

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

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 18, 2005

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PETITIONS

Riverdale Health Centre

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for the petition:

The Riverdale Health Centre services a population of approximately 2000, including the Town of Rivers and the R.M. of Daly, as well as the Sioux Valley First Nation and local Hutterite colonies.

The need for renovation or repair of the Riverdale Health Centre was identified in 1999 by the Marquette Regional Health Authority (RHA) and was the No. 1 priority listed in the RHA's 2002-2003 Operational Plan.

To date, the community has raised over \$460,000 towards the renovation or repair of the health centre.

On June 1, 2003, the Premier (Mr. Doer) made a commitment to the community of Rivers that he would not close or downgrade the services available at Riverdale Health Centre.

Due to physician shortages, the Riverdale Health Centre has been closed to acute care and emergency services for long periods since December 2003, forcing community members to travel to Brandon or elsewhere for health care services.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier to consider ensuring that acute care and emergency services are available to the residents of Rivers and surrounding areas in their local hospital and to live up to his promise to not close the Rivers Hospital.

To request that the Minister of Health (Mr. Sale) consider developing a long-term solution to the chronic shortages of front line health care professionals in rural Manitoba.

This petition is signed by Eric Fast, Mike Roth, Alvin Lepp and others.

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

Pembina Trails School Division—New High School

Mr. John Loewen (Fort Whyte): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Overcrowded schools throughout Whyte Ridge, Lindenwoods, Linden Ridge and Richmond West subdivisions are forcing Pembina Trails School Division to bus students outside of these areas to attend classes in the public school system.

Elementary schools in Pembina Trails School Division have run out of space to accommodate the growing population of students in the aforementioned areas.

Five-year projections for enrolment in the elementary schools in these areas indicate significant continued growth.

Existing high schools that receive students from Whyte Ridge, Lindenwoods and Linden Ridge are at capacity and cannot accommodate the growing number of students that will continue to branch out of these subdivisions.

Bussing to outlying areas is not a viable long-term solution to meeting the student population growth in the southwest portion of Winnipeg.

The development of Waverley West will increase the need for a high school in the southwest sector of Winnipeg.

The government is demonstrating a lack of respect for the students and families in Whyte Ridge, Lindenwoods, Linden Ridge and Richmond West by

refusing to provide adequate access to education within the community.

The Fort Whyte constituency is the only constituency in the province that does not have a public high school.

NDP constituencies in Winnipeg continue to receive capital funding for various school projects while critical overcrowding exists in schools in Lindenwoods, Whyte Ridge and Richmond West.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government recognize the need for a public high school in the southwest region of Winnipeg.

To request the provincial government, in conjunction with the Public Schools Finance Board, to consider adequate funding to establish a high school in the southwest sector of Winnipeg.

Signed by Allan Randall, Melanie Sekundiak, Joanne Flynn and many others. Thank you.

* (13:35)

Coverage of Insulin Pumps

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

These are the reasons for this petition:

Insulin pumps cost over \$6,500.

The cost of diabetes to the Manitoba government in 2005 will be \$214.4 million. Each day 16 Manitobans are diagnosed with this disease compared to the national average of 11 new cases daily.

Good blood sugar control reduces or eliminates kidney failure by 50 percent, blindness by 76 percent, nerve damage by 60 percent, cardiac disease by 35 percent and even amputations.

Diabetes is an epidemic in our province and will become an unprecedented drain on our struggling health care system if we do not take action now.

The benefit of having an insulin pump is it allows the person living with this life-altering disease

to obtain good sugar control and become a much healthier, complication-free individual.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier (Mr. Doer) of Manitoba to consider covering the cost of insulin pumps that are prescribed by an endocrinologist or medical doctor under the Manitoba Health Insurance Plan.

This is signed by Joyce Renz, Bob Cesmystruk, Evelyn Wilchuk and many, many others, Mr. Speaker.

Ambulance Service

Mr. Ron Schuler (Springfield): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

In May 2004, 46-year-old Peter Krahn suffered a heart attack while exercising in East St. Paul and was pronounced dead just under an hour later after being transported to the Concordia Hospital in Winnipeg. Reports show that it took nearly 18 minutes for an ambulance to arrive for Mr. Krahn.

The Interlake Regional Health Authority claims that 21 minutes is an acceptable emergency response time, whereas the City of Winnipeg uses a benchmark of 4 minutes.

Ambulance coverage for East St. Paul is provided from Selkirk, which is almost 25 kilometres away.

The municipalities of East St. Paul and West St. Paul combined have over 12 000 residents.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider providing East St. Paul with local ambulance service which would service both East and West St. Paul.

To request the provincial government to consider improving the way that ambulance service is supplied to all Manitobans by utilizing technologies such as GPS in conjunction with a Medical Transportation Co-ordination Centre (MTCC) which will ensure that patients receive the nearest ambulance in the least amount of time.

To request the provincial government to consider ensuring that appropriate funding is provided to maintain superior response times and sustainable services.

Signed by William Lesuk, Mary Jane Lesuk, Troy Lesuk and many others.

Closure of Victoria General Hospital Maternity Ward

Hon. Jon Gerrard (River Heights): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

It has been decided that the birthing ward at the Victoria General Hospital in Winnipeg, Manitoba, will be closed.

Some say the birthing ward is being closed due to safety issues. It has been proven time and time again that outcomes for normal pregnancies in normal women are better in a community hospital like the Victoria General Hospital than in a tertiary care centre like the Health Sciences Centre and with a general practitioner or a midwife rather than an obstetrician. Not a single study has ever shown the contrary.

Obstetrics services at community hospitals can work if the political will is there to make them work.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Sale) to allow women with options when they give birth and to consider stopping the planned closure of the Victoria General Hospital maternity ward.

Signed by Emily Barrett, Ian Gillet, Mia Aiello and others.

* (13:40)

COMMITTEE REPORTS

Standing Committee on Human Resources First Report

Ms. Marilyn Brick (Chairperson): Mr. Speaker, I wish to present the First Report of the Standing Committee on Human Resources.

Madam Deputy Clerk (Bev Bosiak): Your Standing Committee on Human Resources presents the following as its First Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Meetings:

Your committee met on Thursday, April 14, 2005, at 6:30 p.m. in Room 255 of the Legislative Building.

Matters under Consideration:

Bill 10 – The Pension Benefits Amendment Act; Loi modifiant la Loi sur les prestations de pension

Committee Membership:

Your committee elected Ms. Brick as the Chairperson.

Your committee elected Mr. Jha as the Vice-Chairperson.

Substitutions received prior to commencement of meeting:

*Ms. Brick for Hon. Mr. Rondeau
Mr. Murray for Mr. Goertzen
Mr. Faurschou for Mrs. Mitchelson
Hon. Ms. Oswald for Mr. Aglugub
Mr. Jha for Ms. Korzeniowski
Mr. Dewar for Hon. Ms. McGifford
Mr. Santos for Mr. Altemeyer
Mrs. Driedger for Mr. Hawranik*

Public Presentations:

Your committee heard 14 presentations on Bill 10 – The Pension Benefits Amendment Act; Loi modifiant la Loi sur les prestations de pension, from the following individuals and/or organizations:

*Charles Cruden, Manitoba Society of Seniors
Bill Turnbull, Co-operative Super-Annuation Society Pension Plan
John Klassen, Private Citizen
John Corp, Private Citizen
Jim Neil, City of Winnipeg Retirees Association
Albert Cerilli, Manitoba Federation of Union Retirees
DeeDee Rizzo, Retired Teachers Association of Manitoba*

Darlene Dziewit, President, Manitoba Federation of Labour

Wesley M. Stevens, Private Citizen

Brian Peto, Credit Union Central

Jerry Woods, Private Citizen

Webster Webb, Private Citizen

Lori Bourgeois, Private Citizen

Robert Zeigler, Private Citizen

Written Submissions:

Your committee received one written submission on Bill 10 – The Pension Benefits Amendment Act; Loi modifiant la Loi sur les prestations de pension, from the following individuals and/or organizations:

Doris Mahoney, Private Citizen

Bills Considered and Reported:

Bill 10 – The Pension Benefits Amendment Act; Loi modifiant la Loi sur les prestations de pension

Your committee agreed to report this bill, with the following amendments:

THAT Clause 11(17) of the Bill be amended by replacing the proposed clause 21(26)(b) with the following:

(b) if there is no spouse or common law partner entitled to a pension under clause (a), pay an amount to

(i) the member's designated beneficiary, other than the member's spouse or common law partner, or

(ii) the member's estate, if there is no such designated beneficiary.

Ms. Brick: Mr. Speaker, I move, seconded by the honourable Member for Radisson (Mr. Jha), that the report of the committee be received.

Motion presented.

TABLING OF REPORTS

Hon. Dave Chomiak (Minister of Energy, Science and Technology): I would like to table the Supplementary Information for Legislative Review, 2005-2006, Departmental Expenditure Estimates for the Department of Energy, Science and Technology.

INTRODUCTION OF BILLS

Bill 30–The Manitoba Agricultural Services Corporation Act

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I move, seconded by the Minister of Conservation (Mr. Struthers), that Bill 30, The Manitoba Agricultural Services Corporation Act, be now read a first time.

Motion presented.

Ms. Wowchuk: Mr. Speaker, this bill will bring together the Manitoba Crop Insurance Corporation and the Manitoba Agricultural Credit Corporation. The amalgamation will allow for efficiencies in the areas such as human resources and information technology while maintaining the existing functions of the respective corporations.

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

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us from Killarney School 40 Grade 5 students under the direction of Ms. Alisa Moran and Mrs. Mary Kennedy. This school is located in the constituency of the honourable Member for Turtle Mountain (Mr. Cullen).

Also, in the public gallery we have Maria Marrone, executive director of Seven Oaks General Hospital Foundation and Gail Smidt who is the president of Seven Oaks Hospital Foundation. They are the guests of the honourable Member for The Maples (Mr. Aglugub).

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

ORAL QUESTIONS

Red River Floodway Expansion Labour Agreement

Mr. Stuart Murray (Leader of the Official Opposition): In the *Winnipeg Free Press* on Saturday, this Premier used the same scare tactics that the federal Liberals are using to try to

manipulate voters when he said that an election threatens to delay or derail more than a billion dollars worth of projects in Manitoba.

Mr. Speaker, significant government commitments to projects like the floodway expansion or the human rights museum are priority projects for all Manitoba taxpayers, all political parties regardless of political stripe. For this Premier to use voter scare tactics or to suggest otherwise is taking it to a low of extremes.

What this Premier should be doing is standing up for hardworking Manitoba taxpayers by telling them today that he will scrap his wrong-headed floodway agreement that forces non-unionized workers to pay union dues, Mr. Speaker, and also diverts hardworking Manitoba taxpayers' dollars to his union boss friends. Will he do that today?

* (13:45)

Hon. Gary Doer (Premier): Mr. Speaker, the member opposite might know that in the past when I was in a minority, not in a government situation but in a party situation, I felt it was very responsible at the time to try to make minority government work as best we could. As a leader of a party that had in essence the balance of power between the former Premier Filmon and then-Leader of the Opposition Carstairs, I thought it was very important to try to do the people's business.

I was asked the question, Mr. Speaker, not a dissimilar question to what the mayor of Vancouver received on Friday. There are many items such as money for cities. Some of the items in the budget include agricultural money. There is money that has not been pledged yet for the second phase of the floodway. There are issues such as the child care initiatives, the Canadian human rights museum.

I just stated the obvious, Mr. Speaker. The member opposite might not know the obvious, but we do in government.

Mr. Murray: Mr. Speaker, first the NDP manipulated the floodway expansion project, then this Premier set his sights on the new Hydro tower downtown. With his record, taxpayers are wondering if he is going to use the same political pressure and the same political steps to put a similar agreement in place for the building of the Canadian Museum for Human Rights.

Mr. Speaker, these taxpayer-funded projects are too important, and this Premier's scheme to divert taxpayers' dollars to his union boss friends has to come to an end. He should learn something from the federal Liberal mess in Ottawa.

I ask the Premier again. Will he scrap his scandalous floodway agreement that forces non-unionized workers to pay union dues and divert much money from that agreement to his union boss friends? If he knows the obvious, as he says, the obvious thing is to scrap this wrong-headed deal.

Mr. Doer: Mr. Speaker, the Treasury Board policy on these major projects was established by one Brian Mulroney when the member opposite worked for him. I did not notice that he resigned and, by the way, I think all members of this House would wish the former Prime Minister the best of health and recovery in his current situation.

But this policy was established under that government. Mr. Speaker, the member opposite, I do not know why he is opposing us raising the issues of federal-provincial agreements. There is the issue of a child care agreement that is still pending. There is the issue of the second phase of the floodway. There is the issue of agricultural support which is in the federal budget. There is the issue of fuel tax to cities. There is a different view. We support the federal government's investment of some fuel tax into cities. Where is the member opposite?

Mr. Murray: Mr. Speaker, there is only one reason why this Premier wants to avoid a federal election, and that is because he is worried about his own political payback agenda that could be in jeopardy.

All parties support the initiative of expanding the floodway. All parties support the initiative of building the museum of human rights. In the same way, all parties should do the right thing and ensure that not one worker is forced to pay union dues who is a non-unionized worker and not one back scheme should be part of this agreement.

Mr. Speaker, I ask this Premier today. Will he scrap his floodway expansion agreement that forces non-unionized workers to pay union dues which diverts taxpayers' money to his union boss friends, and will he give Manitobans the assurance that he will not taint any other publicly funded project with such an agreement? Will he stand in the House today and say that?

Mr. Doer: The member opposite stated, and I guess he is a surrogate for Stephen Harper, but stated that all parties supported—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (13:50)

Mr. Doer: Thank you, Mr. Speaker. And I have had the experience of working with former Minister Epp when we did the Forks Agreement with former Mayor Bill Norrie. Obviously, whoever the people elect is who we will work with, but the member opposite neglected the east-west grid. He neglected to state the deal for fuel tax to cities. He neglected to state what the Conservative position was for child care. So I think these are all legitimate questions, whether there is going to be an election—
[interjection]

Mr. Speaker, the only party that is willing to look at the old way of where there are perceptions of "payback" are the members opposite who voted against a ban on union and corporate donations to political parties. After 1995, if we had a situation when the federal Cabinet was passing this sponsorship scandal that banned union and corporate donations to political parties, we would not have the mess we have in Canada today. I ask members opposite, support that law.

Crocus Fund Agreement with Board of Directors

Mr. John Loewen (Fort Whyte): Mr. Speaker, I would ask the Premier (Mr. Doer) to be relevant at least once when he is answering a question.

On Saturday we learned that two individuals that have been involved in this sordid mess at Crocus did the right thing, finally, and resigned from the board of the Teachers' Retirement Allowance Fund. Too late, I might add. They should have done that back in December at the earliest.

The question is why did they not resign from the board of Crocus. These are the same board members, along with others, that are under allegations from the Manitoba Securities Commission. They are facing fines. They are facing judgments. They have lawsuits hanging over their heads and yet for some reason

they continue to stick around and give the impression they can manage this fund when they are clearly distracted by all these events swirling around them. I wonder if the real reason is because this NDP government has made some type of commitment to the board members at Crocus that regardless of their conduct, regardless of their lack of diligence in managing this whole affair, they will not suffer financially. Has this type of agreement been made by this NDP government?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, I think it is very important that we do not pass judgments until all the facts are heard. Right now the Manitoba Securities Commission is conducting an investigation. Right now the Auditor General is conducting an investigation.

The Manitoba Securities Commission and the Auditor are independent bodies, independent of government. Clayton Manness has said that that is the appropriate thing from your side. Filmon, the previous Premier, has said that is also appropriate. What we want to do is ensure that the proper organizations go do the investigation, do good due diligence and act appropriately. The board members are responsible for managing the fund. They work within the parameters set by government, that was set by your government prior to this, and we will allow due diligence to take place.

Protection for Investors

Mr. John Loewen (Fort Whyte): Mr. Speaker, obviously the minister takes his lead from the Premier (Mr. Doer) and refuses to say anything relevant about the question as well. That is unfortunate because we see today that it is continuing. The Crocus unit holders and shareholders, they pay and they pay. They pay for the mistakes of the board by losing \$60 million. They pay for lawyers. They pay for consultants. They pay for fines. They are paying for judgments.

Mr. Speaker, they keep paying and paying and paying, and they continue to be fleeced by Crocus and by this lack of oversight from this NDP government. I would ask the minister if he would stand up today and give some assurance to the unit holders who purchased their shares in good faith. Will he give them some assurance so that there will be some point, there will be some money left over,

some of their fund left over to see them get some money back in their investment, or is this minister going to continue to ask them to pay and pay and pay?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): What I would hopefully have is accurate information presented from the member opposite. First, there are no fines. He is already casting aspersions on the board members before the Securities Commission, before the Auditor General has found what are facts.

What happens is we are allowing the proper authorities to do due diligence. We are allowing independent, nonpolitical bodies to go in and find out what happened. What we are trying to do is not cast, throw rocks at people before they are tried, before they have their day in their hearings. What we want to do is ensure due process takes place. The board has clear parameters under which to act. The proper authorities are investigating to ensure the board acted appropriately and they are independent of government and they will remain independent of government.

* (13:55)

Crocus Investment Fund Act Amendments

Mr. John Loewen (Fort Whyte): Mr. Speaker, the board, on the very day the allegations were filed, admitted they were going to do whatever they could to settle this issue with the Manitoba Securities Commission. They were willing to pay fines. They were willing to settle in order to keep this somehow below the carpet.

But, Mr. Speaker, the real issue is those unit holders who are continually left to hang out to dry, left to hang out to dry by this government. The problem is we have a board there that could not manage, that lost \$60 million and yet, for some strange reason, they continue to sit there and act as if they somehow are going to now start acting in the best interest of the unit holders. There is action this government can take.

One thing this government can do right away is bring in amendments to the Crocus legislation that removed the MFL as a controlling member of the board, that removed their friends and cronies.

[interjection] Well, the Premier (Mr. Doer) says that they wanted someone to sponsor them.

Why does the Premier not get out and find someone to sponsor them? Will the minister do the right thing and look at amending this legislation? Wrap them in with the other labour-sponsored fund, the act that covers all funds in this province. Do the right thing.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, I would like to quote from a document. What it says is that basically, "the responsibility, the majority of the board members are MFL members, the control of the board is MFL members." When was this document signed? 1992. Who signed the document? Eric Stefanson. The members opposite set up the fund so that the MFL was in control. You set up the rules. You set them up as a control. You should know what your party did as far as setting up the governance of the act.

Provincial Debt Debt to GDP Ratio

Mr. Gerald Hawranik (Lac du Bonnet): The Minister of Finance in public communications answers the questions I have put to him and has continually stated that the debt is affordable because the debt to GDP ratio is going down. The minister is simply using the operating debt numbers which have been manipulated by this minister. He manipulates them by not counting expenses that are really expenses, and counting income that is not really income.

Will the minister take responsibility for his comments and come clean to all Manitobans that the operating debt to GDP ratio is being manipulated by the minister only for political purposes?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the member is completely wrong in his accusations. The debt to GDP ratio is evaluated by the bond rating agencies in both Toronto and New York. They tell us the debt to GDP ratio is going down. They complimented us for putting a plan in place to deal with the pension liability which had grown from 1.8 billion to \$3 billion. They had been calling for many years for a plan to show that pension liability on the books, which we did, and then to put in place a strategy to deal with it, which

we did. All of the evidence is out there. It has been independently evaluated. The member is simply wrong.

Mr. Hawranik: Mr. Speaker, is this Finance Minister calling the Auditor General wrong because, according to the Auditor General, the net debt to GDP ratio is going up, not down? As a result, we are less and less able to pay down and service the debt. By increasing the debt and increasing the net debt to GDP ratio, the NDP is mortgaging the future of our children.

Why does the Minister of Finance not make an appointment with the Auditor General and ask him the numbers instead of misleading Manitobans by omission?

Mr. Selinger: The member asked me if I was saying the Auditor General was wrong. No, I am not. I am saying the member is wrong. You are wrong. I spent a good amount of time in Estimates with the member just this last Friday explaining to him all the questions he has answered. He has come here to the Legislature now, he has ignored everything we explained to him. He has jumped back on the old horse that he did not understand anything about in the first place.

The debt to GDP ratio is going down. The investments we are making today are going into hospitals in his riding, schools in his riding, roads in his riding, as well as many other constituencies across the province. I repeat again, the member wants these things, but he does not want to pay for them.

* (14:00)

Mr. Hawranik: Once again the Minister of Finance is misleading by omission. The per capita debt of Manitobans is by far the highest in western Canada at \$17,000 for every person in this province, a full \$5,000 higher than in Saskatchewan. How can the Minister of Finance stand up time and time again in this House and state that the debt is becoming more and more affordable when we have the highest per capita debt in western Canada and the net debt to GDP ratio is increasing? Would the minister agree with the Auditor General's statement that he is, in fact, misleading Manitobans by omission?

Mr. Selinger: I must say, Mr. Speaker, that the members opposite increased the debt in Hydro. They

kept half a billion dollars off the books. That is included in the number the member gave. I suppose the members would like to privatize Hydro which would automatically reduce the debt. We believe Manitoba Crown corporations should stay under the control of Manitobans so the benefits flow to Manitobans. I note that most shares from Manitoba Telephone System are owned by people outside of this jurisdiction, and the profits are flowing there now. Is that the member's solution; more privatization? I would not be surprised if it is.

E-Health Development Costs

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, today a story involving hundreds of millions of taxpayers' dollars was leaked to the *Winnipeg Free Press*. Apparently, the Minister of Health confirmed that the first stage of E-Health will unfold at St. Boniface Hospital later this year and that a consortium to undertake the project has already been chosen, but the minister is not able to confirm who the member firms are that will be the potential beneficiaries of hundreds of millions of taxpayer dollars. What was the process that took place by this government to choose these potential beneficiaries of hundreds of millions of taxpayer dollars?

Hon. Tim Sale (Minister of Health): Mr. Speaker, I am looking forward to beginning Estimates this afternoon with the member, and I am certainly looking forward to some dialogue with her about what the chambers of commerce, the Business Council of Manitoba and other leading spokespersons have called on us to do in terms of investing in information technology so that we can improve patient safety, patient tracing, productivity in our system, do more with the same or fewer resources. If she is against that, then let her say so.

Mrs. Stefanson: I am simply asking about the process or lack thereof that did or did not take place, Mr. Speaker. This government loves to crow about transparency and accountability in the health care system; yet, once again, Manitobans are on the hook for hundreds of millions of taxpayer dollars committed by this government, and the NDP refuses to reveal what process took place to choose the consortium for the St. Boniface pilot project.

Mr. Speaker, will the government reveal today who the group is that will receive hundreds of millions of taxpayer dollars?

Mr. Sale: Mr. Speaker, again, we will have lots of time this afternoon, but let me just tell the member, there are over 250 professional—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Sale: Let me tell the member that there were over 250 professional people from our health care system involved from every corner of Manitoba in assessing the submissions that were received initially from over a dozen purveyors, short-listed to three. A chosen supplier is now currently in negotiations with us to conclude the contract. Every conceivable due process was followed in letting this contract, Mr. Speaker. We have not signed it yet, which is why we are not saying how much it is because we are negotiating that question.

Mrs. Stefanson: Mr. Speaker, if a contract has yet to be negotiated and finalized, that is clearly inappropriate for the government to be telling the *Winnipeg Free Press* and the people of Manitoba that it is a done deal. Clearly this leak to the *Winnipeg Free Press* will affect the final negotiations of the taxpayer dollar commitment with this consortium. Way to do the bargaining power. This is just unbelievable. This is the way the NDP negotiates. This is unbelievable.

This government has effectively committed hundreds of millions of tax dollars without informing Manitobans of the process or the actual true cost of the project. Did this project go to tender? What was the criteria for selecting the winning bid, and will the minister table this information for the House today?

Mr. Sale: One thing I can tell the member is, Mr. Speaker, this is not a \$30-million giveaway to Ross Perot and the Royal Bank in an untendered SmartHealth program.

I would also just like to read the member a quote, "I have to ask this Minister of Health will this minister do the right thing today and roll out an ER patient tracking system so that we can track patients." The member from Charleswood, in 2004. Maybe they should speak to each other.

An Honourable Member: You are a liar, Timmy. You are a liar, and you know it.

Mr. Speaker: Order. I want to take this opportunity to caution all members. I am hearing some very

unparliamentary language being thrown around. All members in this Chamber are honourable members, so I throw caution to all members.

Workers Compensation Expansion of Coverage

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, 100 recommendations to amend The Workers Compensation Act were forward unanimously by both employers and employees. In response to the minister's answers to my questions of last week, I would like to quote from page 17 of the report, recommendation 7: "The extension of coverage should only occur after employers and workers in those industries where extension might occur have had a full and free opportunity for consultation and discussion. This dialogue should be initiated by the Workers Compensation Board."

Can the minister tell this House this: Where in the proposed legislation would we find this recommendation?

Hon. Nancy Allan (Minister of Labour and Immigration): Mr. Speaker, I want—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Allan: Thank you, Mr. Speaker. I just want to ensure members opposite that they have read both pages 16 and 17 of the report, because what it says there is that they want to see The Workers Compensation Act modernized. They want to see it reflect—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Allan: The current coverage model that we now have is antiquated and very difficult for some stakeholders to read.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I need to be able to hear the questions and the answers, so I ask the co-operation of all honourable members.

Ms. Allan: Thank you very much, Mr. Speaker. I have made a commitment to the stakeholders that I

am working with in regard to Bill 25, and that is a commitment I will keep in regard to consultation with stakeholders.

Mr. Cullen: Mr. Speaker, we do agree that this act has to be modernized. Let us take into the factor one of the key stakeholders in this whole arrangement. According to this legislation, employers who pay workers compensation premiums will effectively be removed from the decision-making process. The Premier (Mr. Doer) and Cabinet would now have full control. This has left employers, one of your stakeholders, feeling and I quote, "alarmed and betrayed by this NDP government."

Is the minister still prepared to move forward on this proposed amendment?

Ms. Allan: Mr. Speaker, my public responsibility as the Minister of Labour and Immigration is when I bring any legislation forward, it is my responsibility to work with the stakeholders. We were in committee on Bill 10, The Pension Benefits Act, on Thursday night. The stakeholders, the Manitoba Society of Seniors, complimented me—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Allan: —complimented me, Mr. Speaker, on the consultation that they had with me as the minister responsible for The Pension Benefits Act.

* (14:10)

Mr. Cullen: Mr. Speaker, the Legislative Review Committee has spent months and months consulting with employers and employees, the stakeholders the minister talks about. Over 200 submissions were provided to the committee. Employers and employees reached consensus on 100 recommendations.

This NDP government has effectively pulled the rug from under this process. Why does this government refuse to listen to Manitobans? Why do they continue to push its own agenda, and particularly as to who will be included in this coverage?

Ms. Allan: Mr. Speaker, I have said very, very clearly, over and over again, that the day Bill 25 is

passed there will be no expansion of coverage. Coverage will occur in consultation with stakeholders and be initiated by the Workers Compensation Board. That is my commitment to stakeholders.

Gang Activity Reduction Strategy

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, today in Manitoba, there are between 3000 and 4500 active and inactive gang members in the province, including many belonging to the violent Hells Angels and the Bandidos. In 1999, there were 1300 members, and none of them belonged to the Hells Angels or to the Bandidos.

Today we learn that developers are hoping that surrounding the Hells Angels clubhouse with school children and with sundecks will drive them elsewhere in the city. Why is the NDP Minister of Justice leaving the problem of organized crime in Manitoba to homebuilders, sunbathers and high school students?

Mr. Speaker: Order. The honourable member of Steinbach asked a question. He should have the right to be able to hear the answer. I ask the co-operation of all honourable members.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, the issue of gang members was a subject of some consideration in Estimates. According to the figures from Winnipeg Police services, the estimates that I obtained from the City of Winnipeg indicate that the number of active and inactive gang members in the city of Winnipeg has declined by 22 percent since July '02.

Mr. Goertzen: Mr. Speaker, the minister knows full well that there has been an increase of between 1700 and 3200 gang members since he took office. Ten years ago, the NDP Minister of Justice released an 18-point plan on reducing gangs. Perhaps point No. 19 for the minister should have been to surround the Hells Angels with school children and family barbecues.

The new development will either move the Hells Angels to another part of Winnipeg or Manitoba where they can terrorize other people, or they are just going to put more children and people around the current clubhouse. Is that the minister's solution to this very serious problem, Mr. Speaker?

Mr. Mackintosh: Rather than some groundless fearmongering by members opposite for partisan advantage, Mr. Speaker, the member is simply wrong in terms of his characterization of the locations of this. My understanding is that the future location of the school is blocks away. Perhaps the member can get his facts right before he comes in here.

Mr. Goertzen: That is no comfort. If the minister thinks that the Hells Angels are groundless, perhaps we could take a ride and I can show him the clubhouse, it is just few blocks down the street, because I am sure he does not get out of his office very often.

Mr. Speaker, point 17 of the NDP 1996 Gang Action Plan was to find street workers to interact with gang members. Who would have thought that these street workers would be high school students when the NDP got into government? The drugs that far too many young people are addicted to in our province are being provided by gangs like the Hells Angels, and now we are going to surround the clubhouse with these young people who are vulnerable to these drugs.

Why does the minister not recognize the answer to getting rid of the Hells Angels and the Bandidos in this province is to drive them out of business and not surround them with school children?

Mr. Mackintosh: Again, Mr. Speaker, just groundless statements. Organized crime is not welcome to neighbours in our communities and they do not control the development of our communities. Since we have come into office, we have brought in the most aggressive strategy, I understand, in Canada to counter organized crime.

Mr. Speaker, we do not need lessons from the members opposite. All they could do was set up a gang hotline that was not hot, it was not confidential. That is the best they could do. We are not done yet. We brought in the most aggressive anti-gang legislation and will continue to develop strategies to protect the safety of Manitobans.

Crocus Fund Operating Expenditures

Hon. Jon Gerrard (River Heights): Mr. Speaker, the Crocus Investment Fund has typically run up

expenses of close to \$100,000 a week. Surely the government must agree that something must be done to staunch the flow of money out of Crocus for management expenses in order to minimize these expenses and thereby save the innocent unit holders at least a few dollars. Crocus shareholders are asking me why this has not been adequately done. The government has an appointed representative on the Crocus board.

I ask the Minister of Industry this: Has the government communicated with its representative with respect to recommending Crocus decrease its operating expenditures during this period when it is unable to sell shares and until we have reports from the Auditor General and the Manitoba Securities Commission?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): As the member knows, we do not direct our appointment to the board on how to conduct business. Once we appoint the director, his fiduciary responsibility is to the shareholders. I would like to remind the member that although there are expenses, there is also income coming from the investments that are of the fund.

Our job is not to run the fund every day. Our job is to set up the system, make sure the rules are fair and appropriate, and then allow the fund to conduct business. It is the board of directors that manages it. It is the board of directors who does the investments. It is the board of directors who looks after the expenses.

Government Representative

Hon. Jon Gerrard (River Heights): Mr. Speaker, the minister says the government is completely hands-off with Crocus and has nothing to do with its own representative on the board. Perhaps the government would be wise to ask its appointed representative to step down and allow all unit holders to vote on a replacement. Only in this way would there be real accountabilities so that the director in this position is really responsive to the shareholders as the government indicates it would like to be the case.

Will the government, which says its representative is responsible to the unit holders of Crocus, now allow unit holders to elect a replacement for the provincial government's representative?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, I would like to point out to the member opposite you were part of the Liberal government that had as a requirement that the Federation of Labour had to be the majority shareholder for it to be considered a labour-sponsored fund. You set up the rules. You set it up where the Manitoba Federation of Labour, your Liberal government and the Tory government set it up so that in 1992, the Manitoba Federation of Labour had the majority of the shareholders.

You should know that Bernard Wilson, director of Corporate Governance branch, basically what he has said is that the fiduciary responsibility of all board members is to the shareholder. It is not to the person who appoints them. It is not to the organization that they represent. It is to the shareholder.

So your question is wrong where the responsibility of the board is to the shareholders. It is not to the person who appoints the board members.

Waverley West Subdivision Approval Process

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the government in regard to Waverley West. The NDP propaganda machine is definitely out. They have the "Keeping in Touch" form circulated, I trust, in south Winnipeg in which it is just full of mistruths.

If you look at it, they are talking about, they are saying pickings are slim in terms of expanded or vacant lots. They make no reference at all to Meadows West, as an example. They say that 90 percent, this one really gets me, 90 percent of demand for new housing is not in the inner core but in south Winnipeg.

I can tell members of this Chamber that there is demand in north Winnipeg. There is demand in east Winnipeg. There is demand in west Winnipeg. Not 90 percent of Winnipeg residents want to live in south Winnipeg. I do not know what it is you have against the North End. It indicates, in this propaganda piece, it says about three years ago the City asked the Province to make their land available. What garbage, Mr. Speaker, it was only last year. My question to them is this: Why is this project not going to the Manitoba Municipal Board?

*(14:20)

Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade): Mr. Speaker, I am glad the member finally got around to a question.

Mr. Speaker, the City of Winnipeg Charter, obviously, in The Planning Act, does outline the process of development, certainly in the city of Winnipeg. The City of Winnipeg has reviewed the proposal for development and has determined the amendment to Plan Winnipeg is warranted. It is the City's request to amend Plan Winnipeg to redesignate Waverley West lands to rural and neighbourhood policy area.

Mr. Speaker, the member opposite talks about demand all over the city of Winnipeg. He talks about demand within the city of Winnipeg. He talks about the need for housing in the city of Winnipeg. The City of Winnipeg is a responsible level of government. They assessed the information, provided me with the information. It has been forwarded back to the City of Winnipeg with approvals, with conditions, and I think he answered his own question.

Prairie Production Centre Purchase Price

Mr. Jack Reimer (Southdale): Mr. Speaker, the other day I asked the Minister of Culture and Heritage in regard to the Prairie Production Centre and at that time the minister said that the private sector, when it was approached about the purchase of the Production Centre, said that they would only purchase it if it could make a profit.

I found it very, very ironic that he then admitted that the Province shelled out \$3 million for this Prairie Production Centre when it has shown that it has not been able to make a profit. It has shown over the last seven years that it has not made a profit. What kind of due diligence or business plan was presented to the minister to justify a purchase of \$3 million?

