have been surprised many times with the type of individuals that one encounters.

An aspect of the other treatment centres has been a closed custody. I recall being at Marymount and seeing a space there that they have for that. I recall today a child telling me about a place where they may find themselves where they could scream, kick the wall, I suppose verbalize some of their thoughts. You know, from the child's perspective, it was a place where they could sort of let their hair down. To see children who are angry and frustrated is not a new experience, but I can tell you that I am curious. I will think about those items that the Member has mentioned when I do go to Seven Oaks.

Mr. Deputy Chairman: Item 4.(c)(1) Salaries \$1,616,100—pass; (2) Other Expenditures \$290,100—pass.

(d) Family Conciliation: (1) Salaries \$670,600.00.

Mr. Gilleshammer: Could I just introduce some staff first?

Mr. Deputy Chairman: The Honourable Minister, if you would introduce your staff, please?

Mr. Gilleshammer: At the table here from Family Conciliation, Acting Director, Sandra Dean. Also joining us, in the chair in the background, from Family Dispute Services, Acting Director, Bev Ann Murray.

Ms. Barrett: I am not very familiar with the Family Conciliation program, but from what I have read, it would appear to be one of those things that actually has the potential of providing services that I have

been speaking out a lot in favour of, services such as prevention, getting at potential problems before, hopefully, they become problems, and doing a range of activities that can help families in very difficult circumstances.

* (1700)

On the surface, it seems like a really excellent program in concept. I am sure there are problems in implementation, but it is a great idea.

First, again, my question about the background of the professional and technical people, there is a wide range of activities undertaken by this particular branch, and I would imagine the backgrounds of the individuals reflect that range.

Mr. Gilleshammer: The professional and technical staff are mainly graduates of schools of social work, which I am sure meets with the Member's approval.

Ms. Barrett: Yes, it does. How long has the Family Conciliation branch been functioning?

Mr. Gilleshammer: Since 1984.

Ms. Barrett: How do people access—I know there is stuff in here about how they access their referrals. Let me back up. Where is Family Conciliation located?

Mr. Gilleshammer: They are in the Woodsworth Building.

Ms. Barrett: Are all of the staff located there or a certain portion of them only?

Mr. Gilleshammer: I am told the portion that is located there is 100 percent.

Ms. Barrett: The referral sources in the draft Annual Report indicate that the court referral has quite substantially decreased, 10 percent from 1985. I am wondering if that is an indication of something. Is that an indication that the courts are less aware of this service than they were in the past?

Mr. Gilleshammer: I am told that the number of referrals to the staff has declined slightly but that the courts view this as an extremely important function and role that is being played, and I would suppose are conscious not to overload the staff. The services are viewed as being very important by the courts.

Ms. Barrett: As I look at the referring sources, there has been a significant decline in the last year from lawyers—although since the beginning there is an increase—as well a decline in self-referrals; but the category Other has increased substantially,

although it is still less than 10 percent. Is there a breakdown of where those referrals come from?

Mr. Gilleshammer: I think the answer that the Member is looking for is that the others are agency referrals in addition to the self-referrals and the lawyers' referrals.

Ms. Barrett: According to the list of activities undertaken by Family Conciliation, it appears that the only one that is court ordered would be the court-ordered assessment reports. Is that accurate? Everything else is voluntary?

Mr. Gilleshammer: That is correct.

Ms. Barrett: Are there training sessions for lawyers and court officials and other agencies or information on Family Conciliation? How is it advertised so that people know that these services are available and can recommend that families take advantage of them?

Mr. Gilleshammer: They attempt to make their services known through pamphlets, and the agencies are aware. There is a certain amount of public information that is available.

Ms. Barrett: Is it possible to get a sense of which of these activities have the most people going through them? There is a whole range of activities. Which would Family Conciliation say was the most heavily utilized?

Mr. Gilleshammer: I could give you some numbers—which the Member has now found on her own. Do you want me to read them into the record? No? Okay.

Ms. Barrett: The people who work in this must have a range of skills and expertise. Do they go basically in one area, or do they have duties in a range of these activities?

Mr. Gilleshammer: Basically, they are generalists who are knowledgeable in all of those areas, but there are also some specialties that perhaps would be handled by certain individuals.

Ms. Barrett: I am quite interested in the Access Assistance program, this demonstration project. Could the Minister explain how much money has come from the federal department and the provincial Departments of Justice and Family Services?

Mr. Gilleshammer: The federal Government has supplied \$72,000 per year for three years.

Ms. Barrett: It says here that it is a jointly-funded project, and that the provincial Departments of Justice and Family Services are involved as well.

Mr. Gilleshammer: We are going to have to take some time to get that information, because part of the provincial share comes from the Department of Justice.

* (1710)

Ms. Barrett: I would appreciate having that at some point just to see how large the grant is. My next question to the Minister is: Can he give us an indication as to whether this is the kind of program that, after its three-year demonstration is completed, will be looked at for ongoing core funding?

Mr. Gilleshammer: The Member is wanting to debate the Estimates for future years, and I would say we would have to give very serious consideration to any demonstration program that is deemed highly successful. We would have to look very seriously at a program like this, but to answer what we would do in future years by this Minister or whatever Ministers is hard to project.

Ms. Barrett: I understand that, and I am not asking the Minister to make a determination at this point. I just wanted to ask the Minister or get on the record for the Minister the concern that I have raised before about other demonstration and pilot projects that have been funded, if not from this department, from other agencies, that have proven their worth. I want to make sure that the concept of ongoing core funding for successful demonstration projects is maintained in the forefront of the Estimates process for future years as well.

Mr. Gilleshammer: The Member is aware that I told her the other day that there are a lot of valuable and important and successful programs that are started by other groups and agencies with money from other sources. We simply cannot take over the ongoing expense and maintenance of those programs, so I put that caveat on the record that there is a distinction in what the department in the future can fund.

Ms. Barrett: I have a couple of other questions. One is about, in the Activities and Accomplishments, serviced 81 families resulting in reinstatement of access in 60 percent of the cases.

I was wondering if I could get an explanation of that line?

Mr. Gilleshammer: Some of the dispute revolves around access to children and visiting rights and so forth. That reflects the success rate or the rate at which that type of conciliation is accomplished.

Ms. Barrett: So that in 40 percent of the cases, reinstatement of access was not achieved? Is that the corollary?

Mr. Gilleshammer: The success rate of 60 percent means that 40 percent did not reach that level of success.

Ms. Barrett: So that would mean that those situations could possibly end up in the court system?

Mr. Gilleshammer: That is correct.

Ms. Barrett: I am not meaning to denigrate that 60 percent success rate, by the way. I think that is excellent. That means that over half of those cases do not have to go back into the more expensive court system, and it is an excellent use of preventive money.

Mr. Gilleshammer: I am sure the staff appreciate the kind, understanding and intelligent comments of one critic.

Ms. Barrett: Thank you. That critic appreciates the comment. One final question: Is Family Conciliation going to continue to provide a B.S.W. training program?

Mr. Gilleshammer: I am told that they hire graduates of the B.S.W. program but do not provide the training for them.

Ms. Barrett: I am referring to the internship program. My assumption was that was a B.S.W. field placement?

Mr. Gilleshammer: Yes, there is an internship program with three students.

Ms. Barrett: Is that planning to continue?

Mr. Gilleshammer: Plans are that would continue.

Ms. Barrett: Thank you. I have no further questions in this area.

Mr. Deputy Chairman: Item 4. (e) Family Dispute Services: (1) Salaries \$670,600.00.

Mr. Alcock: I might have a question or two on this division, although I think the Minister will find me quite supportive of this particular division. I would like some information, however.

Mr. Gilleshammer: For the last number of days, I found you very supportive on almost all aspects of this budget and really appreciate that concern and understanding.

Mr. Alcock: Why am I all of a sudden feeling intensely uncomfortable?

I would like the Minister to actually ask the staff, or maybe through the staff to the Minister, to reflect a little bit on the experiences of this division. It was started, I believe, if memory serves me right, about '84 or '85 as part of the unified Family Court. Has the concept been extended throughout the province, or are there still areas of the province who are not served by the unified Family Court?

Mr. Gilleshammer: I think Hansard will show that in answer to the previous question it was started in 1984, and I am told that it has been extended to the remainder of the province.

Mr. Alcock: The 17 staff that are referenced here that operate out of the Woodsworth Building, how are services accessed in other regions, Flin Flon, The Pas, Interlake, et cetera?

Mr. Gilleshammer: There are staff in the Winnipeg Region. There are also staff in Brandon, Flin Flon, The Pas and Thompson that provide services for those areas.

Mr. Alcock: Are those staff part of this budget, or are they accounted for some place else?

Mr. Gilleshammer: I am told they are part of this budget.

* (1720)

Mr. Alcock: Is it the sense of the department that demand for this service has sort of leveled off, that we have hit the level of incidence that will be required or requested of this service?

Mr. Gilleshammer: As I indicated earlier, the level of service that is being handled by this unit is consistent with the referrals that are coming from the court system.

Mr. Alcock: Can the Minister give us the sense of the average time from referral to completion?

Mr. Gilleshammer: I am told that court-ordered assessments take, in the time period, about four months, and the mediation process, three months.

Mr. Alcock: Is it just for the court-ordered assessments? I see 2,000 families served 192 court-ordered assessments. Would it be fair to say,

with the exception of those 192, the average conciliation is three months or lower? -(interjection)- I am wondering for those 192 cases, are we talking about a seven-month process, four months for the assessment and three months for the conciliation; or are we looking at three months on average for the 2,000 cases?

Mr. Gilleshammer: Those are two different services that are provided. The average time for the court-ordered assessment is four months, and the average for the mediation is three months.

Mr. Alcock: This service grew out of a very extensive study that had been done earlier in—I believe it was the Hamilton court that suggested all sorts of benefits would flow from moving to the unified Family Court. Has there been a follow-up study conducted on the services in this province yet?

Mr. Gilleshammer: This department has not done a follow-up survey, and it is suggested that perhaps Justice has done this work.

Mr. Alcock: That is fine, Mr. Deputy Chairperson. I am prepared to pass on that.

Mr. Deputy Chairman: Item 4.(d)(1) Salaries \$670,600—pass; (2) Other Expenditures \$103,300—pass.

Item 4.(e) Family Dispute Services: (1) Salaries \$408,600.00.

Ms. Barrett: I have some questions about the Other Expenditures items on page 79. Under Communications, there is a \$100,000 decline and that is the only change year over year in the Other Expenditures. I wonder if the Minister can explain that decrease.

Mr. Gilleshammer: In the previous budget year, the department embarked on a wonderful initiative called "Abuse Is a Crime" that cost the department, I believe, \$200,000.00. It was widely acclaimed by service providers in this province and recognized nationally as a tremendous initiative to the extent that other provinces have borrowed from that program and used it, and \$100,000 of that money from that line went into that initiative.

Ms. Barrett: So, for clarification, of the \$200,000 for Abuse Is a Crime, \$100,000 came from this line? If so, where did the other \$100,000 come from?

Mr. Gilleshammer: The \$100,000 remains in here for some ongoing programming, but the entire

\$200,000 was taken out of this line. I am sorry. I may have misled you.

That is correct. It was funded from that line, and where it was \$200,000, \$100,000 has stayed in for additional work in this area.

Ms. Barrett: Could you describe what some of that \$119,000 is being used for?

Mr. Gilleshammer: The program was delivered via radio and television. These will be rerun using the same medium at that cost.

Ms. Barrett: So the \$100,000 would approximately reflect the production cost, and the \$119,000 would be the cost for the media buy?

Mr. Gilleshammer: That is substantially accurate.

Ms. Barrett: When will the "Abuse Is a Crime" spots run again?

Mr. Gilleshammer: They will be used or run in the last quarter of the year.

(Mrs. Linda McIntosh, Acting Chairman, in the Chair)

Ms. Barrett: Madam Acting Chair, I have a couple of questions, too, on the grants list, two in particular under Shelters. The Thompson crisis shelter went down substantially, and the YM/YWCA went down less substantially but still had a reduction year over year. I am wondering if the Minister can explain those figures.

Mr. Gilleshammer: I can give you some information on that. In the case of the YWCA, there was money in the earlier budget to cover hotel expenses before they got the new facility opened, known as Osborne House, where those individuals can now be sheltered. In the case of the Thompson Crisis Centre Inc., there was in excess of \$64,000, almost \$65,000, forwarded to them for deficit relief when they ran into some financial problems.

Ms. Barrett: So the 163.3 for the Thompson Crisis Centre in '89-90, that \$65,000 of that approximately was for deficit relief in that fiscal year?

Mr. Gilleshammer: That is correct.

Ms. Barrett: Was that the same sort of situation as occurred with the Eastman shelter?

* (1730)

Mr. Gilleshammer: There is a similarity in that there was a large deficit that had to be addressed. Through the service and funding contract, enter into

an agreement which would allow those facilities to reopen with the services that they were going to supply being identified and the appropriate funding put in place.

Ms. Barrett: On the service contracts, is the Minister in the process of working through service contracts for all of the shelters in the province?

Mr. Gilleshammer: We are in the process of developing service contracts. I can tell the Member—and we gave you a copy of one with Children's Home—that the service contract concept and the funding that goes with it, I think, is an appropriate step to take in that the service provided is identified and the appropriate funding is identified. It puts the onus on both parties to act in a manner which is going to make those agreements work.

Ms. Barrett: Who is meeting with the various shelters in order to establish these service contracts?

Mr. Gilleshammer: The meetings consist of individuals from this branch plus people from the Agency Relations branch.

Ms. Barrett: As there is for the Child and Family Services agency service contract proposals, is there also a member reporting to Treasury Board?

Mr. Gilleshammer: Not at this time.

Ms. Barrett: Can the Minister explain why there is one for the groups that deal with Child and Family Services agencies and not on the service contract groups that deal with the shelters?

Mr. Gilleshammer: With the shelters, while the agreements were extremely important, the service and funding agreements with the agencies are more complicated, and there are more of them at the moment that are in the process of being finalized. To facilitate working through the agreements, a member that we indicated yesterday was working with those groups to facilitate the process.

Ms. Barrett: Is there another similarity with the Child and Family Services agencies in that the shelters are being asked to provide a balanced budget or a zero increase budget based on what they got in '90-91 or '89-90?

Mr. Gilleshammer: I am not sure I understand the question. Certainly the thrust with our dealings with every agency and organization is to work towards a balanced budget position, I suppose just as individuals do in their personal lives. Businesses try

and accommodate the operation of agencies on a balanced budget. It is very important so that we do not have to try to find funding from other areas where that funding is necessary, whether it is, as was suggested in the House one day, that we steal money from the Environment to help Family Services, or take money from Natural Resources, or cease building highways and hospitals. So the balanced budget concept certainly makes the operation of Government move along more smoothly.

Ms. Barrett: There are several elements to the Minister's response to my question that are just begging for an extended answer, by myself, but I will not go into too much detail. However, I would suggest that a balanced budget does not necessarily, nor will it necessarily, make the operations of the Government go more smoothly. I think we have had examples over the last few years, not just the last three years, but at least over the last decade, of times when requiring a balanced budget has not always made operations go smoothly.

My question was, when Family Dispute Services people sit down with the shelters, are they saying to them the service contract will include a balanced budget for '91-92, based on the amount of money you got in '90-91, similar to the formula that is being established with the Child and Family Services agencies?

Mr. Gilleshammer: I would indicate to your first comment that self-restraint is an admirable quality, but the long-term debt this province is facing, because of lack of balanced budgets through most of the 1980s, puts a lot of Government programs in jeopardy.

I think we have all heard the Finance Minister (Mr. Manness) talk about the \$500 million a year that it costs us to service that debt. -(interjection)-

The Acting Chairman (Mrs. McIntosh): The Minister of Family Services has the floor.

Mr. Gilleshammer: The Finance Critic wants to solve the debt problems, and that is unfortunate that he will never have the opportunity to do that.

Certainly the lack of a balanced budget over the years in the 1980s does put a lot of programs at risk in that we would like to be able to address more issues across the province, whether it be in health care or hospital or highways or family services, but having said that, the negotiations that we talked

about with the Family Services agencies, which are ongoing between management and employees, is an ongoing process.

I do not think we have made any comment on the shelters. They, too, are run by independent boards, and we ask them to abide by the funding that is in this budget. We would be the same in the next budget, that they live within the funding allotment that Government will see fit to plan for the next fiscal year, a process which has not started yet to any intensive degree but which will be a part of the budget that is tabled in March or April.

