

**Fourth Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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

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The Honourable George Hickes  
Speaker*

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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.
JENNISSON, 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.
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.
McFADYEN, Hugh	Fort Whyte	P.C.
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.
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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

Tuesday, May 23, 2006

The House met at 1:30 p.m.

### ROUTINE PROCEEDINGS

#### PETITIONS

##### Civil Service Employees—Neepawa

**Mr. Denis Rocan (Carman):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Eleven immediate positions with Manitoba Conservation Lands Branch, as of April 1, 2006, Crown Lands and Property Special Operating Agency, are being moved out of Neepawa.

Removal of these positions will severely impact the local economy with potentially 33 adults and children leaving the community.

Removal of these positions will be detrimental to revitalizing the rural and surrounding communities of Neepawa.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology, as an example, Land Management Services existing satellite sub-office in Dauphin, Manitoba, in order to maintain these positions in their existing location.

Signed by Jerry Kozak, Jean Kozak and Veda Jackson.

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

##### Removal of Agriculture Positions from Minnedosa

**Mrs. Leanne Rowat (Minnedosa):** I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

Nine positions with the Manitoba Agriculture, Food and Rural Initiatives Crown Lands Branch are being moved out of Minnedosa.

Removal of these positions will severely impact the local economy.

Removal of these positions will be detrimental to revitalizing this rural agriculture community.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology in order to maintain these positions in their existing location.

This petition signed by Rita Klassen, Therese Alexander, Jackie Derhak and many, many others from Brandon.

##### Crocus Investment Fund

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

The background to this petition is as follows:

The Manitoba government was made aware of serious problems involving the Crocus Fund back in 2001.

Manitoba's provincial auditor stated "We believe the department was aware of red flags at Crocus and failed to follow up on those in a timely way."

As a direct result of the government not acting on what it knew, over 33,000 Crocus investors have lost tens of millions of dollars.

The relationship between some union leaders, the Premier (Mr. Doer) and the NDP seems to be the primary reason as for why the government ignored the red flags.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider the need to seek clarification on why the government did not act on fixing the Crocus Fund back in 2001.

To urge the Premier and his government to cooperate in making public what really happened.

Signed by Rawinder Sidhu, Jaswant Sidhu, Daljit Dhaliwal and many, many other fine Manitobans.

### Child Welfare Services

**Mrs. Mavis Taillieu (Morris):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Premier (Mr. Doer) and the Minister of Family Services (Ms. Melnick) have the responsibility to provide safety, care and protection to children in care in Manitoba.

Thirty-one children have died since 2001 while in care of the Province or shortly after being released from care. Last year nine children died, the highest number recorded.

Little Phoenix Sinclair died in June of 2005, but her death went unnoticed for nine months even though she had extensive involvement with Child and Family Services beginning at birth.

Manitobans want to know how the system could fail little Phoenix Sinclair and the other 31 children.

Manitobans want assurances that no other children will fall through the cracks of the child welfare system.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider calling a public inquiry into all aspects of the delivery of child welfare services throughout Manitoba.

This is signed by Donald Cooper, H. Shah, John Lopas and many others.

\*(13:35)

### OlyWest Hog Processing Plant

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

The background for this petition is as follows:

The Manitoba government, along with the OlyWest consortium, promoted the development of a mega hog factory within the city of Winnipeg without proper consideration of rural alternatives for the site.

Concerns arising from the hog factory include noxious odours, traffic and road impact, water supply, waste water treatment, decline in property values, cost to taxpayers and proximity to the city's clean drinking water aqueduct.

Many Manitobans believe this decision represents poor judgment on behalf of the provincial government.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to immediately cancel its plans to support the construction of the OlyWest hog plant and rendering factory near any urban residential area.

Signed by Tricia Orsulak, Melanie Ives, Helena Kalomiris and many, many others.

### TABLING OF REPORTS

**Hon. Nancy Allan (Minister of Labour and Immigration):** Mr. Speaker, I am pleased to table the 2006-2007 Departmental Expenditure Estimates for the Department of Labour and Immigration.

**Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines):** Mr. Speaker, I would like to table the following Supplementary Information for Legislative Review, that being the 2006-2007 Departmental Expenditure Estimates for the Industry, Economic Development and Mines Department.

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would to draw the attention of honourable members to the public gallery where we have with us from Living Hope School 15 Grades 1 to 12 students under the direction of Mr. Wilbert Loewen. This school is located in the constituency of the honourable Member for Ste. Rose (Mr. Cummings).

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

### ORAL QUESTIONS

#### Health Care System Emergency Room Services

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Once again, in the area of health care, we see the gap between what the government says on the one hand and what is actually happening in the health care field on the other. Over the past few days, we have seen reports of the Premier saying "check"

when it comes to political promises, but the only thing we need to check are the facts.

There is a discrepancy between the NDP spin and the facts that are coming from government professionals. Just this weekend a vice-president of the Winnipeg Regional Health Authority said that the ER doctor shortage in Winnipeg's hospitals is making it increasingly hard to keep patients safe.

My question to the Premier is: Given that the ER crisis 2006 is worse than it was last year, which is worse than in previous years, will the Premier finally admit that his health care policies are failing Manitobans who deserve timely access to health care when they need it?

**Hon. Gary Doer (Premier):** Mr. Speaker, the facts: 28 patients in the hallway on a daily basis on average in '98 when he was working in the Premier's Office; fact: 5 today.

**Mr. McFadyen:** Mr. Speaker, given what are obvious problems today in the health care system in relation to our emergency room situation, how can the Premier justify his taxpayer-funded ad campaign saying that everything is great in health care when we have ambulances being diverted due to doctor shortages and patients having to wait for critical emergency room care?

**Mr. Doer:** As I understand it, there were no patients in the hallway on the weekend. That is called zero. Mr. Speaker, the—

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

**Mr. Speaker:** Order.

**Mr. Doer:** The facts were that the cancer care treatment waiting list was eight weeks in '99; it is down below one week. The facts are, Mr. Speaker, that the number of the cardiac surgeries is up 60 percent, reducing the waiting time by 60 percent. The facts are that there were two working MRIs in Manitoba; we are now up to seven. In terms of emergency doctors, there were a total of 70 emergency room doctors and there are 70 today. There are a total of 35 sessional doctors; there were 22 in 1999.

There is pressure on emergency wards across the country. The facts were that salaries for doctors in 1999 were the second lowest in Canada. We have more than doubled the salaries for all doctors, and we have also increased the salaries dramatically for emergency room doctors. I believe the increase has been 141 percent since we were elected.

\* (13:40)

**Mr. McFadyen:** Mr. Speaker, the Premier wants to talk facts and the fact is that health care spending has gone up dramatically across Canada over the last seven years as transfer payments have increased, notwithstanding the fact that the Premier promised in 1999 to fix health care. It was the core reason he was elected in 1999. Almost seven years later and the fact is Manitoba is dead last in Canada, notwithstanding the fact that we spend the fourth most of any province in Canada. It is a shameful record.

Mr. Speaker, according to information from his own government, there were over 8,800 patients who left emergency rooms without seeing a doctor in the six-month period from April 2005 to September 2005. These are people who entered an emergency room looking for help and who left because they could not find help in a timely way.

Is the Premier satisfied with these numbers? What is he doing to fix this problem so that Manitobans can get access to health care when they need it?

**Mr. Doer:** Mr. Speaker, there has been a tremendous increase in volume at the emergency wards and people seeking emergency advice. We have increased the number of nurses that triage in the emergency rooms by 19. Those nurses are skilled in dealing with the triaging of patients in the emergency wards. We also have increased the Pan Am urgent care clinic. There are a total of 121,000 patients now seen or have referrals through Health Links fast track and the Pan Am Clinic. We have opened up an additional 35 flex beds.

We do believe that some patients require triaging by a doctor, but there are some patients who can get needed medical advice by our nurse assessors at the emergency wards in hospitals. We also have increased the sessional doctors at the emergency wards, and we are slowly but surely making progress on all the emergency wards in Winnipeg and outside of Winnipeg that required major capital investment.

The members opposite do not go north of Portage Avenue, but if they do they might see building cranes building the new Health Sciences Centre operating rooms and centres for patients that were cancelled by members opposite five or six times. We have new capital investments on the books now at Seven Oaks, a community program with the government at Victoria hospital. There has been

investment at Grace Hospital in the emergency wards, Mr. Speaker.

We have to continue, by the way, to increase the number of emergency room doctors. The number of doctors may be constant and the number of doctors may have increased but there is a shortage of shifts being filled. We are working as hard as we can with the health authorities to use more resources to get more doctors at the emergency wards in Manitoba.

### **Health Care System Emergency Room Services**

**Mrs. Myrna Driedger (Charleswood):** The Premier should get his head out of the sand and pay attention to what is happening.

Mr. Speaker, we rejected a 2004 internal review into the ER crisis as a quick fix. We did not feel that it dug deep enough into the problems within the ERs and that is why we have a worse situation today in terms of a doctor shortage than we did in 2004.

With our recent Freedom of Information document, it shows that, over a six-month period, 8,800 patients left an ER without being seen probably because of the doctor shortage, probably because of being too frustrated to wait to be seen. That is 8,800 patients.

I would like to ask the Minister of Health what he is doing today to guarantee patient safety, safety of patients who are waiting in the ER and the 8,800 in six months that left.

\* (13:45)

**Hon. Tim Sale (Minister of Health):** First of all, there are over 260,000 contacts every year between Manitobans and the emergency wards in Winnipeg alone, including Misericordia Urgent Care and Pan Am urgent care. Now, the 8,000 who left without being seen, if they have left one of the hospitals where we have the new IT system they are being followed up by Health Links to find out why they left and to find out whether they still have any concerns.

By the end of this year we will be in a position to follow up everyone who leaves without being seen. But, Mr. Speaker, let us put that in some perspective; 8,000 out of 260,000. We see patients every day by the thousands and we meet their needs. It is a tough environment in the emergency wards, but over this last weekend, a very busy weekend, we had zero, one and two in our emergency wards—

**Mr. Speaker:** Order.

**Mrs. Driedger:** Mr. Speaker, I would remind the minister that the 8,800 patients that left were only for a six-month period. We have not even seen what the annual numbers will be.

There is a severe shortage right now in the four community hospitals. Mr. Speaker, 40 percent of the spots are vacant, but the WRHA is also advertising for ER doctors for the Health Sciences Centre and St. Boniface Hospital, even though a Freedom of Information document from them said that there are no vacancies in the two tertiary hospitals.