Hon. Eric Robison (Minister of Culture, Heritage and Tourism): Mr. Speaker, as I indicated last week, because of decisions that were made prior to 1999, our government was left with the option of having to write off the \$1.3 million in unsecured loans or face the possibility of losing a sound stage, and of course we could not afford to do that.

Mr. Reimer: Well, Mr. Speaker, we can only look back to in the days of Howard Pawley and Ed Schreyer when they got into the pickle factory business. They got into the bicycle manufacturing business. None of that survived. Their record on buying and being involved with business is dismal.

This industry here in this particular Prairie Production Centre has shown that it cannot make money. The minister has said that they have to buy it. Mr. Speaker, I find it very ironic when \$3 million could have been used for hip replacements. It could have been used for knee replacements for seniors. It could have been used for dental surgery for children that are waiting on the list, and yet they feel that they can make money on a \$3-million business that is shown to lose money.

I ask the minister was there due diligence. Was there a business plan that he would be able to share with this House and the people of Manitoba?

Mr. Robinson: Mr. Speaker, I am satisfied that the proper procedures occurred with the purchase of the Prairie Production Centre. The \$1 scenario that the member from Southdale mentions would have only come into play if Manitoba had agreed to forgive the loans, pay the mortgage, back taxes and outstanding creditors. The \$3 million quoted in the *Winnipeg Free Press* last week includes \$1.8 million paid to secure the Prairie Production Centre, plus \$1.3 million in failed unsecured loans that the previous government had negotiated.

Mr. Speaker: The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Sargent Park School

Mr. Andrew Swan (Minto): Music is a key part of student development that makes school a more enjoyable place and enriches the school's character. I am proud to speak today about the fantastic music programs at Sargent Park School.

*(14:25)

In January, Sargent Park hosted an event called "Strumming for Sargent." This concert featured classical and jazz guitar and a performance from

members of the Winnipeg Symphony Orchestra. This event was a great success, and I was very pleased to see parents, teachers and other members of the community taking such a genuine interest in the work of Sargent Park students. The concert raised about \$2,000 for the purchase of new guitars for hands-on learning of music skills. I would like to extend congratulations to parents Carolin Peters, Marika Winters, Barb and Steve Hamilton, Donna and Dan Brooks, Michelle Warkentin, Kurt Rifik and Laura and Don Gilberto for organizing this successful evening.

During February and March, Sargent Park's choirs participated in the Winnipeg Music Festival, winning two gold and six silver awards. It is my understanding that several students from Sargent Park were also selected to perform with the Winnipeg Symphony Orchestra Choir and the Provincial Honour Choir.

On March 23, Sargent Park held its annual spring concert which featured an Aboriginal-themed multimedia presentation put together by the band and art students under the guidance of teachers, Mrs. Claeys and Mrs. Lalonde. The junior high trip choir and trip band have both been practising very hard in preparation for a trip west to Alberta that began this past weekend. I would like to take this opportunity to wish them the best of luck.

Mr. Speaker, I would like to thank Mrs. Claeys and Mrs. Lalonde, as well as the rest of the staff and administration at Sargent Park School for their commitment to providing their students with high quality musical instruction. I would also like to thank the parent-teacher association and the parent councils for their involvement with making the music programs at Sargent Park a success. Thank you.

Grenadian Association of Manitoba

Mrs. Mavis Taillieu (Morris): On April 2, 2005, I had the pleasure of attending the 25th anniversary banquet of the Grenadian Association of Manitoba to celebrate the many accomplishments, rich traditions, ethnic heritage and cultural milestones of Manitoba's Grenadian community.

The Grenadian Association of Manitoba was established in 1980. For over 25 years, this non-profit organization has been serving the vibrant Grenadian community while simultaneously

promoting a sense of unity and cultural awareness within the Grenadian community and other ethnic and cultural groups across our province.

The evening included entertainment courtesy of the Grenada Senior Cultural Performers and the Grenada Association Choir, as well as an awards ceremony in which Aminat Lawanson, a young Grenadian Manitoban, was recognized for her outstanding achievement as a cultural dancer and performer.

Grenada means "Isle of Spice," and the 500 or so members of the Grenadian community who have chosen to call Manitoba home have brought a distinctive and welcome flavour to our province that continues to enrich our province's diverse multicultural character. The importance of remembering one's historical, cultural and national roots cannot be understated. One's culture is instrumental in defining who we are, how we shape our values and how we live our lives.

Organizations such as the Grenadian Association of Manitoba are tremendous assets for our province because it is through the promotion of cultural heritage and awareness that different cultures can come together, learn from each other and help build a more understanding and culturally sensitive community.

Again, I would like to congratulate the Grenadian Association of Manitoba on their 25th anniversary, and I would ask all honourable members to join with me in wishing them continued success in the future. Thank you, Mr. Speaker.

Seven Oaks General Hospital

Mr. Cris Aglugub (The Maples): I am proud to share with my colleagues some good news about Seven Oaks General Hospital. On March 22, 2005, we announced \$5 million in funding assistance for the expansion and upgrading of the hospital's emergency room facilities.

Mr. Speaker, Seven Oaks hospital is one of the busiest community hospitals in Manitoba. The hospital sees slightly more than 36 000 patients every year. Our government's funding is good news for Seven Oaks General Hospital, my constituents in The Maples and for residents living in and outside of Winnipeg. The expansion of Seven Oaks General

Hospital will see emergency room facilities expand by almost 50 percent. The expansion will include a new ambulance bay, an increased number of treatment rooms, improved cardiac monitoring capabilities, a secure room for aggressive patients, and a new decontamination and isolation room. Construction should be completed by January 2007. Total construction will be valued at \$7 million.

The expansion of the emergency room at Seven Oaks General Hospital would not be possible without the hard work of the Seven Oaks General Hospital Foundation. The foundation, through its fundraising efforts, will donate \$2 million towards this project, Mr. Speaker. It is this same hard work and determination that won Seven Oaks General Hospital the distinction as one of Canada's top 100 employers for 2004.

Mr. Speaker, I want to thank CEO Mr. Mark Nesar, chairman of the board, Bob Minaker, Gail Smidt, president and executive director, Ms. Maria Marrone of the Seven Oaks General Hospital Foundation, and all the hospital staff on this very good news. Also I would like to mention that the Seven Oaks Foundation will be hosting a fundraising gala dinner in May 2005, which promises to be a very worthwhile and exciting event. Thank you, Mr. Speaker.

Glenboro Panthers Basketball Team

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, it gives me great pleasure to rise in the Manitoba Legislature today to honour the Glenboro Panthers Varsity Basketball team. Their coach, Sharon Prost, led them to victory at the 2005 Manitoba High School Athletic Association's Provincial A High School Girls Baseball Championships recently held in Souris and Hartney. The tournament all-stars included Dayna Prost and Brittany Cullen. The most valuable player was Michelle Huber. The rest of the team consists of Ayla Clemis, Katie Craig, Megan Abernethy, Kaylie Haasbeek, Alyssa Haasbeek, Brooke Plaetinck, Caoimhe Morton, Cassandra Outhwaite, Stephanie Myers and Kayla Thornborough.

Mr. Speaker, Glenboro Collegiate has a long history of fielding competitive sports teams. The school has a track record in provincial volleyball, second to none. This is a tribute to the coaches and volunteers who aspire to keep children active and

involved in friendly competition. Congratulations to this year's Provincial A winners. Your community and school are very proud. I wish them continued success in the future.

Vincent Massey Collegiate

Ms. Kerri Irvin-Ross (Fort Garry): Mr. Speaker, I rise today to congratulate a number of young people from Vincent Massey Collegiate. This high school is located in my constituency of Fort Garry. The school has approximately 1220 students and 60 staff members.

Students from Vincent Massey's Grade 12 World Issues class took it upon themselves to organize and host a special morning seminar on April 7, 2005. The seminar focussed on addressing the importance that alternative energy sources will play in the very near future.

Mr. Speaker, the significance of this event cannot be minimized. Young people today will be facing environmental issues such as adverse climatic changes, depletion of fossil fuel energies and rising oil and gas prices in their adult years. They will also be facing the ever-increasing need for the development and use of alternative energy sources.

Mr. Speaker, the morning consisted of a keynote address by Mr. Shaun Loney, director of energy policy for the government of Manitoba. It was followed by a panel discussion which included Dr. Eric Bibeau, Mr. Phil Saurette, Ms. Rachel Van Caesele, Ms. Christina McDonald and my esteemed colleague, the MLA for Wolesley (Mr. Altemeyer). Break-out workshops with some of these guests then followed before lunch. Workshop speakers discussed important issues like the new wind turbine project at St. Leon, Manitoba.

Mr. Speaker, I would like to thank principal Richard Martin for his leadership, teacher Ken Corley for helping co-ordinate this event and for inspiring his Grade 12 students to address this issue. I would also like to thank all panellists and guests who took time out of their busy schedules to meet with these young people. Finally, I would like to thank all the students from Vincent Massey Collegiate for co-ordinating and participating in this seminar. Thank you.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Gord Mackintosh (Government House Leader): Would you please call Supply.

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

Mr. Deputy Speaker, please take the—
[interjection]

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order?

Mr. Leonard Derkach (Official Opposition House Leader): Yes, Mr. Speaker, on a point of order.

I was wondering whether we could canvass the House and whether there would be agreement to deal with Bill 10 in third reading today since it was passed in committee. In view of the words of the Premier (Mr. Doer) on CJOB saying that this bill was being held up by the opposition parties and the fact that the bill has now cleared at committee stage, I was wondering whether we could seek leave of the House to give unanimous approval to this bill today and have royal assent given to it before 5:30 this afternoon. Would you please canvass the House?

Mr. Speaker: The honourable Government House Leader, on the same point of order.

Mr. Mackintosh: Mr. Speaker, as we discussed last week in House business, the member opposite if he had an interest in this that was genuine, perhaps he could have raised it with us earlier. We on this side are prepared to move this expeditiously. The report stage now is the next stage. I am prepared to have discussions with the member opposite in terms of dealing with that bill either tomorrow or on Wednesday.

Mr. Speaker: The honourable Official Opposition—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Before recognizing the honourable Official Opposition House Leader, I hope this does not turn into a debate, because—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Because negotiations should really be done in the loge or in the privacy of the House Leader's office, but I will recognize the honourable Official Opposition House Leader for additional information on the same point of order.

Mr. Derkach: Just for additional information, Mr. Speaker, I think it is an established fact that the government seemed to be very anxious to see this bill passed. As a matter of fact, that was made known on public radio. In no way do we want to hold this piece of legislation up, because it does affect seniors who are waiting to be able to access their pension funds.

Mr. Speaker, it was the Premier (Mr. Doer), the First Minister of this province, who said on public radio that he was anxious to see this legislation passed so that seniors could access their money. We are saying, as an opposition party, and I am sure I would seek the support of the Liberal Party, the Liberal caucus here today, to ensure that this legislation gets passed today. We are prepared to do it, to set aside other business of the House to be able to give third reading to this bill and royal assent this afternoon so that we can get on with doing the duty that seniors expect of us.

Mr. Speaker: Order. On the point of order raised by the honourable Official Opposition House Leader, government business, when it is called by the Government House Leader, it is really the prerogative of the government.

I will read you the rule pertaining to that in our *Manitoba Rules and Practices*. It is Rule 29(2), precedence of government orders: "When government business has precedence, the government's orders and private members' orders may be called in such sequence as the government determines." That is where we are, Orders of the Day; it is government business, and it is at the call of the government. So the honourable member does not have a point of order.

* * *

Mr. Derkach: Mr. Speaker, then I seek leave of the House. I am requesting that we seek leave of the House to set aside the Estimates and to call Bill 10 in third reading and to dispense with it this afternoon.

Mr. Speaker: Okay. Leave has been requested to set aside Supply to deal with Bill 10, right?

Is there agreement?

Some Honourable Members: No.

Mr. Speaker: No, there is no agreement. So we will proceed—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Derkach: Mr. Speaker, I just want to put on the record that the Government House Leader (Mr. Mackintosh) has denied leave today to deal with this legislation.

Mr. Mackintosh: It is really, I think, unfortunate for the workings of the Assembly that House business is done in such a pathetic way. I would advise the House—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Mackintosh: I would advise the House, indeed, that if the member genuinely was interested in this, we could have had that discussion. We are prepared to consider this after discussions with the opposition for calling it in the next two days, either tomorrow or Wednesday. That would be something, I think, that would be preferable. There are departments now ready for Estimates.

* (14:40)

Mr. Speaker: I do not really want this to turn into a debate because the floor of the Legislature is really not the place to negotiate House business. It is very clear that House business is called by the government. Any negotiations that take place, hopefully, I will even let you use my office if you wish, because I would strongly, strongly, strongly encourage you, the House leaders, to negotiate either in the loge or in privacy. I would really discourage you to be negotiating on the floor.

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a new point of order.

Mr. Derkach: Mr. Speaker, I certainly heed your advice, but it was the Premier (Mr. Doer) of this province who chose to negotiate the business of the House on radio. He was the one who identified this piece of legislation as being held up by both the Liberal Party and the official opposition. I think that was shameful. We did not in any way hold up this legislation. Last Tuesday, the House Leader, without consultation did, in fact, alter the business of the House.

What I am saying this afternoon, this being the first day after that committee hearing was held, and now that the bill has been reported to the House, we are prepared, on this side of the House, to set aside the Estimates debate this afternoon. Yes, departments are ready with Estimates, and those Estimates can continue after the bill is passed or tomorrow. But, Mr. Speaker, this is in the interests of senior Manitobans who want to access their money, and if the bill is proclaimed today when it is given Royal Assent, those people can get on with their lives. We are anxious to do this. The Government House Leader has chosen to deny it, and I regret that.

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

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (14:50)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order.

This section of the Committee of Supply will now be considering the Estimates of the Department of Health.

Does the honourable minister have an opening statement?

Hon. Tim Sale (Minister of Health): Mr. Speaker, I will be brief, but I did want to, first of all, welcome my critic. I guess we have not done this before, either of us in this department, so I am looking forward to the process.

Secondly, I thought I might just spend a few minutes talking about the context that we are in, in

Canada through the lens of the accord that was reached last September by First Ministers from all provinces, territories and the Prime Minister. As the member will obviously know, these provinces represent all stripes of political interest and different views on many things. But they came to a common accord on the basis of, I guess, several critical issues, first being that health funding from the federal government had fallen far behind the commitments and intentions of former Prime Minister Trudeau in 1977-78 when he brought a funding formula that was supposed to be a secure formula for all time. So the federal recognition was welcome that they had to get back into the game in a serious way.

Secondly, that we had a major challenge in chronic disease, both management and prevention, and that the provinces, federal government and territories had a huge stake in particularly managing the diabetes epidemic, but no less important are the hypertension, congestive heart failure, symptoms of obesity and poor physical fitness, respiratory issues, et cetera. So chronic disease identification, prevention and ameliorating the things that led persons with chronic disease into more and more sickness and, ultimately, to premature death.

The third area that was of great concern was the whole question of health human resources and a recognition, in the 1990s when Morris Barer and John Stoddart suggested that we should cut back on enrolment in medical colleges. The provinces raced to fulfil their recommendation, the Barer-Stoddart report, that this was based on an inadequate reading of their recommendations in that they also recommended a significant expansion of nurse practitioners and a broadening of the scope of practice so that family practitioners could be significantly assisted in their practice by a more comprehensive model of practice, what has come to be called collaborative practice.

Then, finally, that we would focus what might be called a better care sooner, closer to home. In other words, to address waiting lists, not just by throwing money at them, but by looking at the management question. So who can do what procedures? Where can we do them? How can we improve the productivity of our existing system through strategic investments in information technology, in better management and in using consistent clinical guidelines, for example, in hips and knees. We have a situation in Canada where, by

and large, apart from a very few provinces, of which we are one, there are no consistent clinical guidelines being promoted or used in most provinces, and again we are moving away from being part of that "most"; there is no central management of wait lists.

I think the work that was pioneered by my predecessor in the cardiac care wait list management process has shown what you can do if you put wait list co-ordinators and a relatively small amount of actual new money, and aggressively manage the wait list, you find that it is possible to arrive at a situation where, for example, by today we have only 88 Manitobans on our elective cardiac surgery waiting list. Most of those are well under the maximum suggested wait times. There are a few that are over, but very few.

We have simply got a whole lot more efficiency out of our system by centralizing wait lists, by getting our cardiac surgeons to co-operate with each other, by providing resources for wait list co-ordinators and managers and by focussing on centres of excellence. We intend to repeat that success that we have had in cancer and cardiac to a significant extent in cataracts. We intend to repeat that with the other two high priority waiting list areas.

That all said, in terms of how we are going at it, as I have said in a long presentation to the Business Council of Manitoba and have also shared with the Chambers of Commerce and with a number of other audiences, we are still faced with a sustainability challenge, and we are not at all unique in this regard. In fact, we may be in slightly better shape than a number of our sister and brother jurisdictions.

In summary, health care demands grow on a long-term average of between 1.5 and 2% greater than health care funding. So the obvious problem is that the gap between revenues and expenditures has continued to grow in all jurisdictions, including in the United States. It is true in Europe. It is true here. So, if we are going to maintain access to high quality care for all, as opposed to drifting into the American model where you get very high quality care for few, adequate care for a fair number, very spotty and in some cases no care for the 45 million Americans with no health insurance, and approximately another additional 80 million who have only catastrophic insurance, then we have to deal with the productivity and efficiency questions.

This is not a simple issue. It means re-engineering workflows. It means using IT in a very strategic way. It means supporting and, I would say, incenting collaborative practice instead of incenting solo practice. It means making investments strategically in equipment so that, for example, in our rural areas we can attract and retain quality physicians so that people in the rural areas not only have good equipment but, because they have good equipment, they can attract and retain skilled professionals. It is very hard to get a doctor trained in the 21st century to want to practise in a hospital that is equipped in the 1950s level of equipment.

So that is why we have prioritized investing in CTs, MRIs, cancer treatment, 24 community CancerCare sites, 26 Telehealth sites. All of these are things that not only provide better care closer to home without people having to travel but they also help us in recruiting and retaining physicians. So our focus in the next few years is to close that sustainability gap between what we can reasonably put into the system from the growth of our revenues to what we can reasonably expend so that even though Health will always be a priority and may always attract a slightly higher proportion of new money than other government departments, we have to move away from the situation that we were faced in Canada, not just Manitoba, for the last number of years where Health spending was crowding out other priorities.

So that has been our focus over the last few years: repairing the damage of the 1990s, putting us in a position with strong capital investments to spend appropriately for this decade, retaining and expanding our human resource base, investing in rural Manitoba and rural health care, and making the biggest single investment ever in the Health Sciences Centre in our diagnostic and emergency capacity so that we can sustain this thing we call medicare far beyond either my or any other member in this room's tenure as a member of government or opposition.

* (15:00)

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

Does the official opposition critic, the honourable Member for Tuxedo, have any opening comments? The Member for Tuxedo, the floor is yours.

Mrs. Heather Stefanson (Tuxedo): Thank you very much, Mr. Chair. I thank the minister for his comments and for welcoming me to my post. I, too, welcome him to his new post as the Minister of Health. Being the opposition critic for Health, I am not so healthy today, so I am sure the members opposite will be quite happy that I will not be as long-winded, maybe, potentially as I sometimes can be. So bear with me, but I do have a few comments I would like to put on the record today.

I, firstly, would like to recognize the efforts of our front-line health care workers, many of whom I have had the opportunity to meet with in the short period that I have been the Health critic. I have certainly heard a great deal about the stresses and frustration associated with being on the front lines in the somewhat overtaxed health care system that we are currently in. To all those people involved in our health care system, I say to them thank you for your dedication and thank you for the sacrifices you make in order to serve the people of Manitoba.

I also have had the opportunity of seeing our health care workers in action as a patient in the system when I delivered my two children, Victoria and Thomas, at St. Boniface Hospital last January and in November of 2001. Certainly, the nurses, doctors and all the health care professionals were absolutely outstanding.

I just want to take this opportunity to thank each and every one of them for their help and support during my time there. I know many of my friends who have also delivered at St. Boniface and Health Sciences and also at the Victoria Hospital and, indeed, in Brandon and some rural communities as well have had similarly good experiences.

I think what we have seen lately is there is some frustration with the fact that some of these facilities are closing, and there are not the opportunities for some of those people to deliver in those communities. Certainly, I am hearing from people who are frustrated by some of the decisions that have been made by this government.

I know that the Minister of Healthy Living (Ms. Oswald) is currently expecting and I hope that she, too, and I am sure she will, have a similarly positive experience with the health care workers in the system as I did. You know, not to take a shot at the government, but there is a bit of a reality check. I just

hope she is not in a situation where she and, indeed, any other woman is turned away and denied access to care as a result of the influx of people from south Winnipeg, from the closing of the maternity ward at Victoria Hospital and from Brandon, Dauphin and other areas in rural Manitoba who are short obstetricians and pediatricians.

I have heard from many people around Manitoba who have dedicated their lives to helping others that there are many challenges currently being faced in our health care system. From staffing shortages, particularly in some of our rural areas, to overflowing emergency rooms in Winnipeg, there are many problems that demand attention.

Unfortunately, I do not believe things are going to improve until this government provides some sort of a direction and some sort of a plan. I do not think that simply pumping more money into the ailing system and addressing problems only once they have reached crisis proportions is a responsible way to deal with health care in our province.

Once again this year, CIHI identified Manitoba as spending the most money per capita on health care; some \$4,406 per person in 2004-2005. Yet, many Manitobans continue to question where this money is going. Since 1999, this government has increased health care spending by more than \$1.3 billion, yet the problems persist and many Manitobans are going out of province to access health care services that are not available to them in a timely manner in this province.

In September of last year, the First Ministers' Health Accord was signed, a document which substantially increased the amount of money that Manitoba is receiving on an annual basis from the federal government. Yet, just as quickly as that money comes into the province it is spent. In fact, it is spent, in some cases, before that money flows in.

Certainly, we saw in the Health budget for this year, which begs the obvious question about the impact that continuing to spend these rates will have on other government departments, not to mention on taxpayers' wallets. The Health budget currently represents 41 percent of the provincial budget, a number that has increased over the years this government has been in power. Such growth in levels of spending is certainly not sustainable and will inevitably impact on the funding of other

government departments and, indeed, will cause taxes to increase significantly to compensate for this government's inability to manage the system. Manitobans no longer believe that throwing more money at a system that is not working is the answer. They know it needs to be better managed.

Certainly, there have been several high profile glossy news releases and announcements from this government and this minister in the past six years. Unfortunately, many of those announcements have not been followed by any real action. We have seen the wait list for orthopedic surgeries skyrocket up to three years under this minister and yet, the announcements made and the money promised to deal with this issue have not flowed. Similarly, we have seen the number of children waiting for dental surgeries significantly increase. Yet, again, the so-called plan announced by this government had still not been implemented some months later, with the result that children are waiting and continue to wait in pain for surgery.

We have also seen the number of patients in emergency room hallways increase under this NDP government despite their promise six years ago to end hallway medicine in six months with \$15 million. We also see the closure and converts of rural hospitals because of staffing shortages despite this government's promise not to. Now, we have also seen that this government has decided to close a maternity ward at Victoria Hospital despite the fact that the Minister of Health (Mr. Sale) said that there is no amount of material the WRHA could provide him with that would result in his closing of the maternity ward. So much for his promises.

Manitobans are tired of the empty promises made by this NDP government over the past six years. They want and deserve real action by this government. In the absence of a long-term plan to deal with our ailing health care system, Manitobans will be forced to continue to spend more and get less out of this government. More and more Manitobans will look towards seeking alternatives to our long wait list for diagnostic and surgical procedures by going out of province to access health care services in a more timely fashion. It is the responsibility of this government to come up with a plan to deal with these wait lists. They have had six years and, yet, no long-term plan has been put in place despite this government's promise back in the 1999 election campaign to fix the health care system in Manitoba.

Manitobans deserve better than the empty promises offered by this government.

We have already seen this government's decision to raise the Pharmacare deductible by 20 percent over the past four years in an attempt to offset the increasing costs of prescription medications. We have also seen the negative impact this increase has had on seniors and low-income Manitobans who have been forced to choose between their medication and other necessities. Is this, indeed, the long-term plan for dealing with the rising costs of pharmaceutical drugs, simply to offload the expense onto the backs of the most vulnerable people in our society?

The government has been aware of this issue for a long time and has been in a position for six years to develop a long-term plan to deal with this issue, yet, has failed to come up with any vision to deal with the rising costs of pharmaceuticals other than looking at an increase in taxes to cover the increased costs. This is not a long-term plan, but essentially an outcome of a government that has no real vision when it comes to the challenges of our health care system.

So many Manitobans have been asking about the \$1.3 billion in increased health care expenditures in our province since the NDP came to power. Saved by the bell.

Mr. Chairperson: Order, please.

A recorded vote has been requested in another section of the Committee of Supply and, therefore, I am recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

The Committee recessed at 3:09 p.m.

The Committee resumed at 3:23 p.m.

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

The honourable Member for Tuxedo, you have the floor.

Mrs. Stefanson: Before I continue on with my opening statement, I just want to say for the record

the minister questions our CIHI numbers, that we are spending the most money per capita on health care at \$4,406 per person in 2004-2005. I will just say for the record that CIHI is an independent body that does these numbers themselves, and if there is some discrepancy over what those numbers are, perhaps the minister would like to bring that up with CIHI themselves. As it stands, that is the reality of what it is. Certainly, if the minister wants to dispute that, then he can bring it up with CIHI.

So many Manitobans have been asking about the \$1.3 billion in increased health care expenditures in our province since the NDP government came to power in 1999. They simply want to know where the money has gone. Wait lists continue to rise for diagnostic and surgical procedures. Manitobans continue to line emergency hallways. Now they are being forced to endure a new phenomenon, highway medicine, forcing mothers from Brandon to travel by ambulance to Winnipeg to have their babies because of the shortage of pediatricians.

Manitobans ask a good question. Where has the money gone? Since the NDP government refuses to come clean on its mismanagement of health care dollars, I will tell them where the money has gone. Since 1999, the administrative costs of Manitoba's regional health authorities have skyrocketed. In the Winnipeg Regional Health Authority alone, administration costs increased from \$5.7 million in 1999 to \$16.6 million in 2003. In 2004, however, the WRHA chose not to disclose their administrative costs in order to avoid criticism for the escalating costs. Although this government loves to talk about transparency and accountability, in reality, Manitobans often have no idea exactly where their tax dollars are being spent.

We are encouraged by the WRHA's recent move to take a baby step in the right direction by making a few minor cuts to the administrative costs within the WRHA, but we call on them to provide Manitobans with full disclosure as to the true administration costs in the WRHA. Further, we know that administration costs in other RHAs have doubled since this NDP government took office in 1999, so we encourage the government to follow suit in other RHAs as well, when it comes to the administration costs.

Mr. Chair, there are a number of questions that need to be asked throughout these Estimates in terms of the spending in health care and the value

Manitobans are getting for their dollar. The financial burden of our health care system is rapidly growing beyond our ability as a province to fund it. Our health care system needs meaningful reform if we are to deal with the future challenges associated with an aging population. We cannot afford, as Manitobans, to continue to support a government that is so blinded by its ideology that it loses sight of how the private sector can save the system money by contributing to the delivery of health care services in our province.

Despite the lies and fearmongering of this NDP government, we on this side of the House are not advocating, and let me please reiterate that, are not advocating the Americanization of health care, but more, we are advocating for a more efficient system which will reduce wait-lists and still recognize the importance of maintaining universal access to health care in our province. This NDP needs to start putting patients first, ahead of their own ideology. If private clinics can deliver health care services in a more timely and economic fashion, then why are we not letting them?

The Labour Party in Britain seems to have moved beyond allowing ideology to get in the way of what is right for its citizens by allowing for competition between health care service providers. Why will this NDP government not follow suit with their British cousins? Britain, Sweden and Australia use a similar system to Canada's, with services paid for by taxes. They have all experienced problems of the same sort as ours, increased wait lists, et cetera. All of these countries have experimented with reforms that include more private participation in health care service delivery, with notable success.

Why can we not? Because we have an NDP government in our province that refuses to look beyond the Americanization of health care as the only alternative to an ailing system. This NDP government lacks the political fortitude to envision a health care system that better serves our citizens. This government is so opposed to any private-sector delivery of health care services in our province, even if it is universally accessible. Why? Because their ideology is more important than what is in the best interests of patients. Even their cousins, the Labour Party in Britain, get it. That is the difference between the PC Party of Manitoba and the NDP Party. We put patients first. They put their ideology first. I say shame on them.

This government and its minister need to develop a vision for health care and put a plan in place, rather than continuing to respond to individual crises as they arise. We need to see more visibility, transparency and accountability so that the public can determine whether key issues in the health care system are actually being addressed in a timely, effective and responsible manner. Without such a plan, the health care system will continue to absorb every cent that is thrown at it, yet patients will continue to fall through the cracks.

* (15:30)

Mr. Chair, I will leave my comments here. I certainly hope for the sake of the taxpayers of Manitoba and those we represent as elected officials that there is an ability to get more answers out of the minister than we do perhaps in Question Periods.

I guess I am prepared at this time to move forward in a global discussion of Health Estimates.

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

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 21.1(a) to proceed with consideration of the remaining items referenced in Resolution 21.1.

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

Mr. Sale: Mr. Chairman, Heather Reichert is the assistant deputy minister for Administration and Finance in our department. She is joining me at the table.

Mr. Chairperson: We thank the minister. Does the committee wish to proceed through the Estimates of this department in a chronological manner or have a global discussion?

Mrs. Stefanson: I think it is customary and, certainly, we have gone this route in the past where we go in a global discussion.

Mr. Sale: Mr. Chairman, I do not have a major objection, but I do have one observation. That is that

the Minister of Healthy Living (Ms. Oswald) has a section of my Estimates as well as Estimates for Healthy Child Manitoba. So I think that she deserves some notice as to when the member would like to proceed with those sections of our Estimates. So, basically, I do not have a problem with a global approach, but I do not think it makes good use of our time if we are flipping back and forth including my colleague all the time when she is not needed to be here for most of these Estimates. So, with that caveat, perhaps the member has a suggestion to make.

Mrs. Stefanson: What kind of notice time are you looking at?

Mr. Sale: What is reasonable? Do you need her today, tomorrow? In other words, a day or a morning, but a few hours notice so that she is not essentially sitting with commitments, which all of us have, without a chance to give people some reasonable time to adjust their lives. So, if you know you are going to need her tomorrow, let us know and she will be available.

Mrs. Stefanson: Yes, I think that is fine. I do not think we will need her today but, certainly, we will need her tomorrow.

Mr. Chairperson: Is it agreed that questions of this department will follow in a global manner with all items to be passed once the questions are completed? *[Agreed]*

The floor is now open for questions.

Mr. Sale: Just to put on the record some information, I tried to give the information to the member informally, but she insists on doing it formally, so we will do it that way.

The Canadian Institute for Health Information indicates that the total spending on health care per capita in Manitoba is the highest in Canada. This total expenditure includes other levels of government, i.e. federal government, and private sectors. The spending that the government of Manitoba has control over is the provincial health care budget. Last time I checked, we do not stand in Pharmacare and Pharmasave and Shoppers Drug Mart and control whether the honourable member can buy an Aspirin or not.

So, in the total expenditure line, all of those private discretionary or non-discretionary purchases

in health care are included, as well as the federal expenditures on Aboriginal persons, public health, et cetera.

The actual number in Manitoba is that we are the third-highest provincial government expenditure in '04-05 at \$2,885 per capita compared to the Canadian average of \$2,628. The actual per capita spending a couple of years back, we were fourth in 2002 and 2003, and when you do any adjustments for age and sex because of our population's age, we range between third and fourth over the last number of years.

So I think it is important when the member puts comments on the record that they have some relevance to the real world. The real world is we control the provincial budget and we are accountable for that. We do not control the private sector budget, or the federal budget, and are not accountable for that. Just so the member has the correct information, Mr. Speaker.

Mrs. Stefanson: Well, I think it is important for the record to indicate that CIHI is an independent body. The minister and the government can put any amount of spin around it that they want and try and take out certain components that they do not wish to include. The fact of the matter is this is an independent body that says that Manitoba is spending more for personal health care than any other province. Those are the facts. Those are reported by an independent body so, again, I would just caution Manitobans that one is an independent body, the other is a minister of the Crown that tends to put some political spin that will benefit their own numbers and their own agenda. So I again would caution Manitobans about that.

Having said that, I would like to get into some questioning, please.

Mr. Chairperson: Honourable Minister, point of order?

Mr. Sale: No, just a response to the comment, Mr. Speaker.

Again, the member has absolutely every right to put on the record whatever she wishes to, but the fact is that I am not putting any provincial numbers out when I speak about CIHI's numbers. They are CIHI's numbers. They report provincial spending, federal spending, personal spending and total spending.

Those are the same institutes, they are independent, and I believe that they are accurate. I simply want to suggest to the member that polemics are not usually helpful during Estimates. Usually, it is more effective to ask and receive information and to have a respectful dialogue, so I want to just make sure that the committee understands that none of the numbers I have quoted are Manitoba's numbers; they are all CIHI numbers. They always break it down this way. They did from the beginning.

In fact, Statistics Canada, long before this when the previous government was in power, also put out tables of private spending, provincial spending, municipal spending where it occurs, federal government spending where it occurs. That has always been the way statistics are reported in Canada. That is not polemic. It is not spin. That is just history. So the member might be just cautioned to just be a little reasonable about understanding that, when information is brought to the committee from a body like CIHI, it is information. She can put any spin she wants on it. It is not my information. It is not from me; it is from CIHI. That is my point, Mr. Chair, and I just want to make sure that she understands that.

Mrs. Stefanson: Yes, and I also understand that when it comes to numbers, I think it is rather ironic that this minister is talking about numbers in such a way, particularly when he knowingly provided false numbers to this House and to the committee in last year's Estimates, and that the Province never had any intention of meeting the budget for Health. How can Manitobans trust anything that this minister says, and how can Manitobans trust the number that we are debating before us today in this process?

We do, however, have a number of questions that we would like to ask the minister with respect to a number of areas of health care systems in our province.

Point of Order

Mr. Chairperson: Point of order. The honourable minister, on a point of order.