Ms. Barrett: I am trying to get sort of the timing as well as the substance of those discussions. The shelters have received information that they have this amount of money to spend in 1990-91. They are meeting with members of the Family Dispute Services division, and they are looking at service contracts. I assume that as in every other area that part of the budgeting process for '91-92 for Family Services for the entire department is based on information budgets that are received from agencies that are funded by the department.

I am just trying to see if the information that Family Dispute Services is telling the shelters is, when you are planning for next year, do not plan for an increase at this time as Child and Family Services agencies are being told to do. I know you have made the caveat; that does not mean that there might not be some sort of an increase because the budget for '91-92 has not been arrived at, but I am just asking if the same playing field, level or not is being established for shelters as it is for Child and Family Services agencies?

* (1740)

Mr. Gilleshammer: Well, we are very proud of the 47 percent increase that the shelter system has received over the last two years. I think in talking to people in the shelter system they have appreciated the stability that the new funding agreements have brought to them and recognized the increased resources that have been put forward in the entire shelter system. In visiting Osborne House and the opening of the Westman Shelter and looking at the increase in the shelter system and the services to women in the province, we have come a long way in the last two to three years. We would hope that we can continue to offer that type of stability to the shelter system, but as far as negotiating here the

increases for the next budget year, we are not in a position where we can do that.

Ms. Barrett: As a past executive director of a second stage housing program that is listed in this external agencies, my recollection is that by the time—we are into virtually the final quarter of one fiscal year, that we need to know what our external resources are going to be for the next fiscal year. I think in order for agencies to plan effectively, whether they have adequate funding or not, which is another element, it would appear to me that it is necessary for the Government to say we know the schedule got all screwed up this year, we are hoping to get back on track, and we are hoping to have a budget early in the spring, so you are one element in that budget so plan your budget estimates based on this. I am just asking if it is based on the same statements that have been given to Child and Family Services, which is plan on no additional resources from the Family Services Department other than what you got in 1990-91, and have your budget balanced?

Mr. Gilleshammer: Yes, I am pleased that the Member recognizes the need to get back on a more appropriate budget schedule and probably her Leader will have a lot to do with the ability to bring in a budget at an appropriate time.

Point of Order

Mr. Gary Doer (Leader of the Opposition): It is very unusual for the Government Minister to talk about House business, but I just wanted to put on the record that the Government may have more to do with the timing of that. Having fulfilled our commitments, the ball is in your court, and I notice it had an interesting little twist with the new environment Bill.

The Acting Chairman (Mrs. McIntosh): It does not really sound like a point of order to me. The Honourable Minister, on the same point of order.

Mr. Gilleshammer: No, not on a point of order, I would like to finish my question.

* * *

The Acting Chairman (Mrs. McIntosh): In response—complete your question.

Mr. Gilleshammer: We anticipate that the Leader of the Opposition (Mr. Doer) in his usual good-humoured way will be co-operative so that we can get back on that schedule again, and that would

allow us to proceed with the budgeting that the Member is interested in.

I think in terms at this stage of making their plans for next year that they should plan on a similar level of income, and then we will be in a situation as the budget is finalized to talk to them about the realities of the budget.

(Mr. Deputy Chairman in the Chair)

Ms. Barrett: So in effect it is the same playing field that the Child and Family Services agencies are being asked to do their preliminary budget figures for '91-92?

Mr. Gilleshammer: Well, we are indicating to them—and those boards have important planning to do relative to their budgets to look closely at what they can do this year within that budget and to make similar plans for next year. Then when we have formalized and finalized a budget, we can discuss that with them.

Ms. Barrett: Have you had any discussions with boards or executive directors or workers in shelters concerning the funding formula?

Mr. Gilleshammer: Yes, as a matter of fact, I have. On my visit to Osborne House we talked to board members and the executive director. They spoke very highly of the funding formula, and indicated it was in their minds the best funding formula in the country.

On my first day in office, we met with members of a board from the Eastman area who, because of a serious debt situation that they had encountered, spoke about the funding formula as it related to their operation, and of course we have talked about the decisions that board members had made given the realities of their budget, and perhaps some misreading of their actual budget. The funding formula was a topic of discussion.

When I was at Brandon and met the shelter people there at their opening—and I might say that numerous members that day spoke in laudatory terms about the efforts of two former colleagues of mine, Charlotte Oleson and Gerrie Hammond, in putting in place programs for women of Manitoba and the tremendous recognition that the Women's Initiative gave to some of the problem areas faced by women in the Province of Manitoba, and recognized the tremendous distance we have come towards stabilizing the shelter system and the 47

percent increase that has occurred for shelters over the last two years.

We have, in these discussions, recognized—and I might say that I did meet other directors there that happened to be in Brandon that day for a meeting. I met the shelter director from Thompson and others who introduced themselves that day, and there was a general recognition that we had come a long way. Some have expressed concerns with the concept of funding which has some core funding and per diems. We have suggested that there is a certain amount of co-operation that might occur between shelters whereby some shelters that may be full are placing people in hotels while nearby shelters are empty and not accessing per diems. We have said on a couple of occasions that the funding model is going to be reviewed, but, in saying that, we have also received many very positive comments on the tremendous distance we have travelled in resolving issues in such a short time.

Ms. Barrett: I have several questions arising out of the Minister's response. Can the Minister give us the average occupancy rate of each shelter in Manitoba? I would assume that is the number of beds divided by the number of individuals who actually occupied those beds during this last year.

Mr. Gilleshammer: I would say to the Member that we may be able to get those figures. We do not have them here, but I am aware that, for instance, some shelters have been quite active in terms of running at capacity or overcapacity and having to access the use of hotels. I am aware of one shelter that went 21 days, I believe, with no one in it, and others obviously with occupancy in between that range. We can try and provide that information for you when we next meet.

Ms. Barrett: Thank you. I appreciate that. I think that I am looking forward with a great deal of interest to that listing. I have a sense of what it is going to show, but I will be glad to see the individual rates. Can the Minister give me some background on the Westman shelter? It does not occur on this list of external agencies, or does it?

* (1750)

Mr. Gilleshammer: Yes, I believe it is there under the YWCA of Brandon, which were the primary movers and organizers of the Brandon shelter. Just for your information, I can recall, in my days as a member of the Kinsmen Club of Minnedosa, being one of the funders of that shelter and providing some

of the basic needs of the shelter in terms of fridges and stoves and so forth. I can tell you that a former Kinsmen colleague of mine was very much involved in the early days of the organization of that particular shelter, and it was a part of the YWCA in Brandon.

Ms. Barrett: I will admit to being a bit confused here, because it has in the '89-90 vote, \$93,800 and the '90-91, \$96,600, but you have stated that it is a new shelter.

Mr. Gilleshammer: We held the opening at a local hotel in Brandon, but they assured me they did have a new shelter and that I would be able to visit it some day in the near future.

I look forward to doing so, because the staff who were involved with that opening spoke so highly of their director and the work they had done to secure a new shelter. I am sure that on a subsequent trip to Brandon I will avail myself of the opportunity to visit that shelter.

Ms. Barrett: I am still confused because there was almost \$94,000 in the budget last year for the Brandon YWCA and the three-point-something percent increase for this year, but it is a new shelter. Did they have a shelter, like Osborne House, and they just changed facilities or what was the \$93,800 spent on last year, if that was not the case?

Mr. Gilleshammer: I would like to just mention that in greater Manitoba the cost of living is cheaper. In addition to that, the Department of Housing is one of the departments involved in the securing of shelter accommodation.

Ms. Barrett: I do not mean to suggest that there is anything outrageous or outlandish about this particular line. I am just wondering since it was a new shelter what was the money last year spent on. Was it a different building or was there a different program?

Mr. Gilleshammer: The YWCA in Brandon is located on 11th Street and the shelter operated out of that building. Now they have secured a new shelter at a different location.

It was an existing shelter. They have simply changed their postal address.

Ms. Barrett: Similar to what Osborne House did in having a shelter and then moving to a different physical location?

Have the number of beds changed in the Brandon shelter?

Mr. Gilleshammer: I am informed they have the same number of beds.

Ms. Barrett: Carrying along that particular line, my understanding is the only other new physical facility in the last little while is the Osborne House one. Can the Minister tell me if there has been a change in bed capacity in that facility?

Mr. Gilleshammer: I am told that the number of beds remained the same, but it is a new facility.

Ms. Barrett: I have visited that facility myself, both of them, and can attest to the much improved location and facilities there at Osborne House.

Can the Minister explain or give to us how often reports are given? I am assuming reports are given from shelters to Family Dispute Services on a regular basis. Could the Minister explain how often and what those reports include?

Mr. Gilleshammer: I am told that they receive monthly statistics and quarterly financial reports.

Ms. Barrett: So the Family Dispute Services knows every month how many individuals, mothers and children, have availed themselves of the shelters, and they also then know on a quarterly basis what the expenses and under what budget items those expenses have occurred. So there is a reasonable monitoring system then in place?

Mr. Gilleshammer: Yes, the occupancy numbers are monitored on a monthly basis. The board provides quarterly financial reports.

Ms. Barrett: Yes, could the Minister explain what the process is if it is found, at least at the quarterly financial statement's level and probably some indications on the monthly statistics, a shelter is experiencing reduced occupancy rates? Is there a process in place to make some adjustments or recommendations on the part of Family Dispute Services to those boards?

Mr. Gilleshammer: Yes, there is some contact and some dialogue that goes on. I would point out that the board and the director are responsible for the operation of those facilities. It is so vital.

We talked about board development and board inservicing, yesterday, that boards get such an accurate picture of where they are at, that directors have the capacity to pass on accurate and correct information to the board, and that the board in turn makes decisions that are in the best interests of the shelter both from a financial point of view and any

other point of view. The Family Dispute Services certainly is in contact with boards to look at their figures and to give advice to them.

Ms. Barrett: One final question before six o'clock, if I may. Just for information, am I correct that when we do receive the occupancy rates for the individual shelters we will have the number of beds available as well so I could have a sense of the proportional size of each of the shelters?

Mr. Gilleshammer: Yes, we will provide that information for you.

Mr. Deputy Chairman: The hour being 6 p.m., I am interrupting proceedings in accordance with Rule 3.(2). The Committee of Supply will resume sitting this evening at 8 p.m. to consider the Department of Health.

SUPPLY—RURAL DEVELOPMENT

Madam Chairman (Louise Dacquay): Order, please. This section of the Committee of Supply will be dealing with the Estimates of the Department of Rural Development. We will begin with a statement from the Minister responsible.

Hon. Jack Penner (Minister of Rural Development): Madam Chair, it is certainly a pleasure for me to be here today to give you some idea of what the Department of Rural Development is all about and some of the initiatives and programs that we have been involved with over the last year.

Let me say to you, Madam Chair, that one of the prime purposes for the establishment of the Department of Rural Development is to recognize that the rural community has faced some significant difficulties in areas outside of the agricultural community because of some of the impacts that have been caused by foreign nations doing battle over market share in agricultural commodities.

It was not too long ago when Europe, for instance, decided they would make sure that the phenomena that developed during the Second World War and after the Second World War would never occur again. By actions that foreign nations took, actions that are being practised today such as supporting agricultural products, subsidizing the production of agricultural goods have had a major impact on rural Canada.

Manitoba is no exception. Our Government recognizes that and in recognition of that we have established the Department of Rural Development.

* (1430)

It is I believe a department that can work to develop teams and, in partnership with other organizations, other municipal organizations across this province, to encourage initiatives that can flourish and create an environment in which all Manitobans, regardless of location, can become more economically viable.

It is our intent to ensure that those communities will have in fact access to Government services. That is one of the reasons why we banked upon the decentralization initiatives.

I think it is important to note that the organizations, the second level governmental organizations that exist in this province, have been instrumental in lobbying Governments over the past decade and indicating to the provincial Government and to federal Governments that there is a need to provide better services and information to communities outside of the one large urban centre that we have in Manitoba.

It is important to recognize that municipal Governments had been involved in establishing organizations such as the regional development corporations and the conservation districts and played a very integral role in ensuring that those services that those organizations provide are actually provided by non-Government people and therefore at a lesser cost than provincial or federal Governments could provide.

I have met during the past year with all of the municipal organizations, with the development corporations and also with the conservation districts to dialogue with them the needs of rural Manitoba. I believe it is important that we, together, in joint effort, develop programs that will strive to enhance the future of rural Manitobans by developing these partnerships in rural Manitoba.

There is one other initiative that we took that I believe has had a significant impact in an area of the province that has traditionally begged to be heard in the provincial Government. We established the Westman Cabinet Office, and it is my view that they have done a very commendable job in ensuring that the people of the western region of the province have had direct contact with the people in Government and have provided information and services through that office to the region in western Manitoba.

We have also, I believe, showed a significant initiative in providing financial support to local Governments by paying grants in lieu of taxes, by supporting the urban transit systems in some of our larger rural communities, by supporting police costs in rural Manitoba, the support through the Centennial Grants Program in recognition of the long service that rural municipalities have provided to the people in rural Manitoba.

I think it is important to note that there were a number of municipalities in our province last year that celebrated 100 years of service, one of them being the municipality of Pembina, the municipality of Stanley and the village of Notre Dame de Lourdes. All of these have celebrated during the year 1990 100 years of service.

I believe it is important that we continue to ensure that the level of service that those municipal organizations have provided will in fact be enhanced and continue. Therefore we are involved in training and education programs for municipal officials whether they be elected or staff people to ensure that they will have the knowledge and the expertise to carry on the services that rural Manitoba needs and requires.

We have recognized the fact that we have some regions in our province that need services even beyond the services that can be readily obtained by the ordinary municipal organization. Therefore the Department of Rural Development has taken on the responsibility for the Churchill economic development initiative. There will be some further announcements on that in the near future.

It is important to note also that we have worked very closely with other jurisdictions in Government, other departments, in trying to co-ordinate efforts that will lead towards the establishment and industrialization in towns such as Thompson, Flin Flon, Churchill and many of our southern Manitoba communities.

We recognize that there are problems or have been problems in the past with our taxation, our assessment system. Therefore we moved ahead with the assessment reform legislation during the past year. I want to thank both the Opposition Parties and the Leaders of the Opposition, both of them, because had it not been for their support and their help during that lengthy debate on the assessment reform legislation, had it not been for their support, we could not have passed that kind of

massive legislation during a year when Government was in fact in a minority. It is to the credit of the Opposition Parties that this kind of legislation could be passed because it was in recognition of the need to update an outdated piece of legislation.

There would have been, I suppose, significant impacts in various parts of the province had we not in fact taken some of the recommendations that Walter Weir, in his report, identified as needed to be put in place when we in fact moved toward new legislation. The portioning and the classification of properties in this province prevented the huge swings that would have undoubtedly taken place had we not in fact taken action to ensure that within certain classes there would not be a great deal of movement of tax dollars.

I want to give credit to our staff also, to my staff for during the last year—an extremely difficult year for our department—the huge amount of work that our staff had to go through to ensure that the legislation that we did put forward was in fact put in place in time. The debates in committee proceeded at least a month longer than we had thought they would and therefore it required again the co-operation of the Department of Education, our department, and a number of other departments to ensure that the municipalities and school boards in all of Manitoba would in fact have the material in front of them that they could in fact run their jurisdictions efficiently over the past year.

It is to the credit of people like Gerry Forrest, my Deputy Minister, Marie Elliott, who ran the computer system, who put forward all the numbers, and all of our staff in our department that we were able to accomplish the assessment legislation and ensure that there would be a much greater degree of fairness in the future. I want to thank them for that.

I think it is largely and will be the Department of Rural Development's role to ensure in the future that there will be a much better and much more co-ordinated effort taken to developing the communities in rural Manitoba, and that the information that is provided and normally available to people, for instance in the City of Winnipeg through Government Services because they are much closer, will in fact be brought much closer to the communities in rural Manitoba.

* (1440)

There are a number of initiatives that we are working on at present which I am sure that we will

hear and we will make announcements on in the not too distant future. One of them is, of course, the community development program, and the other one is a rural development investment initiative that we are working on and which I believe will be one of the key elements of ensuring that there will in fact be investment capital available to build the bricks and mortar that will be needed to ensure that there will be a greater degree of jobs in rural Manitoba.