I would like to ask the Minister of Health if he could tell us how many physician vacancies there are in the two tertiary hospitals. Is the ER doctor shortage worse than what we have been led to believe?

**Mr. Sale:** I would simply remind the member that people come and people go, and there are vacancies in a system that are different today. They are filled tomorrow and somebody else decides to retire the next day. So, Mr. Speaker, at any point in time, we are told that today there are 14 vacancies, last year there were 12.

We have 19 of the 500 emergency medical physicians in Canada. That is about 4 percent. That is about our population and we do as well as any other province. In every province in Canada there are shortages of emergency docs because we stopped training emergency doctors in the 1990s. When will they understand that if you turn the tap off in the 1990s, there is nothing coming out in the 2000s.

**Mrs. Driedger:** Mr. Speaker, I would remind the minister that this shortage is growing under his watch. They are leaving under his watch. A few years ago there were vacancies of four, then there were 12. Now there are 14 vacancies out of 36. That is 40 percent.

Mr. Speaker, I was a nursing supervisor in an emergency department for years. This severe shortage of ER doctors is a disaster waiting to happen as far as I am concerned. It is getting worse under the NDP, not better under their watch. This Doer government has had years to fix it. They failed in 2004 with their internal review.

I would like to ask them: Have they not learned anything from Dorothy Madden's death? How many more patients are going to have to die before they get their act together and do something with this crisis?

**Mr. Sale:** Mr. Speaker, over the last week in our emergency rooms, the total number admitted in six hospitals across the city, from last Sunday; three, three, one, two, three, three, two, zero, one, five. It is not perfect, but it is not 28, 35, 44, 26, 30, 32, as it was in 1999 and 1998.

We have the same numbers of doctors working in our system, 70. We have reassessment nurses in every hospital in the city. All of those people who left without being seen, they were seen, they were triaged and they were triaged as not urgent. They made a choice at that point and I regret them having made it, but out of that number that were not seen, 260,000—

**Mr. Speaker:** Order.

#### **Employment Standards Code Farm Workers**

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, Manitoba farmers have faced considerable hardship over the past several years from low commodity prices for growing conditions to the BSE crisis and its aftermath. Our farm families have received virtually no support or leadership from this NDP government. Now, with the review of the Employment Standards Code, they are threatened with even more regulatory burdens.

Mr. Speaker, what is the Minister of Agriculture's position, including farm workers, under the Employment Standards Code?

\* (13:50)

**Hon. Nancy Allan (Minister of Labour and Immigration):** Well, I am pleased to receive a labour question. It has been quite some time, and I am pleased that it is a question about the Employment Standards Code.

The Employment Standards Code has not been reviewed in this province for many years. The Labour Management Review Committee that is chaired by Michael Werier has been reviewing the Employment Standards Code with the stakeholders; the labour stakeholders and the employer stakeholders. They are consulting with the agriculture stakeholders in regard to any recommendations that they might see fit to forward to the minister.

**Mr. Eichler:** Hopefully the Labour Minister of immigration would listen a little more than the Minister of Agriculture. Unlike the businesses, farmers' industry is at the mercy of nature. Crops

must be taken off before the frost and cows must be milked every day, regardless of holidays.

Mr. Speaker, will the Minister of Agriculture acknowledge this unique status is ill-fit under the Employment Standards Code?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** I thank the member for the question. I hope the member recognizes that there are people who work in the agriculture industry and there are people in the agriculture industry that are looking for certain benefits. As we review this code, Mr. Speaker, we will do it in consultation with the industry. There has been consultation and we will continue to work with the various commodity groups as we move forward.

**Mr. Eichler:** Mr. Speaker, 68 percent of agri-businesses in Manitoba will suffer from removing the farm-worker exemption. Many producer groups have also indicated it must remain in place for their industry to survive.

Will the Minister of Agriculture lobby Labour and Immigration to retain agriculture's exemption from the code?

**Ms. Allan:** I think it is important, Mr. Speaker, that the member opposite know a very important section of the Employment Standards Code. It is section 144.4, and absolutely no changes will be made to the Employment Standards Code in regard to agriculture because of that section in the act that stipulates that we must consult with stakeholder groups.

Right now, Mr. Speaker, the LMRC—

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

**Mr. Speaker:** Order.

**Ms. Allan:** Well, Mr. Speaker, they say I do not know what consultation is. I have passed five pieces of unanimous labour legislation in this House. They voted for all of my labour legislation and it was because we consulted with the stakeholders.

#### **Water Quality Management Zones Soil Maps**

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Speaker, the water quality management zone regulations established zones which will effectively determine land use throughout Manitoba. These zones are based on soil maps developed years ago for wheat production. Clearly, these maps and these regulations have missed their intent.

Why is this government using outdated soil maps in an attempt to protect water in Manitoba?

**Hon. Steve Ashton (Minister of Water Stewardship):** The only thing that is out of date is this opposition party's attitude towards anything in terms of water quality. If anybody wondered what the transition in the Leader of the Opposition (Mr. McFadyen) was, Mr. Speaker, I actually looked at an article in the *Brandon Sun*. He wants to go back to lower payroll taxes instead of income taxes and property taxes, curtail public sector wages and scrap the new water regulations.

Well, Mr. Speaker, we are doing something that he did not do in the nineties in their transition back here. They should remember this; we are consulting. We have had 35 public meetings on the water quality management zones and we will listen to Manitobans, something they did not do in 11 years.

**Mr. Cullen:** These regulations are clearly not through nor based on sound science. For example, the government indicates that 2.5 million acres zoned Class 4 are presently not under agriculture production. This is far from reality. This government is wrong.

Will this minister commit to scrapping these maps?

**Mr. Ashton:** First of all, the zones are based on 13 different scientific factors. Second of all, we have had 35 public meetings. We have had a second round of consultations, and if the member opposite would have even bothered to read the documentation he would have seen very much the imbedding of the maps and the regulations were raised. It is very much an issue that we are involved in terms of discussions both with the public and with agriculture groups. We are putting the consultation net back into something that did not occur when they were opposite. I repeat again, the C in PC did not stand for consultation.

\* (13:55)

**Mr. Cullen:** Well, Mr. Speaker, people around Manitoba are now beginning to realize the full impact of these regulations. Agriculture producers are stating that they may be forced out of business and, at the very least, face serious devaluation in land values.

Will the minister admit that these regulations are not based on sound science and now look at a real meaningful way to protect Manitoba's water?

**Mr. Ashton:** I repeat, we have had 35 meetings. That is 35 more meetings than they had when they sold off MTS. That, indeed, is the difference between us and their party.

Before they try and fool anyone, in the 1990s they did not send the City of Winnipeg waste water system to public hearings with the CEC. We did. They did not bring in The Water Protection Act, The Drinking Water Safety Act. They let Lake Winnipeg and lakes, rivers and streams decline across the province. We are determined to make sure that we protect the quality of Manitoba's water, and we will.

#### Water Quality Management Zones Soil Maps

**Mr. Leonard Derkach (Russell):** Mr. Speaker, perhaps the minister should, while I am asking my questions, just take a Valium so that he can answer the question rather than shout in the House.

I want to ask the minister this. Farm families are probably the best stewards of water quality in our province because they depend on water for survival. The water regulations have been objected to by all farm groups and all farmers because of their nature and the impact of these regulations on the quality of life of these people.

Now the farmers are asking, and I ask the Minister of Water Stewardship whether he is prepared to listen to the producers, because he has not been at all the meetings, and whether he is prepared to listen to them and ensure the regulations that are written are going to, in fact, reflect what farmers and producers in this province are asking for.

**Hon. Steve Ashton (Minister of Water Stewardship):** Yes, we will listen. I point out that Ian Wishart, vice-president of Keystone Agricultural Producers, recently pointed out that we have been able to reach a lot of common ground in discussion. So, Mr. Speaker, maybe the members opposite should take some lessons in terms of consultations. Number one: you do consult, you have 35 meetings; No. 2, you listen. We will listen.

**Mr. Derkach:** I think that is what Manitobans are waiting for because up until this time there has been no indication by the government that, in fact, they will consider any of the recommendations that are being made by the farm families and the producers. As a matter of fact, the government has said they will redo the maps after the regulations are set, and that seems to be somewhat backwards.



I ask the minister whether he is prepared to ensure that the current maps are put on the table before the regulations are finalized for water, Mr. Speaker.

**Mr. Ashton:** Once again, in terms of consultation, we are not going to listen to the members opposite who want to go back to the nineties and the eighties and the seventies in terms of water quality in this province. Mr. Speaker. They voted for The Water Protection Act. It was passed unanimously in this House. They voted for water quality management zones, and we have said publicly, first of all, that agriculture is part of the solution and, second of all, we are going to take the time to get it right with our consultation. We will listen to Manitobans. We will not listen to the Tories who say we should go back to the nineties.

**Mr. Derkach:** Well, Mr. Speaker, I can tell the member that as a member from the North, he should listen to someone who lives in the agriculture area, relies on water and understands what water quality is all about. Many of the farm families in Manitoba are giving this minister a message but he is not listening. It is time that he started to listen to Manitoba farmers and change some of the draconian measures that he is proposing in his regulations.

**Mr. Ashton:** Mr. Speaker, another part of the transition they used to try and hide that idea that they had a divine right to govern, or that they alone spoke for rural Manitoba. I am proud to represent the Province of Manitoba, for Water Stewardship.

I daresay, Mr. Speaker, I have probably been in more areas of rural Manitoba than that member opposite has been in northern Manitoba. I would like to invite him to come up to the Carrot River Valley in The Pas in northern Manitoba and find out that we have farmers in northern Manitoba as well.

\*(14:00)

#### **Wuskwatim Dam Project Development Agreement Review**

**Mrs. Bonnie Mitchelson (River East):** I want to assure the Member for Thompson that I have visited his community and focussed on his constituents.

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

**Mr. Speaker:** Order.

**Mrs. Mitchelson:** Thanks, Mr. Speaker. The government may think this is funny, but I want you to know that many band members at Nelson House

have been asked to vote on a 1,300-page document that is the Wuskawatim Project Development Agreement. They have been asked to vote on June 7 and June 14, and many band members, constituents of the Member for Thompson, feel that they have not been given adequate resources and adequate time to review the document.

Mr. Speaker, my question is for the Minister responsible for Hydro (Mr. Chomiak): What is he doing to ensure that band members who have raised concerns are given adequate information and an adequate amount of time to review the document?