Mr. Sale: Mr. Chairman, I would like you to take under review the questions that refer to the words used by the member opposite where "knowingly provided false information" is clearly unparliamentary. It has not been tolerated by any

Chairs that I am aware of. Incorrect information is sometimes provided by accident and is usually corrected, but when she makes such a statement she is just inviting a non-productive process. Let us get down to the business of asking and answering questions, but to allege that a member, any member knowingly provided false information is essentially accusing of intentional misleading, which is unparliamentary, has been ruled unparliamentary for years and years and years, and I do not think it is a very productive way of starting an Estimates process.

Mr. Chairman, I would ask you to review the record in that regard.

Mr. Chairperson: On the same point of order, the Member for Tuxedo.

Mrs. Stefanson: On the point of order, clearly it is a dispute over the facts and not a point of order.

* (15:40)

Mr. Chairperson: I thank all honourable members for their advice respecting the point of order raised. I will take the matter under advisement so that I may peruse Hansard and report back to the committee. Thank you.

* * *

Mrs. Stefanson: I think it is important to note for the record, once again, and this is a very serious issue, it was reported that the minister had said the Province really had no intention of ever meeting the budget for Health set in April of last year because it expected the federal government would bail it out. I am just merely going by what has been reported, what has been said by the minister. I find it somewhat disturbing and, as well, very serious when it comes to parliamentary procedure. I also take my job very seriously, as I know the Minister of Health does. I believe it is very serious that if we are to debate the Estimates, the numbers in books that are provided to us, we want to know the numbers provided to us are the accurate numbers the minister is putting forward to us.

I guess I would start off by asking him if the numbers that are put forth before us today are the actual numbers that he believes to the best of his ability.

Mr. Sale: First of all, Mr. Chairman, let me absolutely refute any suggestion that any numbers,

whether they are in this year's budget, or in any other budget that we have presented during our five years and six budgets now were anything but the most accurate reflection of what we knew at the time.

I think that the member, perhaps, has not had a lot of involvement in large organizational management, but if she had, she would know you bring a budget forward and then you have to manage it. You manage it with a view to what is happening in the environment, what is happening with your revenues, your expenditures, what the opportunities are. A budget is not a static document, so the numbers presented in all of our Health budgets have been accurate to the best of the knowledge of the Cabinet that stood behind them. This budget is no exception.

Mrs. Stefanson: The minister is then saying that he was misquoted, I guess. I would ask if the minister was misquoted in an article in the *Winnipeg Free Press* dated Sunday, December 26, 2004, when it says, and it is quoted here as words coming from his mouth, "We had reduced the budget for Health to an absolutely unattainable level in terms of reduction. We put a budget figure out there, but we were reasonably confident the Health Accord would get signed once Martin made the commitment in the election, so we essentially let Health expenditures run above the budget."

Is the minister saying this was not his quote? Was he misquoted? To me what that says is they put budget figures forward knowing that they were wrong and that they were absolutely unattainable.

Mr. Sale: First, Mr. Chair, I am sure the member is aware that I was not the Health Minister at the time. I was on Treasury Board and, of course, take responsibility with my Cabinet colleagues for all of the numbers. May I just ask to cast her memory back. It seems we are going to replough some ground that was ploughed earlier this year in the legislative Chamber in response to the same question. Perhaps I could also refer her back to Hansard to review the answers that I gave then, but for the record, I will say again what I said then.

We are reviewing the question of the '04-05 budget at that point, so it is not really germane to these Estimates. Let me just refer her back to the timeline. The '04-05 budget comes into preparation in the summer of the preceding year; that is in the summer of '03. It is worked on through the summer,

through the fall, through the winter. It is finally closed usually about the end of January or so, maybe early in February, and then presented to the House sometime in April usually, sometimes March, but usually in April of the fiscal year then under consideration, which would be '04-05.

I am asking the member to remember what the situation was in the summer of 2003 and the fall of 2003. We were still, at that point, dealing with SARS. We were still dealing with the fallout of SARS. We had, at that time, the beginnings of the worst drought we had experienced as a province for about 50 years. We were still in a mini-recession following 9/11. Business was still being affected by that, particularly tourism. We had a federal government that was still in denial of the fiscal imbalance, which it has come to be called; that is the huge difference between the revenues the federal government was enjoying and enormous surpluses and the considerable difficulties that all provinces were having meeting their obligations for social services, health, justice and so forth.

We had a majority Liberal government at the time that had not been willing to enter into a long-term framework for funding health. The member probably knows some of this history, but in 1978-79 we entered into a program called the Established Programs Financing Act, EPF, which supposedly had an escalator in it, but under Mr. Mulroney, the escalator was essentially removed by 1990. Then, under Mr. Martin as Finance Minister, a \$7 billion cut was incurred by our health, social services and post-secondary education systems.

We were in a situation provincially where we had flat revenue growth and an uncertain future with the federal government in terms of the way they were going on health, and we were dealing with some exigencies. Whether it was mad cow, whatever the external environmental issues we were dealing with, they were severe enough that our revenues were, to say the least, not buoyant. In light of that, we set a very challenging target for our health care system. It accurately reflected our revenues and expenditures in terms of what we needed to achieve. A budget is, after all, a set of intentions, and our intention was to achieve that budget. We felt we had no alternative given our commitment to a balanced budget, which we have met every year. Those numbers were accurate.

When Mr. Martin succeeded Mr. Chrétien in the early part of '04, the latter part of '03, and made his commitments around a health accord. He provided significant commitment as the prime minister to try to repair some of the damage he had himself taken part in doing and all of us had suffered from. We believed he would make good on that commitment. So the numbers we put forward when we were planning the budget in the fall of '03 and early '04 were accurate. They were absolutely borne out by the reality of our revenues and our need to live within balanced budget. When Mr. Martin made more money available, that money, as was the agreement, flowed into our health care system.

The member can make of that what she likes, but the numbers we have put forward in all of our budgets, including this one and all of the previous ones, fairly reflect the reality that we have in terms of expenditure capacity and fiscal capacity, revenue capacity. They have all been balanced, and this year we are fortunate to be able to both significantly increase our commitment to our health care system and, while balancing the budget, replenish significantly the Fiscal Stabilization Fund, which gives us some buffer against other unforeseen things. In a government of any kind and any size there are always unforeseen things. I tell the member that our numbers are correct. They were correct. They are correct, but no budget is a fixed document frozen in stone, never to change.

*(15:50)

If that were not the case, the member would have a hard time explaining why her predecessors in two subsequent, sequential years drew down the Fiscal Stabilization Fund by \$185 and \$184 million, two years in a row when there were buoyant revenues. She would probably have an even harder time explaining why the biggest deficit in Manitoba's history was in 1992-93, \$762 million. That is not on the summary financial budget including Hydro. That is just the core spending of government, \$762 million. If that had been a Balanced Budget Act budget, then there are quite a few members of Cabinet who would have taken a fairly large cut in salary.

So I give the member that answer. It is the same answer I gave in the House. We can go over it several more times if she wishes, but it will not change.

Mrs. Stefanson: Well, I guess I find it unfortunate that we even have to have these discussions over the numbers that are put forward before us. I guess I would say to the minister that I know he mentioned earlier that these questions are not relevant when it comes to this year's Estimates, but they absolutely are, because if we sat through this Estimates a year ago and the minister knew, basically, that the numbers that were put forward were not necessarily accurate, what is the point in going through this process?

Again, I take my job very seriously. In going through these, scrutinizing the way the government plans to spend and, I guess, if I asked the minister specifically if he was misquoted and he refused to answer that, rambled on about some tough times that the government is facing when there have been unprecedented levels of increased revenues to the province, I think that it is unfortunate. But I guess what the minister was saying in his answer to my last question is that what he is saying that he knowingly put false numbers out there in the health care Estimates, knowing that they could not meet it unless they were bailed out by the federal government. What if they were not bailed out by the feds? That budget would not have been balanced.

I guess I find it unfortunate that this is the way. I think this is a very risky and inappropriate way to manage a department. I think that if we are going to be debating health care expenditures, we at least have to have the appropriate numbers before us. I do not want to go on at great length in this again. I think it is unfortunate that we even have to have this conversation, but it is something—

An Honourable Member: We do not. It is optional.

Mrs. Stefanson: Well, I guess when the minister says we do not, well, we absolutely have to, because it is a very, very serious issue when it comes to, again, what the minister said. He was quoted as saying that, and I quote, "We had reduced the budget for Health to an absolutely unattainable level in terms of reductions. We put a figure, a budget figure, out there, but we were reasonably confident to the health accord that the—"

Mr. Chairperson: Order, please. I would like to interject.

The matter being raised in a member with a topic of a matter of privilege raised in the House on March

10, 2005. On March 23, 2005, the Speaker ruled in the House that no prima facie case of privilege had been established. With this in mind, it would be out of order for questioning to continue on this topic, as it could be seen as a reflection on the ruling of the Speaker.

I would like to also add that I would like to take a moment to caution all honourable members on their language here in committee today. I thank you.

Mrs. Stefanson: Thank you very much. As I was just concluding, I would like to move on with other questioning anyway, so that is fine.

I would like to turn to the organizational chart in the Health Estimates and just ask the minister if there are any secondments. Is anyone in the chart seconded from somewhere else?

Mr. Sale: Currently, Mr. Chairperson, Arlene Wilgosh is the new deputy minister and Heather Reichert who is here with us are secondments from the WRHA and serve with us. We are very glad of that because they bring tremendous skill and confidence to the work that they do. There are other secondments in both directions at a lower level in the system. If the member wants a full list of all of those, we will have to take it as notice and get back to him.

Mrs. Stefanson: Yes, I would like that information as well. I gather the minister will take it as notice and endeavour to get me those secondments.

I am not quite sure how the whole process works and I will just ask it straight out because I am sure the minister will be able to provide me with the information. How exactly does that work so these individuals are seconded from the WRHA? Is there a process that takes place where the salaries will then be implemented and coming from the Department of Health at some point in time, and what is that time frame, or will they continue to be paid by the WRHA?

Mr. Sale: In general, secondments are usually paid for by the organization receiving the service, and that is the case in this situation. The salaries for Heather and Arlene are paid for by the Department of Health through the Estimates process.

Mrs. Stefanson: They are paid for by the WRHA right now—oh, sorry, from the Department of Health.

I understand that the Deputy Minister of Family Services, Milton Sussman, was seconded by the Department of Family Services. Who would be paying his salary right now?

Mr. Sale: Well, that is really a question for the Department of Family Services, but I think I can reasonably assure the member that the Department of Family Services pays for their own deputy. I think you should make sure you ask that question in the appropriate section of Estimates which is not this section.

Mrs. Stefanson: Perhaps I will rephrase then.

As I understand, Milton Sussman is being paid for by the WRHA as it stands right now, so that is not true.

Mr. Sale: It has not been true for some years. He has worked as the deputy for the Department of Health for a number of years and was paid for by the Department of Health. He is now working as deputy for Family Services, and while I urge you to confirm the information, I would expect that, as has been the case in the past, he is being paid for by the Department of Family Services.

Mrs. Stefanson: Could the minister just confirm the name of his special assistant?

Mr. Sale: Jennifer Moszynski.

Mrs. Stefanson: Does the minister only have one special assistant? Is that the only special assistant?

Mr. Sale: Yes.

Mrs. Stefanson: Does the minister have a special advisor? If so, what is his or her name?

Mr. Sale: There are two people in the office. Shauna Martin is my chief of staff, and Patrick Caron is communications and events, co-ordinating my schedule of things that I wind up doing.

Mrs. Stefanson: And the name of that communications person?

Mr. Sale: Patrick Caron.

Mrs. Stefanson: And the name of the minister's senior advisor?

Mr. Sale: As I said, Mr. Chair, Shauna Martin.

Mrs. Stefanson: How long has each of these people been in their positions?

* (16:00)

Mr. Sale: Ms. Moszynski came to us at the beginning of this year, I believe. If the date is really important, I can get it for the member, but basically the beginning of the year. Patrick Caron was with me in the Energy, Science and Technology office and came with me when I moved over to Health. He was with us about a year, maybe a little more than a year there. Shauna Martin came as my chief of staff, more or less when we moved over from Energy.

Mrs. Stefanson: What were the names of the people that were in these positions prior to your current staff members in these positions?

Mr. Sale: I would have to get that information for the member.

Mrs. Stefanson: Thanks, and if the minister could also find out, I would like to know where these people have gone. Have they moved to other government departments? Have they gone with other ministers' staff, or where else have they gone? Have they gone outside of government?

Mr. Sale: We will add that to the list.

Mrs. Stefanson: Does the minister have an executive assistant, and if so, what is the name of the executive assistant?

Mr. Sale: Geof Langen. L-A-N-G-E-N.

Mrs. Stefanson: Are there any other staff members in the minister's office?

Mr. Sale: There are four administrative support staff, secretaries, who are long-time civil servants. I am not sure whether that is what the member means. There is a person who provides policy advice, who has been in my office, works with our health reform group. His name is Wade Derkson. He has been with us about three months, maybe four months. No, it will be five months. He started, I think, in December. If those dates are really important to the member, I can get the dates, but these people basically all came either at the time I became minister or subsequent to

that time. The latest one came in, I believe it was January.

Mrs. Stefanson: To whom are these people responsible for reporting?

Mr. Sale: Well, Mr. Derkson, Ms. Moszynski, Mr. Caron, report to our chief of staff, Shauna Martin. I think that is the question the member is asking. The secretarial staff has the normal reporting relationships that all ministers' secretaries have.

Mrs. Stefanson: The administrative support positions, who are they? Who are these people responsible to then? To the minister? Whom do they report to?

Mr. Sale: Any minister's office has a co-ordinator in it who essentially reports to the minister for the functioning of the office, but they are usually career civil servants who have been in ministers' offices for many governments. That is no different in Health. People come and people go, but they are not political appointments. Ministers do get to choose their secretaries, but they are generally long-term civil servants.

Sorry, I did omit one other person who is in our office who has been there for some time, who deals with casework. That is Lisa Bukoski. She has been there for a number of years. I could not tell you how long, but she was there when I came to the ministry. If that is important, we can get that information.

So there is an intake co-ordinator, Lisa Bukoski; special advisor, Wade Derkson; communications, Patrick Caron. The chief of staff is Shauna Martin. She is listed as a program specialist because that is her classification.

In terms of the administrative secretary in the office, Laura Truman—correspondence has been changed recently—is a person who was in another office and has come to be with us. The appointment secretary is Judy Wickstrom. Admin is Beth Chomor. So there are four people in the administrative roles.

EA is Geof Langen; SA is Jennifer Moszynski, as I said.

Mrs. Stefanson: How many administrative staff or secretarial supports are in the deputy minister's office?

Mr. Sale: Mr. Chair, I am told there are four secretarial administrative support people and one policy analyst who essentially co-ordinates the work of the office.

Mrs. Stefanson: Could the minister indicate if Dwight Barna is still the ADM of Policy Planning and Program Support?

Mr. Sale: He is, but he is also retiring from the civil service in about a week, or maybe today. Friday was his last day, or is his last day, so this Friday is his last day.

Mrs. Stefanson: Who will be replacing Mr. Barna?

Mr. Sale: I have no idea. We are posting positions shortly. I think we posted one, I believe. We posted Darlene Wilgosh's job as Regional Care's ADM and I expect we will be doing the same with Mr. Barna's job.

Mrs. Stefanson: When does the minister anticipate that someone will be hired in this role? How long does the process take?

Mr. Sale: I really cannot answer that question until we find a good person. We are going to replace that position as quickly as we can, but we are not just going to find a warm body to do it. Generally speaking, ADM replacements take at least two months, maybe three months. There is no hard time line. What is hard is getting the right person into the job.

Mrs. Stefanson: Will someone be in an acting role to take over the responsibilities of Mr. Barna in the interim and, if so, who will that person be?

Mr. Sale: That is Marj Watts, who has been with the department for many, many years.

Mrs. Stefanson: What has Marj Watts done for the department for a number of years?

Mr. Sale: Ms. Watts's current title is Executive Director of Policy and Planning, but she has served in a number of different positions over, gosh, 30 years, 25 years, in a variety of health positions. She is a very experienced and able person.

Mrs. Stefanson: I am just wondering, in the replacement of this role, what kind of a process takes

place? Is this a position that is posted? How does it work?

Mr. Sale: On the case of the Regional Affairs position, it has been posted. It is through the normal civil service open competition model. We have not yet reached a decision about Mr. Barna's position as to whether it will be an internal posting or whether it will be an open posting. We have not had that discussion yet.

Mrs. Stefanson: Just to confirm, he is leaving Friday? When will that decision be made as to what direction you are going to take?

Mr. Sale: Soon.

Mrs. Stefanson: How soon?

Mr. Sale: Very soon.

Mrs. Stefanson: Can the minister provide us with a date that we can expect that? If this person is leaving on Friday, I think it is very important that we know the process is going to take place. I would think, upon his retirement, will it at least happen by Friday, the day that Mr. Barna leaves?

* (16:10)

Mr. Sale: We did not have a whole lot of notice of Mr. Barna's decision to retire. I think he intended to be here for a couple of years. He stayed for five, I think, or seven. I am not sure which. It was five, he stayed for five years. We were very glad of that, but the deputy minister will, with me, discuss that process, and we will look at whether the current configuration of the role is the configuration that we want to have in the future. The department has lots of competent people in it. We will miss Mr. Barna, and Marj will work very hard in the interim, but I have every confidence that she can handle that job effectively. I am not going to be stampeded into making a hasty choice about either process or individual people.

These are people who oversee a system that employs around 37 000 Manitobans, touches all of our lives on a regular basis and spends over \$3 billion a year. I think those kinds of decisions are not best rushed. They are best thought carefully through, but if the member wants an analogue, Ms. Wilgosh was appointed deputy minister, and within a matter

of weeks we decided to post that position and have an open competition with open advertising. So we do not sit around, but I am not going to be held to a specific date. I say very soon, and that is as clear as I am going to be.

Mrs. Stefanson: Is the minister saying that he is now looking at potentially changing the structure of his department?

Mr. Sale: Well, Mr. Chairman, in any large organization—and this is an organization that has, as I have just said, 37 000-plus employees in the public sector and a budget of over \$3.4 billion—any time you have an opportunity to review the role of a senior person when you are in the process of replacing him, you should take that opportunity.

Organizations need change. The world changes outside, and sometimes you want to shift responsibilities among your senior staff and sometimes you do not. I am not prejudging whether the answer to that question this time is we do or we do not, but we will determine what process to follow in the light of what it is we think that position needs to achieve.

Mr. Barna has been in his position for some time. The department was reorganized in terms of the roles of the various pieces of the department about two years ago. I do not have any feeling that that has to change, but I do not have any feeling that it should not change. So we will look at that question carefully, and we will make what we think to be the best decision. So there is nothing surreptitious or wrong about an organization being conscious about what the opportunities are for its senior officers and asking that question and thinking about it before they fill the new position. So I do not take a position either that I should change the structure or that I should not or that Mr. Barna's successor should do exactly the same job or a somewhat different job, but that is the process that any organization should go through when it is reviewing senior officers and their roles.

Mrs. Stefanson: Again, I am not trying to get at anything, suggest that there is anything sinister going on or anything like that. I am just asking because the minister brought up that when they would be looking at reviewing the position and that would affect how you are going to go forward, whether it is a public posting or an internal posting, and that is all I am getting at. Because you mentioned it, so I thought I would ask.

Just one last question. Is Mr. Barna retiring altogether from government or is he moving to another government department or moving outside government?

Mr. Sale: To the best of my knowledge, Mr. Barna is retiring to another province where he is building a house.

Mrs. Stefanson: Unfortunate that we are losing another member to another province, another Manitoban. I think that is unfortunate, but, certainly, we wish Mr. Barna well in his future endeavours.

Moving on, can the minister indicate the number of medical officers of health in Manitoba?

Mr. Sale: Mr. Chairman, we will get that number for the member as well as a list of where they are appointed. The member probably knows that some of them are full time, some of them are part-time appointments, depending on the workload in the regions and other factors. The total number of people is somewhat different than a full time equivalent, so we will get that information for the member.

Mrs. Stefanson: Can the minister indicate how many vacancies there are in Manitoba of the medical officers of health?

Mr. Sale: We will get that information for the member.

Mrs. Stefanson: Again, so how many vacancies, and which ones are vacant, the positions that are vacant? That would be helpful.

Can the minister indicate the budget of the Chief Medical Officer of Health?

Mr. Sale: It is going to be awkward answering these questions if the member is hopping around from subappropriation to subappropriation. Can she point to the appropriation she is wishing to discuss at this time?

Mrs. Stefanson: That is fine. We will leave that for right now. We will come back to that, then.

Can the minister indicate what—

Mr. Sale: Just a minute. The specific question the member asked, the total budget of that—

Mrs. Stefanson: The total budget of the Chief Medical Officer of Health.

Mr. Sale: That is in subappropriation 21.5, which is on page 80 of her book, and it is in line f. The office of the Chief Medical Officer of Health, which includes the West Nile virus funding, is \$5,310,600 for the current Estimates that we are considering.

All I am saying to the member is, I do not mind taking the time if we are going to do it this way, but it is really awkward for staff and for me to try and respond to questions that are flipping back and forth through the whole Estimates book.

On a sort of point of process, when we agree to a global discussion, generally what that means in Estimates is that we work through the Estimates book in a relatively orderly way, but we do not prevent the member from going back and asking questions for clarification or from pursuing a line of inquiry that leads them to a different Estimate line. Normally, a global discussion does not mean flipping back and forth to and fro through the Estimates process. We can do that, but it is going to take a lot of time, and it is going to lead to a lot of confusion if we pursue that approach.

Mrs. Stefanson: That is why I said I would come back to the question later, and then the minister decided that he wanted to answer it. I respect that, that is fine, but I had indicated already that we would move on.

Can the minister indicate if there is an overall public health strategy document?

Mr. Sale: I am not sure what the member means by an overall strategy document for public health. There are many, many documents in the Department of Health, including strategic plans and lots of stuff on the Web site. Could the member be a little clearer about that?

Mrs. Stefanson: Is there a public health strategy for documents, say for example, West Nile virus?

Mr. Sale: Yes, there is a strategy for West Nile virus. There are drinking water strategies. There are strategies around tuberculosis and infectious diseases. If the member is looking for the documents, we can get them for her, but I do not have them here with me to answer detailed questions on them.

* (16:20)

Mrs. Stefanson: I am just asking if there is an overall strategy for this government to deal with cases of West Nile virus, of other things such as that nature, SARS, potential outbreaks that could come out. This, again, is along the area of a global discussion, and I would hope that the minister would be able to answer these questions.

Mr. Sale: Well, there is a very elaborate emergency planning documentation for the Department of Health, indeed for all of government. There is a pandemic strategy paper; there are significant SARS protocols, not just SARS, but any infectious disease. There is a lot of education that goes on with infectious and communicable disease prevention staff in our province.

If the member would like us to gather a range of documents that would show the kind of level of detail that we go into with RHAs and Health and emergency preparedness departments, then I would be glad to gather a sample of the kind of documentation that we have. There are large manuals, for example, to deal with various contingencies that happen. So, if that would be helpful for the member, I would be glad to gather a sample of such planning documents.

Mr. Drew Caldwell, Acting Chairperson, in the Chair

Mrs. Stefanson: Yes, and that is exactly what I am looking for. So I would appreciate a copy of the public health strategy documents, specifically for SARS, but if there are other ones as well that the minister is pertaining to or discussing, then I would appreciate seeing those as well. Will the minister endeavour to get that information to us?

Mr. Sale: We will.

Mrs. Stefanson: I would like to move on and just, perhaps, probably, at this point, ask some questions on administration costs.

As I understand, just in general, and perhaps the minister could indicate to me, again, on a global discussion, as to the purpose of regionalization was to streamline administration costs and make the provision of health care services more efficient, but what I see, unfortunately, what has taken place since

this government came to power in 1999 is that the administration costs have increased significantly. They have doubled in rural RHAs and, in fact, tripled in Winnipeg, based on the old information that we have.

Certainly, if we look at the information I have, the Brandon Regional Health Authority, the administration costs have doubled since 1999. In Interlake, they are almost two and a half times what they were back in 1999. In NorMan, they have almost doubled. In northeast Manitoba, they have more than doubled. In central Manitoba, they have doubled, and in southeastern Manitoba they have almost doubled as well. I know most of the rural ones, if you add them all together, it is about doubled. In Winnipeg, we know they have gone from \$5.6 million, \$5.7 million in 1999 to \$16.65 million as reported, I believe it was in '03, but we do not have the up-to-date numbers on the Winnipeg Regional Health Authority when it comes to administration costs.

I am wondering if the minister will ensure that the Winnipeg Regional Health Authority in future provides these numbers to Manitobans.

Mr. Sale: I have given them that direction this year, that in their annual report they are to disclose a comparable administrative expense number.

While I am answering that question, I would like the member to know that, according to CIHI, we have among the lowest, if not the lowest, admin percentage in the country. I think the number is in the 6.8 or 6.9, CIHI's number, and that also includes some public health expenditures which, in my view, should not be there, but it does. The actual number, I believe, is a little lower, but, maybe even more importantly, the database the department has shows 2001, 2002, 2003 and 2004. Those are the years ending March 31, 2004, so we do not have 2005 yet. In percentage terms, 6.5, 6.8, 6.6, 6.7, that is a very consistent level of administration. The department itself, our administrative budget has actually fallen over the years in terms of the total administrative budget.

Everybody loves to pick on administration and I am no fan of overspending on administration, but if you are going to have efficient, effective, well-managed systems, you have to spend money on administration. Otherwise, you do not have a clue

what is going on. You do not have control of your budgets. You do not make good HR decisions. You do not make good IT decisions. In my view, when you compare the Canadian expenditures in this range of 6.5 or 6.6 versus the American expenditures of 18 and 20, I think we get very good value for our administration.

That said, we set a very aggressive target for Winnipeg region this year, and we expect not just Winnipeg regional health authorities, but the hospitals who are non-developed hospitals to all tackle their administrative expenditures and to show real savings that reflect better management practices, de-layering and so forth.

The member talks about taking delight in the recent announcements. I do not take delight in anybody's loss of their job, but I do think it is necessary for us to always look at our administrative expenditures and try to get the very best value we can. The \$2-million savings from WRHA alone, without any savings from the hospitals that are independently administered by boards and CEOs, is a pretty significant saving, and not without pain and not without hard work for the organizations.

I think the 6.5, 6.6 percent that has been absolutely consistent over the last four years indicates that admin costs are not spiralling out of control, contrary to what the member says. The recent reductions, I think, indicate that we keep a very tight reign on administrative expenditures. I expect our administrators to deliver a system that performs better and better every year. I think that is a very important perspective. I do not know of any system—and I used to run a small planning agency and then I was ADM of Education—that can administer a complex set of services for less than 6, 7, 8, even as high as 10 percent. In the private sector, administrative costs that are allowed for general budgeting purposes are usually in the 10 percent region, so I think we do very well, Mr. Chairperson.

Mrs. Stefanson: Well, I do not know what to say to that, but I am sure that Manitobans would certainly be interested to hear that this minister believes the doubling of administration costs in rural RHAs and the tripling, and probably even more than that, in the Winnipeg Regional Health Authority, although we are not privy to those numbers so it is hard to say, but it certainly had tripled over that time frame, I am sure that Manitobans would be interested to hear from this minister that to him that is acceptable.

*(16:30)

For the record, I will say that I do not believe that is acceptable. I do not believe that Manitobans believe it is acceptable, especially when they are suffering from some of the problems with respect to doctor shortages and health care professional, nursing and other health care professional, shortages in our rural areas and in Winnipeg. People are waiting on wait lists up to three years for hip and knee surgery, when they know that some of that money could have been saved from administration costs and redirected into providing more surgeries and so on to reduce the wait lists.

I think people would be interested to hear that this minister believes their track record on administration costs is acceptable. Again, we certainly do not. Even the WRHA has admitted that their administration costs are obviously too high. They have taken the step to reduce their administration costs. We applaud them for admitting that there is a problem in the increase in admin costs, a significant increase in administration costs in the WRHA. They are starting to do something about it, so we respect that and, certainly, they are going in the right direction. I am happy to see that next year, the minister has asked that they do report the administration costs in their financial statements. We will be happy to see where exactly they are at.

I think because the Winnipeg Regional Health Authority has admitted they have a bit of a spending problem when it comes to administration and have endeavoured to go in the right direction, I guess I would ask the Minister of Health today if he will endeavour to talk to the other RHAs, many of whom their administration costs have more than doubled since they came to office. Will he talk to them about reducing their administration costs and following suit with the Winnipeg Regional Health Authority?

Mr. Sale: I guess if you are stuck on a particular position, information does not really help in changing that position, but CIHI from 2000 to 2004, for example, the Assiniboine region was 7% administration costs in 2000. In 2004, it was 5 percent of its budget; Brandon Regional, 4.2 in 2000; 4.0 in 2004. Burntwood, a very high-needs area in the North, 5.7 percent in 2000; 4.9 percent in 2004, a significant decrease. Churchill, probably one of the most difficult, very small, because as you know, it is only one centre, so its admin costs are higher than

average, but they have gone from 11.8 down to 9.4. Overall, across the province, in 2000, we have gone from 5.9; in 2004, 5.8. Hardly skyrocketing costs, hardly unreasonable in terms of total administrative costs for administering anything; 5.8 percent of total budget to ensure that things are done appropriately. I do not think that is inappropriate, but that is also not a reason to stop asking, "Do you need that much?"

This year, Winnipeg region found an additional \$2 million that they could stretch people, delay and take that amount out of their budget. They are expecting the hospitals in Winnipeg to face a challenge of similar proportion in terms of their costs.

I simply reject the premise which is that these costs are skyrocketing, and indicate to the member that on any kind of normal economics or mathematics, if it is 5.9 in 2000, and it is 5.8 in 2004, then, yes, it has grown because their budgets have grown. Salaries have grown, Xerox costs have grown, phone costs have grown, thanks to MTS going private. There are a number of things that have happened, but in terms of proportional growth of administration, no, it is not up. It is down.

Earlier, the member wanted to tell me about the wonderful independent CIHI and I am giving her the wonderful, independent CIHI numbers. If she does not like them, that is fine, but she cannot claim they are not independent, third-party-verified numbers, although she may want to try to do that.

Mrs. Stefanson: The minister was rejecting the numbers that we gave from CIHI earlier. Now he is quoting CIHI. Certainly, I would suggest that what we are really talking about here is sky-high. We are talking about sky-high admin costs. Certainly, people in Manitoba are concerned about the fact that the administration costs have doubled since this NDP government took power in the rural RHAs. They have more than tripled in the Winnipeg Regional Health Authority. To me that is unacceptable. That is money that could be well spent in reducing wait-lists in Manitoba. I think it is unfortunate that the minister does not see this. I am actually quite surprised considering the WRHA has admitted they can create efficiencies within the health care system or within their budget in the WRHA.

All I asked was that the minister perhaps talk with the RHAs, some of the rural RHAs and some of the other RHAs into streamlining their budget as the

Winnipeg Regional Health Authority has, but, obviously, he does not see that that is something he should be doing, because he does not see it as a problem. I guess that is the difference between them and us. They think it is fine, we do not.

Mr. Chairperson in the Chair

I will move on and ask again, we have asked this time and time again. Well, actually my predecessor, the Member for Charleswood (Mrs. Driedger), has asked several times. We have called upon the minister to review regionalization. When the previous government was in, they had given a five-year timeframe I believe, at which time they would have conducted a review in regionalization. I think in any new system that is put in place, it is important that we do put reviews in place from time to time to make sure we are going in the right direction and in this case, delivering health care services in Manitoba. I am wondering if the minister will commit today to performing a review of regionalization in the province.

Mr. Sale: Mr. Chairman, before I comment on that I would just like to correct the member's statements. Earlier on, I simply provided information from CIHI because I believe it to be accurate. In regard to total expenditures on health care in Manitoba in the private, public sectors, and breaking it down between provincial, federal and sectors in the public side and of course, private is private. The numbers I quoted were CIHI numbers which I approve of. Far from what she said about my view of CIHI, I believe it is a useful organization that has evolved into providing, in the main, pretty helpful information to Canadians about their health care system. That was the source also of the numbers that I was giving her on administration costs.

In terms of the regional system, when we formed government, we immediately amalgamated the two authorities in Winnipeg, the continuing care authority, a long-term care authority, and the acute care authority, and saved a very substantial amount of money in doing so. I think cumulatively to this year, the savings are about \$12 million. I think that is the figure the CEO of Winnipeg Regional Health Authority has given us. That was an immediate action because we believed it was wasteful to have two health authorities in the capital region.

Secondly, a year and a half ago, we reviewed the situation in western Manitoba and decided to

amalgamate the Marquette and the southwest health authority into the Assiniboine Health Authority so we have reviewed that issue. We are currently looking at the question of how you plan health services in the whole area of the southwest with Brandon Regional Health Authority and Assiniboine and looking at options there to strengthen health care services in that large and important region of the province. We continuously review our regional authorities' roles and functions.

* (16:40)

To give the member another example, a couple of years back, we established Diagnostics Services of Manitoba, DSM Manitoba to take responsibility for our lab and radiology systems across the province so that we would be providing an integrated approach to those very costly pieces of equipment and very highly trained staff who operate them. That was a decision based on a review of the future of diagnostic and laboratory services across our province.

More recently, we are in the process of developing E-Health Manitoba, which takes an overall enterprise level responsibility for our information technology and our information technology decisions on an enterprise level, a system-wide level, so that we can maximize our purchasing power, so that when we buy a system, we buy a system that will suit the province, and we have significant buying power to lever the best possible deal in both the purchase and in the support of that system. So we are in, I would say, a fairly ongoing process, a review of the organization's roles.

I just say to the member that every jurisdiction in Canada, without fail or without exception, except Ontario, has moved to a regional health delivery model. I was meeting last week with my colleague from Ontario, and he was bemoaning the fact that the previous government there had not put a regional health system in place because they have so little capacity now to be able to plan and administer this enormous system that they have in Ontario, \$50-something billion. They wish very much that they had a regional capacity.