Rural Manitoba has a tremendous opportunity I believe at this time, and that is to look beyond its boundaries, to become innovative and to look beyond the areas of even the Pacific Rim. Because of things that have happened in East Europe, the East Bloc countries, because of what has happened in the U.S.S.R., because of the political policy changes that have taken place in those countries, I believe there will be an opportunity for us to utilize our resources, our basic natural resources, our renewable resources, to provide the basis for the development of industries in rural Manitoba.

I am encouraged by those kinds of activities even though there are those in the province that espouse gloom and doom. I believe we in Manitoba are going to be strategically and geographically located to take advantage of some of those markets that might in fact be opened up in the near future.

Madam Chair, I am now going to turn the mike back to you and say to you that I am now ready to have the Opposition Members examine the Estimates, line by line.

Madam Chairman: We will now have the customary reply by the critic from the official Opposition, the Honourable Member for Swan River.

Ms. Rosann Wowchuk (Swan River): Madam Chairperson, I would like to also make a few opening remarks on the spending of this department. This is the department that should be addressing most of the concerns of the rural community, particularly dealing with diversification which the Minister spoke about, an issue that must be addressed as the rural community faces some very difficult times.

The Minister also mentioned that they introduced the assessment reform, something that my colleagues had been working on for many years, and it was time for the changes to be made. However, I would like to mention that it was, I believe, received quite well in most of the areas of the province.

Municipalities who were anticipating that there might be some difficulties with it found that it was a good process, but there are a few concerns that I will be raising a little later on in the Estimates when we get to that part of it. It goes that way with any new program. There are changes that have to be made as they go along. I hope that the Minister, when these concerns are raised, will take the time to look at them and if possible correct those things.

With the change from Municipal Affairs to Rural Development, the department has taken on the responsibility of looking at new directions for the rural economy. We will want to know what is being planned in this area. I agree with the Minister that there is room for growth in rural Manitoba, but we are going to have to be supportive of these communities and work with them if we are to grow. We have to look at the whole province, at these developments.

One of the concerns within the department that I would like to address is the Brandon office. I would want to know how effective that office has been, what kind of services have been provided in that office, and if it has been successful, whether the Minister is considering providing those kinds of services throughout the province.

Madam Chairman, I would like to take a few minutes to recognize all people who are presently serving on municipal councils and school boards throughout the province, for it is the work of these people that is very important in the grass roots of the community and an important part for this department to function.

I, myself, served on municipal council for several years in the LGD of Mountain. I understand the many hours that have to go in and also a lot of frustration that councillors feel. Many times it is a very thankless process, but we need these people in there very much.

I would also like to take this opportunity to say that I had a chance to attend the municipal convention last week and was able to meet with many people who are serving in those positions, and had a chance to discuss many issues, concerns that people have. I would also like to say that most people at the convention felt that it was a very successful convention. I would like to commend those people who organized it. They did a very good job.

There is another group of people that I would also like to recognize at this point and that is the administrators and the secretary treasurers of all the organizations throughout the province. They do a tremendous amount of work, liaison work, between the Government and keeping councils informed and up to date on how things are going. In particular, I would like to recognize the resident administrator within the LGD of Mountain who just took over the position a couple of years ago but has done a tremendous job for the LGD.

Also, I do not know your staff—I have met a few of the Minister's staff but, in particular, there are people on that staff who served the northern part of the community, Madam Chairman, whom I would like to recognize at this time as well because they do provide a service that is very much needed.

Madam Chairperson, there are several areas of concern that I will be raising as we go through the Estimates process, but I would like to outline a few of them now. One of them is that if we are to attract jobs to the rural area, it is very important that we provide the basic services before these investments can be made.

One of the basic services is the water and sewer services. I know there has been an announcement for the southern part of the province to improve the water and sewer services in that area. However, I am disappointed that the same agreement was not signed for the northern and central part of the province because I feel that it is just as important, if not more important, that we get development into that part of the province. In order for that to happen, we have to provide services there as well.

As I said, I spoke to many people at the municipal convention and one of the issues that was raised was the goods and services tax and the impact that this will have on municipal Governments and on school boards. I would like to know from the Minister, a little later on through this process, what impacts the goods and services tax is going to be having on municipal Governments and school boards and how that will be dealt with.

Madam Chairman, another area that we would like to question is the Rural Development Institute and the role that it is playing. We would like to know if it is successful and what kind of development has come out of it. What are the lines of communication from that department? Is Government making use

of the information from that department to develop policy? Is it successful?

The Minister also mentioned the Churchill economic development board that he is, I believe, chairing. I am very much interested in what is happening with the Port of Churchill, look forward to discussing that issue and look forward to further announcements on development.

Madam Chairman, I will close with that, and I will ask the Minister to bear with me through this Estimates process. As a new Member, a new critic and as a concerned citizen of rural Manitoba, I would like to take this opportunity to ask as many questions as possible and familiarize myself with this department. If it gets a little long, I hope you will bear with me. Thank you.

Madam Chairman: We will now hear from the critic for the Second Opposition Party, the Honourable Leader of the Second Opposition Party.

* (1450)

Mrs. Sharon Carstairs (Leader of the Second Opposition): I am delighted to participate in the Estimates of Rural Development. This is the first time that I have done this particular department. I have done Agriculture in the past. I have certainly done Education, Community Services and Justice, but this is the first time for this adventure, if you will, into the area of rural development.

I would like to begin by indicating that I am somewhat dismayed and have been—and I get the feeling that maybe the Minister shares that dismay—that the central authority for the decentralization programs is not taking place in this particular department.

I think this is where the focus should be. I think the focus in this department would really make sure that the communities most in need, both from a perspective of unemployment rates as well as a perspective of making them viable centres, could be orchestrated to a much better degree if the co-ordination of this project took place through this department.

I think it has been unfortunate that we have tended in the past to pit those who live in rural Manitoba against those who live in northern Manitoba. It sometimes looks as if they are in conflict with one another when in fact they are not in conflict at all. They are in harmony and many of the problems are identical. Both are in great need of

economic stimulation, and that kind of economic stimulation can come forward in a decentralizing of Government authority.

I have said quite publicly in the past that there are certain departments that I think lend themselves so much better to decentralization than other Government departments, certainly Rural Development being one in and of itself, another being Northern Affairs, another being Energy and Mines, another being Agriculture. The departments that in fact deal in rural communities, in rural problems are the ones that we should be focusing on.

One of the most important functions of course, and certainly it absorbed much of both 1989 and '90 was, as the Minister indicated, the whole reassessment process that took place in the Province of Manitoba.

I have a number of questions that I wish to ask in that particular area, particularly with regard to portioning which will not come as a surprise to the Minister because, although the figures given by the department on average are probably correct, when one looks at individual municipalities and most specifically the City of Winnipeg, of course it did not work out to be that particular figure at all. The residential homeowners found themselves paying a disproportionate share of the expenditures in terms of the percentage that they were asked to bear overall.

The City of Brandon of course continues to be an interesting question mark. The Liberal Party has been on record for some time as saying the City of Brandon belongs in Urban Affairs and does not belong in Rural Development. It may be the senior member, if you will, of Rural Development, but it has moved beyond that particular status and I think is entitled to a higher status.

I also think it would be important for the City of Winnipeg to have to compete to some degree in Urban Affairs with another community which also has needs and needs more attention than it perhaps gets at the present time.

I think we also have to debate very carefully the expenditures of this particular department. I have some concerns. I will alert the Minister right off the bat that there seems to be extremely high salary increases in some of the areas of his department without changes in staff numbers. There must be an explanation for that. I will be asking that explanation.

I mean, when you see an increase of 10.8 percent or 21 percent, in the case of one line, there has to be a reason for those kinds of things, but they are not indicated in the actual Estimates of the department.

Finally, I would like to debate with the Minister at some length the future of Rural Development, of what kinds of initiatives the Government is planning, beyond the Government decentralization initiative, to ensure that there are viable communities and that those communities have a viable economic base, because without that economic base, the community will not remain viable. It is all interchanged. I mean, we have all seen the pattern. If the post office goes, the school goes, the store goes, the community goes. That seems to be happening all too frequently in many of the communities.

Just to chide the Minister just a little bit, as I did the Minister of Agriculture (Mr. Findlay), when the Minister has the ability to make appointments, as he does, there seems to be a disproportionate number of males who were appointed to a variety of boards and a lack of representation of female members.

Since the female population of rural Manitoba, like the female population of all Manitoba, happens to be larger than the male population—and I am sure this particular Minister would not deny that there are very skilled and qualified females living in rural Manitoba—therefore, we must become a little more pro-active, I think, in ensuring that women are sought out. I think they need, indeed, to be sought out, because their names often will not readily come to mind.

The Minister of Agriculture (Mr. Findlay) made the point and I accept the point that often when he has approached women, they have said they were too busy with other responsibilities and were not able to accept those appointments. I suspect that this Minister has made some of those contacts as well, but that does not explain to any of us, nor does it let us off the hook, for continuing to be more pro-active in ensuring that the population base in both of its genders are adequately represented in decision-making bodies throughout the province.

With those remarks, Madam Chairperson, I think we can begin the individual questioning of line by line.

Madam Chairman: I would remind Members of the committee that debate on the salary for the Minister,

item 1.(a) on page 156 is deferred until all other items in the Estimates of this department are passed. At this time, I would invite the Minister's staff to take their places in the Chamber.

Mr. Penner: I would like to, Madam Chair, invite my staff to come and join us in the Chamber. I would like to introduce the staff to you at this time. I take I suppose some exception to what the Honourable Leader of the Liberal Opposition (Mrs. Carstairs) said about women in our staff and appointments. I say to her that I recognize full well the capabilities of the women in this province, not only in rural Manitoba, but all of this province. I happen to pride myself that I am married to one of them, and so I do have a great deal of respect for the capabilities of women.

I want to introduce to you, Madam Chair, my Deputy Minister, Mr. Gerry Forrest, who is with us today. I also want to introduce to you the Director of Research and Systems Services in our department, Marie Elliott and also the assistant to the Deputy, Miss Anna Fuller. With that I will sit down and wait for the questions.

Madam Chairman: Page 156, 1. Administration and Finance (b) Executive Support: (1) Salaries \$327,500.00.

Ms. Wowchuk: If the Minister could just give us a breakdown—I think I know who the staff people are—not by name, but what the roles of those staff people are, the administrative support staff.

Mr. Penner: Madam Chair, in our support staff we have, of course, our Deputy Minister and his assistant in the Deputy's office. We have in my office, I have had since the beginning of the year one assistant, and then I was for three months of the year without an assistant.

I now have, just as of the last month or so, hired two people who are going to be my assistants, one an executive assistant, and the other a special assistant who is going to do a lot of research for me. We also have four clerical staff, two in the Deputy Minister's office and two in my office.

* (1500)

Ms. Wowchuk: I would just like to ask a question of clarification. Would you like to deal with the Salaries first and Other Expenditures later, or can we ask questions on both of those at the same time?

Mr. Penner: Madam Chair, however the Opposition Members would want to ask the questions is quite

suitable to me. It really does not matter whether you want to go line by line, whether you want to take the issues as they come, or want to deal with financial matters first and issues later. It is entirely up to you.

Ms. Wowchuk: Then if it is all right, I would like to just ask the questions on the transportation and communication of -(interjection)- just below that.

I see that there is a reduction in transportation costs and then an increase in communication costs. This happens in a few places. I wonder if there is some explanation as to why transportation is down, but the communication side of it is up.

Mr. Penner: We have, Madam Chair, in the last year tried to decrease our costs in the transportation area. However, that will vary within our department significantly because of various activities that take place from time to time. As staff is required or as my services or my Deputy's office service are required, travel will be arranged. Therefore, that number might see some fluctuations from time to time.

There has been a significant increase in Communications. That is probably largely due to telephone, telex, those kinds of electronic communications that are going to be—and we had estimated that they would be—increased in cost, largely because of our efforts to provide more and better services to rural communities. As we decentralize, I would expect that those lines in our Estimates will see increased cost. I think those are some of the things that we accept as doing business on a longer-distance basis.

Ms. Wowchuk: Madam Chair, I guess that was what I was getting at. I was trying to see whether you were moving more in the direction of doing more communication rather than travelling.

The other question that I have is under Other Operating. There are increases, but not identified. What kind of increases would those be? It is not under Capital. What would be covered under that?

Mr. Penner: Under the line of Other Costs of Operations would be such things as public information initiatives. There would be reports and legislative materials, mechanical preparations, and there could be in mechanical preparations probably increased costs in providing communications hardware, such as fax machines. Those kinds of things could be part of the Other Costs.

Mrs. Carstairs: Madam Chairperson, this is one of the lines in which I identify that there seems to be a

disproportionate high increase in salary costs. They have gone up 10.8 percent, but the number of staff years have not. The average salary has gone from 36.9 to 40.9, which is a rather major change. Now the Minister did say that he did not have a full staff component, but obviously the salaries were put aside for that staff component because he indicates that he had 8 SYs. So can the Minister give me an explanation for that major change in salary structure?

Mr. Penner: Madam Chair, as I indicated in my first response to the Honourable Member for Swan River (Ms. Wowchuk), I did not have a full staff component all of last year and also my previous year. I thought that I could provide services in a very lean manner. We were able to provide I think in large part the services out of my office with only one assistant.

We, however, this year decided to increase our staff and therefore budget it. I do not know whether we will expend that total amount, but the budget indicates that we have budgeted for increased staffing in that area, although the staff component was identified but not filled last year. Therefore it could show and does in fact show an almost \$30,000 amount that was not expended last year that would have been expended had I had two assistants as the budget allows for.

Mrs. Carstairs: This was the Adjusted Vote. This was voted whether in fact you used it or not. Are you now suggesting that in fact of the \$295,700 budgeted, some \$265,000 only was spent? That would indicate that you have seen a 20 percent increase in salaries.

Mr. Penner: The only other component that would have an impact there would be the pay equity adjustments that were made in our department, but that is the only other -(interjection)-

My staff just reminded me that we had an increase in my Deputy Minister's salary. I believe it was part way through the year that there was an Adjusted Vote or an adjusted salary increase to my Deputy Minister. I want to say to you, Madam Chair, and to the Honourable Leader of the Liberal Party, that I believe that he is worth every cent of it.

Mrs. Carstairs: I want the Minister to know that I think he is very much entitled to an EA and an SA and that I am not objecting to his full staff component, but when figures start coming up at 10.8 percent, they kind of put off time bombs in the

Leader of the Third Party Opposition. Wait until we get to the next one where in fact it is 21.

Madam Chairman: Item 1.(b) Executive Support: 1.(b)(1) Salaries, \$327,500—(pass); 1.(b)(2) Other Expenditures, \$81,900—(pass).

Item 1.(c) Brandon Office: 1.(c)(1) Salaries, \$87,900.00.

Ms. Wowchuk: Can the Minister tell us, on the first line, management area, why there has been such a tremendous increase in salary?

* (1510)

Mr. Penner: I am not sure whether that is the line that the Honourable Leader of the Liberal Opposition was referring to, but I rather suspect that it was. There is I think a good explanation for it. We had previously employed two people in that office, as we are today. However, there was a managerial staff position brought into that office during the year, and therefore there is an increase in the salary. The salary in that position is very similar to managerial positions in our department.

Ms. Wowchuk: Madam Chair, I wonder if the Minister could give us just an overview of what that manager would do in an office with two people in it.

Mr. Penner: The person who manages the Cabinet office in Brandon attends a large number of meetings for myself, my colleagues, and the Premier (Mr. Filmon) on our behalf and reports back to us on a whole varied range of issues that pertain to the western region.

He will attend community development meetings. He will attend meetings with industry. He will meet with various people in the community and outside of the community in that whole western region and spends a tremendous number of hours on our behalf dealing with and listening to concerns of people in the western part of the province. Therefore the position that he holds is a very important one, and the expertise that he must possess is a very wide-ranging one.

I believe the person that we have in that position is certainly of the calibre, and his background has certainly provided him with the means and the wherewithal to be able to deal with people very effectively. I think he has done a very honourable job in ensuring that the issues and the concerns of the western regions are brought to our attention, and that we are able to deal with them in a much more effective manner, instead of having to commute out

of our Winnipeg offices to deal with all those concerns. I believe that in fact, having established the offices there has led to an economical benefit to our Government in saving us many, many trips to meet with people out there.

Ms. Wowchuk: I would like to ask the Minister whether he may not think that this is a duplication of services, seeing that there are two offices there. There are two MLAs in the area. They both provide services. Also I believe he has staff here in Winnipeg to deal with assistance. To me this looks very much like a duplication of service and I would like the Minister's comments on that.