**Hon. Tim Sale (Acting Minister charged with the administration of The Manitoba Hydro Act):** Mr. Speaker, let me ask the member to think about the implications of her question. She essentially is telling us that the government of the First Nation of Nelson House is not competent to deal with the questions of its own citizens. She is saying that the umpteen open houses and the years of consultation in the local community, with community meetings and with the community having very competent expertise that it has hired and very competent local government, are not somehow competent to make sure that its members are well informed.

We trust the Nisichawayasihk First Nation. We believe they have the right capacity to make decisions competently without our interference. We respect that local government.

**Mrs. Mitchelson:** What members of the community are concerned about is that kind of arrogant attitude by this government. They are concerned about a government that does not listen to the people within that community. Members of Nelson House have fears; many members have fears that it will not be an independent process when the vote takes place.

Because we have a Minister responsible for Hydro, what is the Minister responsible for Hydro development doing to ensure that the vote is fair and it is independent?

**Mr. Sale:** You know, it is interesting, Mr. Speaker. Any time there is an issue involving the economic development or rights of First Nations, the opposition gets up and asks questions about the competence of First Nations to make decisions, asks about the competence of First Nations governments to oversee a process. Every single time.

When I was Minister of Family Services and Housing, they asked if they were competent to take over Family Services. Now they are asking if the

First Nations government is competent to oversee a vote on a project in which they have been involved for some seven years, hundreds of meetings, competent officials, competent advisers. We trust Nelson House First Nation. They will make their own decision, and we will be bound by it.

**Mrs. Mitchelson:** This is all about process, Mr. Speaker. Members of the community—*[interjection]*

**Mr. Speaker:** Order.

**Mrs. Mitchelson:** Mr. Speaker, I am asking these questions because members of the Nelson House community have come to me and have asked me to ask these questions on their behalf. So the answers that this government is giving are answers that are directly responding to individuals who have come forward with the concerns that the ratification vote will not be independent.

Because we have the Minister responsible for Manitoba Hydro (Mr. Chomiak), I want to know what they are doing to ensure that there is a comfort level for those people who have raised concerns that the vote will be independent.

**Hon. Gary Doer (Premier):** Well, whether it is an agreement we have with the municipality, whether it is an agreement we have with First Nations, whether it is an agreement we have with Ottawa, we respect the elected representatives and the votes that take place. Yes, there is no such thing as unanimous consent on some of these issues to determine the decision making of the community.

It is interesting. Just over this weekend, I believe yesterday, the United Nations has pointed out that Canada with all its wealth is not succeeding in having First Nations in this country with adequate housing, water, economic development, health determinants and other issues; very, very important quality of life issues. Maybe we should be joining together to support the Kelowna accord for Aboriginal people and First Nations in Manitoba.

#### **OlyWest Hog Processing Plant Government Position**

**Hon. Jon Gerrard (River Heights):** We tried last week to get support for the Kelowna accord here but we could not.

My question to the Premier is this. Thanks to public pressure, the OlyWest hog plant proposal will be reviewed tomorrow by City Council. This proposal, of course, was not even on the City's radar until this Premier came in with \$27.5 million.

But, the last time this issue was before City Council, some members of his government showed up to oppose the proposal, leaving us asking which side of the fence this Premier is on, which tail is wagging which dog with this Premier.

So my question to the Premier: Will he or other ministers of his government be at City Hall or at least provide the City with a clear letter making it clear where he stands, which side of the fence he is on with the OlyWest proposal?

**Hon. Gary Doer (Premier):** Mr. Speaker, just to delineate the facts. I know if you are ever writing another book, maybe you could get the facts right on this project, too, but I digress. I apologize for that.

The grant level is \$7 million for the infrastructure and training, which is \$3.5 million less than the Maple Leaf proposal in Brandon. The loan is at a profit for the provincial government. It is 1 percent above what we borrow money for, so there is a \$7-million direct investment, which is more than exceeded by the tax considerations.

We will respect the decision on location. The issue of location in the industrial park is a decision that is being made properly by City Council and City Hall. We respect that decision, Mr. Speaker, and the decision of the company, the proponent, is proposed to go there.

They were looking at other sites not in rural Manitoba as purported by the member opposite. This is in terms of factual statements he should get correct. The other location they were looking at was Saskatoon. Maybe he is the representative for Saskatoon.

**Mr. Gerrard:** As the Premier knows full well, it was his government which went to the City and said this would be a great location for this hog plant. They did not say there are lots of good locations outside of Winnipeg. Where was the Premier when it came to where this hog plant was located? The Premier went out and said, this is a great place, why do you not have a look at it here.

Now let us have a look at the question for the Premier. Tomorrow, are you going to recommend that the City say yes or no to the hog plant in St. Boniface Industrial Park?

**Mr. Doer:** Well, Mr. Speaker, to deal with another issue that he has had two positions on and, by the way, the alternative location is Saskatoon. So when he goes out and says it is some mythical place in

rural Manitoba, he should tell the truth about that. The truth is not a bad thing to start with. So it is Saskatoon or Winnipeg.

I respect City Hall and the decision-makers at City Hall to make the decision. We had a similar situation where members opposite, we were supporting the new arena downtown, the member opposite had two positions on the arena downtown, and we let City Hall deal with that issue. He was running around with a yellow ribbon against that arena downtown, running around with a yellow ribbon, saving an asbestos museum at Eaton's.

Mr. Speaker, if we followed his advice on every economic proposal, we would not be building this city. We continue to allow City Hall to make the decisions within their jurisdictions.

**Mr. Speaker:** Order. Before recognizing the honourable Member for Inkster, I just want to inform members that when picking words "to tell the truth," that is getting very, very close to the acceptable boundaries. I caution all honourable members.

**Mr. Doer:** The facts are that it was either Saskatoon or Winnipeg.

**Mr. Speaker:** I thank the honourable First Minister for that withdrawal.

\* (14:10)

### **Health Care System Advertising Campaign**

**Mr. Kevin Lamoureux (Inkster):** The Premier is rolling the dice. Mr. Speaker, the NDP propaganda machine is out. The only different thing is that it is not the New Democratic Party that is paying for it, it is the taxpayers.

This is an amazing document, 12 pages of NDP propaganda. Not only are they publishing propaganda like this, they are advertising to the tilt, NHL hockey games, you name it, they are out there advertising.

Mr. Speaker, an advertising campaign of this nature costs hundreds of thousands of dollars. I suspect they are spending a million dollars more on propaganda than telling the truth to Manitobans about the current condition of health care.

My question to the Premier of this province is: Will he take responsibility for this propaganda and instruct that it should be his own political party that pays for this crap, not the taxpayer of the province?

**Mr. Speaker:** Order. I want to caution the honourable member. Using the words "telling the truth" and also the word "crap" has never been accepted in this Chamber. So I would caution the honourable member.

**Mr. Lamoureux:** Mr. Speaker, I will withdraw it, but the sentiment is still there.

**Mr. Speaker:** I accept the withdrawal—

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

**Mr. Speaker:** Order. When a member is withdrawing, it should be unequivocal withdrawal.

**Mr. Lamoureux:** Mr. Speaker, I withdraw it.

**Mr. Speaker:** We are going to continue on with Question Period, but I think members should be very careful in choosing their words.

**Hon. Gary Doer (Premier):** In the 2003 Health Accord negotiated with the federal Liberal government and the subsequent 2004 agreement that was negotiated by Paul Martin, a person who visited his constituency office in 2003 during the election campaign, the federal government insisted that there be reporting back to the public, public information reported back to the public on the reductions in wait lists because they were worried. The federal government was worried that we were making progress but that not all members of the Canadian public understood that. So this was a condition established by the federal Liberal government which we agreed to in the 2004 Health Accord.

### **Cancer Treatment Access to Oncology Drugs**

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, we are all aware that since 1999, this government has reduced wait lists for cancer patients needing radiation treatment from six to less than one week.

Can the Minister of Health please inform the House what this government has done recently to increase access to oncology drugs for patients needing chemotherapy?

**Hon. Tim Sale (Minister of Health):** Mr. Speaker, starting last summer we began to work with CancerCare Manitoba on the issue of access to very costly cancer drugs. We were pleased last week to be able to announce that we have done two very important things. First of all, we have more than doubled the assets under administration by CancerCare Manitoba. They will now be responsible

for the entire oncology drug budget of the province, meaning they can bring to bear the virtues of buying in bulk. They can make sure that we use the costly drugs appropriately, and we added \$13.3 million to their capacity to make timely oncology treatments available to Manitobans based on good medical evidence and their compassion.

**Education Facilities  
Fort Whyte Constituency**

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Mr. Speaker, my question is to the Premier (Mr. Doer) or the Minister of Education. As the government knows, there are students in my constituency of Fort Whyte who are being bused all over south Winnipeg to get to high school. It is a serious issue. There has been demographic information provided to the Public Schools Finance Board making the case and justifying public expenditure on a new public high school in Fort Whyte.

I know at the end of 2005, the NDP candidate in Fort Whyte indicated to the people of my constituency that it was not a matter of if, but when a high school would be constructed. That same sentiment, it is not a matter of if, but when was echoed by the Minister of Education and similarly was confirmed by the Premier in a meeting with residents of my constituency.

My question to the minister is: When is when?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Speaker, I am pleased to advise the leader of the ambitious capital program that we have brought to the province with respect to infrastructure in the schools, and there has been \$166 million more included in infrastructure in Manitoba schools.

Now there is a process in place, as the member referred to, and that process is a five-year capital plan as submitted by the school boards. The school boards submit that capital plan to the Public Schools Finance Board and the assessment is done at that level, and that is when the capital plan is determined for each individual school division.

Mr. Speaker, we are going to continue to resource, through an unprecedented three-year commitment of \$45 million a year, the capital plans that we have in place for Manitoba schools and improving our infrastructure in the province of Manitoba.

**Mr. Speaker:** Time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### Heather Crowe

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, I rise to inform all members that Heather Crowe succumbed this weekend to lung cancer at the age of 61. Heather Crowe never smoked a cigarette in her life but was a victim of second-hand smoke in her workplace, an Ottawa eatery.

When she was diagnosed with inoperable lung cancer in 2002, she did not despair, rather she chose to turn her anger into something positive, speaking to legislators and the public about the harmful effects of second-hand smoke and the importance of anti-smoking legislation to protect employees and the public.