So I think the notion of regionally planning and administering services is sound. The specific roles that each region would carry versus roles that Manitoba Health might carry, or a collaboration between the regions and Manitoba Health, I think,

should always be reviewed from time to time to see whether the split between central and regional responsibilities is appropriate and meets the needs of everybody. That is what we have done with, as I said, diagnostic services, E-Health Manitoba. A number of our central services, such as our disease surveillance services, are a collaboration between the regions and the centre, but the fundamental model of regional planning and delivery, I think, is a sound model. It is just that you should never wedge yourself to something forever without reviewing it and being willing to change it when circumstances require.

Every jurisdiction in Canada except Ontario has a regional health delivery system of one kind or another, some larger regions in some areas. Some have gone to very large regions, indeed. Some have stayed with regions more the size that we use.

Mr. Cliff Cullen (Turtle Mountain): Just to follow up on the minister's comments, then, there is no overall review in the offing in terms of assessing whether there will be changes to any of the RHAs in terms of size, either becoming larger or smaller?

Mr. Sale: The member is correct. There is no overall review of the whole system in the offing. That said, we are working with different pieces of it on issues of appropriate responsibility. For example, it is very hard to conceive of in the member's own area how you can think about Brandon without thinking about the Assiniboine region, or how you can think about the Assiniboine region without thinking about Brandon, because they are incredibly interdependent. Approximately 44 percent of the patients seen in the Brandon RHA are from outside, most of them from the Assiniboine Health Authority. In terms of patient days in hospital, if my memory serves me, about 30 percent of the patient days in the Brandon Regional Health Centre itself come from patients outside Brandon.

So, if you are thinking about diagnostic equipment, if you are thinking about specialists, thinking about long-term care, thinking about rehab, it is very hard to do that without having a view of that whole area including the Assiniboine and the Brandon systems. For that reason, and I am sure the member knows this, we have cross-appointments between the two boards so that they talk to each other at a formal level. The chairs are cross-appointed, and there is a great deal of collaboration

between the CEOs of the two authorities. I think that can only be for the better.

So the answer is, no, we are not doing a mega-review, but, yes, we are continuing to work within the existing regions to review roles and responsibilities and see what changing circumstances require in terms of changing models of organization.

Mr. Cullen: I appreciate the minister's response. He did bring up the issue of the directors and board of directors from the RHAs. Would the minister be able to provide us a list of those directors and also the names of the directors, and, as well, from what area of the province those directors reside, whether or not they actually reside in the particular region they are part of?

Mr. Sale: Yes, Mr. Chairman, we will get that list for you.

Mr. Cullen: Further to the budgetary process for the respective RHAs, I just want to get a bit of a feel for how the budget is prepared and once the budget is forwarded, I take it that it is forwarded to the minister's office for his approval. Could you just confirm how that particular process works in terms of the ongoing budget?

Mr. Sale: Well, Mr. Chairman, the Estimates cycle is almost like a perpetual motion machine. We will presumably approve these Estimates sometime in the next couple months, provincially, and we have already begun next year's Estimates process in the department. Treasury Board has called for proposals and information, so it is, really, a rolling annual process in government. It heats up in October, November, December when the detailed submissions from departments come in. This, by the way, has been the case since time immemorial. It was the case in the 1980s when I worked in Finance and it is the case today. It has not changed.

That is the annual cycle. We give an overview of the department's budget to the RHAs. We gave this year's, I think, in early March to the RHAs saying here is our picture after we had the budget in the House. We then went over it in some significant detail with the chairs and CEOs of the RHAs at a large meeting held in Winnipeg. Heather led that process, to say here is the real world that we are living in.

We then give them, roughly now, a target for next year's planning so that, sometime in April, they

get a target for next year saying—and, usually, we try to give them a multi-year target, in fact, so they can do multi-year budgeting—okay, for the next three years, let me use a number; you can get 3 percent. You can count on a 3% increase.

So look at your expenditures. Tell us how you can live within that. Tell us what the capital needs are you think you have. Give us a prioritized list of your capital needs, and if you have some particular issues, if there is an infectious disease issue, or if there is a particular crisis around, I do not know, whatever, seniors, or you have got a hospital that suddenly has got a problem for some reason that really needs a big capital infusion.

So what are the big things that are coming at your region? We ask them to prioritize those capital expenditures and then to give us their shot at what this expenditure level, 3 percent, as we are saying as an example, would mean for their region.

Heather and her staff review all of those budgets in great detail. I do not. I do not consider myself competent to be able to review a detailed hospital budget. I am stuck at the level of saying, "What has the pie got in it, and how do we share it out?" We then try and do the best possible job we can in apportioning the available dollars to the priorities from the regions.

Of course, these change up and down, so for a couple of years, northeast might get a larger increase than, say, southwest, and that pattern will shift, but each RHA is reviewed individually. There is no averaging across, but we have to then allocate the available dollars, and so somebody is going to get less and somebody is going to get more. We just try to do our best to be fair in that.

The process is the government process rolls yearly inside the department. We then roll out a target to the RHAs who, together with their boards and their senior staff, work up a budget within the target. They give that to Heather's area and say, "Here is what that would mean for us," and, usually, "Here is why we need more," and then we struggle with that around what we are given by Cabinet to live within.

* (16:50)

It is that kind of rational process on one level, and then allocating scarce resources on another level. It is kind of a two-level thing. I do not know if that

helps the member to know how we go about it, but that is roughly it.

Mr. Cullen: So, at the end of the year when, and I use an example of the Assiniboine RHA, they are expecting to be in a deficit position at the end of the year, how does that work in the process? How will that million dollars plus be, where will that money come from?

Mr. Sale: Well, Mr. Chairman, it has worked differently under different governments and differently from year to year. Sometimes governments have said to RHAs or to hospitals before they were RHAs, "You have a deficit. That is your problem. We are not eating it. You have got to manage within the budget that you were given. End of story." Sometimes you recognize that the deficit occurred because of circumstances that they had absolutely no control over. So, in those cases, usually the government says, "Okay, we will make your deficit whole in your budget for next year, but do not do it again."

In the case of our annual rolling process, we ask for the Estimates of the year-end position that RHAs will have early in the beginning of the year, January, February. So we ask them to give us as accurately as possible, where they think they are really going to end up. Then we look at the causes of that surplus or deficit, and we adjust their next year's budget, that is the budget for '05-06, taking into account the surplus or the deficit of that RHA, but there is no fixed rule. Sometimes it is pretty clear that the RHA really could not control their expenditure. It was not something they could do anything about. Sometimes they could. So our staff is in pretty constant contact with the RHAs, and they get a pretty good sense of who is working hard to manage their budgets, and who is maybe not putting out the same level of effort. So we try to recognize deficits as best we can, where they are incurred in good faith, but we sure challenge our RHAs to live within what is available because we do not have any more money. So, when we eat their deficit, we are eating it out of somebody else's deficit, so we sure want to reward and support good management.

I just would tell the member that in the main, in Winnipeg, for example, the actual Winnipeg Regional Health Authority has actually run a surplus in a number of recent years. When you add all the hospitals they do not directly control, there is often a

deficit, but they are at the hospital level, not at the WRHA level that runs Health Sciences, Deer Lodge, Home Care, it is about a 1.4 billion, 1.3 billion. They have actually done very well. We have had a few hospitals in Winnipeg that have done well, too, on average. We have had others that have had deficits, but our system is not all deficits. We have had surpluses in some years in RHAs. We have had deficits in others.

Mr. Cullen: Getting back to the administrations costs then, each RHA, then, would provide or budget their own administration costs. Is that how the process would work? Then they would be responsible for attaining that budget at the end of the year.

Mr. Sale: Yes, Mr. Chairman. Each RHA has to submit a budget that includes its entire expenditures and identifies according to our management information systems requirements their admin costs, then they report on them, and they have to be accountable for that. As I said earlier, pretty consistently, according to the CIHI information that we have, those costs have been very stable as a proportion of their budget and, obviously, as budgets have increased, administrative costs tend to go up more or less in line with the budget because they have to buy computers and phone systems and pay the phone bill and the hydro bill and all of those things that have increased, plus salaries tend, also, to move up more or less in line with overall expenditures. So increases have been experienced, but, as a percentage of budget, it has been incredibly stable. I am actually really surprised how stable it has been, slightly trending downward.

Mr. Cullen: Yes, I know within the Assiniboine RHA there certainly have been a lot of cutbacks in terms of some of the operational side of things. I know staff are being encouraged to cut back as much as they can in terms of very small items and cut costs wherever they can. I know staff is being urged to cut back where they can, and at the same time, Assiniboine has advertised not too long ago, two positions classified as "decision support analysts." I am just wondering if the minister could indicate what these decision support analysts, what their role is within the RHA.

Mr. Sale: Well, first of all, I did quote numbers earlier that indicated from 2000 to 2004, five years, the Assiniboine region's admin costs have dropped

from 7 percent to 5 percent of budget. So they have made cuts in their administrative costs in terms of percentage allocation.

I would have to ask Penny Sorensen, who is the CEO, for the job descriptions but, generally speaking, decision support means people who are doing analysis of the needs for, let us say, a surgery program or an increased medical program of one kind or another. They would be able to analyze data, look at costs and provide information to the board through their CEO as to whether or not a particular decision is a wise decision from a cost benefit point of view or from a service demand point of view or whatever. That is generally what decision support people do. If the member wishes the position descriptions, we can ask the CEO to make those available.

Mr. Cullen: Thank you, I think that would be a very worthwhile endeavour.

Mr. Sale: If I could just give information to the member about Assiniboine's budget. In 1997-98, which was the year that regionalization essentially started, their budget was 61.4 million. In the 2004-2005 year, the budget is 95.2 million. There has been roughly a 50% growth in the budget in terms of that period of time.

All regions, I think, particularly in the late nineties were really stretched. There is no question that budgets were tight. I think if there had been reductions in service, it is not because there had been reductions in budget. In fact, the budget has grown by 50 percent during that period of time. I think if you talk to any health administrator, they will always tell you they could sure use another 50,000 or 100,000 or whatever, and that is true of all of us. The budget has grown by 50 percent to Assiniboine region, a little more than 50 percent, fractionally more.

Mr. Cullen: Yes, getting back to the staff, as part of this classification and part of the qualifications, the salary is indicated as per RHA salary scale. Does each RHA establish their own salary scale? Is that something we see similar across the province?

Mr. Sale: Mr. Chairman, for out of scope administration positions, the answer is yes. They do establish their own. Now, they are in a competitive

field so they do not have unfettered ability. Every time they make an administrative decision, it impacts their whole budget.

I do not expect these positions are paid wildly differently, but the answer to the question is the board of the RHA determines its administrative position salary scales probably on recommendation from the CEO. Yes, they do have that authority and they use it.

* (17:00)

Mr. Cullen: I wonder if the minister is aware of where we are at, in terms of human resources and any shortages we are short of in terms of people. I am particularly concerned about western Manitoba and where we are in terms of enough staff. Are we short of staff? Are there a lot of vacancies in terms of our human resources?

Mr. Sale: This is a huge subject that could occupy a book, I guess. We have in Canada, as the member knows from questions in the House, a structural shortage of physicians and, within that, of many specialists. The roots of that are, as has been said many times, decisions to cut back medical college enrolment, not just here but everywhere in Canada, I guess, in response to a report which also included strong recommendations to increase the training of nurse practitioners. Unfortunately, governments took the decrease but did not do the increase.

So we had a structural shortage of doctors. We had a structural shortage of nurses. The previous government ended the training program for lab techs, radiology techs, and so we have a shortage in that area. That program has been reinstated, I believe.

We did have a tremendous shortage of nurses. The member may know, I am not sure whether he knows, but in the year in which we formed government there were only 210 nurses graduated in Manitoba. That was down from in the area of 600 in the early nineties. I actually have a chart to that effect, if the member would just give me a moment to find it. In 1992, there were 689 grads. These are RNs, registered psychiatric nurses, RPNs and licensed practical nurses, LPNs. A total of 689 graduated in '92. In '99 we had 210.

So, given that we have about 13 000 nurses in our workforce, you can see that graduating 210 is

not even going to begin to deal with replacement, let alone the shortage that we have. That is why my predecessor re-established the RN program, in the face of significant opposition, by the way, and expanded the BN program at the university, expanded the Northern Nurses Training Program.

This year, 2004, we graduated 713 nurses, but we are still playing catch-up for the fact that in the late 1990s there were five years where we graduated under 300: 296, 284, 287, 210 and 213. So, in those five years, we were way under replacement for the nurses who were retiring or, in fact, in the nineties leaving, because of inadequate salaries and crappy working conditions.

It is going to take a number of years at this level of 713 or higher to replace what we lost. So we still have nursing vacancies, but we are in a whole lot stronger position. Our CEOs of hospitals are telling me that the number of shifts where they have to use overtime has fallen dramatically, and the number of shifts where they are calling in the private nurse companies, agencies, has also fallen dramatically. So we are catching up, but we have got a ways to go.

In terms of doctors, my most recent numbers indicate that we have gained 160 doctors since 1999, having lost 116 during the nineties. That said, about half of graduating doctors today are women, which is great, but women practise differently than men do as physicians. They are not prepared to practise 70 hours a week or 60 hours a week even. The average physician in Manitoba is now practising about 55 hours a week. So, where we had enough doctors when they were practising 60 or 70 hours a week, if the doctors are now practising fewer hours, to see the same number of patients you need more doctors.

So we still have shortages of physicians in urban and rural Manitoba, particularly anesthesiologists, pediatricians and orthopedic surgeons. We have six more orthopods than we had in 1999. I could get the numbers for anesthesiologists and pediatricians; I do not have them in my head at this point, but there are still shortages in those particular areas: pediatrics, anesthesia and orthopedics.

In terms of our nuclear medicine techs who are the people who run the MRIs in particular and bone density scanning, unfortunately, that program was cancelled in Manitoba, and because it is a relatively small number of people, we are now supporting

people to take their training in Alberta. We support vets to take their training in Saskatchewan. We support nuclear medicine techs to go to Alberta. I am still reviewing the question of whether we should re-establish a nuclear medicine training program here, because we are pushed all the time to expand our CT, MRI, bone density and ultrasound capacity. I think we need to seriously examine whether we should not reinstitute the training for those specialties here.

All across, in fact, it is not just Canada, it is North America, doctors are in short supply. Practice styles have changed. Medical college enrolments were cut back and now are coming back up again, but it takes a long time to crank out a doctor. It is a seven-year process just to get to the residency stage.

What we are trying to do, and I think we are in some ways in the lead in this area, we are not perhaps at the very top, but we are making good progress by approving the extended practice nurse regulations, which were developed collegially between the College of Physicians and Surgeons, the pharmacists and the Manitoba Association of Registered Nurses. Those three bodies agreed together on what an extended practice nursing registry should be, and how you should get on it.

I think that is going to, in the longer run, and by longer run I mean probably three or four years, make maybe one of the biggest differences of anything we have done. Nurses are incredibly competent, but they have generally not been allowed to practice up to the scope of their competencies. They have always been under medical supervision and, in the last few years, we have some places where, by delegation, we have given nurses some authority to do things they are capable of doing, but they do not have the right in law until now, which they do have now.

If they meet the skill test to go on the college's registry as a, let us say, emergency room nurse with skills to diagnose and treat minor injuries and to know when to refer, then they will be able to work in an ER, order diagnostic tests, order pain medication, order drugs and treat patients, not totally independently, but without the direct supervision of a doctor. All of us will remember times when we have had people complain to us that they were in the ER and they got seen by the doctor or the nurse, but they had to wait because somebody had to approve a drug prescription or a pain prescription.

This would eliminate that problem. That is why we are very keen to get this registry up and running so that we can have midwives, people who are doing pre and postnatal work that are not necessarily midwives, trauma nurses, ER nurses, nurse practitioners, and use those skills. Where we are going to make the most gains is by moving into a more collaborative practice model using a broader range of professionals and extending our physicians' capacities by doing that, but the shortage is not going to go away in a year or two.

We are doing better, and 160 is not a small number of doctors to be better than we were in '99, but there are still shortages, and there are going to be shortages for the next while. That is true. As I was meeting with my colleagues recently, health ministers across the country, they all had exactly the same story. That is where we are at.

Mr. Cullen: I do appreciate the minister's comments. I hope some of the initiatives undertaken through the nurses, nurse practitioners and whatnot may benefit some of the rural communities down the road as well.

In terms of bringing doctors on side, recruitment, is there an overall strategy within the department, or is each RHA really responsible for their own recruitment?

*(17:10)

Mr. Sale: There is a physician recruitment office that is part of the Regional Health Authorities of Manitoba, RHAM, that helps to provide regions with more capacity for recruiting physicians. Regions are responsible for identifying their shortages and for making efforts to recruit to those shortages, we provide, through our department. The assistant deputy minister of the area is Bev Ann Murray, and our physician recruitment lead is Dr. Chris Burnett, who is himself a physician who practises part-time and resources that office part time. We also have the office of Rural and Northern Medicine, headquartered in Dauphin, which assists with recruitment.

I am of the view that we can do a better job in this area by a higher level of co-ordination. So I am looking forward to some advice from the department as to how to strengthen this process, because I think we can make it easier for physicians to identify

opportunities in Manitoba if we work together a little more closely. It is an area where I think we can do better.

Mr. Cullen: Mr. Chairman, I guess over the last year or two there has been more and more of an onus on local communities to get into the recruitment business. Does the department agree that the local communities should be assisting financially with that recruitment process?

Mr. Sale: I think that there has always been a recognition that physicians are a very valuable resource for any community but, particularly, I guess, in the case of smaller communities, it is even more obvious. I think, from a positive point of view, if a community, take whatever community you want, Treherne or Birtle or wherever, is positively engaged and welcomes people who come for interviews, looking at their community and puts the strongest case for why this is a great place to live and why we will make you very welcome, I think recruiting a doctor to a community is not unlike recruiting anybody into a very important position. Generally, you want to put your best foot forward and welcome them with a variety of ways that we can all do, whether it is friendship circles or whether it is the curling club, or whatever it is.

I think there is a role for the local community in making it plain to people who might consider practising there that they would be very welcome and that they would be valued members of the community. How communities choose to express that is, certainly, tremendously varied across the province. There is certainly no one dominant model of how that works, but I think the member probably knows if you are trying to get somebody to come and invest their skills in your community you want to make them feel welcome and their family welcome and if they have kids you want to make sure they get a good introduction to the school system and all those other things.

Different communities do it differently, and I do not think I can comment on that huge range of variability that is out there.

Mr. Cullen: Again, I appreciate the minister's comments. I know in some instances the RHA has been actually sending an invoice to some of the local towns or municipalities. Is this going to become a customary procedure throughout Manitoba?

Mr. Sale: Let me just clarify. Are you referring to the Assiniboine region specifically?

Mr. Cullen: In this specific case, yes. I am just wondering if it is happening in other RHAs as well, or if it will continue in the Assiniboine RHA.

Mr. Sale: Mr. Chairman, we will attempt to get information about that. I am not aware of that practice, but I have only been in the department for five months, so we will attempt to find out more about that and get back to the member.

Mr. Cullen: In particular, I am going to get back to the Assiniboine RHA again. I know the Board of Directors has put a proposal forward to the minister, I believe it is on the minister's desk, and I believe the nature of that proposal is to look at various facilities and how their future may change.

I am just wondering if the minister is prepared to share the nature of that report, or if he could tell us when we could expect some answers to that proposal that has been put forth by the ARHA.

Mr. Sale: I do not, in fact, have their final report on my desk. I have not received it yet. I am aware of the work that they have been doing over the last, I guess, particularly the last year and a bit, but it is the product of two things. My predecessor, about two years ago, or a little more, asked for an independent review of the position issue in rural Manitoba. That report essentially raised questions, as has the College of Physicians and Surgeons, about the sustainability of one-doctor or two-doctor hospitals, and how that could be sustained.

The ARHA did undertake a planning exercise to look at, as best they could, the current and future demographics of their region, population movement in the region, the kinds of health needs there are in the region, the facilities, in terms of their age and structure, and whether they were associated with a personal care home or not, whether they had a primary care clinic or not. To my knowledge, the current work of the board is being workshopped in various communities, I think, virtually as we speak. As far as I know, they are beginning to meet with each of their communities. I do not know how many meetings there have been to date, but they are meeting and discussing with them their sense of the criteria that they might use in future decision making.

I think they are trying to approach this from an evidence base, as I have been told, to say what the reasonable guidelines are you might use for making a decision about how you allocate your resources. What is happening with the population? Is it growing or declining? How far is it between adjacent ERs or adjacent acute care facilities? In other words, as an organization, what would be the criteria we would use for making those difficult decisions in the future?

My understanding is that they are workshopping that information currently. I expect when they finish that, they will have feedback and, hopefully, incorporate that into their report. At some point, and I do not know whether that is later this spring or in the early summer but, at some point, they will then send me their final report with that information and those criteria included in it, but I do not have a final report from them at this time.

Mr. Cullen: Just to confirm, at this point in time, you have not received the report from the RHA board of directors, Assiniboine RHA board of directors.

Mr. Sale: Mr. Chairman, what the member said, he assumed I had on my desk their report. What I have said to him is that I am well aware that they have been working on a report. I met with their board, talked with their chair and our staff has certainly talked with and worked with their staff, so I am aware of the direction they are taking, but I do not have a final report from them in my possession. As far as I know, there is not a final report at this time. I believe, I am not sure whether the member would know, but I believe there have been community meetings as recent as last week, workshopping with community groups. I do not know whether the groups included locally elected officials, or whether it was health advisory groups. I do not know who was at these meetings, but I am aware that there have been meetings within the last couple of weeks in some communities. I do not know how many and I do not know what their schedule is for the remainder of their communities.

* (17:20)

Okay. Staff, thank you. Staff is going to tell me. The note is that the CEO and executive team will travel across the region, meeting with staff and stakeholders, including elected community officials—I was not sure about that—in early April. This will

comprise some 60 meetings in total with different groups. They have recently met on March 15 with seven representatives of some of the seven First-Nations communities in the southwest and western areas of Manitoba. We will get the feedback, but the plan, so far as I know, has not been approved by the board for final submission as yet. Yes, they are working on a plan, but it is not final.

Mr. Cullen: Would the minister be prepared to comment on some of the direction that his understanding would be of where the board wants to go in this point in time in terms of, again, we are thinking of, worst case, the closure of acute care facilities within the RHA?

Mr. Sale: I think that it is, first of all, for them to do that, not for me. I can say that in the meetings that I have had, I have been very impressed with their dogged commitment to try and maintain and in fact improve services, and some of the proposals that I think they are working on would strengthen services, improve access.

As the College of Physicians and Surgeons has repeatedly said, you just cannot get very many doctors who are willing to do a one-in-two rotation on every second day for 24 hours. It plays hell with family life, and it means that if anybody gets sick, you are done, because you have got to be on permanently, then, until the sickness is over. It is very hard to get continuing medical education in that kind of rotation.

Given small populations, there is not work for three or four doctors in a community of that size. In fact, southwest Manitoba has an abundance of family practitioners. If you add it all up, there are 100 of them, but the distribution is a problem. They are struggling with a mission of improving and strengthening primary care, particularly, chronic-disease management and prevention, access to quality emergency care and keeping the staffing that you need in order to keep those things going, because there is no sense recruiting 100 doctors if you lose 100 doctors. That is just a treadmill. What you want is to have a stable model for your doctors come and stay and do not just come and go.

The same is true of nurses. When you have a hospital that is down to its, you know, it has got three or four patients in it, it is down to one charge nurse. If that nurse gets sick, you are sunk. If you have got

a hospital with two physicians and one gets pregnant, you are sunk.

Those are the non-sustainable models that we have got out there. Now, they are being sustained at this point by heroics and by continuously recruiting, but it is not a very good way to try and plan a future. That is what they are struggling with and I respect the work they are trying to do. It is not easy work for all of the reasons that all of us know. I grew up in a small town too, and your hospital is pretty important. The reality is that southern Manitoba is changing, and we need to figure out how to sustain high-quality health care that is accessible within, not the fiscal realities, because, as you have seen, the budget for ARHA has gone from \$61 to \$95 million, so it is not a fiscal issue, it is a medical staffing, nursing staffing, technician staffing.

I will give the member a current, real-world example. I will not tell him the hospital. It is a very small hospital in another region. The lab tech got seriously sick. It did not matter if they got a doctor there, an ER, they cannot do any blood work. So there is not much sense saying you are open in an ER if you cannot even run a hemoglobin check. That is how fragile these little hospitals are. In that case, they have a dedicated physician, and they have very good nurse dedication, but, out of the blue, the lab tech gets seriously ill. That is the real world of trying to deal with rural health care in all parts of Canada. We have to figure out how to deal with that.

Mr. Cullen: In our experience in my local area, we have found, I guess I will use the term cluster model has worked fairly well. What we have is a group of hospitals, three or four in particular, that are sharing resources. They are sharing doctors. They are sharing lab techs. It seems to work out quite well. I am hoping that something that we can certainly look forward to helping us out down the road.

Getting back to a comment you made earlier, it was in regard to the independent study about doctors in rural Manitoba. Has that report been made public and, if so, have we had some discussion with the RHAs on that particular report, and could that be made available to the committee?

Mr. Sale: I will have to find out. I know that the College of Physicians and Surgeons commented on it, but I do not know whether it was released or not. Frankly, I have not reviewed that report. We will get

back to the member on that question. I cannot see any reason why it would not be, but I do not know whether it was or not.

Mr. Cullen: I would appreciate that. Any time frame when you might be able to get that to the committee?

Mr. Sale: We will find out whether it has been publicly released and where it is at.

Mr. Cullen: Just getting back to kind of a global question, I am inquiring about the funding that we receive directly to Manitoba Health from the federal government. I am wondering just what amount of money has been allocated for this budget year and, maybe, if you have the numbers, going forward as well, if you are able to get your hands on those numbers for us.

Mr. Sale: The money coming from Canada for '05-06 is a total of \$716 million, which is made up of a variety of funds. Maybe I will just give members a copy of this so they can see it because it is hard to explain unless you have it in front of you.

If you look at the top box, that is Manitoba's share and the bottom box is Canada as a whole under the health accords. The member will see, if we start with '03-04, that is two years back, we received—this, if I can just say, we are going to run out of time in a couple of minutes so I will have to come back to this tomorrow, I guess, but you will be able to see some of the complexity in trying to figure out the puts and takes with federal funding.

In '03-04, you had a base transfer of 449 and then a one-timer that was at that time called the health renewal transfer or something. I cannot remember what HRT stood for; 37 million for a total of 486. In '04-05, we got a bunch of new funds that are either one-time or short-term. So \$37 million in the Romanow gap number that goes to 73 this year and then ends, which is not great news. Homecare and catastrophic drugs top up a one-time \$18 million this year. Wait time reductions fund is flat-lined until it goes down in 2009-2010.

You see that each year the number at the bottom of 594, 716, 779 and so forth, is made up of a whole bunch of other numbers, some of which start and end in one year. Some of them go over three or four years, and some are continuous in terms of their growth through the whole time. In spite of all the

rhetoric about increase, you can see that this agreement was front-end loaded, so that in '04-05 you got a big increase, '05-06 a significant increase, and then it drops right off to 8.7, 5.7, 3.0, 4.3, and then climbs back if, indeed, it continues this way, to 5.9 on average.

That brings the federal funding up to about 20 percent of our total expenditures. I would be glad to try and answer more questions on this at another date.

Mr. Chairperson: The hour being 5:30 p.m., committee rise.

FAMILY SERVICES AND HOUSING

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. This section of the Committee of Supply we will be considering the Estimates of Family Services and Housing. The floor is now open for questions.

Hon. Christine Melnick (Minister of Family Services and Housing): Yes, I just wanted to read a correction into the record. This deals with the number of foster children that may be placed in a foster home, the number of children under certain ages who may reside in the home, and the total number of dependent residents. These limits, as taken from the foster home licensing regulation, are as follows:

7(1), subject to this section:

a foster home may be licensed by a licensing agency to provide care and supervision for not more than four children.

7(3), a licensing agency may license a foster home to provide residential care and supervision for more than four foster children where all the foster children in the foster home are siblings.

7(4), a licensing agency shall not provide care and supervision in the foster home for more than a total of seven persons from the following classes of persons unless the mandating authority approves otherwise: (a) children, including foster children; and (b) adults requiring residential care and supervision.

Finally, 7(5), of the children referred to in clause 4(a), no more than two can be infants and no more

than three can be under five years of age unless the mandating authority approves otherwise.

Mrs. Mavis Taillieu (Morris): Can we now proceed to the resolutions?

Madam Chairperson: Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$207,039,900 for Family Services and Housing, Employment, Income and Housing, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$372,279,300 for Family Services and Housing, Services for Persons with Disabilities, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$245,356,700 for Family Services and Housing, Child and Family Services, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$127,934,700 for Family Services and Housing, Community Service Delivery, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,534,000 for Family Services and Housing, Cost Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

The last item to be considered for the Estimates of the Department of Family Services and Housing is item 1(a), Minister's Salary, \$29,400 contained in Resolution 9.1. At this point we request that the minister's staff leave the table for the consideration of this item.

Mrs. Taillieu: Thank you, Madam Chair. [*interjection*] No. There have been several reasons.

First of all, in over 30 incidents since this minister has been the Minister of Family Services and Housing she has not answered questions posed to her in the House, but rather has gone on some rant or other or some other unrelated topic which has nothing to do with the question, and this is not accountable, transparent government. The government and this minister have a responsibility to answer questions which we ask on behalf of all Manitobans.

The decision to put \$40 million into MDC goes against all senses of what is right. Vulnerable people were not put on this earth to create jobs for people. They deserve the respect, dignity and privacy afforded to all people, the right to live in their own homes and make their own decisions. The decision to put this \$40 million into bricks and mortar flies in the face of the world-wide movement to keep vulnerable people in their homes, in their communities and near their loved ones.

It is clear from these Estimates processes that the minister is not familiar with her department, as she has, on almost every question, had to consult with her staff. This, of course, is a tactic also to burn up time so fewer questions can be asked, but really it makes the minister look very, very uninformed.

The Department of Family Services is a department in chaos. We have, what, four Auditor General investigations? There is a scandal at Hydra House where there is \$1.5 million not accounted for, and this government has not taken steps to recover that money. The board at Osborne House resigned en masse, certainly signifying something wrong there. The Aiyawin Corporation, more money missing. We will be waiting for the Auditor General's report on that. Devolution is leaving many social workers scared for the future care of children in our province and, not to mention, their own jobs.

For these reasons and more, Madam Chair, I move, seconded by the Member for Minnedosa (Mrs. Rowat), that the minister's salary be reduced to \$1.

* (15:00)

Madam Chairperson: It has been moved by the Member for Morris (Mrs. Taillieu) that the minister's salary be reduced to \$1.

The motion is in order, and it is debatable. Is there anyone wishing to speak?

Ms. Melnick: Certainly, I can speak to several of the points raised by the member.

When we talk about the devolution process, this is a process that has been a long time in coming and that has been five years in the planning. While we understand that change can be very difficult for people, we also know that great care has been taken by the Child and Family Services to ensure that people who were employed before December 2000 received a letter of employment. Several people who joined the department after that time have been made permanent. My estimates are that there will be under, say, 40 people, many of whom are term employees who have come on very recently to the department, may be either leaving the department, but an effort is also being made to have the people stay in other areas of the department.

When we talk about the Manitoba Development Centre, I think that we have to realize that there are needs on a very individual basis, for individual people, and that while community living is certainly a preference for many people, MDC is considered to be home for a lot of the residents who are still there.

Our record on community living speaks for itself. We have increased the budget to \$80 million which is a 130% increase since 1999. Certainly, it was our government that brought in the Welcome Home initiative during the eighties which was the first initiative of its kind. We have also undertaken to accelerate the pace of transition from MDC into the community, but based on the individual's readiness to move into the community, based on the readiness of the community to accept individuals into their support network.

I think, too, that we have to recognize that a lot of the folks who are in MDC face often multiple challenges. There are many dual diagnoses, and there is within MDC a cornucopia of services that are available to individuals. Within MDC there is 24-7 care. As I may have mentioned, I do not think in this discussion I have, two thirds of the individuals at MDC have been living there for, I believe, over 30 years. I think that where there is commitment to community living, we also need to understand that we have to ensure that services for individuals are there whatever their needs may be.

Perhaps I shall just stop my comments there. My closing comment would be a thank you to staff for all the effort that they put in. While there was concern from the opposition, it may have made me look incompetent. Certainly, that is not the case. I consider this a first-line staff, a group of very dedicated professionals who have been long in this area of service to the people of Manitoba. I confer with them on a regular basis. I conferred with them here throughout Estimates, as I always do, and I would like to commend them for their services here through Estimates, but also every day of the year—and the services that the entire department provides to the vulnerable people of Manitoba.

As I tell the department, there are a million great things that happen every day in Manitoba because of their work. Those great things will never see a headline. There will never be a big, breaking news story on the work that they do day-in and day-out but, certainly, as their minister, I want them to be very aware of how much I appreciate every effort they make. Thank you, Madam Chair.

Madam Chairperson: The motion moved by the member from Morris is that the minister's salary be reduced to \$1.

Is it the pleasure of the committee to adopt the motion?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

Mrs. Taillieu: I request a recorded vote in the House.

Madam Chairperson: Does the honourable member have support of another member?

An Honourable Member: Yes.

Madam Chairperson: The committee will now recess in order to proceed to the Chamber for a counted vote.

This section is now recessed.

The committee recessed at 3:06 p.m.

The Committee resumed at 3:27 p.m.

Madam Chairperson: The committee will now come back to order.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,133,800 for Family Services and Housing, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Mr. Kevin Lamoureux (Inkster): Just before we call the question on the ministerial salary, I did want to get on the record in regard to the Meadows West and the property that the Province owns just north of Old Commonwealth.

Meadows West is a beautiful area of the constituency which I represent. There is a good number of people and approximately about 950-plus homes. Last year, I had a public meeting in which we had over 60 people that showed up, at least 40 different residents, and just to get a sense in terms of what they feel, it is interesting more than half of the people that were there had been living in the community for over 17 years. The community itself really started to be developed in the early eighties, just to give you a sense of it. There have been expectations, a bit of a pent-up demand for housing in that area of the city. In fact, both of my neighbours on either side of me are now moving into the new Meadows West just across Keewatin Street that is being expanded privately, but there still is that big chunk of property that has several hundred homes that could be developed. Obviously, there is a very keen interest on my part and the residents that live in that area as to what is happening there.