Mr. Penner: I find, first of all, the comment of duplication of services rather interesting. I believe it was her former colleagues in Government who established the Norman regional Cabinet office in Thompson to in fact be able to provide those same services in a more efficient manner to the northern region.

It is our view that the people of western Manitoba and southwestern Manitoba should in fact be subjected to the same kinds of services, because there are many times when groups that use the Cabinet office want some fairly direct and immediate response.

I will give you an example of the kind of organizations that our Cabinet office staff meet with. They are: Westman Recycling Council, the Rural Development Institute, the Prairie Forum on Rural Education, Downtown Business Improvement Area, the Brandon General Hospital and their board, the Westman Multicultural Council, the Brandon Economic Development Board, the Brandon University Entrepreneurs Club, the Brandon Crime Stoppers, Assiniboine Community College, the Westman Genealogical Society, Commonwealth Air Training Plan Museum, the Manitoba Pharmaceutical Association, and I could go on and on, and beyond that virtually the whole range of agricultural organizations that are out there to ensure that they are promptly provided with the services that they require.

Ms. Wowchuk: Madam Chair, thank you for that outline of what goes on in that office. I would like to again get back to the person who is filling that position. Was that person hired through Government Services or was it by Order-in-Council that person got the job, and who is filling the job?

Mr. Penner: Madam Chair, the position was hired and established by Order-in-Council; the second part of the question was, who is filling the job? The position is being filled today by somebody who I think is better known to the western part of the province than any other person whom I know of. His service in the communications business as an announcer and communicator is certainly well, well known in western Manitoba and indeed all of Manitoba. Ron Arnst has served through various positions, but mainly in the broadcast industry over the past year. He is the person who is managing that office and doing an admirable job.

I want to further indicate to the Honourable Member that the Westman Cabinet office is not a new phenomenon to Brandon. I believe the Honourable Leonard Evans, when he was a Cabinet Member, also maintained a Cabinet office in Brandon at the same time, although operating out of a different facility than we do.

The facility that we maintain in Brandon is I think a very adequate one to invite groups of people, councils or other organizations to meet in that office directly. We can again have a fairly close tie to our offices out of that office, if and when we need them.

We do have a small boardroom in the back of the office, which is used by many organizations such as the Water Services Board and others in the Brandon area from time to time as a meeting place and, therefore, again serves as another area that Government can be brought closer to the people. I would say that in all likelihood had we not established a Cabinet office in Brandon, we would have in fact, as I said before, incurred significantly higher costs and probably even provided a lesser service for a significantly higher cost.

I have talked to the Mayor and the council in Brandon, how they view the establishment of the office there, and they, of course, have been trying to encourage us to maintain the office there. Similarly, many of the rural councils have commented very favourably on the office, the services out of that office to them and our manager's attendance at the various council meetings from time to time, to take back the information that is being discussed there.

Ms. Wowchuk: I realize that there was an office in Brandon before. I just wanted to ask one more question. To the person who is filling that position, you said that he did not go through the Civil Service

Commission. I am wondering, Madam Chair, is this person now a civil servant?

Mr. Penner: No, Madam Chair, this person is not a civil servant.

Ms. Wowchuk: I would like to ask the Minister, how would you compare this office to the office in Thompson? The services that are provided out of the Brandon office versus the services out of the Thompson office? Do you think that the services are of equal quality, and what kind of staffing is there in the Thompson office?

* (1520)

Mr. Penner: I would hope that the quality of service would be very equal, whether it comes out of the Thompson office, or whether it comes out of the Brandon office. I believe that we have very qualified people in both those offices. I simply want to say that the staff that we have operating out of there, is very competent staff. Comments that we have heard out of both the northern region and the western region would indicate to me very clearly that services being provided out of those offices, in fact, are the services that are needed. Therefore, I do not think that one would want to make a comparison of any great degree. If one did, one would find that the quality of the service is rather equal.

Ms. Wowchuk: My question also is on the staff composition. What is the staff composition in the Brandon office, and how do the salaries compare to the staff in this office?

Mr. Penner: I think the question, if I understood it correctly, was how does the staff component in the northern office compare with the Westman office. I believe that the staff component is similar, although the Cabinet office in the Thompson area is run and funded through the Minister of Northern Affairs (Mr. Downey), and this one is funded through ours. I can get you the exact information as to how many people are staffed over there, and how many people are staffed in this office. You can see through our Estimates, how many are staffed in Brandon.

Ms. Wowchuk: If we could also have the information as to whether the Thompson office is located in the Government building, or is it outside the Government building? If you are inside the Government building, I would suspect you are saving a lot of costs in operating the office versus renting outside the Government building.

Mr. Penner: The response to the first question is, yes, it is in Thompson in the Government office because there was room to house this office in the Government building. There is not any room to house a similar office in the Government building in Brandon; therefore, we had to go outside of the Government building in Brandon to find room. Similarly, in our decentralization process, we are looking in various communities for room. They will be outside of Government buildings because, as you know, under the previous administration there was not a great deal of effort made to increase the staffing component in many of these communities. When you do fairly quickly move some 700 positions outside into the many regions, you require additional space; therefore, we are looking high and low for space in many of these communities.

Ms. Wowchuk: Madam Chair, the Minister has indicated that this is just a tremendous service being provided out of this Brandon office and, as well, the Thompson office. I would ask the Minister if he would consider providing these services to the central part of the province as well. Has he given that any consideration, to setting up Cabinet offices?

Mr. Penner: There are, I think, similar services required in many areas of the province, and I suppose we could set up a whole series of Cabinet offices, if you will, in the province. However, I think it is noteworthy that we in the Department of Rural Development are in the process of establishing regional service offices that will, in the longer term, provide those kinds of informational services and bring services much closer to the communities. We intend to spread them around the province in such a manner that they will in fact be able to provide a service, an information service network, throughout the province without needing them to be directly related to the Cabinet. But certainly if one could afford, as a Government, and if one would want to spend considerable amounts of money, we could certainly provide additional offices, and they would be welcome, I believe virtually in any community that we would want to establish a Cabinet office.

However, I think it is fair to say that the south central region, or even the central region of the province, has access to Cabinet offices within an hour, hour and a half, of where they are, at least a large part of the population. That is not the case for the western region; that, of course, is not the case for the northern region. The area that I represent, for

instance, is within an hour and a half of a Cabinet office. Similarly, I believe we can go north into the Interlake and, within an hour, hour and a half, we can be in touch with a Cabinet office.

It is an entirely different matter for the southwest part of the province, in the Waskada-Melita area, where they would have to travel some significant distances. I should, in jest, say to the Honourable Member for Interlake (Mr. Clif Evans) that we might in fact consider putting his office in the Interlake.

Ms. Wowchuk: The Minister mentioned areas being an hour, an hour and a half away from—having access within an hour and a half of any offices. There is a section of the province that is a lot farther away and tends to be neglected quite often for services. That in particular is a spot close to my heart, being the Swan River valley going up to The Pas, and the Dauphin area. Those areas are a lot farther away, and if there are expansions of service—I know the budget is limited—but those are the areas in particular that do need a lot of services.

Mr. Penner: I, Madam Chair, think that the point made by the Honourable Member for Swan River (Ms. Wowchuk) is a valid one, but I want to say to her that I believe, for instance, if you want to include Swan River in the Dauphin area as you indicate that you might be willing to, that the Dauphin area has a significant number of Government people and positions working out of the Dauphin area. I think it is fairly adequately served by Government, the various Government departments.

However, that does not say that the Cabinet is as close to those people as we would probably like to see them, but as I said before, if one wanted to let one's imagination run, and if one wanted to, in all areas of the province, bring the services as close to the people as I would like to, the costs incurred would be significant.

I think we must all take care and ensure that the larger areas of the province are adequately served. By the larger communities, I suggest that the Dauphin region and that whole central part of the province is probably as well served as any other part of the province is currently being served. That does not preclude that at some point in time one might not want to establish, in that area, a closer link to our Cabinet than we have at this time.

* (1530)

Ms. Wowchuk: Madam Chair, I guess that probably brings you back to the first point that I had asked the Minister. He has just said that Dauphin is adequately served by Government people. One of my first questions to him was: Is the Brandon area not adequately serviced? Is this not a duplication of service? I am just not quite sure whether these people could not be getting the same services from the Government offices, or what is the point of having these highly paid people in Dauphin if the Minister says they can be adequately serviced from Government Services?

Mr. Penner: Well, Madam Chair, I think the Honourable Member for Swan River missed my last point that I made. I said that it was not beyond the realm of our thinking that we might not, at some point in time, want to establish closer ties to Cabinet in the Dauphin-Swan River area. I am not sure when the circumstances will allow us to do that.

Mrs. Carstairs: Madam Chairperson, I have some questions about the Brandon office as well. Philosophically, I do not have a question as to whether or not there should be a Cabinet office. I think that is a very good sign. I think it reaches out into the community, and it is a valid concept to have.

The Minister is aware that the individual serving in that particular position is a defeated Conservative candidate. There is, therefore, a political label attached to this individual. We have Civil Service protection. In the case, for example, of Vic Toews in Justice, who is in constitutional affairs. As he goes back into constitutional affairs, it makes perfectly good sense. He is being asked for judgments based on his knowledge of the law and, more particularly, the constitution.

What we have here is a service-oriented individual who is supposed to access services for people. There are going to be certain numbers of people who feel somewhat uncomfortable with that, those who perhaps chose to vote New Democratic Party, those who chose to vote Liberal in that particular constituency. Was there any consideration given to a kind of sanitization of this individual? Let me give you a very clear example. CBC has a policy, a very clear policy. Yes, their employees can go and run in an election, but once they do, they are off air. They are off air for a year, and they are found another job, within the Government structure, during that year period.

That is considered their period of sanitization, if you will, so that they can lose their political label. Then they can come back on air to serve that particular position.

I wonder if any consideration was given to this, or has the Government no concern with an obviously political person representing the Cabinet in this position?

Mr. Penner: I am actually just a wee bit surprised at the comments made by the Honourable Leader of the Liberal Party (Mrs. Carstairs), because I believe she has been in the political system long enough that she knows a Cabinet office, for instance, could be a fairly political office. I do believe that they report directly to Cabinet and, therefore, need not necessarily be seen as, should be seen as—how did you put that, being washed whiter than snow of political ties?

An Honourable Member: Sanitized.

Mr. Penner: Sanitized, I believe, was the exact word that she used. I want to indicate to the Honourable Member that Mr. Arnst was in fact an employee in that office prior to the election and, therefore, has a significant amount of knowledge about the political system as well as the integral workings of Government. Therefore, I think he is well accepted in the Brandon community, because he has not elected to, even after the election, flaunt his political ties. He has elected to work very closely with all groups and all individuals in the community. I think the city of Brandon recognizes that and appreciates that.

From that point of view, I think, be it somewhat of a political one, Mr. Arnst has done a very admirable job and is still doing a very admirable job. We look forward to his services in the future.

Mrs. Carstairs: Just for purposes of clarification, we are assuming that the individual who is going to head the Brandon office is primarily a political adjunct of Government and not primarily a service-oriented person.

Mr. Penner: Madam Chair, I think that is an assumption that only the Leader of the Liberal Party would want to make. I believe that because of the services that the office of the Cabinet provides, it is both a service position and a political one, so it is a mix of both. I think that is well accepted and known throughout the province and expected.

I think Mr. Arnst has the experience on both sides of the spectrum to recognize his responsibilities in that office and puts out the services. His personality, of course, is such that he is so well accepted in the community; therefore, I believe he will be there for a long, long time.

Mrs. Carstairs: I would suggest because the Minister has no difficulty in defining it as a political office that he will last just as long as the Government lasts.

In another comment with respect to the question, it was raised, quite frankly, I thought in a strange context in Question Period, but it was raised and has to be adequately answered and that is: Will there be a continuation of his broadcasting function while he continues to serve in this particular job, or has he severed ties with that type of communication activity?

Mr. Penner: The question, Madam Chair, was certainly asked during Question Period. It had been my intention to bring back the information to the House that Mr. Arnst is not employed at the present time by any broadcasting station, nor has he been since he took office.

The service that he does provide in providing colour commentary during hockey broadcasts is a voluntary service to the hockey club, whether it be junior hockey, or high school hockey, or even senior hockey, he has -(interjection)- No, he does not. He is not being paid, Madam Chair, for the services that he provides to the community clubs. He spends many, many evenings with the junior hockey clubs, working for junior sports and for junior sports activity in Brandon, and he has always done that. Even though he was at one time employed by a radio station, the additional time that he spent, whether it was during hockey broadcasts or others, was done so on a voluntary basis. I just want to make that very clear.

Madam Chairman: Item 2.(c) Brandon Office: (1) Salaries \$87,900—pass; (2) Other Expenditures \$30,000.00.

Ms. Wowchuk: I would like to ask about the transportation costs. How could there be such an increase in transportation costs when the service is being provided out there? What are we spending this money on, on transportation?

Mr. Penner: Again, as I said before, the previous year we did not have the services of Mr. Arnst in that

office and therefore there was very little travel involved. As I indicated before, there are many times when Mr. Arnst is asked to attend meetings in Melita, Waskada, within Virden, Roblin, Russell, into those areas, and Minnedosa, Neepawa. I mean, those communities are some fair distance from Brandon. Therefore, the increase in travel is expected, and it shows in our Estimates for this year.

Madam Chairman: Item 1.(c)(2) Other Expenditures \$30,000—(pass).

1.(d) Human Resource Management (1) Salaries.
* (1540)

Mrs. Carstairs: Yes, because decentralization is such an issue in terms of Government policy and, despite the fact that it is not part of this Minister's responsibility, can the Minister tell us in this particular section, of the 346 employees of Rural Development, how many of them are located outside of the City of Winnipeg?

Mr. Penner: About two out of every three employees in our department are outside of Winnipeg. I am not sure whether we have the exact number with us that I can provide you, but if you want the exact number, I can get the exact number for you. It is approximately two out of every three.

Mrs. Carstairs: Can the Minister tell us if there are additional individuals who will be transferred into locations outside as part of the decentralization initiative? Can he indicate who they are, not who they are by name, but what they are by position and where they will be going?

Mr. Penner: I could give you, Madam Chair, probably the names and also the positions that they will hold and where they will be stationed. There will be some 20 additional positions, that we will move out of the Central Region into rural communities via the decentralization process. As I have said before, in our department that will be an ongoing process, but hopefully, these positions that I identified, the 20, will be moved before the end of year 1991.

We will keep on looking for opportunities to move even other positions into rural communities as they are needed and as we can free them up within the system. One position will be moved to Altona; that will be a development officer. There will be one development officer moved to Beausejour. There will be one, two, three, four positions moved to Brandon. They will be conservation and planning and, I believe, financial services to Brandon.

There will be a position moved into the Deloraine area. I believe we are going to be moving six positions into the Deloraine area. They will range from conservation to development officer and clerical. There will be positions moved into Morden, Portage la Prairie, Selkirk and communities as we free up staff or positions. Some of these positions that are being moved are actually vacant positions. They will be advertised in the communities that they are moved to so we will give local people an opportunity to apply for these positions.

Mrs. Carstairs: Madam Chairperson, that is exactly the way to do it if at all possible, to hire local personnel.

Of the 20 positions that have been identified, however, does the Minister have a commitment from any of those present civil servants that they are prepared to move outside, and how many?

Mr. Penner: Madam Chair, I believe out of all of the positions, out of the 11 that are currently moved, there are 10, or I should say there are 10 who are currently staff people and one vacancy. So far, all of the people whose positions needed to be moved have been moved, and we have very—in our branch or in our department—few people who have indicated to us that they will not, or do not, wish to move. To those who do not wish to move, we are trying to accommodate, within the system, a change and there are others whose positions have not been identified who have indicated they wish a move.

If it is done reasonably and people are given time to dispose of their properties and move their family—and I think we all need to recognize that we are all human beings and that it is at times disrupting, but it is by many seen as a significant opportunity to move ahead in their lives. We want this to be seen. We are giving everybody in the department an opportunity to indicate whether they have a wish to relocate from where they currently are, and we are trying to accommodate them.

Madam Chairman: Item 1.(d) Human Resource Management: (1) Salaries \$148,100—(pass); 1.(d)(2) Other Expenditures \$11,400—(pass).

Item 1.(e) Financial and Administrative Services: (1) Salaries \$243,000.00.

Mrs. Carstairs: There are two areas that I would like to address and they are actually listed in Objectives of the department.