Heather Crowe was in the Speaker's Gallery in March of '04, when our government introduced Bill 21, The Non-Smokers Health Protection Act. I was pleased to chair an all-party task force in 2003 that toured the province consulting with the public about how the government should deal with tobacco smoke in public and work places. We received overwhelming support for a province-wide ban on smoking in public places and Heather Crowe presented her story to our task force.

Bill 21 established Manitoba as a leader among provinces in limiting tobacco use and second-hand smoke. At the end of May, Ontario and Québec will follow our lead as their anti-smoking legislation comes into effect. All provinces and territories will then have some form of legislation protecting the public and employees from second-hand smoke.

The Canadian Cancer Society credits anti-smoking legislation such as Bill 21 with having a huge impact on decreasing the number of smokers. A recent Stats Canada report shows that the current smoking rate for Manitobans aged 15 to 19 is 16 percent, down from 28 percent in '01.

Mr. Speaker, Heather Crowe's advocacy was very effective. She put a face and a human story to the effects of second-hand tobacco smoke. On behalf of all members, I send my condolences to her family and friends. Thanks to her advocacy, more employees and members of the public now enjoy clean air environments free from the harmful effects of tobacco smoke. Thank you.

\* (14:20)

**Mr. Denis Rocan (Carman):** Mr. Speaker, it was with deep sadness that I also learned long-time anti-smoking activist, Mrs. Heather Crowe lost her fight with lung cancer. She never smoked a day in her life and, yet, in 2002, she was diagnosed with inoperable lung cancer after years of working as a waitress in an environment where smoking was common.

Dr. Mark Taylor, head of the Manitoba Medical Association, introduced me to Mrs. Heather Crowe knowing that once I had heard her story that I would be committed to ensuring that this tragedy would never happen to anyone else. She was an inspiration to us all. Heather knew that her life would be cut short by this horrible disease, but she was never afraid to share her story.

Mr. Speaker, I know that Heather's death will not be in vain because her story will save lives. A part of her lasting legacy will be her significant contributions to provincial legislation across Canada, protecting workers and non-smokers everywhere from second-hand smoke. In September 2003, she testified before the Manitoba all-party committee reviewing options for a province-wide smoking ban. Our province owes her a great debt of gratitude. Not only did she share her experiences to help Manitobans but, also, she was heavily involved with the anti-smoking movement across Canada.

Mr. Speaker, Mrs. Heather Crowe will be greatly missed. Today I remain committed, as I hope all of my honoured colleagues are, to seeing Mrs. Crowe's dream of a smoke-and-lung-cancer-free Canada a reality. I would like to extend my sincere condolences to her family and anyone who loved this brave and special woman. Thank you very much.

#### **The Clothes Closet**

**Ms. Kerri Irvin-Ross (Fort Garry):** This past April I was privileged to attend the 14th biannual Clothes Closet sale of the South Winnipeg Family Information Centre. Over 150 women attended the sale, raising an important sum of money for the Closet, a group that supports women re-entering the work world with strength and poise.

While first impressions are often deceiving, Mr. Speaker, it is a fact that many important judgments are made each day on the basis of appearance. That said, the Clothes Closet offers an important service to women by providing them with good quality clothing appropriate for a work environment. Donation driven, the Closet offers a wide variety of outfits suitable for almost any situation. In addition,

by targeting women who have left abusive relationships and women on social assistance who are in job-training programs, the Closet allows women now re-entering the workforce the chance to do so with self-confidence and dignity.

Established in 1997, the Closet is a referral-based organization that works closely with other community and social service groups. Volunteer directed and driven, the Closet is open several times a week accommodating the schedules of the women who make use of the service. As a result of its networking with different community groups and the work of the volunteers, the Clothes Closet has become a self-sufficient organization serving the needs of Winnipeg's women.

Mr. Speaker, I would like to recognize the important work being done by the Clothes Closet. I would also like to thank the many volunteers and South Winnipeg Family Information Centre who ensure that this service continues to be offered. I would also like to commend the women who make use of the Closet for their determination and commitment to better themselves. Thank you.

#### **CancerCare Manitoba**

**Mrs. Myrna Driedger (Charleswood):** On this past Friday, this government finally announced much-needed funding for CancerCare Manitoba. It was a long road to get there. Members on this side of the House have been working with Manitoba cancer patients for months in an attempt to get this government to provide funding for cancer drugs that are accessible in other jurisdictions. Every day we have been reading the petition of over 5,000 Manitobans who support the need for these drugs. We have written letters to the Minister of Health (Mr. Sale) on behalf of cancer patients who need this government's help.

I am glad that the government has finally listened. We just wish it had not taken them so long. Manitobans have had to travel to other jurisdictions to receive the care they rightfully deserve here at home. The government's foot-dragging on this issue has cost some Manitoba families their life savings.

Drugs to treat colon cancer have been a particular concern. Colon cancer is the leading cause of cancer death in non-smoking men and women. As of last Friday, Avastin, a ground-breaking new drug that has been shown to extend the life of colon cancer patients was finally approved for use in Manitoba. It has been available in other provinces for

some time. We hope that the cancer patients who require this drug will not face bureaucratic delays in accessing it.

Mr. Speaker, we would like to pay tribute to the many Manitobans who worked so hard to successfully hold the government to account on this issue. A number of people worked tirelessly to distribute the cancer drugs petition we have been introducing. On behalf of all cancer patients in Manitoba, we want to thank them for their efforts. At this time we would also like to urge the government to strategically look at cancer trends in this province and to put a plan in place to address the upcoming challenges. Thank you.

#### Gimli Credit Union

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, on May 18, I had the pleasure of attending the grand opening of the new offices for the Gimli Credit Union. On behalf of the members of the Legislative Assembly, I would like to congratulate the Gimli Credit Union, President Barrie Stefanson, its board, staff and members. The founding members of the first board, Stefan Stefanson and Raymond Sigurdson, were kind enough to review the outstanding history of the Gimli Credit Union and its many accomplishments. It was clear that this organization was something special from its inception, embracing and succeeding with a co-operative vision of credit unions.

The business has been an important part of the Gimli community for over 50 years, working with and giving back to its members. The Gimli Credit Union is a local leader of business, community and has essentially grown with and always supported by the citizens of Gimli. I would like to acknowledge the strong tradition of contributing to the numerous community groups and local initiatives. Since 1995, they have given back over \$850,000 to its membership.

Mr. Speaker, once more, I would like to offer our sincere congratulations to the Gimli Credit Union for this proud moment in their history. I know they will continue to thrive and provide expert, friendly customer service in this new location. Thank you.

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, private members' resolution for next Tuesday will be The Safer Communities and Neighbourhoods Act.

Would you please call Bills 37, 35 and then Committee of Supply.

**Mr. Speaker:** For next Thursday, it will be private members' resolution, The Safer Communities—

**An Honourable Member:** On Tuesday.

**Mr. Speaker:** On Tuesday, Safer Communities resolution.

House business will now deal with Bills 37, 35, and then we will move into Committee of Supply.

#### ORDERS OF THE DAY (Continued)

#### GOVERNMENT BUSINESS

#### DEBATE ON SECOND READINGS

#### Bill 37—The Labour-Sponsored Investment Funds Act, 2006 (Various Acts Amended)

**Mr. Speaker:** We will now call second reading Bill 37, The Labour-Sponsored Investment Funds Act, 2006 (Various Acts Amended), standing in the name of the honourable Member for Pembina (Mr. Dyck).

What is the will of the House? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Pembina? Agreed?

**Some Honourable Members:** Stand.

**Mr. Speaker:** Okay, it will remain standing in the name of the honourable Member for Pembina.

Any speakers? No.

Okay, we will move on.

#### Bill 35—The Public Schools Finance Board Amendment and The Public Schools Amendment Act

**Mr. Speaker:** Bill 35, The Public Schools Finance Board Amendment and The Public Schools Amendment Act, standing in the name of the honourable Member for Steinbach (Mr. Goertzen).

What is the will of the House? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Steinbach? Agreed? [Agreed]

Now we will move into Committee of Supply.

The Chairs, please go to the appropriate rooms. In the Chamber will be Executive Council. In Room 254 is Aboriginal and Northern Affairs. In Room 255 is Family Services and Housing.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**ABORIGINAL AND NORTHERN AFFAIRS**

\* (14:40)

**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 Aboriginal and Northern Affairs.

Does the honourable minister have an opening statement?

Honourable Minister, the floor is yours.

**Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs):** Mr. Chairperson, I have a few remarks I want to make, but before I do that I want to see if I could introduce our staff who are in attendance here today. The deputy minister, Harvey Bostrom; our executive director of local government division, Marilyn Duval; our executive director of Aboriginal Affairs Secretariat, Joe Morrisseau; our director of finance, Rene Gagnon. We also have our director of program planning and development, Jeff Gordon.

Mr. Chairperson, it is again a pleasure for me to introduce our '06-07 Estimates for the Manitoba Aboriginal Affairs department. Aboriginal and Northern Affairs provides a crucial co-ordinating focus for northern and Aboriginal issues across government. We provide support to Manitoba departments and agencies on policy development and program planning. The issues are often complex and controversial in nature. Departments rely on Aboriginal and Northern Affairs to provide analysis, advice and assistance to achieve a consistent and effective approach across government.

The department also works in partnership with northern communities, Aboriginal organizations, government agencies and other levels of government. We promote partnerships that lead to more effective and efficient use of government resources. We work to enhance living conditions and opportunities for the people of northern Manitoba by helping with needs for reliable transportation systems, municipal infrastructure, safe water supplies, housing, health care and educational opportunities.

This spring, a number of Manitoba communities faced serious flooding. One of the hardest hit was the Northern Affairs community of Red Deer Lake, who,

after a valiant attempt to hold back rising waters, were forced to evacuate in late March. They are still out today, and just this week we extended the state of emergency until the end of this month. It may be as long as two weeks before residents can get back to check the damages to their properties.

I want to, of course, commend the residents of Red Deer Lake for their good grace and their perseverance in a very difficult situation. I want to also thank and praise the people of Barrows for their extraordinary efforts and assistance throughout this period.

Our department and other departments are working with residents to address the many issues that they are facing now. The Premier (Mr. Doer), Minister Wowchuk and myself toured the two communities, and you might say we were all very impressed by the determination and dignity of those people in facing these enormous challenges.

My department and the communities we work with are continually challenged with increasing costs, more rigorous standards and more complex technology related to the treatment of drinking water.