I have had opportunity in the past to have discussions with the minister and she has referred me to MHRC on occasion and I do appreciate the contact. I do want to express some of the concerns that were expressed to me at any meeting that I had. One of the interesting questions that I had put forward, and these are just people that took the time to respond to some specific questions that I had, one of the questions I had asked was do you see Meadows West as being your future home over the next number of years? Out of 40 people that responded, 36 of them said yes, this is where they want to be able to continue to live.

* (15:30)

There was concern in regard to retail stores. I think that, again, they want to make sure that the commercial development, predominantly, is not going to be mixed into residential development. We had talked about the possible expansion and, technically, especially if you include the private development, you could see somewhere in the neighbourhood of close to a thousand homes being built. It is very encouraging. We found that a vast majority had indicated that that would be a good thing. When we say a vast majority, 36 out of 40 is a good thing. There was a great deal of concern in regard to the type of housing that would be built. Again, a good, solid majority of people want to see the single detached homes being built as concern in regard to the higher density that was expressed.

I had posed a question. "What sort of facilities would they like to see?" The only reason why I am going to list off some of these is just to emphasize that this is really the last real good opportunity we have at providing a jewel in that area of the city. I think it is really important that we take it into consideration. Some of the ideas that came about were things like a walking park, education facilities, of course, a skateboard park, tennis. You can see all sorts of physical activity.

I sub in on the Healthy Living Task Force and I was really encouraged just to hear some of these positive things that they would like to be able to see, a community centre. They have been sharing the Tyndall Park Community Centre virtually since its inception. Meadows West does not have a community centre. Again, racquetball, green space, parks, outdoor ice rink.

One of the things that was really emphasized were the roads of Keewatin Street, Jefferson and Adsum, those three streets in particular. There was some concern that Adsum not be connected directly to Mandalay to Keewatin, a concern expressed in regard to increased traffic. I think, in good part, the City was looking at that specific issue.

The reason why I raise this today with the minister is I want her to believe that I have a very genuine interest in wanting to make sure what happens there is in the best interests of the community and to advocate that interest. I would ask the minister, at this point, if she can give me some sort of an update as to what is happening with the MHRC land that is just north of Old Commonwealth Path, and what would she advise that I do to ensure that these interests are, in fact, being protected?

Ms. Melnick: Certainly, I can assure the member from Inkster that we are watching housing development throughout the city of Winnipeg. The area he talks about is one that I am very familiar with and have become more familiar with the discussions I have had with him. I thank him for that and for his efforts in that area.

We have also been watching the private sector developments that you referred to early in your comments. When we look at housing development, we are focused on how the development happens, and this certainly has been a contiguous development. As we see there is a shortage of housing throughout the city of Winnipeg, we will keep this in mind, as well as any of the other land banks and open spaces that may be available for development, of course, including our infill housing and our renovation, rehab and building of houses within the inner city. I would like to thank the member very much for sharing the information of the meeting that he had, when he had it, and then also sharing it today.

Mr. Jack Reimer (Southdale): Again, along the same line of questioning that the member from Inkster was referring to, maybe the minister can get me some information in regard to the development in the Royalwood area of the city. I know the Province and the developer in the area are in a joint development agreement for the development of that property, and it is proceeding along in a very substantial manner in the amount of new homes that are going. MHRC, I believe, also owns property

further into that development that is looking at being developed. Does the minister know whether there have been any negotiations with any developer to develop that additional piece of property south of the Royalwood area?

Ms. Melnick: Is the area that you are referring to the Fraipont ands? Okay, as of yet, we have not entered into any negotiations, but we are certainly open to any discussion. If any offers came forward not only for Fraipont but also the area that the member from Inkster referred to, we would certainly have a look at it.

Mr. Reimer: As has been mentioned by the Homebuilders Association here in Winnipeg, they are looking at, theoretically, a shortage of land for development. Have there been any overtures made to the department by any developer that she is aware of in the last short while to begin development of the land in question?

Ms. Melnick: None that I am aware of.

Mr. Reimer: I am assuming, then, that the department may be looking at or is receptive to possibly looking at some sort of joint development agreement similar to the Royalwood area with the developer in that area for the development of the Fraipont area.

Ms. Melnick: Well, again, with all areas around the city looking at the housing shortages, if a group wanted to come forward to begin a discussion, we would certainly be interested in hearing it.

Madam Chairperson: Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,133,800 for Family Services and Housing, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Madam Chairperson: This completes the Estimates of the Department of Family Services and Housing.

The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Department of Advanced Education and Training. Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: Okay.

Madam Chairperson: We will recess for ten minutes.

The committee recessed at 3:37 p.m.

The committee resumed at 3:38 p.m.

ADVANCED EDUCATION AND TRAINING

The Acting Chairperson (Mr. Doug Martindale): Will the Committee of Supply please come to order.

This section of the Committee of Supply will be considering the Estimates of the Department of Advanced Education and Training.

Does the honourable Minister of Advanced Education and Training have an opening statement?

Hon. Diane McGifford (Minister of Advanced Education and Training): Thank you, Mr. Chair. I would not so much say I have an opening statement as that I have some points I want to make. I just discussed it with my critic, and I think we have agreed that we will be very brief in these introductory remarks. However, I do want to highlight some of our achievements over the past year.

Let me start with the Council on Post-Secondary Education, which deals directly with universities and colleges in the province. We are, of course, very pleased and delighted with the development of the University College of the North, which means the beginning of new university programs that can be offered this fall. We are also pleased with the development of linkages and partnerships between University College of the North, or UCN as we usually refer to it, and Campus Manitoba, which will increase the number of courses available in the North through this linkage.

There have been continued increases in enrolment in post-secondary education, and I am pleased to say there has been an overall increase of 32 percent since 1999.

* (15:40)

We have continued to respond to the need for trained health care personnel. There have been high

graduation rates, particularly in nursing. As well, we have offered a specific LPN to RN upgrading program in rural areas. I am sure the member is familiar with the three sites, Portage, Winkler and Dauphin. I think I have got those right.

We have also continued our commitment to access programs which are one of the features of Manitoba education, programs that are well admired across the country. This year, we have promoted the development of a new community-based access program for Aboriginal teacher aides who wish to become teachers.

We have also pressed for the development of credit transfer and articulation committees in the areas of nursing, teaching assistant and environmental studies and, perhaps, if the member wishes, we can explore that more as we go through the Estimates.

Beginning this year, we will fund a school psychologist program at the University of Manitoba, which is responding to a need that we have heard from the community over a number of years.

We also have funding in the budget, as I am sure the member knows, this year to increase the capacity of the School of Medicine from 85 students to 93, and we intend to ultimately go to 100. Presumably, that is going to be next year.

We have increased the numbers of veterinary medicine positions. I had a discussion with the member from Lakeside about this. We have gone from 12 positions to 13. So we are really responding to a critical labour market shortage here. Overall, this system has seen an increase in funding of 33 percent since 1999, and we are very pleased with this.

One of the things I will just add as a postscript, the Council on Post-Secondary Education has also been a participant in the development of a northern midwife Aboriginal training program in conjunction with the federal government and the Ministry of Health, and we are very pleased with that.

Madam Chairperson in the Chair

To move on to Training and Continuing Education, which is one of the big branches in my department. In '04-05, over 50 000 Manitobans were served across a wide range of services, and community institutional and industrial service

delivery partnerships were extremely important. There were 12 500 adult learning centre and literacy learners. They pursued their learning and employment goals through these centres.

We have been very busy in building capacity in key northern communities through training northern Aboriginals for Hydro jobs. They feature the Aboriginal-led approach, community-based training and emphasis. Two thousand non-designated trades have been completed. Training positions have been completed and 120 plus participants in designated trades related to pre-employment programs. We are very pleased with the developments in the North.

We have 5000 active apprenticeships, 700 Aboriginal apprentices, so this, again, is something that is very important. We are particularly proud of our innovations in community-based training and trades qualifications as it is really important in increasing learner success and very important to communities.

Under the sector-council partnerships or in conjunction with sector-council partnerships, we have upgraded the skills for 11 000 existing workers in the province. Our new course is to support industry competitiveness, innovative workplace-based projects, extend workplace literacy, the development of essential skills and PLAR credits.

Last year, 30 000 job seekers were served through 16 provincial employment centres, and we were able to supply support for provincial priorities like housing and health.

All in all, we co-ordinated activities and investments to support the Northern Development Strategy objectives, and we are very pleased with that work, too.

In '05-06, new investments of \$2.2 million to increase skills and employment opportunities for rural farm-based and older workers in Manitoba, is a very promising and important initiative.

We are investing about a half million dollars in new apprenticeships, and we think that is extremely important. We will also be furthering northern education and training capacity through the development of a common assessment tool and essential skill solution for northern learners. We have attached some money to that.

Student aid, if I might just mention a couple of highlights from student aid. Student loan enhancements, Manitoba will mirror the federal Canada Student Loan improvements, and perhaps we could talk about those in detail when we reach that point in the Estimates.

We are very proud of our graduate scholarship which we began last year with a \$350,000 investment. We hope to do more. The Manitoba government bursary, which began several years ago at 6 million, I know the member will know from the budget and from the Throne Speech that we have also promised additional monies for the bursary. We have worked with the Winnipeg Foundation on—well, you know, I think I am just going to leave it now because the next few things that I have to mention are not absolutely finalized.

So I think I will leave it and just tell the member that I think I have a great job. I love my work, I have a fabulous staff, and it is really important to know the work that we are doing for young people and the not-so-young in our province. Thank you.

Madam Chairperson: We thank the minister. Does the member for the official opposition, the critic, have any opening comment?

Mrs. Leanne Rowat (Minnedosa): I would like to thank the minister for her opening remarks. There are a couple of things that she has identified in her opening remarks that I would like further explanation on and status on. I appreciate her sharing the words that she did.

I agree with the minister that this is an exciting and an interesting portfolio. Advanced Education and Training provides opportunities for individuals throughout Manitoba, and I agree that when we can help people better themselves and their quality of life, then definitely we are doing great things for individuals and for our province as a whole.

Our time will be short, so I believe that I want to look at different and diverse issues, both that she has indicated here and that I have sort of identified through the supplement document as well as in discussion with different stakeholders.

When we talk about advanced education, we are talking more than about universities and colleges and, certainly, issues like tuition freeze, accessibility

and quality of post-secondary education learning tend to be an annual issue, but there is more to that. On the issues of funding our universities and colleges, the official opposition shares the concerns of the presidents of the Brandon University, the University of Manitoba, St. Boniface College, University of Winnipeg, Assiniboine Community College and Red River. All the talk about tuition freeze has been covered in the media as well as through discussions with myself and the minister.

On that point, we want to indicate that we are very concerned that despite the best efforts of these institutions, they will gradually lose the ability to provide the kind of education Manitoba's young people need to work in an increasingly competitive and knowledge-based global economy. Our graduates will be measured by more than a piece of paper they are handed upon graduation. They will be measured by their skill, and that measurement will have to be constant. So I would like to probably go into detail on some of those points with the minister to get a clearer understanding of where this government is going in that area.

The issue of skills shortages is a significant issue for me. Prior to my election, my previous career was a rural economic development officer, which gave me first-hand experience with the issue of available skilled workers for many small- and medium-sized businesses in Manitoba. The Canada West Foundation recently reported that 41 of 76 major industry associations believe that the number of students currently graduating from post-secondary institutions will not be enough to meet the labour demands of their industries. The concerns raised in their report appear to be particularly widespread in Manitoba where all 12 association groups who participated in the CWF survey said that they are already experiencing some to severe shortages of skilled labour. Manitoba is the only province where all 12 said that there is some evidence of this level of shortage and, in discussions with different stakeholders across the province, these facts and these statements are justifiable.

Hydro training is also a front of mind issue for many Manitobans. While nobody would question the merit and goals of the program, there is growing concern about the level of accountability currently in the system. Manitobans need to be assured that the dollars invested will yield measurable and positive outcomes for the participants. The participants need

to be assured that they are being appropriately trained for jobs that exist and will exist in high-need areas. Recent reports of \$14 million for Split Lake Nation, without any indication of where the money went, while 90 percent of unemployment in the area remains, will not provide Manitobans with the assurances they are looking for. Government must be committed to measurable outcomes, that Hydro is really a ladder into and through the labour market, not training for the sake of training.

Although the official opposition is supportive of the University College of the North in principle, we do have some concerns about the loss of programming options at Brandon University and ACC. We also want to ensure that governments work to ensure that UCN grows to become a university as more than name only. There is potential for UCN to become a viable option for quality post-secondary education in northern Manitoba, but at the same time for a university to grow and develop a reputation as a quality learning institution, it needs the freedom to determine its future and to access the funds it needs to realize that future. If that does not happen Manitoba will become home to another under-supported post-secondary institution.

Thank you, Madam Chair. These are my opening comments and I look forward to the remaining Estimate time.

Madam Chairperson: We thank the critic from the official opposition for those remarks. Under Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and proceed with consideration of the remaining items referenced in Resolution 44.1. At this time, we invite the minister's staff to join us at the table and we ask that the minister introduce her staff present.

Ms. McGifford: Let me introduce my staff. To my immediate left is Dwight Botting, who is the Acting Deputy Minister of Advanced Education and Training. To Dwight's left is Claude Fortier, who is the Director of Admin and Financial Services, which is a duty that he provided for both Education, Citizenship and Youth and for my department. In other words, it is a shared service. At the bottom of the table is Bob Knight, who is the Acting Senior Executive Director for TCE, Training and Continuing Education. Beside him, Curtis Nordman,

who is the Executive Director of Student Services and Special Initiatives. Beside him is Louise Gordon, who is the Executive Director of the Council on Post-Secondary Education.

Madam Chairperson: We thank the minister. We will now proceed to the remaining items contained in Resolution 44.1 on page 27 of the main Estimates book.

Resolution agreed to.

Mrs. Rowat: Thank you for your patience. I would like to go global on the Estimate's process if I may, please.

Ms. McGifford: There is not an issue with going global except if we are going to be coming back here afternoon after afternoon, there is, obviously, because of the staff time. My staff are all here this afternoon so global would be fine for this afternoon.

Mrs. Rowat: I believe we have two hours in Estimates, so we will be quick and I will try to stay within the sections. Thank you.

Madam Chairperson: It is agreed that we will go globally.

Mrs. Rowat: Thank you, Madam Chair. First, I would like to welcome the minister's staff or the departmental staff. I appreciate opportunities where I will be meeting with them on a briefing basis and get to know them more and learning more about their various departments, or area sectors.

I would like to start with page 10 of the Estimates book and looking at, actually, the organization chart, and just talk a little bit about the positions that have changed and get some indication of where staff have moved to or come from.

I would like to start with the private vocational institutions' director and ask, I think the name is Jacqueline Ratté Kohut, where would she have come from, and how long has she been in the position?

Ms. McGifford: Madam Chair, I am advised that the individual here won a job competition about one year ago and that she came from the apprenticeship branch. If I remember correctly, the person who was in PVI moved to B.C.

Mrs. Rowat: Madam Chair, another individual is the Hydro Northern Training Initiative and the acting executive director is Jennie Styrchak.

Ms. McGifford: Ms. Styrchak assumed that position when the then-occupier of the role, Bob Knight, who is with us today, moved into the position as the acting senior executive director.

Do you want me to keep going and explain that the former ADM in that department became my Acting DM, and that is Mr. Dwight Botting?

Mrs. Rowat: I would like to know where the individual had come from, what position she had come from.

Ms. McGifford: She was the co-ordinator of training within the initiative. When Mr. Knight assumed his current position, she assumed his then position.

Mrs. Rowat: Madam Chair, over to the right, Sustainable Development Initiative, Christina McDonald; where would she have come from within the department or outside? Also, if she could give some explanation of what this initiative is responsible for, what their mandate is.

Ms. McGifford: I understand that Christina McDonald has been in the position for three years and the Sustainable Development Initiative is because there is a Sustainable Development Act. This individual provides those services for both my department and Education, Citizenship and Youth.

Mrs. Rowat: I would also like to know, if the minister would please go through the departmental and political staff that are in her office, as well as the deputy minister's office, please.

Ms. McGifford: I think that would be under a different area, Madam Chair. I think that would be 44(a), would it not? Page 13, no, it is not page 13; 23.

So, Madam Chair, as I understand it, the member would like to know about the political staff in my department. I have two political staff, a special assistant and an executive assistant.

* (16:00)

Mrs. Rowat: Would the minister please provide the names of these individuals, and how long they have been employed within her office?

Ms. McGifford: Yes. Actually they are both new employees. My special assistant is Cristi Frittaion, and she has been with me since, I think it has either mid-February or the beginning of March, quite a short time. The second person is Patrice Miniely, and she has been with me since the beginning of April. I could provide the member with the exact dates, but the point that I am making is they are both quite recent appointments.

Mrs. Rowat: Would the minister then indicate to me who were the staff in her office prior to those positions being taken over by the names she has indicated?

Ms. McGifford: Thank you, Madam Chair. My special assistant was Rick Rennie and my executive assistant was Doreen Wilson.

Mrs. Rowat: I would like to know if the minister would please provide the number of staff currently employed in the department and the number of staff employed by the department for each year of 2003 and 2004.

Ms. McGifford: On a point of clarification, Madam Chair, I am assuming that the member is asking for the total numbers of employees in Advanced Education and Training for '02-03, '03-04 and '04-05?

Mrs. Rowat: That is correct.

Ms. McGifford: I believe we have this information with us today, and it is Schedule 6. Is it at the back of the book? It is page 98. That might make it easier for the member. I cannot remember quite the years, but the member can see at the bottom of the page that '01-02 there were 376.5; '02-03 390.75; and then 394.75, 386.25, and then for this year, 385.55.

Mrs. Rowat: Would the minister, Madam Chair, be able to provide a description of any positions that have been reclassified in the last 2003, 2004 and 2005?

Ms. McGifford: I am sure we could do that, but I think we will have to get back to the member with

that information because it will involve some work within the branches to get it ready for the member.

So, on a point of clarification, Madam Chair, would you give me—

Madam Chairperson: Madam Minister.

Ms. McGifford: Did I call you Madam Minister?

Madam Chairperson: No, I called you that.

Ms. McGifford: And rightly so. On a point of clarification, we did not quite get the years that the member wished to have the information for.

Mrs. Rowat: Madam Chair, 2003-2004 and 2004-2005 and projections for 2005-2006.

In asking for that information, I would also like a listing of all current vacant positions that are available within the department.

Ms. McGifford: Madam Chair, we will get back to the member with that information as well.

Mrs. Rowat: Madam Chair, on page 14 of the Estimates book, there is, looking at the staff categories and the position summaries, I just need some clarification of numbers. There is a substantial change in increase in Administration and Finance, and I know there is likely a good reason for this. I just need to know what it is and the reasons for. The Administration and Finance numbers under Managerial increased 120,000, and I just wanted to know if she could indicate to me what would have justified that or what has created that increase.

Ms. McGifford: Again, a point of clarification. If we look at the first line, Administration and Finance, we see the FTEs at two, then under professional/technical; two, under administrative support; three, for a total of seven. The total is seven, so I am not sure what the member means by the numbers have increased substantially.

I understand that 399.6 is a cumulative figure, so it includes the 149.4 plus the 109.2 plus the 141.0 for a total of 399.6.

Mrs. Rowat: Under Administration and Finance, under the main appropriation, under Managerial breakdown, Full-Time Employees indicates two; last

Estimates indicated one. The dollar amount in that area was 29.4. This 2005-2006 position summary indicates 149.4. I just wanted to know what the change would have been.

Ms. McGifford: Then I understand the member is comparing last year's figures, which are not on page 14, to the figures that are on page 14 for this year. Is that correct?

Mrs. Rowat: Comparing 2004-2005 position summary dollars to 2005-2006 position summary dollars.

Ms. McGifford: I understand the difference between last year and this year is we now have a second DM and the 149.4 is there because it includes the salary of one position, plus the current acting ADM, Mr. Dwight Botting.

Mrs. Rowat: Madam Chair, back to page 10, and this will be the last time on the org chart. I would like the minister to indicate to me who are on the board of the Council on Post-Secondary Education, the COPSE board. The names of the individuals, please.

Ms. McGifford: Yes, my staff person is looking for the list of board members. I do indicate while she is looking for it, that we consider a number of things when appointing members to the Council on Post-Secondary Education. We want to have a council that is geographically representative, that also represents the young, the middle-aged and the old, so there is a balance.

The chair is currently Mr. Don Robertson, vice-chair Muriel Smith. The other members include: David Turner from Winnipeg; Carolyn Frost, Winnipeg; William Dumas from Thompson; Lucille Bruce from Winnipeg; Christopher Macdonald, Brandon; Rita Lécuyer, Winnipeg; Darlene Hendler of Winnipeg; Dolores Samatte, Cranberry Portage; and Howard Almdal from Winnipeg.

*(16:10)

I might point out that Don Robertson is a Cree from Norway House. I think he is from Norway House. Lucille Bruce is a Métis and a graduate of ACCESS programs. I believe Dolores Samatte is also very concerned about Aboriginal and Métis history, culture, education and administration. Since this government has a very clear commitment to

Aboriginal education, we feel that Aboriginal people have to be very well represented on the Board.

Mrs. Rowat: I have no issue with some of the representation on there, but I do have a question regarding representation from rural Manitoba. I believe Cranberry Portage could be considered rural Manitoba, but there seems to be a lack of rural representation from southern Manitoba or areas in or near the Parklands. So I would just make that as a note that we do have two post-secondary institutions in the Westman area, and I would encourage, based on the farm economy, that there would have been some consideration given to individuals who have an agriculture background.

Hon. Christine Melnick (Minister of Family Services and Housing): I thank the member for her advice. I do want to point out that we had a member from Swan River until quite recently, and that person's position has expired. I do want to, at the same time, point out that the ACC board, the Brandon board, certainly the membership there is from those communities. We think we have done very well with rural representation in those areas, but I do appreciate the member's advice and will consider that.

Mrs. Rowat: In the minister's opening remarks, she spoke of UCN and the new programs that are going to be issued this fall and the linkages between that institution and Campus Manitoba. I have a few questions regarding UCN and just need some information on outputs and statistical information on that institution. Would the minister be able to provide to me the new programs that she has indicated that will be occurring at UCN this fall?

Ms. McGifford: The first university program under the auspices of UCN is the Bachelor of Arts in Aboriginal Studies which I understand will begin this September. Under development are a B.Ed. program and also the program that I cited in my introductory remarks, the Aboriginal Midwifery program. As far as the linkages with Campus Manitoba, I understand that because of these linkages, 55 new courses will be available to students in the North.

Mrs. Rowat: Could the minister share with me what current programs are presently being offered out of the UCN programs?

Madam Chairperson: Could you repeat that, please?

Mrs. Rowat: Can the minister indicate to me which current programs are being offered out of UCN?

Ms. McGifford: I think the programs would probably to be too numerous for me to address, but is the member referring to all the college programs?

Mrs. Rowat: Maybe I can be specific, and that will help with the research or the response. I am looking for the number of students enrolled by faculty, and I am also looking for the number of new intakes at UCN that are not transfers from programs that were previously housed out of U of M, University of Winnipeg or BU or other institutions.

Ms. McGifford: I want to explain to the member that there are not any faculties because the new university component will begin in the fall of 2005. I believe we have a list. The most recent enrolment we have is '03-04. We do not have the enrolment for '04-05 as of yet because of the complexities of collecting these statistics. There is usually a delay between the enrolment and when it is reported.

So I can tell the member that in '02-03-04 the total enrolment at, well would have been at Keewatin Community College at that time, was 14 440.

Mrs. Rowat: Could I get that broken down? You are saying '02-03-04. Could I get a breakdown of the '02-03 and the breakdown of '03-04 and, if she could indicate to me, were any of these transferable from other programs?

Ms. McGifford: I do not know quite how far I should go back.

Mrs. Rowat: Madam Chair, '02-03, and if the minister could indicate, I guess that would be in connection with Keewatin, or are those from other institutions, or Keewatin right? Yes.

Ms. McGifford: I think we have given you some inaccurate information. I am just checking on it.

I thought that the numbers that I read to the member were quite staggering, and too good even for us. So I want to indicate then, the member is looking for enrolments at the University College of the North, and I want to indicate that, maybe I will start with '02-03, 1334 full- and part-time students and in '03-04 there were 1444 full- and part-time students.

Mrs. Rowat: Thank you, Madam Chair. This critic role is new to me, so I am wanting to make sure that I get a good understanding of where this has come from and where we are wanting to go, or where the government is planning to go with this in the future, so I apologize if my questions are a bit detailed. I have not had a chance to have a briefing with the department, so some of this, we will follow through and whatever I need further clarification on, I am hoping that I can access.

In '02-03, back to those points, you indicated 1334 full time and part time. Can you break that down also a bit further to how many of those are full time and how many of those are part time in each of the years that you have indicated?

Ms. McGifford: In '02-03, 915 students were full time and 419 were part time. In '03-04, 924 were full time and 520 were part time.

Mrs. Rowat: Madam Chair, could the minister also indicate to me for those two years whether these were new intakes and, if they were, if there is a breakdown of where these students would have come from previously.

Ms. McGifford: I regret to tell the member that we do not get that kind of detail.

* (16:20)

Mrs. Rowat: Madam Chair, back to Keewatin Community College. At one point I understand that there was a mould issue. Can the minister just give me the status of that issue and how progress has been made in dealing with it?

Ms. McGifford: I understand that the problem developed in the winter of '03-04, and work was done and they are called the mould remediation program. The mould is now remediated and the institution is running and is safe.

Mrs. Rowat: You have shared with me several numbers on past enrolment. Can the minister indicate to me when she believes the first UCN degrees will be conferred?

Ms. McGifford: I am advised that the first degrees will be conferred in the spring of '09 because it is a four-year degree program; the bachelor of Aboriginal

studies, Bachelor of Arts in Aboriginal Studies, to be more specific.

Mrs. Rowat: Can the minister indicate to me how many students are presently enrolled in that program full time as well as part time?

Ms. McGifford: That is the program that starts in September of 2005 so, yes, there are not any enrolments there yet.

Mrs. Rowat: in September of '04, there was an announcement of 50 nursing spaces. Can the minister give me a progress report on that initiative? How many of those positions or opportunities have been filled?

Ms. McGifford: I am assuming the member is talking about the program promised for Northern Manitoba. My understanding is we are making the investments now and the program is ramping up and will be available in September '06. They are new seats. It is a new program in that area. No, not a new program, simply new seats.

Mrs. Rowat: So the current program is an LPN program, is that correct? It is an RN program?

Ms. McGifford: Yes, currently UCN has a joint program with University of Manitoba and it is a four-year program, and we are expanding that program by 50 seats.

Mrs. Rowat: Could the minister indicate to me, or give me some background with the program with U of M that is currently in place? How many students are enrolled in that program?

Ms. McGifford: Now we are leaving University College of the North and talking about the University of Manitoba?

Mrs. Rowat: Yes.

Ms. McGifford: I understand the question. It is not a joint program. That part of it is taught at U of M and part of it is at UCN. It is a joint program where U of M is a participatory institution, but the degree takes place in the North. So, in fact, there are no U of M positions. It is a University College of the North.

Mrs. Rowat: I would like the statistics based on that program then; how long it has been running, the last

report, I would say '03-04 in numbers enrolled and number of graduates and the same for any current stats on that.

Ms. McGifford: My understanding is that the program began in 1999 as part of the nursing strategy. There are between 60 and 80 enrolments, and it is a four year program,

Mrs. Rowat: Could the minister indicate to me what percentage of graduates come out of that program out of the 60- to 80% enrolment? What is the percentage of graduates?

Ms. McGifford: I understand that to date we have only had two graduates.

Mrs. Rowat: Based on that low number, I would like a breakdown from '99, each year the number of individuals enrolled, and I guess an indication of when those two graduates would have occurred. I would like a breakdown of each year the number of enrolled and the output of the number of graduates based on, I guess, the two.

Ms. McGifford: We can provide the member with that information, but we will have to prepare it so it will take a little bit. I do want to point out to the member while we are on this topic that often education in the North, as I am sure the member knows, is quite different from education in the south and the challenges students face are quite enormous. We cannot expect the same kinds of results that we might expect in other circumstances.

Mrs. Rowat: I appreciate the minister's comments, and I agree that there are challenges in northern students attending post-secondary education. There are challenges for all Manitobans at points in their lives. I am just a little bit concerned though, with two graduates out of a number that we are still unsure of, of enrolled. There could have been some type of mentorship or some type of programs in place to enhance these. It is a little bit disturbing. I would like the minister to provide for me the enrolment numbers for '02-03 and '03-04 if she does have them available right now, but I would truly appreciate the numbers back to 1999.

* (16:30)

Ms. McGifford: The member is talking about the enrolments in nursing. The enrolments in nursing in

'01-02 were 61 full-time students, and then in the next year, '02-03, 69 students. They are broken down in men and women this year. There is female and male, and then there is unknown so I guess we do not know with some people. However, if the member wishes me to go back to '98-99 just for the record, I can provide them here or we could send them for her.

If I just might add something. I share the member's concern about the numbers of graduates, and I think the member is quite right to point out that individuals have challenging times when they attend post-secondary education. I think attending education in the North, when you grow up on a reserve and you are taken out of that community is head and shoulders more challenging than most of the challenges our students have to face. I do not know how much experience the member has of the North. I cannot claim to be thoroughly educated in northern education, although I have been named an honorary northerner in another circumstance. It is desperately difficult for some individuals, and they need all the support that we can give them. We do try our very best to give them support. We have to do better.

Mrs. Rowat: I, too, share concerns. I understand clearly the number of issues socially, could be family, could be economics, could be various other issues that are facing the youth, or others within the community who are looking at ways to better their way of life and their quality of life. However, my concern, I guess, is that there are two graduates out of, at least, 150 to 200 enrolled, and we are looking at putting in 50 new spaces.

I would like to know what measures the minister is looking at to ensure these new spaces, as well as the spaces that are currently available, are going to be providing positive outcomes for the individuals in the communities who will be accessing these spaces and these programs to ensure that they do get the ultimate benefit by graduating from the program, providing their skills and their services to the communities to empower and improve the quality of life for these individuals.

Ms. McGifford: Madam Chair, I want to point out to the member that one of the very important measures being taken is the fact that the University College of the North is working with the current Dean of Nursing at the University of Manitoba to create a program that is more conducive to learning

in the North. We think that that will be very important in the retention of students and in the success rates of students.

Mrs. Rowat: Madam Chair, I am encouraged to hear the minister is acknowledging that there has to be some stop-gap measures put in place to address this issue and to encourage the youth and others within the community to continue with the programs and to provide the skills to their communities by graduating from programs that are being offered through our government.

I realize that we are halfway through our Estimates process. I have several other questions that I would love to go on in this area a bit longer to learn more about what the government is doing with UCN, but I feel that we have to move to another area.

I would like to speak to the minister or ask the minister some questions on the Hydro training initiative. I understand there has been several announcements made over the last period of months. I would just like some clarification on the opportunities that are presently being announced and whether they are actually providing some training and some investment into the communities that are being represented.

I understand the community of Nelson House has recently—I think it was three years ago, so not very recent—there was an announcement made regarding an \$8.1-million training centre in the community. I would like to know what the minister can provide in status on that building, and, also, if there is an executive director or co-ordinator that has been hired, and if it is up and running, because it has been three years; \$8.1 million has been committed. I just want to know the status of it.

Ms. McGifford: Madam Chair, this is really a question that concerns the federal government. The ATEC Centre, as the member has rightly identified, is being built, and Nelson House is currently being built. The federal government provided \$3.7 million for its construction, and the rest of the money, we assume, is band money. In other words, the Province has not made a financial contribution to the construction of the ATEC Centre.

Mrs. Rowat: The money, approximately \$4 million coming from the band, where would that money have been—the band is in receipt of—but where would that

money have come from? Would it have been through Hydro or the Province? I am just asking for clarification. As I am new to this portfolio, I would like to just get some background on it.

Ms. McGifford: I cannot really address the issue of band funding. I think it would be intrusive for us to ask. We would probably be told to mind our own business. The \$3.7 million came through INAC and WD, the federal money.

Mrs. Rowat: Would the minister be able to tell me if any Hydro dollars have been allocated toward the ATEC Training Centre initiative, and if there has been if she could give me a breakdown, whether it is for training, whether it is for recruitment of staff or any other means of the centre?

Ms. McGifford: Thank you for the question. It is a question that had been best asked of the Minister responsible for Hydro (Mr. Chomiak).

Mrs. Rowat: My understanding is there are several individuals that are currently enrolled through the training centre. Can the minister indicate to me if she is involved at all or the department is involved at all in enrolment and recruitment in that area?

Ms. McGifford: We are talking about the ATEC Centre at Nelson House, but it is not completed. It is not up and running. However, they are delivering community-based training, and we are involved there.

Mrs. Rowat: Can the minister elaborate on the community-based training, what type of training that would be?

Ms. McGifford: The participants under the community-based training are involved in a range of training. It includes components like life skills and upgrading. Individuals are involved in designated and undesignated trades, and there is on-the-job work experience training.

Mrs. Rowat: Could the minister please give me a breakdown of enrolment in each of these programs?

* (16:40)

Ms. McGifford: We have the figures initiative-wide, but they are not broken down at this point for a specific community.

I do have figures as of December 31, 2004. In NCN, there were 72 participants in academic upgrading, 41 in life skills, for a sub-total of 113. Maybe I should just give the member the totals right. Designated trades, there were 33 individuals; non-designated trades, 47. As far as project supports, there were 12 individuals involved. The business and management individuals involved were 3, so for a total of 208. We are talking about NCN here. I could give the member the totals for Fox and for the Cree northern partners and York if the member wished.

Mrs. Rowat: I would appreciate the numbers of enrolled. I would also like to know the number of individuals who have completed those programs in each of those areas. I would, actually, like that statistical information for '04-05, and in the information that I would like for '04-05, I would like to know the communities that are receiving assistance, the description of the training programs, the number who started, the number who have completed and the current status of the individuals on what they are going to be doing in the future. I have a fairly good breakdown here of what was provided in the past and, I guess, what I could do was maybe photocopy it and get a copy to your department, and if they would update it.

Ms. McGifford: Yes. That information is quite extensive and will take a little time to gather together, but I can tell the member that the figures I gave her for NCN are a combination of those in progress and those completed their training. We are working with five northern communities specifically right now, and MKO and MMF. Would the member like me to provide some statistics now, or would you like the information to come from the department?