Can the Minister identify for me the several thousand payment vouchers which will be accurately prepared and processed? What kind of payment vouchers are we referring to here?

Mr. Penner: Madam Chair, staff advises me that virtually all of the expenditures within our department are done by payment vouchers. The large number of payment vouchers that you see are just a normal practice of doing business in our department.

Mrs. Carstairs: What kinds of things would be included?

Mr. Penner: I suppose, when you ask what kind of services, they include virtually everything from buying pens in a store, paper, whatever is required in the various offices is done by payment vouchers.

I think that is a very normal way of doing business even in the business community. At least the business that I used to be involved with it was all done by, for the lack of a better term, vouchers. We used to call it very often a contract or whatever, but it is a very similar process.

Mrs. Carstairs: The Minister might be interested in knowing it is the only department in Government I could find this particular listing, and that is why my curiosity for why I asked this specific question as to what is this. Is this some new thing only known to Rural Development that nobody else does?

The other question that I would like to ask—and it is basically in light of what I asked in the previous questions with regard to decentralization, that I saw a nasty word on page 33 in reference to the centralization of departmental publications. What are we centralizing here, for what purpose and why have we not decentralized it?

Mr. Penner: That is a good question. When I first saw the word, Madam Chair, I said the same thing to myself. Here we are decentralizing and here I see the word centralization.

What in fact is happening in our department, we brought into our department the rural regional development corporations, the conservation districts and Water Services Board, and many of these—all of these I should say, various branches of various other governments had information material that flowed.

We have an information publication that we put out monthly that is called the Rural Developer, which I believe is an excellent way to communicate to the

municipalities and communities out in rural Manitoba what our department is in fact doing on a continuing basis.

Instead of having all these branches put out their separate little pieces we centralize it into a magazine type publication, which contains it all, and we can mail it all out in one package and it all comes out at one time and has received some excellent reviews from municipal organizations.

* (1550)

Mrs. Carstairs: Madam Chairperson, but with desktop publishing that could be done in Portage; it could be even done in Winkler. It does not mean that the information has to all come into the City of Winnipeg in order to enter a desk publishing system. It could in fact be centralized, if you will, in a location other than the City of Winnipeg. Would the Minister consider this as an activity that could perhaps be decentralized as a centralizing function?

Mr. Penner: Madam Chair, of course those are considerations. I think we have some excellent publishing firms in our rural communities, and it is certainly a service that could be provided to them. However, I say to you the reason the word centralization is contained in this document is largely because the information from the various branches has to be gathered into some form that we can put it out to the publishers and printers.

I say to you that in fact the consideration to gather this information either in Brandon, Portage or maybe even Altona, is not a bad idea. That is a consideration that we will certainly entertain in our department in the future.

Ms. Wowchuck: Yes, just a little further down the page. First of all I want to say that I think that is an excellent idea, if we could decentralize that work and let the jobs be out in another area or give them to business somewhere else.

I want to ask the Minister, Madam Chair, Professional Services, what kind of professional services would this department use?

Mr. Penner: There are a number of ways that we solicit, Madam Chair, the services of consultants in one form or another. When we did the review of the water services, or water needs, in the Westlake area for instance we hired a consultant to do the study for us because we had indicated to the communities that we would want an outsider to take a look at the availability of water, the needs of the communities,

and that Government should not be involved in that. We also use services of organizations such as Westarc to do studies for us. We asked the Rural Development Institute at Brandon to do some work for us. We hired them on a consulting basis to provide those kinds of services to us, to provide material and information on rural communities and regions on various matters.

Ms. Wowchuk: Madam Chair, the other question I would like to ask in this department is the Promotions and Hospitalities. I understand that goes toward the cost of the two municipal conventions, and I wonder if any consideration has been given to combining the two conventions. This is a suggestion that some people in the rural area have made, and I know that would probably be an awfully big convention, but has that ever been considered?

Mr. Penner: I think the item in our Estimates that you see is the cost of providing a dinner, an evening, to the two organizations. It is not the total cost of the convention by any means, of either one of the organizations that is identified, because we carry virtually none of the cost except for providing staff at their convention, or having staff available at the convention and also sponsoring the dinner at each of the conventions. Beyond that those costs are borne by the organizations. As you say, it would be a very large convention if the two of them did join forces in a banquet or even in an annual meeting. However, I want to say to you that there has been at various times discussion within those two organizations as to whether they wanted to or did not want to join forces. I think it was again discussed just a few weeks ago at the UMM convention whether they in fact wanted to join with the MAUM organization. It was decided at that time, or it was voted down to join forces.

Similarly, I think there was a resolution last year or the discussion centered at the MAUM organization whether they wanted to join forces. They also did not want to because as was indicated here before, they do serve a very separate function, and they do serve different communities. Therefore I think it might at some time happen that they want to join forces, but I think the evolutionary process needs to take place, and the discussions need to go on as to where they can, in fact, combine their efforts.

I think from the discussions and meetings we have had with the two organizations, they are very, very responsible in their approach to providing advice and at many times information to our office. I really appreciate both those organizations and the work they do on behalf of the various communities in the province.

Madam Chairman: Item 1.(e) Financial and Administrative Services: (1) Salaries \$243,000.00.

Ms. Wowchuk: I just had a question I wanted to ask on grant payments. There is the grant to the intergovernmental committee of urban and regional research. What services, what do they use that grant for, or what services are provided?

Mr. Penner: This is Manitoba's cost of the participation in intergovernmental committee that provides research services to all the 10 provinces, and library informational services to the provinces and also the Northwest Territories, I understand, and the federal Government. I suppose every province is a member of this organization, and these are our dues to that organization that look after the provision of services to various levels of Government out of this organization.

Madam Chairman: Item 1.(e) Financial and Administrative Services: (1) Salaries \$243,000—(pass); 1.(e)(2) Other Expenditures: \$189,500—(pass).

Item 1.(f) Rural Development Institute - Grant \$100,000.00.

Ms. Wowchuk: As we face very difficult times in the rural community, and we know there is a need to diversify, I would like the Minister to tell me what is the Rural Development Institute doing? Are they coming forward with suggestions on how we can diversify? Could you tell me about the institute, who is in charge of it and what services are being provided at this time?

* (1600)

Mr. Penner: The RDI and the funding to the RDI is something that was established two years ago. We are, of course, providing a \$100,000 grant to the RDI which we receive, I believe, some \$25,000 in services for this year.

The RDI was started primarily to conduct studies into the needs and concerns and problems of rural communities, to co-operate with rural society and to study vital areas such as health, education, the needs in the various communities, cultural matters,

natural resource management, and to be the communications link through which rural residents and their leaders may share undertakings and achievements with a common view toward improving the quality of life in rural Manitoba. That is the basic reason for the existence of the institute.

I happen to think that some of the initial work that they have done in areas are going to be of significant benefit to a department such as ours, in trying to identify the needs on a broader range in rural Manitoba and also too specifically in some of the communities.

We have asked them to do some research projects of a specific nature and that is in areas of land use and the impact of private recreational development, rural issue study, background information for strategic rural planning in Manitoba, our rural libraries and the needs for libraries in rural Manitoba.

We have asked them to do a small communities development strategy study and also the impact of using public television as a tool for community analysis and participation, because I believe we are entering into a brand new era in communications. Television and other communications technology have a tremendous impact in areas such as education, and maybe even in health and communications in general, with providing better communications linkages, especially in remote communities that do not have access to the various cultural areas as you and I do in this part of the province.

Ms. Wowchuk: Madam Chair, can the Minister tell me who is in charge of this institute? Is there a board in place? If so, how often do they meet? Do they report back to the Minister? Where does the material go?

Mr. Penner: The institute itself is an academic arm of the University of Brandon and does have an internal advisory committee. It is composed of members of the Faculty of Administration and also assists in defining research policies and maintains the quality of publications, plays a major role in making the academic community aware of ideas brought forward by the External Advisory Committee.

There is also an External Advisory Committee and our Deputy Minister is a member of that committee: Brandon University Board of Governors; the Keystone Agricultural Producers; MAUM

organization; Manitoba Chamber of Commerce; Manitoba Newspapers Association; Manitoba Agriculture; Manitoba Natural Resources; the Farm Women's Network; Manitoba Pool Elevators; Manitoba Rural Development—as I said before, our department; Manitoba Women's Institute; UMM; the National Farmers Union, and the Canadian Farm Writers' association are members of that External Advisory Committee and they look after the needs and give direction to the institute.

Ms. Wowchuk: I think I maybe misunderstood the function of this committee. I thought that the committee might put forward research, for example. I will give you a hypothetical situation; I want to know if they might deal with something like this. If someone came forward with a particular idea that they thought might work in the rural area to create jobs or diversification, would the people in that institute look at those ideas, or at a particular area that needed diversification; for example, I mentioned the other day the Lake Winnipegosis area where the fishing industry is going out, but we have to have some sort of diversification in that area. Is this a place where people could go with ideas to have them looked at, whether the area could be developed? Could guidance be provided from this committee?

Mr. Penner: Well, Madam Chair, the answer is yes, individuals or organizations could go to the RDI and ask whether they had the expertise on staff to do the kind of research that would be required to accomplish what you are suggesting needs to be accomplished. I think that is one of the key areas, that one must recognize that they are not an expert in everything and that they will direct themselves, or have at least up until now directed themselves, into the areas of expertise that they have and have done some pretty good work in those areas.

Ms. Wowchuk: Is the Minister saying then, that this has been happening and are there any examples of the work they have done, something specific where they might have helped a particular area diversify or do any work like that?

Mr. Penner: Well, Madam Chair, I do not want to be misunderstood. It is not the role of the RDI to walk into a given area and say, we can help you either finance or put in place mechanisms that will diversify or change. They will do studies and give advice, but they will not get involved in the actual mechanics of making something happen. They will try and do the

research for you to provide you with the expertise that you would need to do the mechanical things that make the changes.

Madam Chairman: Item 1.(f) Rural Development Institute - Grant \$100,000—(pass).

Item 2. Municipal Board \$391,500 (a) Salaries \$326,500.00.

Mrs. Carstairs: I just have a couple of questions. Does the Municipal Board put out an annual report? For some reason or other I do not have that annual report and I do not know why. I certainly have all the others, but I did not have—thank you.

I am assuming from this particular indication that there are three of the individuals on this board who are female and the remaining are male members of the board. Am I correct on that?

Mr. Penner: Yes, Madam Chair, that is correct. There is Cathy, Shelley, Joyce, Christine and Jacqueline. There are five out of the 13. This is an area that I think you raised before, an area that is maybe only significant in many of the rural communities. There are, I believe, a tremendous number of women in rural Manitoba who have the expertise, the knowledge and the ability to serve on boards such as these, but many of our female partners in rural Manitoba are taking on very often a managerial role and very often holding down a job to help support a farm operation.

Many of these women, when we approach them to take on positions like this, are saying, no, we cannot because we are either working at a part-time job—and many of them on a full-time job—to help support their families on the farm. I suppose that is one of the sadder parts of rural life today is the economic situation, caused by the battle that is going on between nations for market share. Would it not be necessary for many of these people to hold down a second job, I think we would have probably a much greater degree of participation in many of our Government agencies and boards. I would certainly want to encourage that because I think it adds to the decision-making in many of these areas.

* (1610)

I want to be very clear on that. I am a great supporter of having a proper and balanced mix in these boards and in making sure that we have an adequate balance between the male and female on these boards.

Mrs. Carstairs: Can the Minister tell me if any of these individuals are full-time members, or are they all paid honorariums as appropriate to the number of days sat?

Mr. Penner: Madam Chair, these members of the Municipal Board are all paid an honorarium except for the chairman. The chairman is a full-time employee of the Municipal Board.

Madam Chairman: 2. Municipal Board (a) Salaries \$326,500—(pass); 2.(b) Other Expenditures \$65,000—(pass).

Resolution 127: RESOLVED that there be granted to Her Majesty a sum not exceeding \$391,500 for Rural Development, Municipal Board for the fiscal year ending the 31st day of March, 1991—pass.

Item 3. Municipal Advisory and Financial Services, \$37,753,200, (a) Salaries \$1,165,000.00.

Mrs. Carstairs: Madam Chair, this will just take a moment. We are on page 39 I understand of the Supplementary Estimates Book, and we would be on appropriation No. 3. I think there is some confusion in the—

Madam Chairman: We are moving clause by clause on page 156.

Mrs. Carstairs: Right, which corresponds to page 39 of the—

Madam Chairman: —of the Supplement?

Mrs. Carstairs: —of the Supplement.

Madam Chairman: Yes.

Mrs. Carstairs: All right. Do you have some questions, Rosemary?

Ms. Wowchuk: No, I am sorry. Sharon, go ahead.

Mrs. Carstairs: Madam Chair, can the Minister tell me—the Centennial Grants that are listed in this particular indication, is that one grant or is it a series of grants that go to a group of individuals? I could not find the explanation that I wanted there.

Mr. Penner: Madam Chair, I want to introduce to you Roger Dennis, our Director of Municipal Advisory and Financial Services, who just joined us. Now we have a proper mix and a proper balance. I say that with tongue in cheek.

Yes, Madam Chair, the question as to whether the Centennial Grants are lump sum grants or whether they are various grants to various areas—as I

indicated in my opening remarks, we have four municipal bodies that have reached the ripe old age of 100 years this year in the province. There is a \$2 per capita grant paid by the province to those organizations when they reach the centennial. The province provides monies for the use by those municipalities to celebrate their 100th.

Mrs. Carstairs: Can the Minister indicate which ones in 1991 will be celebrating? I know I was at several of them in 1990. Does the department know which ones will be coming up in the new year?

(Mr. Ben Sveinson, Acting Chairman, in the Chair)

Mr. Penner: Thank you, Madam Chair—and I recognize Mr. Acting Chairman for joining us.

We have no way of knowing before hand, before a municipal organization makes application for these grants which municipalities will, in fact, reach the 100th year in any given calendar year. We will have to wait until the various municipalities in the province do make application for these grants, and that will give us some indication by the end of the year how many there in fact were.

It is rather difficult to budget an exact amount in this area, so we budget an approximate amount. Hopefully we will not have to overexpend in that area.

Mrs. Carstairs: Mr. Acting Chairperson, I am surprised the Minister was not at the Roland Centennial last summer. If he was, I missed him. I would have thought this would have been part of his ministerial responsibilities, having passed out these grants to then have appeared on site for the celebration. That is a bit of a tease; the Minister does not have to answer that particular question.

In that there are a number of grants being given out in lieu of taxes, the Urban Transit Grants, the Police service Grants, does the department have a list they are prepared to give the critics in these listing of grants as to which communities got monies under these variety of grants?

Mr. Penner: Yes, Mr. Acting Chairman, we can certainly provide a list of grants to the various communities, and the amounts as well if that is what your wish is. If you do not mind, one of our staff people will go out and make copies and distribute them to you. She will be back in a few minutes.

Mrs. Carstairs: The other issue that I would like to get into would be the whole issue of Police Service Grants. I am sure that is one that the critic for Swan

River would like to get into, so I am going to defer to her first and then I will ask questions afterwards.

Ms. Wowchuk: I would just like to step back a little bit on the items. I lost my place on the page for a while there. I would like to go back to notation 1 where there has been a reduction of staff. I want to know, has that been a change. Has an LGD changed its status or how has there been a changing in staff?

* (1620)

Mr. Penner: Yes, Mr. Acting Chairman, the status of one of our staff people has changed from a Civil Service to a non-Civil Service status. I believe, if I remember correctly, there were negotiations a number of years ago by the LGDs that had requested that they gradually be moved out of Civil Service status. We have been trying to accommodate that as people within the Civil Service retire there are non-Civil Service people brought into this area and -(inaudible)- I believe it was Alexander, that in fact reached that stage this year. The person that they hired is a non-civil servant and going to be a non-civil servant from now on. So there is one reduction of one staff person there.

Ms. Wowchuk: Mr. Acting Chairperson, I might ask the Minister, I am not quite clear on this. It is not that the LGD has reached municipal status, has it? It is just—

Mr. Penner: No, it has not. The LGD remains as an LGD. It is only that they will now have on local payroll the administrator or the person that serves in the administrative status. Nothing else really changes as far as the running of the LGD or the administration of the LGD. The LGD remains under the same status as other LGDs do. It is just the administrative status changes from a Government employee position to a non-Government employee position.