Of our capital budget of approximately \$9.8 million, a major portion is committed to water treatment projects. For '06-07, the department was able to receive approval for an additional \$400,000 towards upgrading facilities on a priority basis. Notable among the projects planned for this year is the upgrade to the water treatment and distribution facilities in Sherridon. The department's contribution to this project is \$1.1 million, including this new capital funding of \$400,000. The balance required to deliver this \$3.3-million project is being funded through a Canada-Manitoba Infrastructure Program, Municipal, Rural Infrastructure Fund.

The treatment of waste water is also high on our list. Approximately 30 percent of our capital allocation this year will go toward upgrading waste-water treatment infrastructure.

In December '05, Mr. Chair, I would like to talk a little bit about South Indian Lake. The incorporated community of South Indian Lake ended incorporation when O-Pipon-Na-Piwin Cree Nation signed a transition agreement with Indian and Northern Affairs Canada to establish Manitoba's 63rd First Nation. The transfer of the community to reserve status includes Manitoba support for infrastructure improvements.

A small, unincorporated, non-status community will remain under the jurisdiction of Manitoba Aboriginal and Northern Affairs. The province will pay the First Nation to provide municipal services for the non-status community.

Training and certification for water facility upgraders and back-up operators is mandatory, of course, now. We have been working closely with Red River community college and Manitoba Conservation to train operators in northern and remote regions. A significant number of operators have achieved the required training; 65 percent of the operators have completed the water treatment certification; 59 percent have completed the wastewater collection certification. We have trained more than 70 operators in this program.

Between 2003 and '05, my department completed a review of our fire program with the assistance of the Office of the Fire Commissioner. The purpose for the review was to define a strategy to train and equip fire departments to nationally accepted firefighting standards. We are now implementing that strategy to ensure the protection of communities from fire and the safety of firefighters through proper training and the provision of protective clothing in a required year. We are working to improve basic fire prevention and education, grass and brush fire response, defensive and offensive firefighting capacity, search and rescue ability. We are also upgrading fire trucks and turnout gear on a priority basis.

Aboriginal and Northern Affairs is also committed to facilitate training and ensure equipment is available to support that training. Last year, 28 firefighters from foreign communities completed Manitoba Level I Practical training. This year, another 11 firefighters have completed Level I Practical; eight more are currently undergoing training with five more communities slated for training during the balance of the year.

A constable program is being extended to Thicket Portage and Pikwitonei for the first time. The overall program will also provide 11 new constable vehicles.

With Aboriginal and Northern Affairs assistance the Lifesaving Society, Manitoba Division, delivered a valid Safety Education program reaching 500 young people in six northern communities: Oxford House, Garden Hill, Wasagamack, Wabowden, Lynn Lake, and Sandy Bay. Our department has also coordinated support from other provincial government

stakeholders for an expanded program in 2006 with a goal of reaching 1,000 young people in 10 communities.

The department is implementing our Workplace Safety and Health initiative which began last year with the publication of *A Safe Workplace*, a Workplace Safety and Health manual for your community. The initiative continues this year with a comprehensive training program costing about \$500,000 and the acquisition of equipment costing another \$250,000 to ensure safe workplace practice in community workplaces.

We work in partnership with the Northern Association of Community Councils; we often refer to that organization as NACC, our information sessions and regional workshops for mayors and councillors, as well as training opportunities for community personnel, the administrators.

The review of our act over the last several years has resulted in the introduction of new legislation which has been proposed to modernize and improve the Northern Affairs Act, making it more consistent with the Municipal Act.

In treaty land entitlement, we have an action plan to fast track the implementation of TLE agreements, and to date approximately 200,000 acres of Crown land has been transferred by Manitoba to Canada.

We also have other negotiations going on with respect to what we commonly refer to as forebay, and that was the installation of the Grand Rapids hydro dam at Grand Rapids.

**Mr. Chairperson:** One minute yet.

**Mr. Lathlin:** Well, I am not going to be able to finish this, so I will end there.

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

Does the official opposition critic, the honourable Member for Minnedosa, have any opening comments?

**Mrs. Leanne Rowat (Minnedosa):** I do, thank you, Mr. Chair. I was wondering if the minister would be so kind as to table his opening remarks. I understand and I appreciate that he did not have enough time to complete them, but I would be more than interested in receiving a copy to be able to continue reading more about the initiatives that he is partaking in in the Department of Aboriginal and Northern Affairs. I



will continue with my preamble once I get confirmation from the minister.

**Mr. Chairperson:** Did you want him to finish his—

**Mrs. Rowat:** I will do my preamble, but I would not mind receiving a copy of his preamble also.

**Mr. Chairperson:** Later or right now?

**Mrs. Rowat:** Once we complete.

I would like to just speak a little bit about some of the issues. I am fairly new to this critic role, and I appreciate and I hope that the minister will accept that some of my questions will be exploratory and learning more about the department. I am pleased to see that a number of initiatives in the water treatment and wastewater area are being looked at and are being considered by this government, and I look forward to learning more about those priorities and how those projects are moving forward.

I would also like to express my heartfelt concern and regret to the communities in the Red Lake area who are in a state of emergency, who are away from their communities. Some of them are displaced from their families, and I know that it is a difficult time. I, too, understand that government staff and residents in the community who are volunteering to help should be congratulated for the efforts that they are making. I, too, wish that the community is reinstated and everything is back to a fair state of normal progress in the near future. So my concerns and best wishes are for the community as well.

I want to also welcome the staff of Aboriginal and Northern Affairs. I appreciate your coming to Winnipeg, the ones who have travelled out of town, and I also want to thank the ones coming from probably air-conditioned buildings to a very warm legislative committee room. So I want to thank you, and I look forward to working with you in the future on the issues that are important to Manitobans and especially to the northern communities involved.

I want to thank the minister for his comments, and I look forward to getting a copy of his opening preamble because I do believe it is important that I have all of the facts available to me in working with him as the critic. My goal, as is the goal of the minister, is to work at providing better services and opportunities for Manitoba's Aboriginal and northern people. So today I will be asking the minister what he and his department are doing in several areas that are promoting and working in the best interests of

access to services and opportunities for northern and Aboriginal people.

Economic opportunities and training is an area that I have some background in, and I am very interested in learning more about the department's work in improving the economic opportunities for Aboriginals and northerners over the next few hours and then continuing into my role as the critic. The value of some of the training programs being developed by the government are concerning and some of them should be congratulated upon. So we will have an opportunity to debate.

\* (14:50)

Training has been and should be effective and meaningful. I would like the minister to be able to debate with me on some of the challenges that are facing Aboriginal and northern peoples, and maybe together we can push on some of the opportunities that need to be addressed.

It is important to ensure that these opportunities will result in long-term employment and economic benefits. All communities in Manitoba and I believe across the country are looking for opportunities to be self-sustaining. I am sure that the minister agrees with that statement. It is important that economic opportunities be developed for Aboriginals and northerners by this government and that this government embrace opportunities provided by the federal government to improve the lives of Aboriginals and northerners.

The residential school settlement payments that will be flowing to former residential students and their families provides an example of an opportunity for individuals to improve their lives for themselves within their communities and the province. I work with some community people at Waywayseecappo. I grew up five miles from that area, and I have been working with them over the last year on some of those issues. I am very pleased to see that their pain and suffering is being recognized, however minimal that is. But I do understand and appreciate that these are times where we need to look forward. I look forward to working with more communities in trying to help in investing in their futures.

Women and children, Mr. Chair, and minister, I look forward to asking questions and working with the minister on finding ways to continue to improve the conditions for Aboriginal women and northern women, as well as all women within the province. But with my critic role, I will be focussing on

working with Aboriginal women to ensure that steps are being taken to protect the rights of these women in the province. Ensuring that our children are cared for and safe in this province is most critical. I look forward to knowing more about what this minister will be doing in his role as the Minister for Aboriginal and Northern Affairs to protect vulnerable children in Manitoba.

I am also looking forward to learning more about the interest in the Northern Healthy Foods Initiative. Access to healthy foods is an integral part of the well-being of people, and this is, obviously, providing some challenges to the Aboriginal and northern communities.

I sat on an economic development board which I had the honour of attending in Thompson in 2002. I believe that this was a very serious issue and a challenge for the people that were from the Bayline area, and this continues to be, I believe, looking through the Web sites, an issue that is being addressed by those communities. I look forward to my visit to Gillam next week and learning more about their issues, and other communities. As I am the critic, I will take this very seriously and will continue to meet with and engage individuals from the Aboriginal communities, as well as the northern communities.

I am interested to learn more about the Workplace Safety and Health Initiative that the minister spoke briefly about. I believe that we are on record as supporting non-smoking legislation for all Manitobans. I will be asking for some assurances from this government to prepare to fight for Aboriginal workers in this area. I know it is an issue that is a concern because there are some beliefs and cultural rights. I believe that we need to work with the communities to ensure that there is a voice, but that, ultimately, we are taking care of the well-being of all people within our province.

So, as the critic responsible for Aboriginal and Northern Affairs, these are some of the concerns that I have and some of the areas that I will be focussing on. So I look forward to the minister's responses to my questions. I, again, encourage him to respond as best as possible to a lot of these, and, if not able to respond, that he will work with me on getting the answers that I need to ensure that I am a valid critic for opposition. I look forward to our working relationship. Thank you.

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

Under Manitoba practice, debate on the Minister's Salary is the last item considered for the department in the Committee of Supply.

Accordingly, we shall now defer consideration of line 19.1(a) and proceed with consideration of remaining items referenced in Resolution 19.1.

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

I realize the minister has already introduced his staff, but if he would wish to reintroduce them, the floor is yours.

**Mr. Lathlin:** Mr. Chair, I never do anything twice if it is not required.

**Mr. Chairperson:** Okay. Thank you.

Does the committee wish to proceed through the Estimates of this department in a chronological manner or have a global discussion? The floor is open.

**Mrs. Rowat:** I would like to proceed through Estimates in a global discussion, please.

**Mr. Lathlin:** I agree.

**Mr. Chairperson:** It is agreed that the questions for this department will follow a global manner, with all items to be passed once a question has been completed. Agreed and so ordered.

The floor is now open for questions.

**Mrs. Rowat:** I think we will start with the Northern Healthy Foods Initiative. I have a little background on that, serving on an economic development committee at some point. So I would just like to know, when I went through the Estimates and the budgets of years past, there were a number of questions that were asked, and I did not see any type of a response. I hope the minister will give me some leeway because I do not know what he did respond to the former critic, and this will give us a chance to still open some dialogue on some of the issues facing the Aboriginal and northern people.