Mrs. Rowat: Having the information come from the department would be fair. I would appreciate the minister providing that. We only have about an hour left, so whatever she could provide in that area would be great.

Can the minister indicate to me who is contracted or sub-contracted, if there are sub-contracts, in doing the training, the list of the training agencies and the sub-contracting agencies?

Ms. McGifford: I am told that it is an extensive list. Perhaps that is information we could provide the member from the department.

Mrs. Rowat: If the minister would be so kind as to provide me with at least the top five training agencies that have been allocated and training contracts, I mean top five in meaning dollar wise, and who those contracts would be.

Ms. McGifford: I am sorry. Does the member wish that information right now? We can look for it if the member will want to wait.

Mrs. Rowat: Sure. Just to get a sense, I would like the list in the future, but I would like the top five at this point, a list. Oh, I am sorry, the top five and a list of training agencies or sub-contracted agencies that are doing work with the northern communities right now.

Ms. McGifford: Yes, I am told that some of the bigger training partners or agencies, pardon me, would be the University College of the North, Red River College, the Manitoba heavy construction industry and the Carpentry Training Institute.

Mrs. Rowat: Are there independent training agencies other than the university or the colleges? If she could list, I guess, the next five on her list that would not be affiliated with the university or the college.

Ms. McGifford: I am told that we do not have that information with us today, but that we have had some individual companies do things like life-skills training, but we really do not have that information with us today and we will have to get back to member with that.

Mrs. Rowat: Can the minister indicate to me if these individuals have done any training with the northern project: Jay Cowan, John Orlikow, or Lionel Orlikow?

Ms. McGifford: Not to our knowledge.

Mrs. Rowat: So the minister is indicating, not to her knowledge, that these individuals or agencies that they either work for or have partnerships in, have done work for the project.

Ms. McGifford: Just to be very clear, the member is asking me whether Jay Cowan, Lionel Orlikow or John Orlikow have provided training services to any of the Hydro training partners, Aboriginal partners. My answer from the department at this point is that—

My answer is no.

Mrs. Rowat: I would still like a list of each and every training agency and subcontracting agency that has done work with the Hydro training initiative, as she had indicated would possibly be available, or would be available outside of the Estimates.

I have a question regarding training that has taken place. She has talked about non-designated trades and designated trades. Can the minister indicate to me have any of these projects been provided offsite or out of the northern communities?

Ms. McGifford: Please excuse me. I was just checking with my staffperson as to how doable the list is that you require or that you have requested. We will give you what you have, but the member needs to understand that we are working with the communities, and we do not have control over the communities or necessarily knowledge of what the communities themselves are doing because, of course, they have a certain measure of independence in who they choose.

Certainly, the department is unaware of any of the individuals that the member brought to my attention.

* (16:50)

So I just wanted to make clear that we have to respect, to some degree, we have to respect the independence of the partners to enter into contracts. They, I understand, issue RFPs, oftentimes do RFPs, and we do not have input in the decisions.

Just to finish off with this piece, we are involved in reviewing the annual training plans so to that degree, we are apprised, but there is some information we do not have because it is really not our business.

Mrs. Rowat: We are also in discussions with various stakeholders, so we are just wanting to get as much information on the projects and to be aware of the progress of those projects and ensure to the communities that are being represented as well as to all Manitobans that every step is being taken to provide quality training opportunities and to be aware of training programs or agencies out there that may be of interest to others. Can the minister indicate to me the training that has taken place at this

point? Has all of this training taken place in the northern communities that are being represented?

Ms. McGifford: No, indeed, all the training is not done in the communities themselves. I understand the life skills and upgrading work is frequently done in the communities and, obviously, the community-based apprenticeship work, but individuals do leave their communities. I know there was a program in Southport. I believe it was for heavy duty equipment operators, you know, driving big machines. I understand a group has gone to The Pas for apprenticeship training, and there have also been some folks attend ACC so, no, it is not just in the northern communities.

Mrs. Rowat: Can the minister give me a breakdown of the number of individuals who have been trained on-site in the areas that she has indicated?

Ms. McGifford: Well, if the member is referring to the dams themselves, you are referring to the community by the site. We will have to get that information for you.

Mrs. Rowat: The minister had indicated there were 47 non-designated trades in training, 47, and I think 33 in designated. Could you give me a breakdown of if those individuals are receiving training off-site and where that training would be?

Ms. McGifford: I just need the member to repeat the question for me please.

Mrs. Rowat: In earlier comments made by the minister, she had indicated that there were 47 individuals in non-designated trades and 33 in designated trade programs right now. I just would like the minister to break that down for me, the number that are being trained on-site and actually the training programs that these individuals are in.

Ms. McGifford: Well, at this point, I could break down the designated trades and what they are and the non-designated trades and what they are, but we cannot tell the member at this point how much of the work is being done in the community and how much is being done off-site in some other location. We have to do some work on that one. If the member wishes the designated trades, I can indicate there are 23 carpenters, 1 carpentry pre-employment, 1 electrical, or pardon me that is plumbing, no, that is electrical, 5 pre-employment electrical, 3. No, that is a total of 33 right there. Would the member like me

to keep going, or would she like to receive the information from the department?

Mrs. Rowat: Twofold; I would like the information from the department, but I have specific questions regarding the information that she is providing.

Trades compared to life skills. How many people, I guess, when we see press releases, we see information being shared in the House about the benefits of this program, and 187, or 185 individuals are being trained within these communities is something that I think one of the members opposite had indicated, had yelled across the House one day. I am just trying to get a sense, if this government is indicating that they are doing such great things with this initiative, I need some assurances from this minister that some type of an assessment has to have been done to determine the number of people that have been enrolled in these trades and life skills program, the number of people that are coming out of these programs that are actually working within the communities. I am just not getting a sense that this is something that is easily provided.

My question I guess is this. Can the minister indicate to me the number of individuals in the trades who have been trained on-site within the northern community? If they have not been trained in the northern community, the number that have been trained outside the community, and, actually, if these people have been trained outside the community, have they returned to the communities and are they working within the communities in their area of training? I just need some assurances from this minister that this is actually working. I do not want to go back to the nursing program where we are having two graduates out of 150 enrolled.

Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair

Ms. McGifford: First of all, the member cited a number of 185, and she said it was yelled across the floor in the Legislature. I certainly do not know, maybe it was one of her members who yelled it. I do not know, but it does not matter. I cannot be responsible for what is yelled across the floor of the Legislature. I mean, the information that comes out in Question Period is one thing.

I can tell the member that whenever it is possible to train people in the community, when what is

needed for training is present in the community, we do do that work within the community because, of course, it is in the interests of community development, it is in the interests of the project, it is in the interests of family life to do the work in the community.

I can, secondly, tell the member that the trainees only leave the community when it is necessary. In other words, when the supports, the machinery; whether it be specific machinery as we usually mean machinery, or the machinery of education, if those are not available in the community then, of course, the education has to take place outside the community.

I also want to point out to the member, and I am sure she knows this because she did say that she has some familiarity with northern education; with these individuals, multiple interventions are necessary so that an individual may take some upgrading, may take some life skills training, and completion of those parts of an education are really vital and necessary before that individual may be in a position to choose to become a heavy-duty equipment operator, or a plumber, or another trade, some preliminary work is necessary.

* (17:00)

Mrs. Rowat: Okay, I guess where I want to go with this is I need to get a sense from the minister that individuals who are going into training programs are actually starting in the programs and are completing the programs. I would like the minister to indicate to me, for the year of '04-05, the number of individuals that have taken training programs on-site and break down, actually, the description of the training programs that they have taken and the numbers associated with that, please.

Ms. McGifford: As far as the numbers of individuals across the initiative trained in the community as opposed to those individuals trained outside the community, I think I told the member several answers ago that we do not have that information with us today. However, we would certainly be able to pull that information together.

I can tell the member that across the initiative, we have confirmed 48 registered apprentices and 50 more coming in the next year or so. We have 15 journeymen who are certified to date. In three more

years, we expect another 50 journeypersons, these are certified journeypersons. Carpenters 10, plumbers 2, heavy mechanics 1, welder 1 and power engineer 1.

Mrs. Rowat: Madam Chair, I really would like the minister to provide as much detail as possible when she is able to pull this information together because I think we need to see the outcomes. I do believe that my predecessor, the Member for River East (Mrs. Mitchelson), had asked a number of these questions. There were a number of unanswered questions and outputs.

Madam Chairperson in the Chair

I think it is rather important to have the outputs indicated because it does help in determining how to improve a program or how to change the approach of how to offer programming for individuals in northern communities. As well, if they do have to train in southern communities, how we can ensure and encourage them to return to their communities? Ultimately, what we want is to provide the opportunities for them to be trained and to provide their skills and expertise back into the communities where they had initially come from.

Can the minister give me any indication of the numbers of individuals who have been trained in southern communities in any of the training initiatives? Can she provide me with any of that information?

Ms. McGifford: We just want to bring to the member's attention that certain initiatives, as I said before, really are best delivered outside the community. I could cite, for example, Fox Lake. Fox Lake did some training at Southport. They made the decision to do the training at Southport because the training was less expensive because the equipment was there. I know the member from Portage was delighted that the training took place in Southport. I understand that the community thought the environment at Southport was also the perfect environment for this training because it provided a campus-like situation. Some of the work placements from this initiative took place in Winnipeg with companies like Gardewine. We do not have figures as to how many people returned north, but our understanding is that there has not been an issue. People have returned to their communities because that was always the understanding.

Mrs. Rowat: The individuals have returned to the communities, but does that mean they have completed their programs, or have they returned to the communities not completing their programs?

Ms. McGifford: Most of the individuals returned to the communities without their education being completed because it is a multi-year training and some of the work has to be done in the community to complete the training process. Apprenticeship, it takes six years sometimes to complete an apprenticeship. So it cannot, obviously, be done in Southport during the course, but the individuals get certain kinds of training which they transfer with themselves when they return to the North and then complete the work of the apprenticeship.

Mrs. Rowat: My spouse is actually a tradesperson, so I know the challenges and understand and appreciate the need to continue different levels of apprenticeship training, but I am a little bit concerned about individuals who have come down to southern Manitoba to receive training; (a) I am concerned if they do not remain in the program, and (b) if they do not return to the communities. Coming from a small community in southern Manitoba which, I am sure, is not much different than northern Manitoba in the sense that when we lose an individual, even one family, one individual, it definitely is detrimental to our community. If we have our hopes and dreams set on bringing back the skilled labour and the skilled individuals to our communities, it is concerning if this is not being tracked and if the individuals are not being encouraged or mentored to come back to the communities and to share those skills in the community.

A question that I have of the minister is these individuals who are coming back to the communities, there must be some kind of tracking system that she has within the department that is actually determining the number of individuals who are in the program, starting a program and are actually going back to the communities once they finish their level and sharing their skills and utilizing those skills within the community, and if she could provide the actual numbers who have returned to the community to work in the areas they are being trained in, it would be most helpful to the members sitting here today.

Ms. McGifford: Of course, the communities themselves are very anxious to have the individuals

return to the communities because they are very valuable persons to the community, even more valuable after they have received their training.

Once again, the individuals, when they have returned to the communities have not completed their training because there is an ongoing commitment and, actually, ongoing on-the-job training. Sometimes individuals cannot do everything they need to do in the community. Remember that the hope is that these individuals will be prepared when we begin construction, if we begin construction, on the northern dams. We have to start well in advance in order to make sure that we have the trained individuals. And, well, what can I say, the individuals are extremely valuable to the community. The community values them. The community encourages their return, and I understand there has not been a problem with individuals not returning to their communities because they take training in places like Southport.

* (17:10)

Mrs. Rowat: As of August 31, 2003, an example is Fox Lake. Eighteen individuals took the heavy equipment operator training program. They started and they completed. I want to know if the minister can confirm that these individuals are still employed within the community or have they done any upgrades?

Ms. McGifford: To answer the member's question, she wants to know how many individuals are working in the community who went to Southport.

An Honourable Member: Yes.

Ms. McGifford: My understanding is that there are individuals working in a number of places and related to the community. There are some individuals working in Thompson, some in Churchill, some in Brandon, those places. Then there are some individuals who are working in the community. These individuals are completing the work that they need to complete in order to become fully trained. It all cannot take place in the community, but that does not mean they cut their linkages to the community. Just as the member works at the Legislature, although she does not live specifically in Winnipeg, but has her community, the other individuals have arrangements that work for them, professionally or vocationally.

Mrs. Rowat: I am just trying to get a sense, you know, some success story here on this initiative. I am trying to get some type of affirmation or something to show me that the training is working in the communities, and I am not getting the numbers.

In '03-04 in Fox Lake, for example, in the heavy equipment operator program, can the minister indicate to me the number of individuals who started that program, and the number of individuals who are now back in the community, having completed one of the levels that are required to be a heavy equipment operator? How many of them have gone back and are doing the jobs they were trained to do?

Ms. McGifford: I am advised by my staff person, who will check the information, but believes there were 18 enrolled, 15 graduated and 12 are working.

Mrs. Rowat: Can the minister indicate to me, based on the 6 that are not working, did those individuals return to the community or have they remained in southern Manitoba?

Ms. McGifford: No, that is the kind of level of tracking that probably no department does, but I do want to point out that a certain amount of attrition is common in all programs whether they be university programs, college programs or indeed training programs.

Mrs. Rowat: I am looking forward to actually a briefing I guess with the minister and also to be receiving the information on the statistical background on the status of these different programs in the communities that are being represented. I think the communities are encouraged to learn of initiatives, but I think they also would be encouraged to know, statistically, that the programs are paying off and that their community members who are being trained actually are using those skills within the communities that they represent.

My question to the minister is regarding University Operating Grants referencing 44.2 (b). I was wondering if the minister would be able to do a breakdown of the University Operating Grants by institutions for me, the University of Manitoba, U of W, St. Boniface College, Brandon University, and—oh, I do not know if the colleges are listed here.

Ms. McGifford: I can provide the member with that information in 2005-'06. The University of Manitoba

received an operating grant of just in excess of \$204 million. The University of Winnipeg, just under \$33 million; the University of Brandon, just over \$22 million; le Collège de St. Boniface, \$6.8 million. Other operating, well, I could skip that now if the member would like.

Would the member like me to also give the colleges, or is it universities? Okay, colleges. Private religious colleges, \$4.6 million. So the total for universities is—pardon me, I forgot the University College of the North, just in excess of \$13 million. So the total for universities is \$287.4 million.

Colleges: Red River College, \$45.6 million; ACC, \$13.6 million; École technique et professionnelle, \$1.6 million; Winnipeg Technical College, \$565,000. The total for colleges: \$61.5 million.

Mrs. Rowat: In 44.2(a) it lists other expenditures. As I indicated earlier, I am fairly new to the critic role, and I just wanted to know if the minister could share with me. It indicates other expenditures listed, an increase of \$100,000 for other operating expenditures. If she can just explain that line for me, and sort of give me a background.

Ms. McGifford: I understand that the other operating dollars includes an increase of \$100,000 to pay for the pensions of retired council staff and the expenses of council members, because the necessity of bringing certain individuals to Winnipeg remains. I want to add, also, that sum pays for the stipends that council members receive.

Mrs. Rowat: Can the minister provide me with a breakdown of those expenditures?

Ms. McGifford: We do not have those figures here, but we can certainly get them.

Mrs. Rowat: I am going to split back to the Hydro initiative, I apologize. I would like to know if the minister would be able to provide a breakdown of the dollars that have been advanced for the programs in each of the communities. Based on my notes I have here, for 2001 and 2002 TCN had approximately \$720,000 shared between themselves and, I believe it is, War Lake, and that type of a breakdown. So, if she can give a breakdown for me of the monies that are allocated for each of the communities, TCN, War Lake, York Factory, et cetera, all the communities that receive dollars.

* (17:20)

Ms. McGifford: I can provide the member with our notional allocations in total funding up to March 31, 2005. The Manitoba contribution to NCN is \$1.1 million, a little bit more. To the Cree Nation partners, which includes Split and War, is just over \$2 million. York Factory First Nation, \$549,700, Fox Lake Cree Nation, \$781,000 and MKO, \$80,000 and Manitoba Métis Federation, \$50,000.

Mrs. Rowat: In a table that I have here, I am looking for the 2003-2004 and 2004-2005 numbers of monies that would have been advanced to the Wuskwatim project and also to the Gull project. Were there any dollars that were advanced to either one of those?

Ms. McGifford: I understand there were monies advanced to both those projects in the past, and we can get some more concrete information for you.

Mrs. Rowat: I am assuming that will be at a later date. Tomorrow Estimates, or when can I?

Ms. McGifford: I am advised in a couple of days.

On a point of clarification, may I ask the member again exactly what she is asking for? It is getting a little confusing because the member has some numbers from years gone by and we do not really have those papers with us.

Mrs. Rowat: What I am looking for is monies that have been advanced for programs in the Hydro training initiative for the communities that are involved in the projects, from the most recent numbers and one year prior.

I would also like to know the monies that have been advanced, if there were any monies advanced, to the Wuskwatim and the Gull in 2003-2004, as well as in 2004-2005.

Ms. McGifford: I did just give the member the cumulative totals. Now she wants to have those numbers broken down to past years, et cetera. Well, that will take a little bit of time, but we can certainly provide that information.

Mrs. Rowat: I would like to now speak briefly to the minister and ask questions on the Aboriginal training for individuals, Aboriginal training initiatives or programs that are within the Child and Family Services branch and just sort of get a sense of the

university's involvement, or the Department of Advanced Education and Training's involvement in that.

Ms. McGifford: On a point of clarification, if programs are within the Family Services branch, I am a little unclear as to why they are being asked in the estimates for Advanced Education and Training.

Mrs. Rowat: I am referring to a press release that she has put out dated on May 1, 2003, in which it indicates "McGifford announces major expansion of the WEC Social Work Program". I am wanting to ask the minister if she could provide us with some background and some status or outputs on this initiative that she took the leadership role in announcing.

Ms. McGifford: Yes, I can. My staff person is looking for specifics right now but, of course, that program has not anything to do with Family Services and Housing. It is a program within my department. We do train social workers, and you are referring to the Winnipeg Education Centre. My staff is looking for information but, as I understand it, we increased the program because of the devolution of Child and Family Services. That would require an increase in the number of Aboriginal social workers, and so, that was an initiative driven by the devolution of Child and Family. If the member wants further details, we can look for them but, basically, that is what that initiative was about.

Mrs. Rowat: Madam Chair, can the minister confirm for me that there have been additional seats made available, or funding provided to enhance the seats available in a social work program? Can the minister confirm that there has been and, also, can the minister confirm for me the stats on '03-04 and '04-05 on the number of seats that have been filled in those areas?

Ms. McGifford: Well, I understand the initiative was to purchase 50 seats and the cost was 496,000; 300,000 for the program costs and 196,000 in student supports. The program would double its enrolment for three intakes. That is the total program, not this individual program. The additional funds were provided for seven years while we train the additional members of the Aboriginal social workers who will be required.

I understand the first "core new cohort" began in October '03, a second enrolment in September '04, and presumably, a third will begin in September '05.

Mrs. Rowat: She might have indicated, but I am sorry, it is hot in this room. Can she indicate to me the number enrolled in '03, and the number enrolled in '04?

Ms. McGifford: I can only indicate the total enrolment, that is the social workers who were in the program as it existed with the additional numbers. I understand that in '02-03, the enrolment was 83, and in '03-04, the enrolment was 70.

Mrs. Rowat: Madam Chair, the minister, just for clarification, is indicating there were 85 in '02-03, and 70 in '03-04, but not a breakdown of whether these were Aboriginal or non. Is that correct?

Ms. McGifford: The new program for 50 seats was all Aboriginal, and many of the students in the old program were Aboriginal, some of them were immigrants. At the Winnipeg Education Centre, there is a program that targets individuals who may not otherwise access post-secondary education and provides very special supports for those individuals.

Mrs. Rowat: Madam Chair, I appreciate that. So, of those individuals, 70 and 85, does she have the statistical information that would break down?

Ms. McGifford: No, that is not the kind of statistical information the university usually sends us.

Apparently, I understand that the whole of the social work ACCESS program, this is across campus, the whole, entire program—Okay, so it is not broken down here. In the ACCESS program, including the Winnipeg Education Centre and programs delivered in other institutions across the province, the total percentage of Aboriginal students is 67 percent. Seven percent is immigrants and visible minorities, three percent physically disabled, which adds up to 77 percent. So the others must be, I do not know—Other.

Mrs. Rowat: Of those '02-03 enrolled—Okay, never mind, because I am going to ask you how many completed, but we are not even there yet.

I have a question regarding the Technical Vocational Initiative, specifically to the Minnedosa Collegiate who had applied and were denied. I know that the minister, I am trying to find the press release here, had made an announcement, I believe it was in '03, that there would be 3.1—

Madam Chairperson: The hour being 5:30, committee rise.

COMMITTEE ROSE AT 5:30 p.m.

FINANCE

* (14:40)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with Estimates of the Department of Finance. Will the minister's staff please enter the Chamber.

We are on page 34 of the Estimates book, still on a global discussion.

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Chairperson, on Friday, during the Estimates process, the member from Fort Whyte asked several questions of the minister. Some of those questions posed required the minister to get back to the member from Fort Whyte within a timely period and, on reading Hansard, a lot of that information that is to be delivered to the member from Fort Whyte certainly would not require a lot of time to compile. I wonder whether the minister can make a commitment today that he, in fact, will deliver those answers to the member from Fort Whyte today.

* (14:50)

Hon. Greg Selinger (Minister of Finance): Yes, we have some of the information the member requested.

One of the questions was what was the Pecaso Americas November 10 amount for. I believe it was in the order of \$5,446, and that is a software tool used to test configuration changes made to the SAP payroll system.

Another question that he asked was the bill from La Vieille Gare, and that was an event to reciprocate a similar event held in Alsace in France when the Manitoba delegation travelled there. It was a reciprocal event held when they came here to sign the agreement between the regional government, the provincial government, the community development association of Manitoba, the community development association in the Lower Rhine, the St. Boniface Hospital and the Research Centre there on cancer research robotics technology microsurgery, the radio station here and the radio station there.

The E.D. Black Consulting one is the Manitoba Business Links project that introduced new and innovative approaches to access the integrated business registration activities. The key was to use a single business identifier, the federal business number as Manitoba's common business identifier. So that is some of the costs for that.

The other question I was asked was whether or not Charlie Curtis received any payments after March 31, '04 and the answer is no, he did not.

Mr. Hawranik: Can the minister indicate, with respect to the bill from La Vieille Gare, how much the bill was. How much was expended at La Vieille Gare?

Mr. Selinger: I believe the amount was identified. I think the member identified it; \$6,800 approximately.

Mr. Hawranik: Can the minister advise us how many people were there?

Mr. Selinger: There were approximately 100.

Mr. Hawranik: The \$6,800, was any part of that bill for alcoholic beverages?

Mr. Selinger: I would have to check, but I expect it was. That would be parallel treatment with what happened when the Manitoba delegation was in their region.

Mr. Hawranik: Can the minister indicate to us, and he may have to get back to me, I appreciate that, but can he tell me how much was spent for alcoholic beverages versus how much was spent for food?

Mr. Selinger: I would have to take that as notice.

Mr. Hawranik: I know on Friday the minister had said that he did not want to look at my debt counter on my Web site because he thought that would make him angry if he saw the debt counter. I guess my comment to that is that the truth hurts sometimes as to where we are in terms of the finances of this province and the debt of this province. I think, equally, what makes me angry is when the minister misleads Manitobans regarding the debt.

My question to the minister is does he agree that the total debt of the province will be over \$20 billion

by March 31, 2006, and it is increasing at the rate of about a thousand dollars a minute in this province and \$1,441,100 a day. Would that be accurate to say?

Mr. Selinger: You know, I spent quite a bit of time on this with the member on Friday, and I am happy to do so again. I indicated clearly what the breakdown of the debt increases was. The member was focussing on a number of \$3.46 billion. I also pointed out that the debt at Manitoba Hydro was self-supporting debt that is buying assets; it is buying productive assets to increase the economic prosperity of the province.

I also pointed out to the member that there had been accounting rule changes. The evolution of accounting standards required obligations which had shown at a certain amount in previous years now had to be restated. I pointed out to the member, both in the text on pages B30 and 31, as well as on page B37, that the debt-to-GDP ratio had gone down.

Yes, I am angry at the member because he continues to mislead Manitobans about that and tried again in Question Period today. I sort of would expect an intelligent member from the constituency of Lac du Bonnet, when he was in full possession of the facts, would not deliberately distort them, which he seems to have done.

Mr. Hawranik: Let me remind the minister that I was quoting the Auditor when we are dealing with the debt-to-GDP ratio. Those numbers were not mine. His numbers that he has disclosed in this House were the operating debt-to-GDP ratio. The minister well knows that the operating debt has not increased because he has manipulated the numbers. In '03-04 he excluded forest fire expenses. He has excluded BSE expenses and increased the income by taking transfers out of the Fiscal Stabilization Fund and also excluded pension costs.

So, if he is talking about misleading, that phrase "misleading by omission" does not come from me. That comes from none other than the Auditor General. I take exception to the minister saying I am misleading this House. I do not think that is correct. Would he agree with the Auditor General's statement that he has been misleading by omission? Those are not my words. Would he agree with that?

Mr. Selinger: I reiterate again I spent quite a bit of time with the member on Friday pointing out the

facts to him. Then when he goes and states otherwise today, after I have informed him, I am angry at him because I think he is not listening to my answer, or he is listening to it and then ignoring it in his follow-up questions.

The money spent on forest fires is included in the general purpose debt, and the debt-to-GDP ratio has gone down, both before it was restated and after it was restated. I have shown him evidence of that, both on pages B30 and B31, as well as on page B37.

You know, I do not know what the member did not understand when I gave him that answer. I would like to understand what he is missing when I showed him the concrete evidence that the debt-to-GDP ratio is going down. Under any measure that the bond rating agencies have done or we have done in our budgets, the debt-to-GDP ratio has gone down.

Mr. Hawranik: Yes, on Friday, when I was questioning the minister, I asked him where he got the numbers in terms of his proof as to how the debt-to-GDP ratio has decreased. He pointed to the restated numbers, the operating fund balance every year, the operating debt every year and he said, very clearly, that the operating debt is divided by the numbers in the budget papers with respect to the GDP. That is how he arrived at the ratio; he stated that very clearly.

My question to the minister. Is that a fair ratio considering the fact that every year the operating financial statements, of course, will balance? Because no matter what the minister does, no matter how the finances of this Province, how badly they are managed, it is easy to manipulate the numbers to continue to show the operating debt go down. Is that fair?

* (15:00)

Mr. Selinger: I do not know if the member read all of the transcripts from our meeting, but I also pointed out to him on page B35 the DBRS, the Dominion Bond Rating Service's debt-to-GDP ratio, and I pointed this out to him. This is a repeat of the quote I gave to him, "for '04-05 DBRS measured Manitoba's debt-to-GDP ratio at 33.9 percent, fifth among provinces, and down from 38.7 percent in '99-2000. Manitoba has one of the lowest debt-servicing costs among provinces."

That quote was in the budget. I pointed it out to him. I pointed out to him the information on B30 and B31 with respect to the general purpose debt. I reiterate, under any measure done by an objective third party, our debt-to-GDP ratio has gone down.

The difference between us and what the Auditor's stated was the issue of restatement, as far as I understand it. I pointed out to him how the restatement had been put on the record on page B37. I tried to inform the member of this stuff, all this information, and the member got up and blatantly ignored that information in his question today.

Mr. Hawranik: We are talking about objective third parties. I think the objective third party in this case would be the Auditor General. The minister was not at the breakfast with the Chamber of Commerce, but I can tell you that when the Auditor General, in his presentation, stated that the net debt-to-GDP ratio has been increasing, that took me by surprise because I took at face value the minister's comments that the debt-to-GDP ratio was decreasing.

I had not thought to even question that because I expect the Minister of Finance would give the proper numbers to this House. But when the Auditor General makes a statement and a presentation to no other than the Chambers of Commerce, the Manitoba Chamber of Commerce at breakfast, at which time the minister was not present, I was surprised at that. He stated very clearly, and he had a chart on his overheads clearly indicating that the net debt-to-GDP ratio is increasing. In fact, it has increased over the last couple of years.

The affordability of the debt to Manitobans, to Manitoba taxpayers, is diminishing. I believe that the minister has been provided with that chart, and I ask the minister to comment on the Auditor General's findings, as opposed to his.

Mr. Selinger: I can only reiterate that we did restatement on page B37 and, as I understand the Auditor's chart, it is before restatement.

Mr. Hawranik: Clearly, on Friday the minister had indicated that it was the operating debt-to-GDP ratio that he was quoting. I believe that is what he said. In fact, he even gave me the percentages. He used the operating debt-to-GDP ratio and, as a result of that, my concern with that is that it is easy to manipulate the operating debt or the operating surplus, very easy

as I pointed out before. Is that a fair way to indicate that the debt is now more affordable to Manitobans to continue to state that the debt-to-GDP ratio is going down simply by quoting the operating debt numbers?

Mr. Selinger: The member seems to have forgotten that I pointed out to him the measure used by DBRS on page B35. I do not know if the member has it. I would draw his attention to it, which is another measure of debt-to-GDP ratio. I pointed this out to him in the past, and I point it out to him again. It is the top paragraph on page B35. It clearly states that under their measure, which is a more inclusive measure, the debt-to-GDP ratio has gone down. I point that out again to him today. That is why I said under any measure, the debt-to-GDP ratio has gone down.

Mr. Hawranik: The minister states under any measure the debt-to-GDP ratio is going down. Well, I submit to you that under the Auditor General's measure, it has not gone down; it has gone up. In fact, the ability of the Province, the ability of the taxpayers to continue to afford to pay the increased debt that we have been seeing under this Province, under this minister and under this NDP, clearly is going down. It is not going up.

I believe we ought to look at the Auditor General's number. He is the third party here. He has nothing to gain or to lose by indicating that the debt-to-GDP ratio is going up. I point to the fact the minister is not giving credence to the numbers that were given to the Chamber of Commerce by the Auditor General. Would he agree with the Auditor General that the net debt-to-GDP ratio has, in fact, increased for the last few years?

Report

Ms. Bonnie Korzeniowski (Chairperson of the Committee of Supply meeting in Room 255): Mr. Chair, in the section of the Committee of Supply meeting in Room 255, considering the Estimates of Family Services and Housing, the honourable Member for Morris (Mrs. Taillieu) moved a motion to reduce the minister's salary. The motion reads as follows:

THAT the Minister's Salary be reduced to \$1.

Mr. Chairperson, this motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

Formal Vote

Mr. Chairperson: A recorded vote has been requested. Call in the members.

* (15:20)

All sections in Chamber for formal vote.

In the section of the Committee of Supply meeting in Room 255, considering the Estimates of Family Services and Housing, the honourable Member for Morris (Mrs. Taillieu) moved a motion to reduce the Minister's Salary. That motion reads as follows:

THAT the Minister's Salary be reduced to \$1.

This motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 21, Nays 32.

Mr. Chairperson: The motion is accordingly defeated.

Mr. Chairperson: We are going to resume the proceeding on the section of Committee of Supply.

At this time, would the minister's staff please again come into the Chamber.

Mr. Selinger: As I said to the member, the net debt to GDP ratio has gone down since '99 to 2004. I think the graph the member might be referring to in the Auditor's presentation would be the one replicated on page 30 of the Province of Manitoba Annual Report for March 31, 04. Does the member have a copy of that? No? Okay, we will provide him with one.

It looks exactly the same as the graph there. In that same report, we did a net to GDP ratio graph on page 19 restated. It shows the net to GDP clearly

going down from 2000 to 2004. We will provide that information to the member.

Mr. Hawranik: With respect to the Auditor General's graph that we referred to, is the minister then saying plainly that the Auditor is wrong?

Mr. Selinger: I am saying the information, if it is the graph I have seen that was used in his presentation, it was before restatement, I have an extra copy of this volume. I am going to send it over to the member for greater certainty and clarification.

With the permission of the Chair, can we walk that over to the member from Lac du Bonnet?

Mr. Chairperson: Agreed.

* (15:30)

Mr. Selinger: On page 30, the member should have that now, I think page 30 is comparable to the graph that was used in the Auditor General's presentation at the breakfast meeting that the member was so eager to attend and which I did not attend. On that graph, that is before restatement. So then you take that same report, that graph looks very similar to page 30. Are you with me on page 30? Now I am asking you to turn to page 19 where we did a net debt to GDP as restated, and it clearly shows it going down.

What we have tried to do is do an apples-to-apples comparison as opposed to an apples-to-oranges comparison, and by that I mean to compare debt before and after restatement, but not on an equivalent basis. In other words, to have the debt to GDP ratio for '04 on a restated basis, compared to '99 on an un-restated basis is an apples-to-oranges comparison. A fair comparison is apples to apples and that requires you have to go back and restate in this instance.

Mr. Hawranik: Given the restated numbers on page 19, would the minister agree, and I cannot tell from the chart, but would the minister agree that it has not gone down since 2002?

Mr. Selinger: Well, essentially it looks flat there, but the point I have been making consistently is the net debt to GDP ratio has gone down from 2000 to 2004 and it continues in a downward trend.

Mr. Hawranik: Again, I do not have the exact numbers. It is simply a chart, and I cannot tell whether it has gone down, but has it gone down from 2002 to 2004?

Mr. Selinger: The point I was making to the member is it has gone down from 2000 to 2004. From 2002 to 2004, if there is any change it might have been slightly up, but the overall trend is down.

Mr. Hawranik: I think the minister can appreciate that one of the concerns we have is the fact that whether or not we can actually believe his numbers. You know, we have seen time and time again the minister quoting, on the record, saying that, for instance, they paid down the debt when in fact they have not. They just paid toward the debt.

We have seen the Minister of Health (Mr. Sale) less than six months ago state to the media that, in fact, he had not given. He had given impossible numbers to the minister with respect to the budget for '04-05.

So how can we possibly believe any of the numbers on his charts? We have even seen the Auditor General indicate that the quarterly reports are useless. They are meaningless for the purpose of assessing the Province's performance.