Ms. Wowchuk: That is just a paper figure. That person is still in position. I would like to at this point raise a concern that has been brought to me from people within the LGDs. I do not know how it can be addressed, but I feel I must raise it, and that is the fact that an LGD must have their administrator paid at a civil servant's level and the municipalities, which might be right next door, are not paid at Civil Service level. I do not know how this could be addressed, but I would like the Minister to comment on that.

Mr. Penner: Mr. Acting Chairman, that is certainly a very valid question. It is a question that has been

haunting me and my staff for some time. We are looking at ways and means of addressing that situation; however, under the current agreement, the Civil Service—let me start from the beginning.

I believe when the Civil Service agreement was first of all put in place, those people who were administrators to the LGD were in fact civil servants and became part of the Civil Service employees' agreement. We have gradually been trying, as those people retired, to move those people out of the Civil Service status and allow the LGDs to hire these people and, of course, hire them at the salary range that they would choose to. However, part of the agreement was, I believe, the setting of the salary scales and that there be a recognition that they, these people, these administrators, report directly to the Minister and therefore probably have a greater degree of responsibility and become in fact managers, where secretary treasurers of municipalities report to the local municipal council and are responsible to the local council. Therefore there is some recognition there.

However, it would be our wish to move at some point in time to a situation similar to how municipalities deal with their secretary treasurers and allow full jurisdiction to be accrued to the LGD councils and let them become answerable to the LGD councils as well in salary as well as the administration. I am not sure whether that is entirely possible under the current arrangement with the LGDs, but we are certainly looking at avenues of accomplishing that at some point in time.

Ms. Wowchuk: The other point under Other Expenditures that I would like to question the Minister on is the grant to the Churchill Economic Development Committee. I would like the Minister to elaborate on these funds and what is being done to promote the Port of Churchill, or what kind of development is going on there?

Mr. Penner: Mr. Acting Chairman, the Churchill Economic Development Committee is a fairly recent phenomenon. I will be making an announcement on Monday in that regard.

As you know there was, up until last year, funding provided by three levels of Government, the Alberta, Saskatchewan and Manitoba Government for the Port of Churchill Development Board. That had been working toward increasing grains transportation as well as the grain movement through the Port of Churchill and increasing that

capacity. However, Alberta and Saskatchewan last year decided to stop funding to this organization. It was at that time that we decided to provide some interim funding to that body to continue its operation, at least till there was some other structure in place that would probably have a much broader-based responsibility than the former Port of Churchill Development Board.

So we have been working very diligently and very closely with the community of Churchill and also with various other communities in recognition of the needs, and with the recognition that Churchill has a tremendous potential, in our view, in many other areas other than just grain. So I would suggest to you that you might have to wait till Monday for further announcement of the activities that have taken place.

Ms. Wowchuk: Mr. Acting Chair, I look forward to the announcement. I hope they are favourable, because I have been in long support of the Port of Churchill. I think that it is extremely important if we have an inland port in Canada that we work to develop it.

I just wanted to ask also, there is a committee? Who are the representatives of this committee? Are they representatives of different organizations on the Churchill Development Committee?

Mr. Penner: As I indicated before, Mr. Acting Chairman, I think the Honourable Member for Swan River will be pleased by the announcement, but you will have to wait till Monday for me to give you some additional information on the Development Committee.

The members of the Port of Churchill Development Board, I think you are quite aware of. There are only three left at this time on that board, I understand, and I understand that there is a possibility of some seven members on that board. I am not sure what their function is going to be after the new year.

Ms. Wowchuk: I would like to go on to the next line on the Grants to Municipalities in Lieu of Taxes. There has been an increase in the amount of taxes returned to the municipalities. Can the Minister tell us, is this because of the changes with tax reform? Why is there an increase? What is happening here?

Mr. Penner: It is partially due to an increased assessment value of some of the properties owned by Government, although recognizing that many of

these properties had been valued probably at 1980 levels. Assessments this year were all brought to 1985 values, so there had been significant increases in values to some of these properties and that is, of course, reflected in the amounts of grants in lieu of taxes and the cost to Government in this area.

I should also indicate that there are some new properties that have been brought on stream, so that is all reflected in that line.

Ms. Wowchuk: Mr. Acting Chairperson, I have a particular question to do with Government-owned property. I do not know whether I should be asking that question at this point or whether I should be waiting for another line in the Estimates.

Mr. Penner: I am sorry, Mr. Acting Chairman, I did not get that question.

Ms. Wowchuk: I have a particular question that deals with a specific part of Government-owned properties. Is it okay if I ask that question at this point? The Minister has indicated yes.

The question that has been raised to my attention is leased properties, properties that are Crown owned but then have residences on them. There is a concern that the municipalities are not able to collect the taxes on those particular buildings. The Government pays the taxes that are due to the municipality but then there is no vehicle for the municipalities to collect the taxes on the buildings that are there. If that person does not pay their taxes, then the municipality cannot put them into tax sale.

I am wondering whether the Minister is prepared to address this. For example, someone might lease a piece of property, pull a trailer onto it, be provided with all the services but not pay any education tax, not pay any levy on it. When they do not pay there is no vehicle for the municipality to put it into tax sale. I wonder what the Minister's response to that is, how that can be dealt with.

* (1630)

Mr. Penner: Mr. Acting Chairman, the issue that the Honourable Member for Swan River raises is certainly a familiar one, and I have received a number of letters from various LGDs on this matter. I think it pertains largely to those areas of the province where Crown lands either border or are part of the LGD, and therefore, any properties developed or situated on these Crown lands

become part of the responsibility of the lease to Government.

There is only one way to deal with them, either when the LGD tells Government that these residences are people who reside there and have their properties on this Crown land and are not complying with the lease—in other words, paying their fair share of taxes that has been accrued to that property—then of course the only alternative is to evict these residences from that property. That is the only course of action that we have now. There is really no way of either Government or the municipality—and I should say, of the municipality or the LGD—to collect those taxes. That has been a concern to many of the LGDs and is a concern to me.

We have had some discussions with the LGD on how to address it. Although, at this time, I must say to you that I have not got a clear answer yet as to what kind of mechanism should be put in place to ensure that taxes are paid on those properties similarly than they are to private, because there is no way that the LGD can in fact put a lien on those properties. That is an area of consideration that we are taking at this time, but I have no clear answer for you as to how we in fact are going to deal with that.

Ms. Wowchuk: Well, I hope that is something that the Minister's department will address because there are several areas in the province that have a concern with this. Services are very expensive to provide but are not at this time able—when you do not have the vehicle to collect the money it makes it a little difficult.

I would like to ask a question on the Municipal Support Grants. In the objectives it states that this is to provide assistance to 13 Manitoba municipalities experiencing extreme increases in educational costs as a result of assessment reform. Can the Minister tell us which municipalities these are, the 13 of them?

Mr. Penner: Yes, Mr. Acting Chairman, although before I do that I wonder whether the Honourable Member for Swan River might have some suggestions of her own as to how we might deal with the non-compliance of tax payments in the LGDs, especially on those properties that are situated on Crown lands. If you have an airtight way of dealing with that, I would certainly like to hear about it. Then

maybe we can consider it in our next round of discussions with the LGDs and their associations.

The municipalities that were affected by assessment reform and the increase in the provincial education tax, or the ESL, beyond their means of phasing, were the village of Dunnottar, Victoria Beach, Winnipeg Beach, the LGD of Alexander, the R.M. of Gimli, the R.M. of St. Clements, the R.M. of Lac du Bonnet, the R.M. of East St. Paul, the LGD of Park, the village of Powerview, the R.M. of St. Laurent, the R.M. of Springfield, and the R.M. of West St. Paul.

Those were the LGDs, the villages and the R.M.s that were affected by the increase in Education Support Levy beyond the means of being able to phase-in tax increases to various properties.

Ms. Wowchuk: Can the Minister tell us, is that a result of not having been assessed for a long time? Why was there such a change in the assessment?

Mr. Penner: As the Honourable Member I am sure knows, having been a former councillor, many areas of the province were significantly behind in their assessments in the various areas. Then in 1980, the province chose to freeze the value in all of the province, and therefore the inequities that were created by that freeze were virtually permanently put in place until we passed the new legislation and unthawed the freeze on these properties.

These R.M.s, villages and LGDs were some of these areas that had an inordinate, disproportionate value on their assessment, and therefore the increase provides this kind of a situation. Some of them were affected to a much greater degree than others.

There were, in fact, also some R.M.s and communities in this province that benefitted because they had their values fairly current. Therefore, the province decided to assist those communities that had increases in their Education Support Levy beyond the ability to phase in single properties that had inordinate increases. The total value of the increase was above their last year's level. These are the communities.

Mrs. Carstairs: I would like to move into the area of Police Services Grants. I note the bald statement, "The grant formula is currently under review." I think the Minister is aware of the number of resolutions that have been passed at a variety of conventions of UMM as well as MAUM, with respect to the unfair

formula, or the perception of the unfair formula presently being used as a measurement of payment to the municipalities. Can the Minister tell us what form that review is taking place, who is participating in that review, and what kind of input from the municipalities is being sought in particular?

Mr. Penner: As the Honourable Member I think is well aware, there was a committee struck with representatives from both the union of municipalities and the urban association of municipalities. Better than a year ago Mr. Dennis of our department chaired that committee, and I do not know how many meetings they had, but certainly a significant number of times that they considered a cost-shared formula. The recommendations in their police report would indicate that the committee agreed to recommend that there needed to be, the first year, a five dollar per capita increase in the R.M.s that would be indicated. After that, there would be a dollar per capita increase to start to bring closer to balance the contributions by the urban municipalities as well as the rural.

It was my decision at the time when I received the report, to circulate that report, and ask all the municipalities and the urban communities what their views were on the report. Consequently, during the last annual meeting of the MAUM association, the MAUM organization decided not to adopt the report. They wanted to do their own study, and asked us to set aside, and not make a decision prior to their having given consideration to the report. They in fact came back with some counter proposals. I suggested to the UMM and the MAUM organizations that they should meet and try and come to some position that they could agree with. I understand that they did in fact meet last week, they have not agreed yet, but they have agreed to meet again on this matter. It would be my hope that the two organizations, at least, could come to terms and come forward with some recommendations that they could both live with, and that would allow us to make some decisions fairly soon, because it is an area that we want to address, and needs to be addressed. There are some substantial inequities in the police cost-sharing arrangement currently in the province.

* (1640)

Mrs. Carstairs: Has the Minister put any time line upon them reaching an agreement? I agree with the Minister, I think that the approach taken to date is

the only one that you can possibly take when you have these two going at each other, literally. Unless there is some pressure to come up with a resolution, I am afraid it is going to continue to drift on. Have you put any time limit on that, and when do you expect them to report back with, hopefully, the compromise that we all seek?

Mr. Penner: Mr. Acting Chairman, I have not put any specific time lines on it, but I have indicated to both of them that it my wish is to deal with this matter in the ensuing budget year. I would suspect that they will attempt to honour that and if they can, through negotiations and discussions, come to terms on different recommendations for cost-sharing. I would certainly appreciate that. It is a very difficult one when you have a situation, in Manitoba for instance, somewhere some of the municipalities pay less than \$2 per capita for policing costs and you have some communities that pay up to \$168 per capita for policing costs. It is a large differentiation, although there are some extenuating circumstances in the various communities that one can point a finger at. They are, however, large differences. We all recognize, and I think they do, both organizations as well as the municipalities, realize that there will have to be changes made, but how to arrive at some sort of solution where they can agree, at least in main part, to make those changes is something that I look forward to.

Mrs. Carstairs: Is it anticipated that there might be required an additional provincial contribution to the police costs in order to resolve this issue between the two parties?

Mr. Penner: Mr. Acting Chairman, the initial indication and the police report of course indicated that there should be a greater degree of provincial participation in funding for police costs. Although, I have indicated to both municipal organizations that we are also on a fairly tight budget. We are looking at ways and means of living within our means in the future. Therefore, it is not an easy matter to pick a number out of the air and say that we will, or in fact make a statement that we will have a greater degree of participation in those police costs. There are certain considerations that one might want to give if a proposal comes back that is in agreement with both of them. That is something that before I would comment beyond that I would, of course, want to discuss any new proposal with my colleagues. If we can agree on some sort of a new formula, that would be beneficial to the whole province and maybe even

provide better service in the future, because I sometimes get the feeling that our services are lacking in some of the areas because of maybe inequities that are there at this time.

The Acting Chairman (Mr. Sveinson): 3.(a) Salaries \$1,165,000—pass; (b) Other Expenditures \$225,900—pass; (c) Grant to Municipalities in Lieu of Taxes \$31,125,400—pass; 3.(d) Urban Transit Grants \$884,600—pass; 3.(e) Centennial Grants \$14,800—pass; 3.(f) Police Services Grants \$667,900—pass; 3.(g) Municipal Support Grants \$3,669,600—pass.

Resolution 128: RESOLVED that there be granted to Her Majesty a sum not exceeding \$37,753,200 for Rural Development, Municipal Advisory and Financial Services for the fiscal year ending the 31st day of March, 1991—pass.

4. Municipal Assessments \$5,793,600, item.(a) Salaries \$5,135,300.00.

Ms. Wowchuk: I would like to ask the Minister—this is the department, I take it, that did all the assessments, and all the changes that had to be made with this assessment reform, is that correct?

(Madam Chairman in the Chair)

Mr. Penner: That is correct.

Ms. Wowchuk: Was there a need to hire additional staff to do all of this assessment, or was it all actually done within a year, or in what time frame was this reassessment done?

* (1650)

Mr. Penner: The reassessment that you refer to was done within the year, and did not require the hiring of a great deal of additional staff. There was a tremendous number of computer entries made. We developed a computer system in the province that allowed us to enter all the land base data on assessment that was currently available to the province into the computer, and factor upwards via computer the assessment and bring to 1985 values, the assessment of properties in the province.

There have been, if you look on page 49, item No. 1 at the bottom of the page, hiring of administrative support salaries to the tune of \$167,000 for some term staff positions. Most of these were, in fact, university students hired under the STEP program to help with the entry of data and that sort of thing. I believe there were some 30 term people hired,

again as I say mostly university students, to help with this monumental task that this required.

I would be tempted to say that the additional staff that was put in place worked for 16 weeks to do the data entry, but that would be somewhat misleading because staff in the department had worked long hours prior to that, and even after the terms expired, to accomplish this monumental task. I think it has worked tremendously well in general when I look at the general picture.

So it is credit to the staff within the Assessment Branch and the Research Branch that they were able to accomplish this task in the amount of time that was in fact required to do the chores.

Ms. Wowchuk: One of the concerns that has been raised is perhaps that the land value that was used, 1985 market value, was too high and in fact in areas that it is valued at \$450 to \$500 an acre, in actual fact that land was sold at about \$350 to \$325, so it has been valued too high if you are looking at 1985 values. Have you had any people raise this concern to you and how can that be addressed if it is valued too high?

Mr. Penner: Madam Chair, that is a good question and that question has been raised on numerous occasions by various individuals, depending on which municipality they are in and where their land is located. However, I think it is fair to note that in general we have to recognize, first of all, that the assessments were done based on 1985 land values. 1985 was the end, I believe, of a land price increase spiral and maybe '85 might have already been one of the years where it started dropping a bit, but when we go back and actually do some work and research into land sales back to those areas, we come very, very close, in most instances, to recognizing the true value of the land in 1985.

Remembering that there will be another adjustment period in 1993, when there will be another assessment year, and we will then, in 1993, use 1990 values and there would be, in my view, a significant decline in land values in some of the municipalities in Manitoba; however, not all of them, because it is interesting to note, the area that I come from the assessment of land in our municipality is generally, for this year, between \$700 and \$800, just beyond \$800 an acre. When I look at sales that have transpired over the last year in our area, and even this year, we are still maintaining values of anywhere between \$600 and \$700 an acre, so there

has not been a great deal of decline in land prices yet. Although some are saying that land prices have drastically dropped, the actual sales in our area do not demonstrate that, although I know that is different in various municipalities.

So there will be, I believe, a significant shifting of those values in the 1993 assessment year and I would expect by the end of this year you and I will be able to sit down in our own municipality and virtually predict what the assessed values of properties are going to be, based on the sales that happened this year. I think that is the beauty of this new legislation.

Those properties that have not had the correct values placed upon them—whether they are in Swan River, or whether they in fact are in Montcalm municipality, or Hanover, wherever they are—can, through the Board of Revision appeal their values and have their own local municipality, their own local Board of Revision, take a look at and say, well, were these true values of that time period, or are they not, and can make adjustments in their own local municipalities, based on information that these Boards of Revision have at their fingertips and are probably much better judges of than anybody else.