The funds used for the implementation program, could the minister indicate to me whether an evaluation has been done on that program, an assessment sort of to determine the effectiveness of some of the food pricing in northern Manitoba?

**Mr. Lathlin:** I can indicate to the member that this is a brand new initiative. So I think, in order for us to be able to do a proper evaluation of progress and

results and so on, we need to probably establish a little more data from which to do the evaluation, but certainly an evaluation is in the plans.

\* (15:00)

**Mrs. Rowat:** I am looking at the Aboriginal and Northern Affairs annual report from 2004-2005, and I believe at that point they did talk about doing an evaluation. I do know that the prior critic did ask some questions about evaluation, and that the minister had indicated that they would have more data the following year. This is the following year, so I am wanting to know if there has been any type of an evaluation on the program at all at this point. I believe that the critic was assured there would be to the next year.

**Mr. Lathlin:** This program actually took a while to get going. In fact, it was only last year that we implemented part of the program. This year will be the first time that it will go the full year.

So I have to, again, say for this year's Estimates that there is just not enough data there to do the evaluation because it is so brand new. In fact, we are making some changes as we go along because we are finding that in some places you have got to do different things because of the geographic location of where we are implementing the program.

Initially, I had thought that we would only do the communities that are more isolated than others, where there is access only by air and winter road. Since that time, we have worked with communities along the Bayline. They are accessible by the Hudson Bay railway line, and so that is what I mean. My thinking, initially, was to give all the resources to the most isolated communities. We are still doing that, but we are including some other communities, too, that are not so isolated.

**Mrs. Rowat:** Mr. Chair, what communities were identified initially? I believe there was \$257,000 allocated in the 2003-2004 budget for that. What communities were identified at that time, and what criteria were used to identify the need by those communities?

**Mr. Lathlin:** There was no official list of communities, but our working list of communities would include those communities and criteria that you could only access by air and winter road. So, at the time that we were doing this, I was thinking of Shamattawa, Lac Brochet, Tadoule, and initially, those were the communities that we were thinking

about, the ones that you could only get to by air and by winter road.

Since then, we have done, in '05-06—like I say, \$256,900 was approved for these specific projects. And for the Bayline Regional Round Table, we allocated some \$22,500. Four Arrows Regional Health Authority, for the member's information, is in the Island Lake area. NACC, the Northern Association of Community Councils, they got \$22,000; the Northern Garden Program, \$41,000; Fruit, Garden, Curriculum Development, \$18,000; and Special Community Projects, \$26,000.

So that is more or less the way the program has been going, but, like I said, partially last year and we are going the full year this year.

**Mrs. Rowat:** Mr. Chair, I would like to know if there were any observable outcomes from the projects. From, specifically, the RHA. You had indicated there were \$22,000, and Special Projects that received \$26,000. Can you expand on both of those initiatives and the outcomes from those projects? What were those dollars used for, and what are any observable outcomes benefiting the communities on both of those initiatives?

**Mr. Lathlin:** Well, for example, if we take the Four Arrows Regional Health Authority, they serve six Island Lake communities with emphasis on community gardens, bulk nutritious food buying, and they are also working on chronic disease prevention.

The six communities that I am talking about are St. Theresa Point, Garden Hill, Red Sucker, Waasagomach, Disbrowe Island, Stevenson Island, and the cost funding for these projects are shared with the Four Arrows through their disease prevention programs. Then, when I mention the Bayline Regional Round Table, there are seven communities in that round table and it is in north-central Manitoba, primarily along the Bayline railway—I call it Hudson Bay railway line—that extends from The Pas to Churchill. They would include Wabowden, Cormorant, Thicket Portage, Pikwitonei, I guess, Ilford, Moore Lake, Manto Sipi First Nation, which is God's River, and Bunibonibee Cree Nation, which is the Oxford House. The emphasis for those programs is capacity building, community gardens. I think, this year we have been able to ship over the winter roads a whole host of community garden equipment for this year's operation.

**Mrs. Rowat:** Could the minister indicate to me the allocated dollar amount for the Northern Healthy Foods Initiative, and would he be able to provide in writing the breakdown of the communities that were identified, a breakdown of the dollars allocated and I guess, you know, the projects that have developed? He has indicated a few of them, but I really would like to know how the dollars have been broken down, I guess the criteria for the communities.

If a community did not fit the criteria, do they get put onto another list, or are they successful through other means in receiving dollars? I would really like to get a better sense of the process for these projects and how the dollars are sustaining some of the community issues.

I understand and can appreciate the programs that the minister has indicated as being important, and I do not challenge that. I would just like to get a sense of the regional health authorities, the Four Arrows and the Northern Association of Community Councils' roles and how the dollars are being partnered with those communities, and what type of outcomes the communities are seeing in those dollars.

**Mr. Lathlin:** Well, first of all, yes, I can certainly provide the member a list of where we have provided funding. Because of my interest in this program, I have actually asked staff to give me pictures of what communities are doing out there during the summer and all the gardens that are growing, whenever they do the harvesting, where they are storing the stuff because I am interested in this, what they are doing.

\*(15:10)

I will get to your other question later. Initially, you see, people would say to us, or to me, why can you not sell milk for the same price? They would tell me, well, Oscar, if you buy a bottle of whiskey in Winnipeg, it costs you the same price in Churchill. Then they would say, why do you not do the same for milk? Well, you see, my response has always been, when we were growing up, people around my age who grew up, yes, milk was very important for the first little while, but after that it was fish and moose meat and stuff like that. So milk no longer became such an important part of our diet. It was not until later on that somebody had thought, I guess, that would be a good issue to raise. There was a committee—incidentally, this whole initiative was born under the works of the MKO chiefs, and I forget who else. There was a whole host of organizations that got together and tried to address

the high cost of food up north, and in their deliberations they slowly got away from discussing the price of milk. Rather, they started discussing the high cost of nutritious foods in the North. Eventually, of course, they got talking about the transportation system in the far north and how that contributes to the high cost of living, including the price of food up north.

But our key operational goals for '05 and '06-07 would include developing and improving the implementation of the northern community gardens program, including compatible classroom curriculum and implementation. Just about a month ago, I was in Thompson, attending an event where mostly Frontier School Division but other NACC leadership and First Nations were gathered in Thompson to plan further on Northern Healthy Foods Initiative. It was more like a workshop. It was very interesting because several resource people came in, and some even brought seeds to plant vegetables. I found it very interesting. So what they are trying to do there is creating an awareness in the schools, right from the little kids all the way up to adult life and to create an awareness in the community that we cannot live on Coke and Pepsi and chips and stuff like that.

So the other one—let me finish the two remaining parts here—it includes food business development and, in this case, we are bringing together inner city Aboriginal people through the Neechi Foods Co-operative Limited with northern shoppers. I also think that it would be a worthwhile project once it fully gets off the ground.

We are also developing and implementing sort of like a multilevel strategy to support the purchase of food freezers in remote communities on a pilot basis. Apparently, this was being done in northern Ontario where isolated communities would have what they call a community freezer. People would go out and harvest wild food, and it gets distributed to households, mostly elders and people who have diabetes. Those are some of the goals that we have for '06-07.

**Mrs. Rowat:** Thank you, Mr. Chair, and the minister. Some of the comments he has made—I have read through Estimates so I appreciate his giving some updates to some of the questions. I believe and I support what the minister is saying, that prevention is something that will support awareness and will help in the deficiencies of vitamin D that is found in milk and other dairy products. That is why I support any type of awareness campaigns that the

government is providing to Aboriginal and northern communities.

I guess that studies have shown that the high cost of fruit, vegetables and milk in remote northern communities are a key factor in the issues facing communities in the area of poor nutrition and, obviously, leading to dental health and diabetes and other chronic illnesses.

So I will be continuing to work on being critical, I guess is the word that comes to mind, of the government's ability to ensure that there is awareness. There are issues that are facing Aboriginal and northern people. We need to be working diligently at trying to promote healthy living for all Manitobans, but especially in northern Aboriginal communities where there needs to be more awareness to the needs of a healthy and strong diet that will help promote healthy living.

Can the minister indicate to me how many gardens are in northern Manitoba right now, and how many gardens are in southern communities right now for Aboriginal people?

**Mr. Lathlin:** Well, Mr. Chair, as I was indicating earlier, this is a new program. It was in the planning for some time. I myself did not quite know how it was going to turn out because I thought the need was so overwhelming that I know we are going to need so much additional financial resources. As it turned out with the finances that were approved for this project, we were able to use that to plan, so we spent the better part of the first year and into the second year planning and trying to operationalize this program.

Finally, last year we were able to implement some of the things that we had in mind. Unfortunately, we did not develop too many gardens last year. This year, however, I know that some equipment was transported over the winter roads to some of the communities. I should also indicate to the member that we are targeting a number of gardens. Last year, I guess, we had about 105 were targeted. That was our target, and I understand that we were able to do 68 of them. Fourteen communities altogether were targeted last year.

About 300 children, Grades 3 and 4 received the soil and plant science curriculum to germinate garden plants for community gardens. That is the part that I saw, that is the workshop that I saw in Thompson.

**Mrs. Rowat:** Mr. Chair, I am seeing that a lot of the numbers for when these projects were initiated as 2004-2005. Is the minister saying that the projects, even though there were dollars allocated in 2004 and 2005, that these projects are just now seeing some success in 2006, or will be seeing in 2006?

**Mr. Lathlin:** What I am saying to the member, Mr. Chair, is some of the work was started in '05. As I said earlier, in the first couple of years, most of the work was planning, development and we are now finally starting to implement. We are only about a year and a half into the project. Well, I should not say a year and a half, because this year is not fully over yet.

\* (15:20)

**Mrs. Rowat:** Just a quick question for the minister. I know that a bill has been put forward by a member from the Liberal caucus on milk pricing. I am wondering if the minister would comment on whether his government is looking at supporting something similar to what is being presented in the bill. I think it is Bill 213, The Milk Prices Review Amendment Act.

Can the minister just give me some background on whether he has spoken to his Cabinet colleagues about this? Is setting milk prices a part of the solution? I guess if he is objecting to controlling the price of milk, I would just like to know his personal comments. I do know that the honourable minister is from northern Manitoba. He has first-hand understanding of the importance of that. It is just a quick question. I just need to get a sense of where the government is at on that issue.