So what assurance can the minister give to me to convince me and convince all Manitobans that in fact the numbers that he just quoted me are accurate, and they, in fact, truly represent a reduction of net debt to GDP ratio in Manitoba?

Mr. Selinger: The member continually seems to suggest that we are not giving accurate information to the Legislature. I disavow that comment. We do give accurate information to the Legislature. The member likes to misinterpret that information. He seems to enjoy that.

The fact of the matter is that we have paid down the debt. We have made the largest pay-down in the history of the province and in addition, and I pointed this out to him extensively on our last meeting of the Estimates, that we put in plan the first strategy ever to reduce the pension liability that had been ignored when the members opposite were in government for the 11 years they were.

We put the first plan in place in over 40 years, which will reduce the overall liabilities of government, on the pension liability and general purpose debt, greater than would have occurred if we would had left the system in place that we inherited when we came into government.

We have used the approach and the methodologies, except for the change that I indicated with the pension liability. The quarterly report was the system that was inherited when we came to government. I noted the member opposite's colleague from Portage la Prairie of the information on the quarterly report. It was quite helpful and concise. There are a variety of opinions on it, but the methods used in the quarterly report were exactly the methods that we inherited from the members opposite.

Mr. Hawranik: I ask the minister how we could reasonably believe him when he says he paid down the debt when, by his very own budget numbers, the total debt of the Province is going up by \$526 million more than what it was the year before. The net debt of the Province is going up by hundreds of millions of dollars.

How could you possibly go to the public, give news releases to the general public, talk to the media and say, "We have paid down the debt," when, in fact, the debt is going up?

Mr. Selinger: The member seems to be hung up on semantics here. We have made a substantial contribution towards paying down the debt. We also pointed out, and I went into great lengths to point this out to the member, that the pension liabilities the members opposite did not attend to during their time in office, increased by \$1.2 billion, and it was only because we contributed \$502 million towards that. We kept it down to a net amount of \$705 million. Under the member's approach, that number would have grown to 1.2. Under our approach, it only grew by 705 million. I pointed out to the member that the long-term plan was to flatten that growth in the pension liability. Yes, it has gone up in the books here. It has gone up significantly, but it has not gone up as much as it would have, unless we would have put our plan in place.

I also pointed out to the member that a big chunk of the debt supported by Hydro itself, through its own revenues, through its own rates, related to the purchase of Centra Gas at \$445 million was a

decision made by the former government, a government the member was a part of. Winnipeg Hydro, \$156 million, and in both cases, we have acquired assets. You can have a debate about whether the price was right. In either one of those cases, particularly in the case of Centra Gas, but I do not think you could deny there has been an acquisition of significant assets there. Those assets generate income to offset the additional debt incurred in acquiring them.

In addition, I pointed out to the member last week that there was Lotteries debt, increased by 250 million, but 170 million of that was off the books. It is fair to say that was money borrowed illegally by the former government. They did not do it through The Loan Act, but now it is included there. We included it; we did not hide it like the former members did. *[interjection]* Yes, you did. You kept it off the books. You did not do it through The Loan Act, so it did not show up over here. We had to put it on the books and stabilize it and show it on the books.

In addition, accounting changes totalling \$606 million of debt previously held the school, hospital and municipal debentures, were brought onto the Province's balance sheet. It was there before, it just was not shown. We brought it onto the balance sheets.

In addition, the federal accounting error, involving many years of income tax from mutual fund trust, resulted in Manitoba owing the federal government \$91 million. We reduced our exposure there, got an equalization offset, but had to pay \$91 million back over the next ten years. We are a couple of years into that repayment now. Then, of course, there was the Manitoba Hydro operating loss of \$436 million, due to, I think, one of the most severe droughts the province has ever experienced.

I was being careful to explain to the member that the sources of the absolute debt increase while, at the same time, pointing out to him that the debt to GDP ratio had declined and had been identified as so by organizations such as the Dominion Bond Rating Service, as well as in our own numbers.

* (15:40)

Mr. Hawranik: The minister states that he never hid debt. Well, debt is being hidden in terms of the

operating debt. In the '04-05 financial year, or '03-04 financial year, he hid debt through the operating account by indicating there was actually a surplus of \$13 million when, in fact, there was a deficit, by any standard.

The fact remains that he did not include expenses related to forest fires. He did not include expenses related to BSE. He did not include expenses related to pension costs. All of those were excluded from the financial statements through just the stroke of a pen by the fact that the minister believes that all of those were disaster related expenses without an actual hard and fast rule or definition of what disaster related expenses were. It is a very subjective determination that the minister made. It was not objective. It was a subjective determination in terms of whether it was disaster related or not.

As a result of decreasing the expenses during that particular fiscal year, '03-04, he showed a \$13-million surplus as opposed to an operating deficit. Therefore, the operating debt was not increased. It actually decreased. So he is manipulating the numbers. He talks about hiding debt. Well, in fact, he just did that in '03-04.

I also note that the minister indicates that I like dealing in semantics. Well, I deal in real, hard numbers and the real, hard numbers come out of your budget, they come out of your Estimates. Those are your own numbers that I am quoting, in terms of debt. The Auditor General, in fact, agrees that the '03-04 numbers, first of all, were an artificial number in terms of the operating surplus. He indicated that, out of the \$171 million transferred from the rainy day fund, you could have picked almost any number. You could have picked \$12 million as a surplus. You could have picked 10. You could have picked as high as, I believe he said, \$70-some million as a surplus by taking all of the funds out of the rainy day fund. Or you could have picked a deficit. It was your choice. It had nothing to do with reality. It had nothing to do with any basis upon which to pick that number in the first place and I would disagree. As a result of that, I ask the minister whether or not he disagrees with the determination, not only of myself, in terms of the debt going up and the hard numbers and the way that the debt is manipulated, but also with the comments of the Auditor General, again, with respect to that same issue.

Mr. Selinger: Once again, we followed the law put in place in the province of Manitoba under

balanced budget legislation, which the members opposite were so very proud of for so many years. They seem to be abandoning that now and suggesting that we should follow GAAP standards. The member clearly indicated last week that he wanted us to follow GAAP standards. We have indicated we are going to move in that direction and we have, every year, moved in that direction and we are going to continue to do that.

I think there is confusion in the member's language again. The member says we hid the debt. In the document that I have just given him, the Province of Manitoba Annual Report, I would draw his attention to page 104, where we clearly showed the \$71 million in disaster relief at the bottom of that page. If the member would go to page 104, it is in that blue document, I think, that he has got right in front of him. Do you want to check it out?

Mr. Hawranik: I know it is there.

Mr. Selinger: You know it is there? If you know it is there, then you should not be accusing me of hiding anything because it is on the public record.

Secondly, on the next page, we show the operating statement as required by the balanced budget legislation, so all the information was shown. It is all clearly there. The member says he knows it is there. How can he say that we hid it then, if he says he knows it is there? He cannot have it both ways.

Mr. Hawranik: The minister is confusing operating debt with net debt and he knows it. The debt of \$71 million in disaster relief, had that been on the operating statement and not excluded because of what his definition of disaster is, had that not been excluded from the operating statements, that would have, in fact, created an actual debt in the operating budget and in the operating financial statements. He knows that full well.

I do not deny that he followed the law in terms of the balanced budget legislation, in terms of reporting to the Legislature, and I have no quarrel with that. In fact, he is obligated to bring back to the Legislature to ensure that he follows the law with respect to balanced budgets, but following the law with respect to balanced budget legislation is different than reporting the full debt of the Province, and the balanced budget legislation, as the minister knows, only deals with the operating fund. It does not deal with the net debt of the Province. It does not deal with the total debt of the Province, and by

continuing to emphasize the operating fund and the debt or surpluses as he can manipulate it within the operating fund, I think he is misleading Manitobans.

That is the very reason why the Auditor General made the statement that he is misleading by omission. It is not the fact that he is following balanced budget legislation and his interpretation of that balanced budget legislation in terms of whether it is a disaster or not. That is not the issue. The issue is, is he misleading Manitobans about the true financial picture of this province, and I suggest that he is.

It may be done for some political purpose, because it is obviously not very popular for the Minister of Finance (Mr. Selinger) to come out in front of the media, in front of all Manitobans and tell us that in fact the '03-04 budget here, the financial statements produced a \$604-million deficit. I do not think that is a very popular thing for the Minister of Finance to do. I think he realized that and, as a result, well, let us get back to the balanced budget legislation, because we can spin it so that we do have an operating surplus. All we have to do is do not count enough expenses and add income that is not really income. Simply done. Just continue to do that, and let us just continue to emphasize the fact that we followed the legislation, we followed the law. Nobody denies that.

The point of the matter is that the Auditor General has stated that by following and continuing to quote an operating surplus under the operating budget, misleads Manitobans about the full impact of the finances of this Province.

In fact, even though you have complied with the balanced budget laws, the debt of the Province continues to climb. If the debt continues to climb the ability of Manitobans to service that debt and to pay down that debt is diminished. I ask the minister to comment on that.

Mr. Selinger: Yes. There are a couple of errors in what the member said, and I am going to repeat things that I have said before, but it is important that we get down to the nitty-gritty on this one.

First of all, the media, because I communicated to them, reported the summary financial information including the Hydro losses that were reported in the *Free Press* at the same time it was reported on

balanced budget legislation. I do not think any other member from Minister of Finance has ever reported that much information at the same time to the public.

We followed the past practices of the former government on reporting on balanced budget legislation, and, in addition, we provided summary budget information at the time of the public accounts and at the time of the budget. Nobody else has met that standard of public disclosure. Certainly, no member of the former government has met that standard.

We set the high water mark for this province on reporting financial information in several areas. I could read off to you about two pages of accounting improvements we have made to comply with GAAP that were never done before we were government, and I would be happy to read those into the record if the member wants that.

So, for the member to say that I am being misleading, I think is misleading, because I have had more public disclosure than any other Finance minister in recent history, and I do not go back further than that, because I am sure the accounting standards were so different then we would not be able to make comparable statements.

*(15:50)

It is certainly the case that accounting standards have moved governments to broader and broader reporting on a broader and broader set of government entities in the last several years. We have been moving along with that and reporting more and more information.

On the second point, the member continues to say that our ability to pay for our debt is diminished. That is why I have talked so much about the debt-to-GDP ratio. The debt-to-GDP ratio has improved over the last six budgets. When the debt-to-GDP ratio improves, in other words, there has been a decline in debt as a proportion of the GDP, that means that our capacity to support our investments in schools, roads, hospital infrastructure is stronger, not weaker.

I also pointed out to the member on Friday, and I am going to repeat it again, that we have been forced by accounting GAAP standards, which the member so vigorously supports, to debt finance certain types of assets in this province, such as roads. We used to

cash pay for them, and some of us would have liked to have continued to pay for those assets in cash so it did not increase the debt, but the Auditor said, "You cannot pay for it in cash anymore. I insist you follow GAAP standards and pay for it through an amortized repayment schedule." In other words, debt financing. That was insisted upon by the Auditor, and the member has made it very clear to me that he supports the Auditor imposing GAAP standards on provincial finances.

So the member, by implication, is supporting the debt financing of infrastructure in this province. That is a requirement. We have to do it to be GAAP compliant, and we are doing it to be GAAP compliant. There was a lot of due diligence that had to go into that effort to bring those assets on the books and to start amortizing them, but we did it to be GAAP compliant. The member supports that. But it does increase the debt, and then the challenge is how to manage the investments and those assets in such a way that we are growing the economy faster than we grow the amortized nature of the assets we have invested in. We have been doing that through the debt-to-GDP ratio evidence and through the plan we put in place to address the pension liability.

So we have brought in place a discipline that did not exist before in managing the debt-to-GDP ratio while continuing to invest in the economic growth of the province and the well-being of Manitobans through health care and education, and reduce the debt-to-GDP ratio. That has been recognized by the bond rating agencies. Accordingly, they have increased our credit rating to the second highest level in Canada, which is a remarkable achievement for a province like Manitoba. We have the second highest bond rating in the country. All the measures we have taken are attempting to strengthen and retain that position, and we will continue to do that as we go forward. So I hope the member understands now that our ability to support the debt is not diminished. It has been strengthened.

Mr. Hawranik: I just have to remind the minister that—and he accuses me of calling him misleading. Well, I am just simply quoting the Auditor General, and I continually quote the Auditor General. It is not me necessarily, personally, calling him misleading, although I believe the Auditor General is correct and right when he calls the minister misleading by omission. The Auditor General has, in fact, made that statement.

The minister well knows that there has been an evolution in reporting of the finances across this country. It just did not happen overnight, that all of a sudden a bright light went on and all of a sudden he is doing more financial reporting to the Legislature, and more things are being reported to the public than ever before. That has been happening across the country. It has nothing to do necessarily with the minister and the way he deals with the finances of this province. It is happening right across the country. Every province is doing the same and, of course, there has been an evolution in terms of the accounting practices across the country. He can read the articles as well as I can but, certainly, it is not necessarily having something to do with him that makes the difference. My concern is that—*[interjection]* If you would like to reply to that, go ahead.

Mr. Selinger: I just point out to the member that anything that does not meet accounting standards the member makes my personal responsibility. Now he says anything that does meet GAAP standards I had nothing to do with. I just ask him to be consistent in where he attributes responsibility.

Mr. Hawranik: Let me point out to the minister that I ask him to be consistent when it comes time for reporting the debt, and he has not done so. He continues to report only to the public the operating debt of the province and not the net debt or the total obligations. So, when we talk about inconsistencies, he should look at himself in the mirror.

Now, I have just a few more questions with regard to debt, and then we will move on.

On Friday, the minister, when I was questioning him about the debt, and I only had a limited period of time within which I could ask questions on Friday, but I kind of listened to what the minister had to say and I wanted to get back to some of those replies. It seems to me like the only solution that the minister seems to have in the finances of this province, the only solution he has in terms of growing the economy and paying for improvements is actually to increase the debt. In fact, he said it again today, he seems to be resigned to increase the debt. That really concerns me, and I think it should concern all Manitobans, that the only way that he can make progress in this province is actually to substantially increase the debt. He points to the increased debt numbers and he throws up his hands and says, "I give up, I give up." That is all he seems to say.

He believes that the only way to improve the province and pay for hospitals, roads and so on is to increase the debt. It does not seem to be a plan to grow the economy. It does not seem to be a plan to increase revenues in this province other than through going cap in hand, year in and year out, to the federal government to ask for more money. That is my concern. I ask the minister. Where is your plan to grow the economy? Where is your plan to increase revenues?

Mr. Selinger: First of all, I would have to say that the member's characterization of my attitude towards growing the economy is completely inaccurate. That might be his sense of frustration about the realities of provincial finances. I can tell you it is an improved situation over when they were in government. It is a much healthier situation with greater results, more effective results. We published, this year, Manitoba's Action Strategy for Economic Growth. It is on the Web. There is a full document explaining it all right here. I must say, if the member wishes, I would be happy to read it verbatim into the record.

An Honourable Member: Do it.

Mr. Selinger: It is only 27 pages. I will leave it up to the member whether he wants to hear it all.

Just to start I will summarize what our economic growth plan is for the province. Education first, significant re-investment in education, \$130 million, public schools versus reductions, when the member's party was in power.

Building through Research and Innovation, the member will note that in the budget this year the Research and Development Tax Credit was increased from 15 to 20 percent, a 33% increase. We have several other research and development initiatives underway and we have had a tremendous growth in research and development.

We have reported that we have one of the highest per capita registration of patents in the country going on right now in Manitoba. Raising and retaining investment, when we indicated the different measures we have done to increase capital investment in the province. Keeping government affordable and there are several measures we have taken there.

Growing through Immigration, we have a very aggressive immigration policy bringing more people to Manitoba, retaining more of our young people,

less of them leaving. Those that are leaving, some more of them are coming back and bringing more people from around the world to this great province and to this great country.

Building on our clean energy advantage, and we have got several initiatives going on there, and building our communities. We have got investments going on all across this province to build-up and strengthen our communities.

Personal disposable income has gone up in this province as opposed to going down when the members opposite were in government. So there has been a tremendous vision put in place in consultation with a wide cross section of members of the community. We have reported on the concrete measures we have taken to follow up on that economic plan.

I would like to know where the members opposite's economic plan was. They seem to be a one-trick pony when they were trying to retain political power in this province and only had a single approach. They just felt they could tax-cut their way to prosperity at the expense of education, at the expense of health services, at the expense of infrastructure, at the expense of investments in young people, at the expense of safe communities, at the expense of the North.

I mean, they neglected so many things and we are having to address some of those things. When the roof leaks on the engineering building and the building is falling apart, we came up with a strategy to help rebuild that facility in co-operation with Manitobans, business and individuals. We are making investments that will increase the long-term prosperity of this province, and we do have a good economic plan. I would be happy to discuss further with the member if he wishes.

*(16:00)

Mr. Hawranik: First, with respect to some of the minister's comments. He is talking about roofs leaking. Well, he has been starving universities, including at this budget, has been starving universities. I can tell you I have got daughters who go to university, and I can tell you the roof is still leaking. When he is talking about correcting problems at the university, he has not got any credibility, from my perspective.

He also states that he has produced more effective results—that the NDP has produced more effective results economically. My comment to that is that it is business as usual across the way, and that is spend, spend, spend without any results. The economic indicators that he has quoted almost always, almost all economic indicators are less than the national average in Canada, and that is not something to be proud of.

We have a diverse economy in Manitoba. We have a diverse economy that demands that if it is managed properly, the resources are managed properly, that we should, in fact, if they are managed properly, we should, in fact, be higher than the national average. Instead, what we find is that most national economic indicators, we are actually below the national average.

The minister asks about tax cuts, and he says that all we stand for is tax cuts at the expense of health and education and so on. Well, that is absolutely not correct, and the minister knows it. He knows that that is not correct. We certainly would like to see some strategic cuts to put money into the hands of more Manitobans so they can actually stimulate the economy, and that is the key to economic success. It is not to take money away from health, education or even transportation, because when it comes time to health, of course it is a priority for us on this side of the House.

I just point to some of the indicators. In terms of the revenue that has been available to this province for the '05-06 budget, we had an increase in revenues of \$526 million this year over last year, and that is almost unprecedented. In fact, I think it is unprecedented. Normally, there is about a \$250-million increase to \$300-million increase every year.

Well, seems to indicate that last year and the year before and the year before that, you have lived with a \$200- to \$300-million increase in revenues. You have, in fact, spent more money on health and education and so on, and you are able to, in fact, by your own words improve those programs, improve the budgets, improve those departments with simply a \$200- to \$300-million increase in revenues a year over year.

This year, we had a \$525-million increase in revenues, courtesy of the federal government, and you could have still continued the course, if you so

wished, and you still could have made tax cuts as well, which would have put more money into the pockets of Manitobans, which would have stimulated the economy; but you chose instead, instead of doing substantial tax cuts, instead of trying to stimulate the economy, you chose instead to spend, spend and spend.

In addition to spending every nickel of that \$525 million, you chose to increase the debt of the province \$526 million.

My question to the minister is how much revenue is really necessary, both before you actually do not increase the debt of this province.

Mr. Selinger: The short answer is the member has to explain to me how he can follow GAAP standards and pay for new roads in Manitoba without having to debt finance them, because the rules require them to be debt financed, so he has to have an answer to that.

Now, on the broader question of the economy, there is a whole paper on that in the budget papers, and it is worth looking at, because you can see that just investment alone on page A17, total new capital investment in Manitoba is estimated to have increased 9.9 percent, according to the StatsCan survey of private and public investment. This was the fourth-best increase among provinces, and above the national increase of 8.5 percent. That very fact there contradicts the member's doom and gloom perspective on the province, that very fact right there.

There is a lot of other good news in here in terms of the labour market, in terms of the very high participation rate we have in the labour market, the low unemployment rate, and the increase in disposable income, which is going up instead of down like it was under members opposite.

So I just say to the member I really wish he would be in command of the facts before he makes those outlandish statements about the doom and gloom scenario he has for the province. We are very optimistic on the potential of this province. It does have a diverse economy, and as we add more value in each of the sectors, we will strengthen our ability to grow the economy in Manitoba, and we plan to do that in several different ways. I have indicated some of them earlier when I gave our overall macroeconomic plan for the province.

And Manitoba is very well-regarded in the investment market. It is very well-regarded as a place to invest, and it is very well regarded for the way it prudently manages its financial resources, which is why we have no trouble when we issue a bond and have it sell out very quickly. It is a very attractive piece of paper in the marketplace because of the way we approach governing in this province.

You know, you just take a look at some of the things that are going on in terms of investment. Biovail Corporation: \$28 million in the expansion of the pharmaceutical manufacturing facility in Steinbach; the St. Leon wind energy project: 99 megawatts, one of the largest wind power projects in the country; the Food Development Centre of Portage la Prairie, which is going to add value-added capacity in this province to our agricultural sector; the Winnipeg Airports Authority undertaking a \$350-million capital program. And even our exports were up last year in spite of the border being closed. We saw a tremendous amount of investment in housing in this province, as well as commercial real estate; \$1.5 billion invested in housing. They are the intentions for '05.

So you can see that there is \$7.2 billion of investment intentions for '05 in this province, which is a very strong indicator of the optimism that people in Manitoba feel about the future of this province. I can go on about this, but it is all written down in the budget papers. I would ask that the member look at them before he goes into his doom and gloom scenarios about the future of this province, which is doing very well.

Hon. Jon Gerrard (River Heights): I would ask the Minister of Finance, first of all, a question about the Manitoba Developmental Centre to which the government has allocated \$40 million. Can the Minister of Finance give us an allocation by year? Presumably that will not all be spent in one year.

Mr. Selinger: I do not have the exact breakdown if I was going to roll out, but it will roll out over several years. I think the time arrives and is probably about seven years, but I will get the information for the member on the projections there.

Mr. Gerrard: I would presume that the plan over seven years would have been accompanied by a detailed discussion of the institution with the planning for the institution and its long-run position. Is that correct?

Mr. Selinger: Is the member asking me about the long-run viability of the institution of the Manitoba Development Centre?

Mr. Gerrard: I would presume that the Minister of Finance, in order to approve expenditures of \$40 million over a seven-year period would have seen a plan for the institution, the need for the institution to know the number of spaces and so on and so forth. So I am just asking the minister due diligence and review such a plan.

Mr. Selinger: The department responsible, Family Services and Housing, did the due diligence and presented their findings to us as a government on a broader Cabinet level and Treasury Board, but they did indicate that there would be a declining need for the number of beds in that facility, but there would be some ongoing need for beds of this type in the Manitoba Development Centre.

* (16:10)

Mr. Gerrard: I want to ask a question about Hydra House. We heard, I think, from the Minister of Family Services (Ms. Melnick) an estimate of over \$6 million in the budget for, I believe, the current fiscal year for Hydra House.

In such an expenditure to a for-profit agency like Hydra House, can the Minister of Finance tell us how he allows for such an expenditure in the budget? What allowance has been made for what the minister has said about changing the company or organization which looks after these individuals at Hydra House?

Mr. Selinger: The member is getting into the detailed questions that should be properly addressed in Family Services and Housing to the minister responsible, but appropriate budget provisions have been brought forward. I think the numbers the member is quoting are actually high, but the final arrangements have not been arrived at yet, and when they are, they will be fully disclosed.

It is true that the government is looking at following up on the Auditor's recommendation to put the people cared for by Hydra House under the stewardship of a new organization, and at the same time, minimize any disruption that the people living in these facilities might experience. It is a delicate operation that is being undertaken here, and it is being done in such a way that there is due regard to

the needs of the people living in the Hydra House facilities.

Mr. Gerrard: I will quote the answer of the minister when asked in Family Services Estimates, "Can the minister tell me the amount of funding given to Hydra House in the year 2004-2005?" "The total for 2004-2005," says the minister, "was \$6,236,502." Is the Minister of Finance suggesting that number is going to drop drastically?

Mr. Selinger: No. The member is now referring to the operating amount. I thought the member was referring to the costs of making a transition from one set of owners to another set of owners. If the minister said that was the operating amount, until I can have a chance to verify it in my own information, I would have to take that as being relatively accurate.

Mr. Gerrard: Thank you. Can the Minister of Finance tell us that there is a significant amount of transition expenditure expected?

Mr. Selinger: Well, there are going to be costs associated with acquiring the assets presently under the control of the private company of Hydra House, but once that is finalized then that will be reported.

Mr. Gerrard: So the Minister of Finance is indicating that the government is going to take over the ownership of some of the houses.

Mr. Selinger: No, I am not indicating that.

Mr. Gerrard: I would ask the Minister of Finance what he means then when he said there is a cost to taking over the assets which are owned by Hydra House. Which assets are he referring to?

Mr. Selinger: Hydra House is a private business, and they own all the assets including the housing that the people live in that are living under that organization's care. If we are going to make a transition of ownership from Hydra House present owners to a new organization, presumably a non-profit that is going to be running them, that new organization is going to have to acquire those assets. There will be some resources required to do that, but the specifics of that, once again, are still under negotiation.

Mr. Gerrard: So the Minister of Finance, if I understand him correctly, is suggesting the new

organization will purchase the homes which Hydra House now owns.

Mr. Selinger: Once again, without precluding the final outcomes of the negotiations, that is one likely scenario.

Mr. Gerrard: Thank you for that clarification. The Department of Family Services also has an arrangement with B & L Homes. Is that very similar to the arrangement they had with Hydra House?

Mr. Selinger: Well, as I understand it, one of the things we followed up on, as recommended by the Auditor, was what they call SPAs, project agreements. That is a requirement of doing business with all organizations caring for people now, including B & L Homes.

Mr. Gerrard: I presume there is one like that for Hydra House at this point, but maybe the minister can tell me.

Mr. Selinger: Once again, that is under negotiation for a transition arrangement to new ownership, so I think that is where the focus is right now, to get those arrangements worked out. Anybody undertaking the long-term care of somebody being funded by the provincial government through the Department of Family Services, there is a new unit that has been put in place, an accountability unit. These agreements, these SPA agreements, are a requirement of any service arrangements that are entered into with non-profit or other types of providers, most of them are non-profit, so there is greater accountability and greater resources to ensure that accountability is there.

Mr. Gerrard: My understanding is that B & L Homes, like Hydra House, is a for-profit agency. I do not know if the Minister of Finance knows whether or not that is the case. Is the arrangement with a for-profit agency any different than that for a non-profit agency?

Mr. Selinger: On the specifics, I do not have the detailed specifics of it, but I think the principles are the same, that there has to be a SPA agreement in place with the appropriate accountabilities about how the resources were used and the quality of care to be provided to people. I think the general principles would be roughly the same.

Mr. Gerrard: My next question concerns the taxation revenues. Last year the Minister of Finance put on either a new tax or an increased tax depending on what your preference is. This was the retail sales tax on legal services, accounting services, engineering services, architectural services, private investigator services and so on. Can the minister provide the revenue that came in from that new tax last year?

Mr. Selinger: I will endeavour to do that, but we are not into specific branch-by-branch Estimates yet. When the taxation officials are here, I will have them bring that number along. I do not know how long we are going to stay in the global discussion, but I would just say to the member that if he wants to get into those kinds of specifics, it would be helpful if we could get into the branch-by-branch discussion of my Estimates, and I could bring those appropriate officials forward with that information. I do not have those officials in front of me right now.

Mr. Gerrard: I will try and be back and maybe I can get a question or two when we are in that section. The problem is that I usually get a block of time, and it is not always easy to work it when everybody is precisely there. I will try and do that, and if you can have your officials ready to provide that information for the last fiscal year we have just completed and for the fiscal year which we are in now, the Estimate of that would be.

Mr. Selinger: Yes, we will endeavour to do that for the member.

Mr. Gerrard: Last year, the minister brought in a whole series of new charges, service fees, cost-recoveries and so on. I just want to know whether there were any new service charges or cost-recovery freezes that will be introduced this year.

Mr. Selinger: Again, I do not have those specific officials in front of me responsible for that part of the budget. Yes, there have been some, but not many this year. That has generally been reported on, and which ones that have been increased, we have reported on. We have given an indication of which areas where we do tend to make some increases. I have also put on the record some areas where we have made some decreases.

Mr. Gerrard: Will that be the same officials or is that a different set?

*(16:20)

Mr. Selinger: All I am saying is I think this kind of detailed discussion, and I look to my critic in the opposition, if everybody is comfortable to get into the branch-by-branch discussion of the Estimates, I could have those officials come down. The taxation comes out of the taxation branch. The fees comes under Treasury Board, so we could pick it up in those areas if you wish.

Mr. Gerrard: I have a few more questions for now, and it will be up to the Member for Lac du Bonnet (Mr. Hawranik) and we can have some discussions over that.

In the budget papers, the Manitoba budget papers, toward the end on the section which deals with addressing poverty in Manitoba, the statement is made, "Fetal alcohol syndrome and fetal alcohol effects are higher than rates in the provincial population as a whole." This is referring to the Aboriginal population.

An Honourable Member: What page?

Mr. Gerrard: This is page 2, the last section in the book dealing with poverty. It is in the second paragraph in the Overview section, paragraph which starts, "However, Aboriginal Manitobans..." Okay. A statement is made that fetal alcohol syndrome and fetal alcohol effects are higher than rates in the provincial population as a whole.

Now, I have been trying to get rates and numbers for fetal alcohol syndrome for five and a half years, and I have been unable to get reliable estimates for the whole population, let alone any sub-population. Can the minister provide me with the rate for the whole population and the rate for the Aboriginal population in Manitoba?

Mr. Selinger: I would have to take that as notice and see what information I have. As you will notice, there is no precision here. It is just a trend statement. I will see if there is any more specific information that is available that I could share with the member, but this statement was general in nature and did not have specific ratios or numbers attached to it.

Mr. Gerrard: All the more reason why it is very important not to be making general statements about specific groups without having some specific

information to back it up, and so I hope the minister is going to be able to come forward with that information.

I would go to page 11 of the same section, and this is paragraph 1, 2, 3, 4, "Income assistance remains an important part of the social safety net. General income assistance rates for individuals have increased by 4.5 percent."

I believe that is the first increase in general assistance rates since 1999. Is that correct?

Mr. Selinger: I think it is the first increase for a longer period of time than that, but I will check that once again, try to get the precise information for the minister.

Mr. Gerrard: So, since 1999, the 4.5 percent would be less than 1 percent a year, and so, although it was a reasonable increase for last year on a five-and-a-half-year time span, that is a relatively small increase in social assistance rates. I think the minister would agree.

Mr. Selinger: It overlooks, though, the other measure we have taken which is the reduction of the National Child Benefit clawback prior to us coming into government. The National Child Benefit was not available to any families with children on social assistance. In our first four or five budgets we eliminated that clawback progressively every year, which increased the income for families on social assistance whose children were eligible for the National Child Benefit by over 20 percent, so that was a major step we took that cost several million dollars. We rolled that over for several years and then we made this general purpose increase.

Mr. Gerrard: So, for somebody who is not a family on social assistance, their benefit would have increased by 4.5 percent since 1999?

Mr. Selinger: That is accurate. In addition, we have also increased the amount of money that people can retain when they have earned income and we have put other measures in place for persons with disabilities in terms of trust funds. We have actively engaged in finding alternatives to social assistance for people with our strong labour market, so there has been a lot of active labour market measures that have been put in place. We have reduced the number of people on social assistance.

In addition, we have taken over municipal social assistance into the provincial level, a single tier of social assistance, so that those people that used to be on municipal assistance have access to a broader array of services and supports including day care. In day care, the job finding component, or the job search component under day care, you could get day care for a significantly longer period of time now while you are searching for work. I think it has gone back to 10 weeks, as I recall, but I will subject to verification those numbers.

So we have done a number of measures to assist people with low income to participate in the labour market, get more training, more access to training, whether at the community college or the university level, more support for day care, reduction of the National Child Benefit, increase in the rates, greater ability to earn income while in receipt of social assistance, more support into housing programs.

We have taken a wide array of measures to reduce poverty and to give opportunities for people to participate in the economy.

Mr. Gerrard: I would like to go to page 21 of the same section. In reference to figure 10, this is for a single parent, and I wonder if the minister would provide a similar graph for a single individual.

Mr. Selinger: It may take a little time, but we will endeavour to do that for the member.

Mr. Gerrard: Thank you. Now the minister has indicated that where somebody on social assistance starts to earn income that he has increased the threshold.

What is the current threshold for somebody who starts to earn income before there is any clawback?

Mr. Selinger: I will have to get the specifics on that for the member. This is normally the responsibility of the Department of Family Services and Housing, who administers the social assistance program. I am not even going to ask my officials in front of me to guess at that right now. We will have to get it from that department.

Mr. Gerrard: I would hope that the minister can provide that. I look forward to receiving it.

One of the reasons for asking relates specifically to this graph, and that is that, after the first, whether

it is the first \$50 or \$100 or \$150 or \$200, then there is a significant clawback rate, which I think is still about 70 percent. So, for example, if we take the third hundred dollars of income, which is from 200 to 300, which, I think, is over the rate or the number at which somebody on social assistance is allowed to keep income, that on that third hundred dollars the provincial government will claw back 70 percent.

If, under income that is like that, which is sort of sporadic, figure 10 refers to somebody who has got a full-time job, but with sporadic income, in fact, somebody can be in a position where their effective marginal tax rate is as high as 70 percent and that is not shown here.

So I think that the minister should actually look, because with small amounts of sporadic income, there is going to be an effective marginal tax rate of 70 percent and it is not shown. That clearly is of concern when the effective marginal tax rate for somebody on low income is as high as that.

Mr. Selinger: Well, I think that was part of the reason that the National Child Benefit was put in place and why we eliminated the clawback of it. Because the person, the individual who may be a lone parent, can keep that income as they move from income assistance to market income. The income stays with them and slowly gets reduced as they move up the income ladder and make better wages. As the member knows, we have increased the minimum wage, as well.

* (16:30)

So you are right. That has been a historic problem with social assistance types of activities, that the clawback, or the marginal rates of taxation have been high, and some people have argued that they have been a disincentive to entering the labour market. We have tried to address that with the measures that we have taken to extend the National Child Benefit.

We have also tried to address that in our taxation measures. The family tax credit that we put in place, we used to claw back 2 percent of your net income over a certain amount. We reduced that clawback to 1 percent. In other words, we cut it in half and allowed you to keep more money as your income went up. So we have tried to put in place measures that generate more mobility for people to generate

more income and retain more of that income. Then, of course, our non-refundable tax credits were increased by 39 percent when we redesigned the tax system, and we have lowered rates.