So, in general, however, I believe that the assessments were done relatively close to the 1985 values because the number of applications to the Board of Revision has been very, very small and it is just over 1 percent of the assessed properties in the province have appealed their assessments and I think, in a massive exercise that we were into this year, that is a clear indication of the success of the total reassessment, so I am very pleased that we in fact were able to accomplish what we have accomplished.

I think I will wait for the next question.

Ms. Wowchuk: One of the things that this reassessment was supposed to accomplish was to shift the education tax off the farm land onto the farm buildings, and the education tax has gone off the farm land and onto the farm buildings, but what has really happened is that, although the education tax has gone off the farm land, the local levy for education still can go on the land and now will go on the buildings as well. So, as a result, it is really a double blow because you are paying the education tax on your buildings and now you are also paying an education tax on the land and buildings on the

local levy. This is causing some concern and I wonder if there is any way that this can be corrected.

Mr. Penner: Well, you raise a point that has, of course, been raised in many quarters in the province and when one recognizes that the impact of the Education Support Levy that the province in fact places on properties has been entirely removed now off both farm outbuildings and land, the province does not collect any taxes on outbuildings and land. However, it is local education taxes that are being applied to farm land and also the homes, but not the outbuildings. I do not say that correctly.

I want to correct that because the education levy, the local levy, applies both to the farm buildings as well as the land, but when you take into consideration that we removed, over the last two years, an amount exceeding \$18 million off farm properties of provincial education tax, that has a significant bearing on the tax load that the farm community bears, and that is a reduction in total of almost approaching \$20 million.

The inclusion of the entire removal is part of the legislation, although it should not be seen as part of the assessment legislation. There is a clause removing the ESL by legislation from farm land in this legislation, but it is not part of the assessment.

I just want to clarify that because we will be getting into discussions on assessment and how they will, in future, affect changes in property taxes. I think it is important that be done and that we recognize how that impact will be on the various properties. However, I want to say to you that the responsibility now is with the local school board and with the local municipality as to the level of taxation specifically on farm properties. The province really has no impact there at all, except on the home. That is where the province still does collect some of the taxes, which is a change to what was previously there.

* (1700)

The increase in taxes that some people say they have had or because of the bringing-on of the buildings is something we expected and, in fact, were encouraged to bring about because we have many municipalities in this province where there are significant large building operations on very small holdings that were not contributing to the municipal tax load, nor to the educational tax load before. They will now also contribute a share of the tax load.

Many of these large building operations had a significant income while others with fairly large land bases had very often a close to zero margin. Therefore the equity we talked about during the assessment reform legislation, I think, has been brought about whereby we are now going to see the contribution by all levels, recognizing full well that has caused a significant increase of taxation to some of the property holders.

I have yet to hear many vehement complaints about that because many of them said, well, for the last 10, 20 or 30 years, we have not contributed anything. Maybe it is time we paid something. Therefore, I think there has been a general acceptance of those principles we have all worked for over the last number of years, which have been applied in this case.

Ms. Wowchuk: I have no difficulty, as well, with the education tax going on buildings because I think we all have to pay our share. There is a concern with the education tax on other buildings and, in particular, farmers have raised a concern about grain storage space that is being taxed on the assessment roll now. They have no difficulty with the tax being on the other outbuildings, but the grain storage facilities are creating some difficulty, because those facilities are providing food for all people. That is one that should be reconsidered.

The education tax, I feel, can still be looked at even a little further. In the last year, I believe it was, a two percent surcharge was removed from income tax. The Government took a lot of credit for reducing the income tax. However, had that two percent stayed on the income tax, we might have been able to look at paying for education perhaps through income tax, not taxing property. Education is a service to people and should possibly be paid for by the people. I wonder whether the Minister would consider ever taking the education tax off buildings and putting it into the income tax area.

Mr. Penner: Madam Chair, the Honourable Member for Swan River (Ms. Wowchuk) raises a good point, and I suppose a case has been made in numerous areas about taxing storage buildings. Being a farmer myself, I know full well what she is saying. However, when one sits back and takes a look at the total assessment and taxation of various facilities, whether it be land based or other, one recognizes fairly quickly that the business community is in a very similar situation that the farm community is. The

business community has, in a large part, warehouses that they must store their inventories. Many of the businesses could not get away without building fairly large storage buildings. Similarly, farmers must at times build storage buildings for storing their inventories. You could virtually say that they are very similar, and if you implemented a system whereby the storage buildings on the farm would be exempted from taxation, one would very carefully have to think whether one should not extend that same privilege to the business community as well.

When one looks at the tremendous impact that would have to a city such as Winnipeg, when you look at, for instance, the Eaton's warehouse, or the Simpson-Sears's warehouses, or many of the large manufacturing warehouses that are in place, the impact would be fairly significant. Therefore, we decided that if we were going to assess and tax, or bring into a taxable position, buildings, we should bring the full range of buildings into a taxable position, trying to add a greater degree of fairness than what had been there before.

We have heard the representation from the farm organization as far as storage buildings are concerned; I think we have all heard that. I have probably heard them louder than anybody has, because of my having been so intricately involved with the organization before. It was a difficult decision, but I think it was one that had to be made in fairness to everybody.

Mrs. Carstairs: Madam Chairperson, I have a number of questions in this area. I would really like to start with some assessments that were done, and obviously a policy decision made, with respect to the residences of independent schools. I am speaking most specifically about the Mennonite Collegiate Institute in Gretna which had a high school residence, which was not taxable. Their taxes went from \$2,080 in 1989 to \$15,700 in 1990. -(interjection)- Well, the figure that I was given was \$15,700 from the Gretna School which looks like a 7.5 times increase, but when we began to contact other schools we discovered that they did not get taxed on their residences at all, the Steinbach Bible College being an example. They are paying no tax on their residence.

So on what basis are these decisions made, and why are some still being classified, apparently, as 40 and some being classified as 20?

Mr. Penner: The question is one that I am very familiar with having met over the last weekend, last Saturday, with the MCI Board, and we discussed a number of issues, including the assessment on their residential property.

However, again going back to the decisions that were made in the general overall perspective, when we brought into being the taxation of farm residences, the decision was made that we should, in fact, bring into assessment all residential properties in the province. We knew that we were treading on some delicate ground in some of these areas because some of the educational institutions had not, as you described, paid taxes before, had not been taxable before because there was no assessment on those properties. It had been exempt from assessment on those properties.

* (1710)

We had indicated to some of the educational institutions there would be increased funding provided in the ensuing years to some of those facilities which would, at least to some extent, offset the increased taxation. However, MCI does not fall under that jurisdiction, and I am surprised to hear that there is an institution in this province—you say Steinbach Bible College—that does not have any assessment applied to it.

I met with Mr. Bill Reichert (phonetic) on Monday, it was. My Deputy Minister and I met with Mr. Reichert and one of his colleagues to discuss the assessment on their various buildings, and they raised the issue of some of their residences being assessed at the R-1 value and the others being assessed at the R-2 value, the reason being that the cutoff or the decision had to be made to make the distinction between the two classes somewhere. It was decided that up to the fourplex in the Res. 1 class and anything beyond that, should be in the other residential classes. Those properties that fall within a larger than the four residential classes fall under the Res. 2 class under criteria that was established via the regulations.

There is another classification and that is the Res. 3 class. That classification is, of course, the group of residences in this province that are condominiums, which are occupied by the owners, and they fall into another classification.

Therefore, the differences that are paid by one institution are simply because they have a number of fourplexes, smaller residential units, on their

properties that are assessed at the Resident class and the larger, more than five residential units, are classified under the Apartment class. That has caused some consternation and significant discussion with some of those people.

There is another area that has caused us some difficulty and that is, of course, the apartment owners in rural Manitoba. They have gone basically from a Res. 1 class to a Res. 2 class now because of changes that were made when you do the province-wide classification.

The City of Winnipeg, of course, chose to do this back in 1987, when they were told by the courts to bring their level of assessment back up to 1975 values in order to buffer some the huge changes or shifts that would have taken place at that time, put in place a residential classification plus two other classifications. They chose at that time also to put in place the variable mill rates, which allowed them to buffer even further tax changes on various properties in the province.

We can get into that and can spend a huge amount of time going through the whole process in debate, but I want to say to you that if you want to spend the time, I will take the time and run you through the whole process, because I think I am quite familiar with how we arrived at where we are today.

That has caused some problems within the class by setting the classifications on a province-wide basis. The City of Winnipeg having implemented one system in 1987, the rest of the province being frozen back to 1980 and no changes made there. That again has caused some significant shifting of taxation to some of those properties in rural Manitoba, but it is largely because some of those classes are driven by properties in the City of Winnipeg.

Mrs. Carstairs: Presumably the reason for the differential between Residential 1 and Residential 2 are partly because Residential 2 is balanced on a profit motive. I mean the owners presumably are charging rents which then in turn generate income. That is not true to my knowledge of any school in the Province of Manitoba offering residents accommodation.

In most cases, they are subsidized, not profit making, in terms of the student overall tuition base being used to subsidize the residential-base component. They also are not apartments in the

traditional sense. Most school residences are one bedroom, which is sometimes shared by two, sometimes even by three, rarely by one because of the pressures on the residential structures.

So some decision must have been made at some point in time, why college residences, or high school residences, or Bible college residences would move from Residential 1 into a Residential School classification with a considerable change obviously in the rate of taxation that they are going to pay. Has there been any decision to re-evaluate the placement of these residences in Residential 1 and will there be if it has not been already?

Mr. Penner: Madam Chair, again because of representation made by the various organizations, it has caused us to take a good look at why this happened and what can be done in the future to alleviate the impact. The reason why this happened is that when you set out in regulations a criterion, which establishes what properties fall under what area, that criterion must be fairly specific. Specifically, we said that the criterion for the Class 2 is properties that have five or more dwelling residences contiguous. Therefore, the residences on school campuses, or even others, fall under that same criterion.

Recognizing that it is a significant impact to those institutions of causing them to come from zero taxation to a point where they are now going to be taxed on 72 percent of their property values, while a single-dwelling home will only be taxed on 48 percent of its value, we are, therefore, examining whether there is a possibility of bringing these institution residential properties, some way, into a closer level of taxation that would be close to the Res. 1. Yes, we are examining it, but whether we are going to be able to accomplish that without causing some large shifting somewhere else is something that we have to weigh very carefully. Again, recognizing that many of these institutions are operated by voluntary contributions, and I certainly realize how the MCI and other Bible-school type properties are run.

However, it does not only affect those properties. There are nurses' residences; there are institutional residential properties that are affected by this legislation. Again, we are taking a broad-based look at how those various properties are affected, and then we are going to do some evaluations and make some recommendations. I would suspect that it will

cause some significant discussion over the next half a year, maybe even a year, in order to bring to some base of acceptance, the taxation of properties.

Mrs. Carstairs: Perhaps we could look just briefly—and I do not dwell on this too much longer, so I will close with this particular question. There are two interesting definitions here. One is "five dwelling units." I think it can be argued very strongly that a resident's room is not a dwelling unit. It does not have kitchen; it does not have bathroom; it is not a dwelling unit.

* (1720)

Across the street from me, at my former address, lived a co-operative. It was Residential 1 because they did not divide this very large home into apartments. They ate co-operatively; they did have separate bedrooms within this dwelling; but their living room was co-operative, their kitchen was co-operative, their bathrooms were co-operative, and therefore, they were left at an R-1 classification. The only reason they were not booted off the street, I might add, was that they maintained a Residential 1 classification. There would have been great picketing around the place if they had ever put in the second kitchen or the third living room or whatever it would require to change that qualification.

On those bases alone I think high school residences and Bible college residences of this particular nature may be worthy of a review.

Mr. Penner: Madam Chair, the questions are very valid and have been posed on numerous occasions.

I understand though that the MCI for that matter has asked the courts for a ruling on the legal term used in the classifications of dormitories and whether they in fact should fall under that terminology according to the legislation.

I am interested in hearing what the decision will be. I understand that matter is before the courts today. I look forward to the courts determining whether they should in fact fall under the Res. 1, 2 or other class. There might be some other way we are going to be asked to deal with it, I do not know that.

It certainly is something that I think is a concern to all of us. It is something that we did not intentionally do to cause financial difficulty to those institutions. However, when this kind of legislation is drawn there have to be lines and parameters drawn

somehow to deal with the various properties that they all fall into a place somewhere.

Whether this has been correctly done or not is a matter of consideration. It is something that we will give further consideration to.

Mrs. Carstairs: I would like to move into another classification, and that is Residential 3, which is owner-occupied condominiums.

I must admit that it is very nice to have the same value in a piece of property that I now pay 32.7 percent tax on the assessed value when I used to have to pay 48.6, but I am not sure it is fair.

I would like to know what the explanation is for why I and many others in my category receive this wonderful benefit from the tax base.

Mr. Penner: Madam Chair, I chuckle because first I might answer with a question as to whether the Honourable Leader of the Liberal Party in fact might have a recommendation for us as to how to deal with the issue that she raised.

However, I think, in fairness, there needs to be some semblance of explanation as to how we arrive at that. In 1987, when the Honourable Leader of the NDP (Mr. Doer), was the Minister of Urban Affairs the City of Winnipeg was ordered by the courts to bring its assessment to 1975 levels. In doing that the City of Winnipeg, of course, asked the Government of the Day whether they could in fact set variations of classes and apply some portions of taxation to various property.

The answer was, yes, they could in fact implement classification to properties. Then along came the variable mill rates and the application of variable mill rates. The condominium owners applied to have their mill rates reduced on their properties in 1989. By reducing the mill rates on those properties, of course, it set the stage for when the new assessment legislation came into being and we decided not to increase the tax take on any one of the classifications of property. It dropped the owner-occupied condominiums into a much lower rate of assessed taxable property than the other.

That is where we find ourselves, whereby we now have apportion at 32 percent, apportioned value of the condominium class at 32 percent. We have in the apartment class apportion of 73 percent, caused largely by a decision that was made back in 1987. It was decided at that time that rent controls would not allow the additional taxation, and therefore a

larger portion of taxation could be applied to the apartment buildings. Nobody seems to have recognized at that time that the actual people that live in apartments cannot afford, in many cases, to buy homes and therefore are forced to live in apartments. They, in fact, pick up the tax bill.

The apartment that I live in, in this town, picks up better than \$1,000 worth of taxes. I figured it out today. I got the assessment and the total tax of the building and divided it by square foot, and it is over \$1,000 on a 750 square foot apartment, whereby condominiums, much larger, pay less than that. So there is an area there that we are going to have to address somehow.

I want to say to the Honourable Leader of the New Democratic Party (Mr. Doer) that they might have given some considerable consideration prior to setting the stage for the apartment classification and the mill rates that were established on those properties, the increased taxation on those properties. So that is why we find ourselves in this dilemma, because we did not want to, as we recommended, cause huge disruptions in the shifting of taxation. Therefore, we applied the classifications, the nine classifications, and the portion set, which, in relative terms, across the province held the tax take fairly constant.

I am very pleased at the result of that classification and the prevention of significant shifting of taxation by that manner, but it is certainly an area that we are going to have to make some adjustments to as we go along. I think Walter Weir in his report recognized that and recommended that there be a general progression of equalization of apportioning and the classification, at some point in time, might even disappear altogether once you reach that. I would suspect that will take a significant amount of time before we reach that point.

Mrs. Carstairs: Well, it is really an equity question. In my particular case, I mean, I cannot speak of others, but I can speak in mine where we look at a 12.5 percent differential in price, and we look at about a 42 percent differential in taxes. It is true, we have less space, but if we are looking at market value, we are not looking at anywhere near that kind of differential.

It is not fair, and I should not be standing here saying I am prepared to pay more taxes, but I am prepared to pay more taxes, because I think you pay your fair share. I am not paying my fair share in this

particular system of portioning at the present time. I think we have to move toward a change of that so that we are paying fair shares of this particular form of taxation.

I would also like to get into the question, and I noticed that the Minister nodded his head in a negative as I mentioned it in my opening remarks, that there is obviously still a disagreement between the province and the City of Winnipeg as to what the portioning rules did to the City of Winnipeg. If one listens to the mayor, the 1990 portion which was supposed to have said that 48.6 percent, as I understand it, of the tax revenue would come from Residential 1, worked out in the City of Winnipeg so that 50.27 percent of the tax revenue came from Residential 1. How did that happen? How did it occur, or is the mayor incorrect?