**Mr. Lathlin:** Mr. Chair, again, I want to note for the member that it was really the stakeholders, MKO and others, who, as this idea was looked at to see if anything could develop from it, it was really the MKO representatives who started saying that milk was no longer a priority. It is a priority in terms of a new child in the home, but as they get to be five, six years old, it is no longer a priority.

They wanted to concentrate on addressing the really high cost of foods in the North. One of the ways that they saw that that could be addressed was perhaps doing things locally themselves and that is what we have done.

I should also mention another one of our programs. I suppose it could be part of the Northern Healthy Foods Initiative, but our government initiated a program a couple of years now, I guess,

where, I think, it is called the Healthy Baby program, where we provide money to moms at a certain stage of their pregnancy so they get extra money. That program is extended to First Nations communities as well, not just non-First Nation communities. I understand it was utilized to a very high degree by First Nations women. So, hopefully, down the road, that program will bring positive results as well.

**Mrs. Rowat:** I thank the minister for that. It not only provided dollars but it also provided awareness and some consultation with new parents, too, on how to eat healthier and to promote the wellness of not only their children but of themselves, so it is a good program.

I have another question for the minister. I am having a little trouble getting a sense of where this community gardens project is going. I understand there are 68 communities that have received, but I am not getting a really strong sense of the observable outcomes on that program. So I will have to continue working with the minister on that.

I understand the importance of fresh fruit and vegetables for communities. I really want to work with the minister on ensuring that the communities do move forward in these areas because, not only does it provide proper nutrition, but it also helps deal with dental health and diabetes.

So I support that initiative, but I really would like to see stronger outcomes from it over the next year. Especially, another piece of that would be the freezer program. I believe, if it is a pilot project, I understand and appreciate the need for the capacity to retain produce. So I will be wanting to see some really strong outcomes on that program, as well, for not only the produce, but also for, as the minister indicated, the meat that would be needed to freeze, to sustain the community.

The minister indicated that there is a joint co-operative development project, and I am interested in knowing more about that because I believe that the study was conducted to assess the need, desire and commitment to retail consumer co-operative, and I think it was in Matheson Island. I am wanting the minister to indicate in detail who is conducting the study and who all the partners are in that study. It is something that I think would help in the sustainability of community. So if he could provide, you know, the status of that and who is conducting the study and all the partners involved.

**Mr. Lathlin:** Mr. Chair, I have to indicate to the member, I am not aware of any study being done that would include that meeting at Matheson Island.

**Mrs. Rowat:** In the 2004-2005 annual report, on page 21, there is a joint co-operative development project that was initiated by Manitoba Aboriginal and Northern Affairs. I guess, I am asking the minister if he would indicate to me who is conducting this study and who the partners are.

**Mr. Lathlin:** Mr. Chair, I am going to have to take that under advisement. I will endeavour to get the proper documentation and provide it for the member as soon as I am able to.

**Mrs. Rowat:** I believe that it was initiated a good year back, but I am assuming that the minister would have some background on it. It is a project that was looking at the co-operative model for Northern Affairs communities with improving the quality of life and well-being of northern communities, and it was a joint co-operative development project proposed as to explore and develop the co-operative development model in four Manitoba communities: Camperville, Cormorant, Matheson Island and Seymourville. Does that help at all?

**Mr. Lathlin:** Mr. Chair, as I indicated earlier, I will endeavour to get proper documentation rather than trying to remember or guess the particulars of that study. I will endeavour to get that information for the member and get it to her as soon as I am able to.

**Mrs. Rowat:** What I want from the minister in the information that he is going to provide is who is conducting the study and what were the parameters of that study and, I guess, the fee allocation for that study.

In regard to another proposal that was put forward, the Manitoba Aboriginal and Northern Affairs was spearheading a proposal for the training of community development officers in northern communities, and I believe community development officers are a kind of key to my background. I believe they play an important role in implementing plans and strategies for communities, and they are at the grass roots of those communities. I would like the minister to indicate to me what the status is of that proposal.

\* (15:30)

**Mr. Lathlin:** Mr. Chair, actually I believe that proposal came from within the department. I looked at it a while back. I cannot remember when it was,

but within the past year I had a chance to review the proposal. So I understand now we are doing four projects on a pilot basis, one for Cross Lake, one for Norway House, one for Seymourville, and one for Camperville.

**Mrs. Rowat:** Can the minister indicate to me some detail on each of those projects, Cross Lake, Norway House, Seymourville and Camperville? What exactly is happening with the development models in each of those communities and what projects are they initiating?

**Mr. Lathlin:** Mr. Chairperson, the member is asking me for very detailed information. I do not have that off the top of my head, but I will make a commitment to the member that I will get that detailed information and pass it on to her as soon as I am able to.

**Mrs. Rowat:** I have a couple of questions regarding some of the programs that he mentioned in his preamble, the fire program and the constable program under the protective services area. Both programs were under review in '05-06 Estimates, and so I am just asking for an update. Who did the review on those programs and what communities were included in the review and the reasons why those reviews were done.

**Mr. Lathlin:** In my opening remarks, I indicated to the member that where we had done a fire program review in collaboration with the Office of the Fire Commissioner. Between '03 and '05 that review was completed with the assistance of the Fire Commissioner. The whole purpose of that review was to define a strategy to train and equip fire departments so that they could meet standards that are nationally acceptable.

**Mrs. Rowat:** Just for clarification, was the review done by the Fire Commissioner's office or was there an independent group that did the review?

**Mr. Lathlin:** Mr. Chair, no, the review was actually done by departmental staff with the assistance of the Office of the Fire Commissioner.

**Mrs. Rowat:** I am sorry. I could not hear what your response was. Did you say it was done by departmental staff?

**Mr. Lathlin:** Mr. Chair, the study was actually done by our department staff with the assistance of the Fire Commissioner.

**Mrs. Rowat:** Is a copy of the review available and the recommendations that were presented? Is it available?

**Mr. Lathlin:** Mr. Chair, yes, it is available.

**Mrs. Rowat:** I guess I will wait for the report on that. I apologize.

The water and waste operations certification, the minister spoke in his opening remarks regarding training of staff. He indicated that 65 percent of individuals were being trained as facility operators, and 59 percent as backup operators. How many communities do not have qualified staff on site at this point, Mr. Chair?

**Mr. Lathlin:** Mr. Chair, I want to make sure that I emphasize this point and that is, the numbers that we are giving here are those communities that have completed the training. That does not mean, however, that the others did not get any training at all. Some of the communities that we are not mentioning in this number are already trained from before; 32 out of 40 are trained; 32 out of 40 are involved in that certification program.

**Mrs. Rowat:** Just for clarification, Mr. Chair. So there are 40 communities that at the present time require training and mandatory certification of water facility operators and backup operators?

**Mr. Lathlin:** I do not understand the question, Mr. Chair.

**Mrs. Rowat:** What I am trying to get at is a sense of the number of communities that require trained and certified water facility operators and backup operators. How many communities require that status in northern Manitoba?

**Mr. Lathlin:** Well, my arithmetic, Mr. Chair, tells me that if we are working from the number 40, and 32 are involved in this certificate training, that would leave eight that are not now. But, in addition to that, I want to make the point that in total we have 50 communities, I think 50 communities altogether, in NACC. Not every community is advanced to the stage that some communities do. The remainder of those communities have wells, truck-delivered water, truck-disposal of sewage, the remaining 10 communities.

**Mrs. Rowat:** I appreciate the patience of the minister. I am trying to get a sense of the number of communities and I understand totally. Living in rural Manitoba, not that it is anywhere near the extreme challenges that you face, but we also face challenges

similar in that sense where we are trying to ensure that we can upgrade our water and sewer needs as well.

\* (15:40)

So I just want to get a sense of the number of communities that presently have those opportunities for water and waste water, and I understand totally the need and the challenges of trying to get the training for the operators, whether they are backup or on-site supports. So I am just trying to get a sense. So right now there are 32 of the 40 communities that have the qualified operators and backup operators, and eight communities that are outstanding in their training needs.

What is happening in those eight communities? Do they have other supports in place? How far are they in their training? What are some of the challenges that they are facing? Is there turnover in the support for those operators? I guess I would like to know the status of where they are in ensuring that they do receive that training down the road, within the year or the next two years.

**Mr. Lathlin:** Mr. Chair, I can advise the member that, out of the 40, 32 are involved in varying degrees of water certification. There are different levels. Not every community is at the same level. Not every community requires the same level of service. Some are more complicated than others. But there are 32 out of the 40 involved in some sort of water certification. Now, as far as the eight goes, yes there is support. But I also want to inform the member that, at least for now anyway, as we train these operators, once they get that certificate, well, sometimes they go into the market and they are gone. So right now we are having to deal with turnover. These people get hired on by a First Nation water system, or they go and work for someone else, like municipalities, adjacent municipalities.

But I believe that we are getting there. I was in Norway House just last Thursday. They are happy. I was very impressed to be given a tour of their brand new water treatment plant and their brand new fire truck. These people were extremely proud of it. They showed it off with great pride, and they should be commended.

**Mrs. Rowat:** I do support what the minister is saying in that communities should be commended for initiating and being rewarded for their hard work

in securing much-needed resources to sustain their communities and to protect them.

The minister indicated that there are eight communities that do not have the water facility operators supports in place. Could he indicate to me those eight communities, please?

**Mr. Lathlin:** The eight communities that the member was referring to apparently are: Red Deer Lake, where we are having some problems now with flooding. That is not really remote. But these are very small communities; sometimes there are only 10 or 11 in homes in the community. National Mills, Granville Lake—apparently, in Granville Lake, we have a very good operator, except that he has not gone through the certificate program. But he is qualified and all he has to do, probably, is just come and take the course and he will pass it with flying colours. Brochet, Gods Lake, Berens River, Loons Straits and Princess Harbour, those are all very small communities.

**Mrs. Rowat:** Of those 32 communities, can the minister assure me or clarify that they do have certified and trained water facility operators on staff?

**Mr. Lathlin:** Mr. Chair, what I advised the member was the 32 that we referred to earlier are communities that are in varying degrees of training in the water certificate program. There are different levels, Level I, Level II, and not every community is at that same level, but I can assure the member that all 32 are involved in the certificate program and, hopefully, within a year, all 32 will have attained the top level that is required for that community.