So we have tried to generate a greater ability for people to retain income as they have moved more into the labour market, both on the direct support side through social assistance and National Child Benefit, as well as on the tax side and, in addition, through the day care supports that we have provided to people to retain themselves in the labour market with proper support for their children while they are working and through our increased investments in affordable housing.

So there has been a broad array of measures that have been put in place, as well as active labour market measures, more support for people to enter the labour market, including more support for training through our College Expansion Initiative and other specific programs we have designed to help people enter the labour market and have marketable skills. So there has been a wide array of things done there. I have to include within that adult learning centres and literacy programs which we have expanded funding in. So it has been a multi-pronged approach trying to equip people to be more independent economically, as well as personally, and to provide them with tools to do that of which income assistance measures are one.

At the end of the day, we have not tried to just focus on micro-economic approaches only. I think that is the basic thesis of the article, that a broad approach with a multitude of measures generates good results for people over time.

Mr. Gerrard: Just to come back once more to the fundamental point, and that is that, although this graph may be accurate for somebody with a full-time position at low income, somebody who has relatively small amounts, a few hundred dollars here and there, of sporadic income, they are still faced with the occasion where they may get income which is still being taxed or clawed back at a marginal rate of 70 percent. I suggest the Minister of Finance could relook at that circumstance and see if he can come up with some measures that might address that.

Let me ask a question now on the government's electronic health initiative which was announced with great fanfare in the *Free Press* today. I would

ask the Minister of Finance what has been put in the budget for this initiative for this year and for the next several years.

Mr. Selinger: Again, you are getting into the detailed Estimates of the Department of Health. I am sure the minister would be happy to answer the questions there.

Technology investments are schedule B capital investments, and they are amortized over the use of the life of the asset, as required by generally accepted accounting principles, which is the point I have been trying to make to the Member for Lac du Bonnet (Mr. Hawranik). They have to be amortized as part of the approach taken to provide those resources and those technologies to the health care system. There is some federal money available for that as well, which we will tap into. Then we will move forward in providing these technologies to the health care system.

Mr. Gerrard: I would presume that there has been an overall plan which the Minister of Finance has had a look at in terms of the provision of eHealth, particularly of the magnitude which was described, expenditures of, I believe it was \$700 million which were announced in the *Free Press* this morning. I would ask, you know, in terms of the profile of that expenditure of \$700 million, is that over two years or three years or four years or ten years?

Mr. Selinger: Again, that kind of detailed question with respect to resources allocated to the Department of Health should be best answered there. If the member is not getting an answer, or is not satisfied with the answer, I am certainly happy to try and pick it up for him, but I am sure the member will get the information he needs when he talks the Minister of Health (Mr. Sale) in his Estimates.

Mr. Gerrard: I thank the Minister of Finance, but I would ask what measures, procedures has the Minister of Finance taken to make sure that this is not SmartHealth No. 2?

Mr. Selinger: Well, a number of things have changed since the SmartHealth debacle. First of all, there was a full-tendered process to do this. Secondly, there is a Department of Energy, Science and Technology where there has been a concentration of IT expertise that has participated in the review of these measures. Thirdly, there is a

strengthened IT capacity within the health system itself, both at the RHA level and at the departmental level.

There has been a lot of due diligence done on this by IT experts to try and get a good product that would be able to work across the broader provincial jurisdiction, not be unique products for each facility that do not talk to each other. So we have tried to leverage the solution in such a way that will be applicable across the entire health care system. I am sure the minister would be happy to elaborate on that when the member talks to him about it.

Mr. Gerrard: Can the Minister of Finance tell us the relationship between these eHealth expenditures and other electronic technology investments made by the government, or is it completely separate?

Mr. Selinger: Well, in the first instance, the attempt is to make sure that they are leveraged across the health care system, but there is also some potential, depending that it might be able to work in other areas as well, but I can assure the member that the former Minister of Energy, Science and Technology, now the current Minister of Health (Mr. Sale), spent a lot of time making sure that the investments to solve the health care issues were not isolated to one single institution or one set of circumstances, but was a technology solution that could be used in a broad variety of settings in the health care field. There may or may not be applicability to a wider field in the province as well.

Mr. David Faurshou (Portage la Prairie): Just interjecting here for a moment to ask the question in regard to the Consumer and Corporate Affairs component of the minister's responsibility. Our House leaders have indicated that we are to discuss that area of government within this sitting of the Estimates because there is no prescribed scheduling for Consumer and Corporate Affairs. So I was wondering about doing that for a period of time tomorrow.

Mr. Selinger: We started by saying we were going to do a global sort of approach. We have been in that for three days now. The Department of Consumer and Corporate Affairs is included in the Finance Estimates. When we get to that branch of the Department of Finance where it has been integrated now, I would be happy to answer the member's questions there.

Mr. Faurschou: Then would it be possible to receive from the minister's office the books of Estimates regarding the Consumer and Corporate Affairs area, which includes the Residential Tenancy Branch and Residential Tenancy Commission, so that I could peruse those prior to commencing questioning the Estimates?

Mr. Selinger: The Supplementary Estimates I have circulated have, on page 95, Consumer and Corporate Affairs information, so this should be available. I put them into the Legislature before we went into Estimates. Then we can go into any further detail the member wishes at that time.

Mr. Faurschou: Last year, I had the benefit of having the annual reports as published from those two agencies prior to Estimates and wondered whether or not it was, whether the minister is privy to when the reports may be available, the annual reports from those Residential Tenancy Branch and Residential Tenancy Commission.

* (16:40)

Mr. Selinger: Could the member specify for me just precisely which agencies and for which years he wants their annual reports?

Mr. Faurschou: It is for 2004, the Residential Tenancies Commission and Residential Tenancies Branch. They both file annual reports, and it would be most helpful if I had those documents. Thank you.

Mr. Gerrard: My question to the Minister of Finance concerns the equalization transfers, and in the estimate of revenue which was given in the 2004-2005 budget, the equalization transfers were listed at \$1.345 billion. In the budget papers they finally ended up at \$1.699 billion. The minister, in the agreement of September of last year, I understand, has got some more certainty in terms of what the equalization transfers will be this year.

In this year's estimates of revenue from equalization transfers, we are given a figure of \$1.601 billion, and what I would ask the Minister of Finance is: Can we expect that to be very close to the final figure, or is there potential for a very significant variation between now and the end of the year?

Mr. Selinger: We do not expect any significant deviation from the numbers that are published here in the budget.

Mr. Gerrard: That would be a significant change from last year where there was a huge deviation of about \$250 million, so what you are saying is that the \$1.601 billion will be very close to the final number this year because of the agreement of last September. Is that correct?

Mr. Selinger: Yes, in both cases we believe the numbers to be accurate.

Mr. Gerrard: The estimates of revenue for 2004-2005 were \$1,435,800,000, right? At the end of the year in the budget papers we are given a figure of \$1.699 billion, which is \$250 million larger for equalization for last year.

For this year we are given in the budget papers a figure of \$1.601 billion, and the question for the minister is, is the number for this fiscal year going to change like it did last year, or is the expectation, because of the September agreement, that you are going to have more certainty in what the numbers are for this fiscal year than you had last year?

Mr. Selinger: We believe the number of 1601 will be stable for this year, '05-06, because of the way the agreement has changed. In effect, it is a block transfer now. It is not really equalization in the sense we have known it historically. Some of the responsiveness is gone. It is sort of a fixed amount going forward for the next couple of years.

Mr. Gerrard: Can the Minister of Finance provide the number for the year after and the year after that?

Mr. Selinger: There is some uncertainty about the go-forward position as I have indicated in the discussion papers. The present arrangement has an escalator of 3.5 percent, but at the same time there is a federal panel reporting by the end of '05 with recommendations which could change the circumstances again depending on how the government reacted to the panel's recommendations.

Mr. Gerrard: Just to make sure I have that clear, the current agreement would have an escalator of 3.5 percent a year, but if the panel reports on something different, we could end up with something different.

Mr. Selinger: Yes.

Mr. Kevin Lamoureux (Inkster): I have a number of questions that I would like to ask the Minister of

Finance. I am sure the Minister of Finance would be sensitive to the fact that many Manitobans are concerned in terms of just how much this government has increased overall spending over the years that it has been in power. We are quickly seeing a great deal of additional dollars being spent in many different areas.

The concern I have deals with just the revenue that is coming in, in order to sustain the types of expenditures that we have been incurring. I am wondering if the minister could just kind of give comment as to what he feels would happen if, in fact, we were to start to see the economy slow down. Given the amount of expenditures that are there, does he believe it could be sustained in a reasonable way in a normal business cycle? If I could just get his thoughts on that idea.

Mr. Selinger: It is a hypothetical question about the economy. The member might recall the old expression that when it comes to economics, it is a dismal science because most economic forecasts do not necessarily work out the way people predict that they would. We have an interim forecast. We have a forecast for this year based on the experts' opinions of what will happen. Barring unforeseen circumstances which usually come into play throughout the year, things that are never predictable happen that do have an impact on the economy, and then of course we make budget adjustments accordingly.

The program spending as a percentage of GDP is relatively stable in the last several years. Actually, it has slightly declined, and I can show the member where that is. It is on page B32, Program Expenditures, about 18.7 percent of the GDP in the province. Last year it was 18.8. The year before, 18.9, just to give the member an indication of the trend. The member might be suggesting that there has been dramatic growth in program spending as a percentage of the GDP. It has been pretty constant. In other words, the economy has been able to support the spending that has been put in place, and the spending has been able to meet the priorities that Manitobans have identified.

*(16:50)

Mr. Lamoureux: I do not have the exact percentage, but maybe the minister could give some sort of an indication. My understanding is that since 1999,

since the last Conservative budget if you like, we have increased overall government expenditure by 20-plus percent. Could the minister just reaffirm that is in fact the case?

Mr. Selinger: Again, in 1999-2000, program expenditure was 20.1 percent of the GDP. This is on pages B32 and B33, and the year prior to that, it was 1998-99, was 19.2 percent of the GDP. If I read my numbers—hold it, I have just to get this right, because my—yes, 19.2, 20 percent; '01, 20 percent. Hold it. No, 20.4, 19.7 and this year, it is 19.3. That is total expenditure. Program expenditure in '99-2000 was 18.9. This year it is 18.7, so it has been relatively flat. There has been growth in expenditure consistent with growth in the economy, but not greater than growth in the economy.

Mr. Lamoureux: I am not an economist by profession. I guess I am just one of those lay people that look at in terms of if I have a job and I start spending 20 percent plus more in a few short years, I had better be getting a lot more revenue coming in, in order to sustain the type of lifestyle I have created by spending 20 percent plus increase. If I do that, I am taking a bit of a risk in the sense that if I lose my job or if the economy takes a downturn.

I, for one, believe very firmly that the economy is in a cycle, and where we are in it, I would not want to forecast that either. All I know is that you cannot expect the economy to stay hot indefinitely. There will come a point in time when it is going to start to turn down. I do not necessarily want to talk about the GDP. I understand that is what the Minister of Finance wants.

I am concerned in terms of if something or when something does happen in terms of economic activity in the province, there is going to come a time in which you are going to have to cut back on some of those expenditures. I am looking for the Minister of Finance to acknowledge that fact. What would he suggest to that?

Mr. Selinger: I know the member does not want to talk about GDP, but he used the analogy of a person increasing their spending, and without any absolute certainty that their revenues or their income would be consistent with that indefinitely. The spending is indefinite every year. It is decided every year, but the point I am trying to make is that the spending has not increased greater than growth in the economy. In

other words, if the government was a family, the spending on the family has not increased greater than the growth of revenue or income within the family. It has stayed about constant.

The member asked the hypothetical question "What if the revenue goes down?" We have had some jolts. We had September 11, which took a big hit on our revenues. On the corporate tax side, we have had the accounting error. We have had the BSE crisis. We have had a number of unforeseen impacts on our economy that we have had to adjust to in the last several years. We have had dramatic currency appreciation of over 31 percent in the last couple years.

Every year, the Manitoba economy has had to adapt, and government has had to adapt. We have worked to help the economy adapt in order to stay buoyant and sustainable. We would do the same thing going forward. We put in place measures in this year's budget to address the currency appreciation. We reworked the manufacturing investment tax credit to give greater recognition and deductions for the purchase of used equipment, because we recognize with a higher value Canadian dollar that Canadian manufacturers have to be more productive.

One way they have become more productive is to buy new technologies, better equipment and new equipment, including used equipment, so we have given a greater incentive for them to increase their productivity through the acquisition of new technology and equipment. We have increased the research and development tax credit by 33 percent, from 15 to 20 percent, to incent the businesses to do more research and development, to be more productive, in other words, to be able to adapt to a rapidly changing global economy.

We have done a number of measures on the tax side to allow our businesses to be more resilient, and on the training side, which is the other big need for business, we have made a significant investment in training so that the people available to do the jobs that need to be done are better skilled in their ability to do those jobs.

We have been trying to generate an innovational economy, an knowledge economy, a more adaptable and more resilient economy, and so far we have been able to do that.

Mr. Lamoureux: Mr. Chair, let me give a more specific example. In western Canada, Manitoba is going to be the only province that is a have-not province, and what we are going to see is more and more pressure from the have-provinces to take back on some of those equalization payments, some of those transfers. There is a lot of pressure on the federal government to make that change.

In fact, the Conservative Party, in the past, federally, has talked about minimizing equalization payments in those transfers. In the federal election it could be to the detriment of a province like Manitoba if, in fact, you start seeing equalization and transfer payments being threatened by a political party in power in Ottawa.

If we receive just under \$2 billion from Ottawa, and now they put us on a track of reductions because of a change of policy in Ottawa, that could have a very profound impact here in the province of Manitoba. Because we are losing some of that control in terms of us being able to spend where it is that we want to spend, because we are spending so much more.

I appreciate the minister wanting to talk about the GDP. I really and truly can appreciate that. But my argument is that there is so much revenue that we have coming in today that we need to recognize where it is coming from, and the impact if the economy starts to go down or a federal policy starts to change, it can have a huge impact.

You spent more. If you were to add up, and I believe I have made this reference in Question Period, how do you really try to understand what \$1.2 billion is. If you added up the sales tax, and you added up the gasoline tax, the tobacco tax and totalled them up, you will still find that you are not reaching the same dollar value in terms of overall increases that the Province is spending.

I have a genuine concern that, look, we have got to start looking at how much money we are spending, and we cannot justify it by saying the GDP.

The question I would ask the Minister of Finance is this. Does the department have any assessment from other jurisdictions? If I was to make the accusation that I believe Manitoba, as a government entity, has had a higher percentage increase in the last five years of government

expenditure than any other government in North America based on per capita, could the Minister of Finance say that I am wrong?

If so, can he give me a sense of where would we be? In Canada would be a nice comparison. Are there other jurisdictions that have spent more, not related to the GDP? I am just talking about overall government expenditure.

Mr. Selinger: The member would be so wrong; it is unbelievable. Just in a Canadian context, our per-capita spending at the provincial level, per-capita spending per citizen, is the second-lowest. That is a Statistics Canada piece of information. The second-lowest per capita, so I think that tells the member that there is nobody overspending here. It tells you that eight other provinces are spending more per citizen than we are. That is really important.

* (17:00)

Now I want to follow up on this, because the member seems to sort of in his questions suggest that spending is a bad thing, that it makes us more vulnerable in the time of an economic downturn. It depends on how the spending is used. If the spending builds you a stronger infrastructure, and you can get your products to market, that is a strength during an economic downturn. You have a more efficient economy. If the spending is used to educate the citizens and they lose their jobs, the better educated they are, the more resilient, the more able they are to retain a foothold in the marketplace and get a new job. So they are going to bounce back faster. If the spending keeps people healthy, they are going to be able to bounce back more quickly during tough times. If the spending creates more opportunities for people to get an education or to do research and development or to have access to capital to start a new business, our economy will be more resilient.

I think the member might be making a fundamental error by assuming all spending is bad. All spending might make us better prepared to deal with an economic downturn. I think that the evidence is showing that to be the case here. In the last five or six years, in spite of September 11, in spite of the BSE crisis, in spite of the federal accounting error, in spite of other tariffs that have been slapped against the province of Manitoba and Canadians generally, whether it is on softwood lumber, et cetera, we have shown a tremendous resiliency to be able to adapt to

those circumstances, not easily, but to bounce back and to add more value to the products we are producing, to have a more-educated citizenry, to attract more people from around the world to come and live in this province, and as a result we have got a stronger population base, more disposable income, a better educated citizenry. I think that bodes well for us to be able to weather an economic downturn.

Mr. Lamoureux: Strategic spending can be of great value. I do not question that. In terms of overall government expenditure, Keynesian theory will tell you that the time you spend more is when the economy is not doing as well. When the economy is doing well, that is the time if you are going to be holding on spending or looking around at how you can spend smarter, if I can put it that way, that is your golden opportunity.

I see this government has been provided in the last number of years the opportunity to look around and spend smarter. I am concerned in terms of the degree in which we have increased overall government spending. If I carried through with the logic the Minister of Finance has just said, then why would we limit the spending on where we are today? Why not just increase it more? What you are saying is the more you spend, the more positive results we are going to have. I would argue that is not the case. If we wanted to, we could spend another billion dollars in health care, easily. We could spend another billion dollars. It does not necessarily mean that it is going to make the province healthier.

To me, it is a question of how you can best spend the tax dollars in order to maximize the benefits. In particular, I would like to think that governing has something to do with ensuring that we kind of protect the citizenry when the economy is going down by providing more opportunities. When the economy is doing well, that is the time in which we should be putting things into check and making sure that the province is in a good position to grow. It is to minimize the bust, if you like, and to become more efficient during the economic good times.

Unless the minister wants to comment on that, I did want to ask a couple of questions in regard to the provincial auditor.

Mr. Selinger: I would agree with many of the things the member has just said. Smart spending is the key to future prosperity. That is why I did point out that

the spending has been relatively constant as a percentage of the GDP. It has not been an excess of spending over the last several years. It has been fairly constant, but it has been directed to things that have made a difference. Early childhood development, early childhood learning, day care, all of those investments have long-term payoffs for the future of the province. Prevention of certain social problems through some of the early childhood investments makes a huge difference. All the research shows that the return is at least seven dollars for every dollar spent between the years of zero and five. We have made significant improvements and investments there.

Investments in education have a significant long-term payoff. Investments in safer communities have a significant long-term payoff. Investments in infrastructure have immediate payoffs. All of those things, including legislative measures which keep people safer, some of the measures taken to license young people for driving vehicles will, over time, result in less injuries.

All of these things have to be targeted toward increasing the quality of life for Manitobans and to equip them to deal with the future, which is never predictable in a specific sense. The future is always uncertain unless you believe in certain theories of history that everything is determined by certain forces, be they economic, spiritual or otherwise. I think the member and I would agree that the future is not really predictable. As a result of that, if the future is not really predictable, the best investments we can make are to ensure that our citizens are resilient and adaptable and that our economy is resilient and adaptable, and that we can add value to everything we do in this province, the more we can do value-added here.

I think the shutting of the border for cattle has really driven home the point that we need greater slaughter capacity and greater capacity to finish our beef products in Manitoba so that we are not dependent on American slaughter facilities and value-added processes south of the border. We need to do more here. I think we are adapting to that now. It is unfortunate we were not there earlier, but we have now seen the lesson of that experience. I think the same lesson could be applied to other export products that we have. The more value we can add within our own jurisdiction, the better off we are going to be, because we will have more control over

the end product and a wider variety of markets that we can put those products into.

I agree with many of the points the member has said. I like the point, in particular, that the more we can do to prevent an economic downturn, the better off we are, which is why we have called on the Bank of Canada to keep interest rates affordable so that there can be greater investments in the economy, including the debt financing that corporations do to improve their technology to train their people, to invest in real estate and other assets to be more productive.

All of those things that we can do to prevent an economic downturn and sustain steady growth eliminate a lot of problems, and in Manitoba we have been very fortunate. In spite of all the surprising events that we have experienced in the last five or six years, we have been able to keep the economy growing year after year to the tune of \$10 billion over the last six budgets. That kind of steady growth, with a diversified economy and a well-educated workforce, bodes well for the future.

Mr. Lamoureux: I did want to conclude my questions in regards to a couple of brief ones in regard to the provincial auditor. I have raised the issue in regards to the actual debt versus surplus situation that the province had in the 2003-2004 budget. You see, I concur with the provincial auditor in the sense that Manitobans, as a whole, were not aware of the fact that Manitoba had a deficit, as a province, in excess of \$600 million, and share in some of the responsibility because it was not just an attack on the government. There were a number of people that really did not get the message out in terms of what Manitoba's financial picture was. We all have to take some responsibility for that, I believe, including myself. That is one of the reasons why I went public the way I did in regards to try and make more Manitobans aware. That is the reason why I am doing petitions on the issue.

I am wondering if the Minister of Finance would take any responsibility for Manitobans, as a whole, not being aware of the overall picture of our province for 2003 and 2004 in the sense that we did have a deficit of \$600 million plus and that it was not, in fact, a surplus if you use the general accounting practicing rules. These rules are being used by most governments in Canada, including, I understand, the national government itself.

Does the Minister of Finance believe that he played any role in why Manitobans were aware of the fact that we had such a huge debt?

Mr. Selinger: All I can say to the member is that when I reported the Public Accounts, I reported under the balanced budget legislation, the rules that are required there. I also provided the media with the information on the summary budget deficit. I pointed out the sources of that deficit, primarily Manitoba Hydro and the unpaid pension liability, the growth in that. I think the Hydro deficit, because of the drought, was widely known throughout the province.

* (17:10)

I would ask the member the following, and I am not trying to turn the tables on him, but when you say the government has a \$604-million deficit, do you think people understand that \$450-odd million of that was Hydro deficit or do they confuse the two? Because the reality is that if we want to be educating the public about the finances of the Province, there are several different activities that the Province is engaged in.

There is an arm's-length Crown corporation, everybody knew they were going through a drought and their revenues were down and they are running a deficit. There was the general operating expenditures of the government, the tax supported expenditures that were reported under balanced budget legislation, and then there was the broader government entities and the operating expenditures of government put together in a summary statement.

That information had been reported to the public quarterly from Hydro, and the operating expenditures had been reported publicly from the government of Manitoba, and when the public accounts came out, we reported on the operating balanced budget requirements and we reported on the summary budget requirements unlike any other government.

Mr. Lamoureux: In this budget that we are debating now, you indicated that you are going to move towards general accounting principles, I think it is, for the 2008 budget.

Is the government considering making any changes to the balanced budget legislation?

Mr. Selinger: I point out to the member before I get further into this question that, on page B6 in the

financial statistics, we do a summary comparative budget according to the Auditor's requirements and we also do a forecast going forward which was not asked for by the Auditor, pages B6 and B7 in the budget papers.

This information has only been provided by this government since we have been in office in the budget text itself. Prior to that, only the operating budget was reported on. Only the operating budget was reported on prior to that, so we have set the standard for full summary budget reporting in the budget papers themselves.

As to the question of whether balanced budget legislation needs to be changed, we changed it already in our first year in government according to the Auditor's requirements. And we changed it also to include a plan to address the pension liability which had been ignored for 40 years.

We will work through the Auditor's requirements to go to full summary budgeting and what that means for legislation in co-operation with the Auditor's department and see where that takes us. But clearly, there is a lot of work to be done. We have made a lot of progress in the last several years in meeting GAAP requirements. There are several rules under GAAP. There are volumes and volumes of rules that they want you to follow, and we have been working on several of them and moving forward on that as we go forward. Yes, we did say we would move to full summary budgeting in '07-08 as the member seems to want us to do, as the opposition seems to want us to do, and we are going to follow through on that with the due diligence to do it properly.

Mr. Lamoureux: The Minister of Finance used the example when I talked about the debt, and he said, "Well, Manitoba Hydro had \$400 million of that \$600 million" and then made reference in terms of what the public perception might have been on that. There is some merit to what the Minister of Finance is saying.

Having said that, I think I should follow by saying then there is a need, or there would appear to be some sort of a need to look at the balanced budget legislation that was passed a number of years ago.

If there are going to be any changes to the act, would the Minister of Finance commit to having some form of public discussions or forums where the

public would be provided the opportunity to provide input as to how the government should be reporting, and what type of balanced budget legislation that the public would really want to see?

Would he be open to that sort of consultation prior to the introduction of new legislation, assuming, Mr. Chairperson, that the government will want to show us what their intent is prior to the next provincial election?

Mr. Selinger: The member poses a hypothetical question. We have said we would move to full summary budgeting in '07-08. I will take advice from the people preparing us to go there on what the legislative requirements are on that.

At the time legislation is introduced, there will be a full opportunity for public debate like any legislation in the province, and that includes second reading debate. The point is there seems to be a consensus now among the Liberals, the Conservatives and the government that there should be a move to full summary budgeting as the primary reporting vehicle for government finances. The specifics as to how they get there will be full—if they require legislation, will be made available to the Legislature for full public debate.

Mr. Hawranik: I refer to the answer that was given to me. My last question from the minister and the answer he gave me was that he thought I was using a doom and gloom approach to finances. I think there is a difference in our approach. I would certainly not agree that I approach the finances of this province on a doom and gloom basis. I think I approach it on a realistic basis, on a sure-footed basis. It is methodical and I think that is a considered approach.

I note in answer to one of the questions from the member from River Heights he indicates that, in fact, his comment was that smart spending is the key to economic prosperity. I do not think the NDP have been spending smart. I think basically all it is, is spend, spend, spend without any measurable results. There needs to be a balanced approach with spending. It is not just spend for programs and spend for facilities, but there has to be something given back to Manitobans.

There has to be some concern about the taxpaying Manitobans, and there has to be some measurable result in any spending that we do in

government. I ask the minister with respect to meaningful tax relief, does he believe that meaningful tax relief, not just tinkering with the tax system we have but meaningful tax relief, is that in his belief, a necessary part of any economic plan for government?

Mr. Selinger: The member may not be aware of it, but when we overhauled the tax system in our first budget, it was the largest overhaul, the most significant overhaul, in over 25 years. It was not tinkering; it was a major overhaul. We moved from tax on tax at the federal level to tax on income at the provincial level. We made significant improvements in the affordability of taxation in the province with the measures we took then. We followed up on them in every year since.

The record of this government on keeping affordability with respect to taxes in this province is certainly superior to what the former government did on any objective measure. At the same time, we have made investments as I indicated earlier, smart investments to improve the capacity of the economy to grow. It is a balanced approach both on the tax side and on the spending side. It has been recognized as such by people that have reviewed our budgets.

For this year, Budget '05 builds on the previous five years of tax cuts by offering a further \$137 million in reductions in property, farmland, personal income and business taxes for a combined six-year total of a half a billion dollars. The member seems to discount that, but I can tell you it has made a meaningful difference to many Manitobans.

Mr. Hawranik: I know the Minister of Finance indicated that since being elected you overhauled the tax system. Well, I would hesitate to wait for another overhaul because the fact remains that the middle-income earners are still the highest taxed west of Québec in spite of this so-called overhaul. We still are left with tax bracket creep. Every year with inflation there are many Manitobans that move from one tax bracket to another and there is an automatic increase in taxes applicable to their incomes, so I would hesitate after one overhaul to ask the minister to overhaul it once again because obviously that may not make any difference to Manitobans in their bottom line, what they go home with and what they have to spend on their families.

* (17:20)

Getting into another matter with the minister, competitiveness has been said to be one of the most important factors to attract people, businesses and to grow our economy and to attract industry to the province. Those are not my words, Mr. Minister, but those are the words of the Canadian Federation of Independent Business, both the Manitoba Chamber of Commerce and the Winnipeg Chamber of Commerce, and the Business Council of Canada.

I would like to hear what the minister has to say with respect to competitiveness and its importance, in terms of what role competitiveness plays in terms of an economic plan for the province.

Mr. Selinger: We have done a number of things. I have outlined for the member our action strategy for economic growth, but we have also taken measures that have improved the affordability. I could just start by saying if we would have followed through with the regime in place when we took government, under the former government, we would be far worse off now on the amount of taxes we paid. They would be excessive, quite a bit higher, in all categories, compared to when we came into office.

So we have improved over the situation we inherited quite dramatically, and we have done it without slashing programs and excluding more people from participation in the economy. We have done the reverse. We have strengthened programs that allow people to have a decent education and to participate in the economy. So we have tried not to develop a two-tier society that the members opposite were so busily constructing during their time in office.

We have tried to develop a society where northern people, rural people, young people, newcomers all have a chance to participate in the economy. That requires a balance of measures to allow Manitoba's economy to stay competitive. It requires investments in education. It requires investments in infrastructure. It requires keeping a government affordable. It requires incenting research and development. It requires having access to capital for investment in new businesses. It requires putting in place facilities that will add value to the products we produce, whether it is the nutraceutical centre or the Food Development Centre of Portage la Prairie, or the research centres that we have attached to our

hospitals, or the biomedical innovations that are occurring on Ellice Avenue through expansion of their facilities to incubate more businesses.

Whether it is improvements in the manufacturing investment tax credit, whether it is improvements in the capital tax to change it from an exemption to a full deduction, whether it is improvements in the research and development tax credit by 33 percent, whether it is a reduction in corporate income taxes, the first reduction since the Second World War, whether it is reductions in the small business tax rate by at least 50 percent, whether it is an increase in the small business tax threshold by a hundred percent from \$200,000 to \$400,000, all of these things are measures we have taken that the members opposite never took.

All of these positions have increased our competitiveness. All of these things have resulted in significant growth in the economy. All of these things have resulted in more disposable income in the pockets of Manitobans. All of these measures have helped increase the number of people taking post-secondary education. All of these things have helped increase participation in the labour force and the generation of more jobs in Manitoba. Those are all positive stories.

Mr. Hawranik: I hope the minister has not taken this incorrectly. I do not deny that there have been some improvements to the tax situation of Manitobans. I am not denying that. My point is that I believe that, really, he has tinkered as opposed to made meaningful tax cuts and given meaningful tax relief to Manitobans. I say that because of the fact that we have not really improved our position relative to other provinces in Canada.

Other provinces have moved forward. Other provinces have experienced surpluses. Other provinces have received more money from the federal government under transfer payments similar to us. There is no difference in terms of in the province of Manitoba, we have experienced increased revenue. So have other provinces, but it is the approach that they have taken versus what we have taken. I point simply to the west, to Saskatchewan, which has, in fact, improved its competitive position, I think, in Canada, vis-à-vis the other provinces, as compared to the other provinces. We have not in Manitoba. So other jurisdictions have exceeded us in terms of our competitiveness.

I ask the minister again what role does he see for competitiveness, the concept. What role does the concept "competitiveness" have in the minister's economic plan for the province? Does he plan on increasing our competitive position or improving our competitive position in relation to other provinces in Canada as opposed to just the tinkering that he has been doing over the last number of years?

Mr. Selinger: I just have to flat out reject the member's contention that it has been tinkering. Any objective review of what we have done on taxes would show that, compared to what the previous government did, we have had a major overhaul and significant reforms and significant improvements in our tax regime. It stands up extremely well to what the former government did during the period of time it was in office and we have done it in half the time, too. We have made more progress in half the time.

Now, the member likes to point to the provinces to the west of us. I think the member should understand that there is nothing particularly meritorious about a province's performance record when they get a significant windfall of revenues from natural resources because world prices are at world-record highs. No province to the west of us has been a determining influence on the price of oil and gas, or potash, for that matter, but they have been the beneficiaries of those resource revenues dramatically escalating due to an acceleration of world prices.

You could probably give a country like China, that is growing so dramatically, some of the acknowledgment for driving the market up for some of those commodities. That is a good story for Canadian provinces. We do not begrudge them those additional resources at all. But Alberta gets 32 percent of its revenues from natural resources. Saskatchewan and BC get about 12.5 percent of their revenues from natural resources. All the other provinces in Canada get about 2 percent of their revenues from natural resources.

That is an important difference, which is, when I was talking to the fiscal imbalance committee of the House of Commons this morning, the underlying rationale for the equalization program. It is a program that allows all provinces to stay competitive with respect to each other on the ability to provide services at roughly comparable levels of service at roughly comparable levels of taxation. All provinces

but Ontario have participated in that program, including Alberta, at one period in their history.

So it is very important to understand the structural differences in the economy. I actually believe that our Manitoba economy has greater ability to generate wealth over the long haul than economies where their natural resources will be depleted because our natural resources are sustainable, our hydro resources are sustainable.

As we develop our energy advantage in this province, whether it is hydro-electricity or wind power or participate in the coming hydrogen economy, I think we can put in place an economy in Manitoba that will have long-term sustainability from an environmental perspective, but just from an economic growth perspective as well.

So I think our prospects are very bright for the future and we have to keep working towards that, slow and steady, as we go forward. We will get there and we will be, we already are, one of the best places in Canada to live. Quality of life is high. We have lots of things that we can still do and we are going to do them as we move forward.

I just think the member is doom and gloom. He always tries to suggest that we are doing worse than everybody else when, in fact, in most cases we are doing better. Where other jurisdictions are doing better, it had nothing to do with them; it had everything to do with world market record high prices for natural resources. The member should give this economy, the entrepreneurs in this economy, the teachers in this economy, the economic development people in this economy, the citizens of Manitoba, some credit. You should give them credit for the tremendous achievements they have accomplished in the last several years here.

I can tell you, when I go outside of this province and I tell the Manitoba story, people are very impressed with what we have accomplished and appreciate what we have accomplished. They know we have done it in a fiscally prudent way. They know the investments we have made are starting to generate some significant results. They can see it. We can show them that statistically, as I have shown you those results.

The member opposite, I think, should move away from the doom and gloom. I know in opposition you have got to be negative. I know the member in Question Period is excessively negative. I

know when he is in Estimates, he is not quite as negative. He tries to be a little fairer. I commend him for that, but I am simply putting on the record that we have made some significant improvements in the last several years, and we are going to continue to build on those improvements as we go forward.

I have pointed out to the member what we have done. We have made significant investments in Education. Members opposite were cutting Education. We have made significant efforts in research and innovation that was stagnant under the members opposite.

We have maintained our per-capita spending on public services as the second lowest per capita in the country among all the provinces. I will pick up on this theme the next time we get back.

Mr. Chairperson: The hour being 5:30 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being past 5:30, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 18, 2005

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