* (1730)

Mr. Penner: Madam Chair, I thank the Leader of the Liberal Opposition for the comment that she made as to the fairness of the taxes in the condominium class because I concur that there are some inequities there that will have to be addressed.

However, as to the earning to the Residential 1 class, I think we must understand that when the assessments and the levels and the apportions in the classes are set to reflect a given point in time, and during the course of the year other properties are brought on stream, that might well add to the total tax contribution. Therefore, I do not think we should ever try to guesstimate what the value of new properties in any given classification, or decrease in the value of any given property, will be from the time you implement it until the time the actual taxation takes place. Would there be a six months, eight months time span that you encounter? If there is a significant building boom going on, there can be quite a large percentage of additional taxes accrued to the class in that manner.

Also, I think we need to recognize that when you do portioning in classification province-wide, we should never assume that within a given municipality you will have the exact same results you will have in another municipality.

In other words, what I am suggesting is that because we apportion province-wide and the class 1 classification, the amount of revenue earned in Altona in that classification, might, in fact, be 45 percent accrued to the municipality when in Winnipeg you might have 50 percent because of the

variation of values within the municipality. From a provincial perspective, the 48 point something percent was virtually a dead-on calculation in the total. That does not say that the City of Winnipeg cannot vary from that 48.6 percent.

Similarly, other municipalities might, in fact, have increases or decreases. I would suspect, because the City of Winnipeg is now saying their Res. 1 class contributed 51 percent, that some of the municipalities out in rural Manitoba, much of rural Manitoba, would have, in fact, contributed maybe 45 percent, and I use that as a very general term. At least a lesser degree than the 48, because that brings you to the 48 percent. I think that we, at least, understood that. I think a lot of municipal people understand that, and I think the City of Winnipeg understands that as well.

However, I think it is also fair to recognize that because we have two assessment—not authority, but two assessment vehicles in this province and one authority now, that there will be a greater degree of equity created there because the Winnipeg chief assessor will now be under direction of the provincial municipal assessor, which was not there before. Therefore, I think we are all going to have to make some adjustments in our thinking toward a new system to recognize the impacts that we will have within our own jurisdictions in making those kinds of assumptions. I would suggest that the mayor of the City of Winnipeg is probably correct in stating that their Res. 1 classification contributed to the municipality of the City of Winnipeg 50 percent or better.

Mrs. Carstairs: I was amused—the Minister may have seen me laughing—when he made reference to the city assessor now coming under the provincial assessor. If one listened to the mayor of the City of Winnipeg often, as I have, he has never, ever, ever, had any authority over the city assessor.

If I can move into just another area of question now. In terms of market value. Why have we not moved into a system as British Columbia has, of doing all of our assessments on basically fair market value on a year-to-year basis? I mean, I have seen my father-in-law's tax returns. Quite frankly, the value goes up one year, it goes down the next year, it goes up again the following year after that. They seem to find it very easy to place a fair market value based on similar properties sold within the area, and to set the—I mean the mill rate is set by council as

it is set here, but the actual assessment value of the property is based on fair market value and changes every single year.

Mr. Penner: Madam Chair, I think what British Columbia did if I have the correct information, is that originally they wanted to move to current value assessment on a year-to-year basis and a revolving year-to-year basis. I think they found fairly quickly that they could not use, for instance, 1990 values to establish their 1991 taxation year. They found fairly soon that did not work. So it is my information that they went back, stepped back a year, and used 1989 values, for instance, to establish the 1991 tax rate.

Similarly, we are doing the same thing, using a two year time lapse. However, our assessments will only revolve every three years instead of every year, and we might well work into a system at some point in time where you might want to evolve, step back two years in a row, evolve every year. With a computer system I would suppose that could be done, but I wonder whether that would solve much more than we have today, because values do not fluctuate as wildly over here, I would imagine, as they do in Vancouver. So, I think we are probably served well by the system that has been put in place, and not just say that there will not be changes as we go along. I think everybody expects changes, and I think we had to start from somewhere. I think this is a good first step and that there will be adjustments as we go along. There might even be changes made as to how often we assess in the future. That is not cast in stone in the Legislature, to make those changes as we go along.

Mrs. Carstairs: There is another initiative in British Columbia which I find interesting, and I wonder if there has ever been any study of it done here. That is the initiative for the ability of a senior citizen to defer any taxes payable on his or her residence until the sale of that property. They are charged the interest rate on that policy.

I will just give you an example. If the taxes are \$2,000 a year and they do not wish to pay those taxes, then they go into arrears, but they go into arrears with the full knowledge and understanding of the Department of Municipal Affairs. When that residence is sold, then the tax is paid, including the interest charge set at the going rate in each and every year that the taxes were deferred. The purpose of it is obviously to ensure that senior citizens can remain in their homes as long as

possible, and they can therefore use the equity of their homes to live on to some degree, rather than leaving it to their estate at a later period.

My experience would further tell me that those who can afford to pay, pay, because it is not to their advantage to want their estate to pay the arrears financed at some future date. It seems to be a beneficial benefit really only to lower income earners, particularly those on low fixed incomes. I wonder if we have looked at that and whether it is a feasible program within the context of Manitoba.

Mr. Penner: Madam Chair, it is certainly not an issue that we have studied, or our department has studied, or taken a good hard look at. It is an interesting concept. However, I wonder I suppose how an individual property owner who would decide to defer, for instance, a \$2,000 a year tax bill in perpetuity would fare if that person in fact lived longer than the value of the property, and how the municipality would deal with a property such as that at a given period of time because the interest rate would have to be paid, as you say, every year.

I am wondering whether that is an accumulative interest rate that would have to be paid. For instance, if you have a \$2,000 tax bill this year, you defer it, you keep on adding and at the end of five you have a \$10,000 tax bill, you pay interest on \$10,000.00. It could be a significant impact. It is certainly something that probably somebody would want to at some point in time take a look at, but we certainly have not.

* (1740)

Mrs. Carstairs: The final question is that I keep seeing these resolutions at MAUM conventions and UMM. Again, I wonder if the department has looked at it. This idea that property taxpayers should pay some minimal amount of tax, it seems to me this would hurt the people least able to pay, but I do not know whether there have been any studies done by your department or any evaluations, but it does seem to come up like clockwork at all of these conventions.

Mr. Penner: It causes some the municipalities some difficulty. We have just over 7,500 properties in rural Manitoba that do not pay any tax because of the low levy of taxation on those properties and the rebate, the educational credit. Therefore, there are a significant number of municipalities that have lobbied the UMM, and I believe there are also some

resolutions that have been passed at MAUM for us to consider a minimum tax.

I understand that British Columbia does in fact have some sort of a minimum tax payable, and our Deputy Minister has written to British Columbia and asked how that works.

I am not sure whether we want to consider that sort of thing, but it is certainly being discussed to a significant degree within the municipal organizations, and they have urged us to take a look at it.

That is something, of course, that one—in a general sense—should not forget. I think we will be asked again when we meet with the UMM and MAUM to consider that resolution. That is something, of course, that I might want to take as a discussion item to our committee for consideration at some point in time.

Madam Chairman: Item 4. Municipal Assessments (a) Salaries \$5,135,300—(pass); (b) Other Expenditures, \$658,300—(pass).

Resolution 129: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,793,600 for Rural Development, Municipal Assessments, for the fiscal year ending the 31st day of March, 1991—(pass).

Item 5. Research and Systems Services, \$4,346,000 (a) Research: (1) Salaries \$230,800—(pass); (2) Other Expenditures \$9,500—(pass).

5.(b) Systems Services: (1) Salaries, \$756,500.00.

Point of Order

Hon. Harry Enns (Minister of Natural Resources): Have we dealt with the Deputy Minister's salary yet?

Madam Chairman: Yes, as a matter of fact we have, and it is not a point of order.

* * *

Madam Chairman: Item 5.(b)(2) Other Expenditures, \$3,349,200.00.

Ms. Wowchuk: Madam Chair, I want to just ask what these other services are, wherever the services and systems would be cut down, but there is a decrease in expenditure.

I also want to ask the Minister, there has been a cut in staff in Systems Services—I should have asked it on the Salaries but I did not—if the Minister could tell me where the cut in staff has been.

Mr. Penner: When we started developing the MACS, the Manitoba Assessment Computer System, there had to be some expertise and staff brought in place to help the development of the system and to enter data and all that sort of stuff, so there were some additional staff brought into the system at that time.

Most of them I believe, if I am correct, were on a term position, under contract. Now, after we have finished the development of the system, there was a reduction of the requirement for those services, and therefore you see a reduction in salaries there.

Similarly also the costs—I believe you asked for the number of the—sorry the last—(interjection)—The general expenditure would similarly reflect a reduction in costs in those areas.

I expect that we will see a further reduction of costs in this department simply once we have the whole computer system and all the data running and all the data entered. There will be a lesser requirement for data-entry type people. Once the system is running, there will be a lesser cost of operations in this department.

So I would suspect that there will be an ongoing decline. There might be a little blip in expenditures probably for next year, because we are entering now all the building data into the system. So we will, in all likelihood, have a slight increase in costs there for the ensuing year, but the year following and the year following that there should be a decline.

Madam Chairman: Item 5.(b)(2) Other Expenditures \$3,349,200—pass.

Resolution 130: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,346,000 for Rural Development, Research and Systems Services, \$4,346,000, for the fiscal year ending the 31st day of March, 1991—pass.

Item 6. Municipal Planning Services \$3,031,800 (a) Salaries \$2,722,200.00. Shall the item pass?

Ms. Wowchuk: Madam Chair, the report indicates that there will be two more Planning Districts set up within this year. Can the Minister tell us where these districts are?

Mr. Penner: Madam Chair, I must apologize, because I had only been made aware that there was one district forming. However, because of a change in the ad zone in the ensuing year, there will be a change in the Planning District to the northeast of town here. West St. Paul will be one of the districts that is being considered, so those are the two that are discussed in this paper here..

Madam Chairman: Item 6. Municipal Planning Services (a) Salaries \$2,722,200—(pass); 6.(b) Other Expenditures \$309,600—(pass).

Resolution 131: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,031,800 for Rural Development, Municipal Planning Services, \$3,031,800, for the fiscal year ending the 31st day of March, 1991—pass.

Item 7. Provincial Planning \$489,300 (a) Salaries \$447,900.00. Shall the item pass?

Mrs. Carstairs: Madam Chairperson, I notice that on page 59 of the Supplemental Estimates, there is the statement, "Provincial Land Use Policies will undergo a major review." What is anticipated by that review, who will be involved in the review process and when does the Minister expect it will begin?

Mr. Penner: Madam Chair, because of the initiative in sustainable development taken better than a year ago, and because we wanted our land use policies to reflect sustainable development, and because the land use policies are, I believe, now some 10 years old, it was decided that we should do a significant review of our land use policy. We have now presently going, an internal review and once they have gone through that internal review we will take them out and discuss them in public and get public input into whether we should in fact make changes or whether they are relevant in today's terms, reflecting our desire to significantly increase our activity in rural development and development's role and how the land use policy fit that mode of the '90s and maybe even to the 21st Century. It is our desire to ensure that we modernize and update the land use policies as well as some of the other policies on an ongoing basis and this is what is happening currently.

* (1750)

Mrs. Carstairs: When the Minister in his statement indicates, "The direct review of 80 to 100 difficult subdivision applications," what is he referring to there? Where I am really heading to is, are more and

more of the subdivision applications that are posing difficulties, subdivision applications close to the City of Winnipeg? Is this causing problems in the overall development and planning of this particular branch and department?

Mr. Penner: I suppose there are always, when there is an economic downturn in land values, people looking at ways and means of earning a profit in disposing of their real estate. I say that in a very general broad sense. This leads toward the application of subdivisions and subdivision of properties in many parts of the province, not only surrounding the City of Winnipeg. Many of the larger rural communities are affected similarly.

We have in some areas some fairly difficult ones, because they are close to urban areas and because they are seen as rural and provide some rural residential opportunities for those people who live in urban centres and want to experience the rural lifestyle, have a desire to pick up some of these properties. Therefore it is difficult for the department to review these subdivision applications and make a decision on them when in fact in some areas it might be desirable to create a larger tax base for a rural municipality. It is also recognized that when you do those kinds of things, when you bring into a subdivision, in larger numbers, of rural property, that the servicing, the cost of those properties also increases substantially to that local authority.

When these kinds of applications come to the department, come to the Municipal Planning branch and the Provincial Planning branch, we must consider a whole host of things. Number 1, whether in fact it fits the general area. Number 2, whether the environment can in fact carry the load of such a residential development.

In many of the rural areas, the soil is used as a base for the disposal of the effluent of the home and whether the soils in fact lend itself to the absorption—I think we have some areas very close to the City of Winnipeg that are experiencing some difficulties in that regard. We need to reflect all those kinds of things before we make a decision.

In other areas, I think we need to consider whether there are livestock operations very close to these residential properties that are being proposed. It is a very broad prospect, or aspect of decision-making that is not as easy as some of us would hope it might be and, therefore, it causes the branch some difficulty in making those decisions. It

is not always—the decisions that are made are not always in concurrence with the individual who is making the application for the subdivision.

Mrs. Carstairs: The other issue is, of course, that the rural lifestyle looks very attractive, so you move out of your urban centre, you move to the rural setting. You certainly like having a little bit more land but soon you want the paved street, then you want the street lights, then you want the local school, then you want the hospital. Well, we know how this spreads. It is bad enough within the city. It brings them into conflict with farming operations, which is one of the reasons why I support the right-to-farm legislation, which I hope the Minister of Agriculture (Mr. Findlay) is going to get to us one of these days, because it is hardly fair to—it is like the city dweller who moves into a home knowing it is on the pathway to the airport and the runway, and then says, gee, I do not like the noise. I do not like the smell, because I just happened to have moved in next to a hog operation or a feedlot operation.

What kinds of information is made available, if any, to the potential purchaser of one of these rural lots, if you will, about the fact that there will not be the same level of service provided to that individual? It will not be just not provided next year, but it will not be provided 10 years, or 20 years, or 25 years down the line so that they take a realistic view when they move into these communities of the fact that they are not only adapting a lifestyle that gives them a little more land, but they have to really question the services.

Mr. Penner: The question is a good one, and I would suspect that our responsibility as a department is largely to take a fairly broad-based overview of a subdivisional application and determine for ourselves, No. 1, whether it suits the area, whether agriculture will be impacted, whether in fact it can, as I said before, carry the infrastructure that is required, or whether it in fact will need additional infrastructure. Those are all the kinds of considerations.

However, once the application for a subdivision has been granted, it then becomes a municipal matter, and in large part I would suspect that if the owner of the subdivision is any kind of a salesman at all, or a salesperson at all, I should say, the person would then attempt to encourage a potential buyer

that this is in fact the best spot in the world that they could settle on. It becomes then an issue between the buyer and the seller.

I think those are the kinds of considerations and decisions our department must make when reviewing subdivisions in areas that are not developed. That often causes the consternation we hear about from individuals saying, well, the province is intervening in my affairs and not allowing me to dispose of my property as I would wish to dispose of it. I think we do have a responsibility there; our department has a responsibility there to ensure we will not damage the environment, that we will, in fact, ensure that when that person moves out there, they will be able to experience the lifestyle they thought they would be able to experience and not have some disastrous experience as some, I believe, have had.

Mrs. Carstairs: Just one final comment. I think we also, to some degree, have a responsibility, perhaps not through this branch but through some branch, to let the consumer beware. It is not just let the buyer beware, but to provide that buyer with the information so they can be aware that this is not a lot in Lindenwoods. This is a lot in a rural community, and there are limitations placed upon that. You cannot expect expectations to somehow materialize five, 10, 15 years down the line.

Mr. Penner: I just want to rise briefly, Madam Chair, to recognize the comments and thank the Honourable Member for the comments. It reminded me of a situation we encountered only two weeks ago when I drove into a property that had been subdivided to be developed. Such a simple matter as running a telephone line into the house was a virtual impossibility through regular and normal means because of the rocks in the ground they had not expected. So there are, certainly, the kinds of buyer-beware type issues we probably need to be involved in at times and I think we are, in evaluating the ability or whether we should grant the application to the subdivision and recommend it for a subdivision in those areas.

Madam Chairman: Order, please.

The hour being 6 p.m., in accordance with the agreement of the House earlier today, I am leaving the Chair and will return at 7 p.m.

Legislative Assembly of Manitoba

Thursday, November 29, 1990

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