The other thing, I think I had mentioned it to the member earlier, it depends what size your community is. You may just require basic training. If the community is a little bit bigger then the training becomes a little bit more complex. In Norway House, for example, the facility that I saw, it would appear to me that in order to operate that facility there you would need some mechanical training.

**Mrs. Rowat:** One final question on that. Of those 32 communities, how many of them have trained and mandatorily-certified water facility operators in their communities working in their plants?

**Mr. Lathlin:** Mr. Chair, I can advise the member that out of the 32 that we have been talking about, 24 have attained their top level. Again, some communities require only a certain level. Some communities require a more complicated system.



But I want to also tell the member, Mr. Chair, for example, apparently in the water treatment area, there is only one level. Water distribution system, there is one level required. Okay, let us see if I can get this right. There are different levels required in the different aspects of training in water and sewer. In this case, we are talking about water treatment.

In water treatment there are apparently three levels: water distribution, two levels; waste-water treatment, there are two levels there as well. Connection of waste, there are only two levels there. So that is what I mean. There are different levels of training for each aspect of their works and operation system.

\* (15:50)

**Mrs. Rowat:** I will leave that one for now, Mr. Chair. There is a Capital Preplanning and Project Delivery initiative under the Capital Grants Program. In the annual report of '04-05, the goal for this initiative is to have total preplanning for all projects two years in advance for the project delivery year, enabling the department and community be ready for the delivery of projects on a timely basis in a timely manner. Who is on this working group and how often do they meet?

**Mr. Lathlin:** The preplanning works something like this, Mr. Chair. Our departmental staff work with the communities and jointly they develop a five-year capital plan. Each year they update the capital plan, and there is an independent chair and board that is put together. They review what has come in, and they recommend for approval for two years according to criteria.

**Mrs. Rowat:** Can the minister indicate to me who is the chair and the vice-chair, and who from his department sits on this committee? Who are the outside representatives, and how are they chosen?

**Mr. Lathlin:** Mr. Chair, the person who is currently chairing this committee, his name is Bob Veigo. He works with a group that is comprised of an engineer, two regional directors in the department and usually four mayors from NACC.

**Mrs. Rowat:** Mr. Chair, the working group, I would like to know the number of people who are sitting on that. I would also like to know, he had indicated a Bob and I did not catch the last name, who he represents, the company that he works for that is an outside firm. I would like to know who that is, what the firm name is. I would like to also know the four

mayors that serve on this committee and how long they serve on that working group and the two regional directors' names, please.

**Mr. Lathlin:** I can advise the member that there is an engineer. There are two regional managers. There are four mayors, and I do not know who the four mayors are right now because usually we try to make this an independent process. That is why we get an independent chair to come and chair the board. But also the president of NACC is there as well. Reg Meade is the current president. As far as the occupation or profession of the chair, he owns and operates a financial service operation in The Pas. He does things like mutual life and other financial services like that. He has been a successful businessperson for many years. He is also a Métis person.

**Mrs. Rowat:** I appreciate the minister giving the background of these individuals. I trust and I believe that these individuals have strong skills to bring to the table on this, but I need to know their names. I need to know the number of people who are on this working committee and their names, please. He indicated there is an engineer. There was a Bob somebody who represents a company.

**Mr. Lathlin:** Bob Veigo.

**Mrs. Rowat:** Bob who?

**Mr. Lathlin:** Bob Veigo. V-E-I-G-O.

**Mrs. Rowat:** The company that he represents, the individual that he talked about, the financial services, I need to know the two regional directors, and I need to know, currently, presently, who are the four mayors who serve on this working group.

**Mr. Lathlin:** Mr. Chair, the person's name is Bob Veigo. His last name is spelled V-E-I-G-O, and the name of his company is Veigo Financial Services. I have already mentioned the president of NACC, Reg Meade, and I will endeavour to get the names of the four mayors.

**Mrs. Rowat:** Mr. Chair, can the minister please provide the status of the pre-planning projects for the next two years? What types of projects are they going to be working on? What communities are represented in the two-year projects, and what is the status of those projects? What is the criteria for determining—you know, this is a working group. There must be some type of criteria or process that they follow to make these decisions. Is that set by the working group and is that public information?

**Mr. Lathlin:** Mr. Chair, the information that the member is requesting is quite detailed, you know. What I am proposing to do is I will make a copy of all the papers and I will give it to her in one package.

**Mrs. Rowat:** I would like to speak to the issue of violence and the situations that face many individuals but seems to have an alarming and significant percentage within the Aboriginal community, specifically to Aboriginal women between the ages of 25 and 44. The report, *Stolen Sisters*, Mr. Chair, is a report that was presented in 2004 with several recommendations, and the information that was shared in that report shared very, very sad and disturbing personal stories of individuals who through social and economic marginalization were forced and have been forced to live and work in extremely dangerous situations.

Poverty, the sex trade, homelessness make them targets, and I would like to speak to the minister a little bit about this because I believe that a significant number of Aboriginal women in Canada appear to be—and I should not say appear but do receive far less support when it comes to the result of violence.

\* (16:00)

So has the minister read this report, *Stolen Sisters: Discrimination and Violence Against Indigenous Women in Canada*?

**Mr. Lathlin:** Mr. Chair, I thank the member for this question because I want to try to give a good response, because it is an issue that I have been interested in for a long time and have been committed to try to resolve for a long time.

I do not know if the member is aware I have been working for Aboriginal organizations pretty well all my life, right from when I left school. And I was also chief of my reserve for about six years before I came here. So as a chief, as a head of the local government, you get to meet up with all kinds of issues, but I have always given this kind of a response, you know, when we are dealing with the socio-economic conditions of our people.

You see, in the Aboriginal community, development is always 15 to 20 years behind, maybe even more, okay. While the rest of society is going to school and graduating from high school and going on to university, we are still dealing at the reserve level, trying to have enough to eat and have basic shelter, so on and so forth.

The point I want to make, though, is if you are looking at educational levels, for example, we are way, way behind than her society. If you look at our state of health, again, there are more Indians dying than members of her society, because of the lack of education.

You know, Mr. Chair, I do not want to be all gloom and doom here, but things are, ever so slowly, improving. So I am hopeful that down the road those conditions will improve, and while they start to improve, I really believe that the lot of our women population in the reserve will improve correspondingly.

We crowd jails. I am not proud of that statistic. We die faster than your people and we are also not educated like your people, but we are coming along.

For example, when I was chief at OCN, I had to run for my position, as well, but I was also going around encouraging women to seek nomination. Sure enough, one election time there were quite a few who decided to seek nomination and two were elected. Disappointment, you know, but at least I got two rather than zero, and I thought from there we could develop. Right now, I think at OCN there are still two councillors. Sometimes we go to three and it goes back down to two. We have a woman running for chief currently at OCN. There is a by-election there.

So I am always interested in ways that we could improve the condition or the socio-economic condition of our women population.

**Mrs. Rowat:** Mr. Chair, the reason for a lot of my questions earlier is I am trying to get a sense of the economic challenges and the progress that is being made and the accountability piece for those communities. I have now come to the point where I am trying to get a handle on some of the social challenges that are facing some of the Aboriginal women and children within the communities.

In this report, I never got a true answer from the minister whether he has even read this report, Mr. Chair, so I am going to just reference it. In the report it states that all social programs should be periodically reviewed to ensure the accessibility and resourcing of programs for Aboriginal women and families so they are at least at par for those available to non-Aboriginal people. I am wondering if this minister is aware of any reviews taking place. That was very strongly indicated in the report that this has to happen, that there has to be an accountability

piece. The programs and services being provided for individuals have to be reviewed. Are there any reviews presently taking place that he can speak to?

**Mr. Lathlin:** Well, I can indicate to the member, I believe the report that she was referring to is the one that was released in the fall of '04, the Amnesty International report, *Stolen Sisters: A Human Rights Response to Discrimination and Violence Against Indigenous Women in Canada*. From that work, a working group was created to respond to the recommendations that were made. The working group is co-chaired by our department and the Women's Directorate with members from Family Services and Housing and Justice.

This group has been working to develop some options as to how to address violence against Aboriginal women and also the sexual exploitation of youth. These options are currently being worked on right now. I understand they will be forwarded to the department in due course.

**Mrs. Rowat:** Who from his department is on that working group and how often do they meet?

**Mr. Lathlin:** The representatives from our department are a person by the name of Eleanor Brockington, and Alison Rogan. I am going to have to find out how often they meet because I do not have that information at my fingertips.

**Mrs. Rowat:** I will be patient. The minister has some staff here. Maybe the minister could find out how often they meet and when was the last time that they have met. I will wait for that response.

**Mr. Lathlin:** Mr. Chair, apparently, they met about a couple of weeks ago, approximately two weeks ago, to brief the deputy ministers in the working group.

\* (16:10)

**Mrs. Rowat:** Can the minister indicate what type of co-ordination and information sharing on initiatives has been made available to the Aboriginal community. Safety and the welfare of the individuals, I am looking for some type of assurance from this minister that there is something being done in this area and that there is work being done and that the community is comfortable with the process to date on this issue.

**Mr. Lathlin:** Mr. Chair, I can advise the member that there are Aboriginal organizations who have been and are continuing to be engaged in a process of developing these options with our working group,

as I said earlier. When that work is completed, I will be getting a copy of the report and will decide to move on from there. I should also mention that there are other initiatives that are originating from the Aboriginal Justice Inquiry commission report. Some of those programs, at least reports have been developed.

I also can mention one initiative that we are involved in, and that is called Closing the Gap, where we are looking at the poverty that our people are finding themselves in, with a view to improving their situation. We are looking at education stuff, health, housing and economic development.

**Mrs. Rowat:** I do understand and appreciate there are a number of issues that would fall in this category that need to be discussed with the Aboriginal community as well as with intergovernmental or interdepartmental persons.

I would like to know which groups the minister is aware of have met with government on these measures? In the report, it clearly stated several times that it is necessary to ensure that Aboriginal women are consulted in the formulation and implementation of these policies, so that is why I am asking the minister. It is critical that this happens, but I also think it is important that this minister can share what he knows, or who these individuals are that are meeting to help formulate important policy and important work that will affect their welfare and their status, Mr. Chair.

**Mr. Lathlin:** Mr. Chair, I can advise the member that one of the groups that have been engaged in this work is the Mother of Red Nations. It is an Aboriginal women's organization. It is a provincial organization, affiliated with a national organization, and we are funding them, currently, so they can do their work.

For this report that we are talking about here, they did some consultation work for us. They went to consult with women from across the province and we funded that project. So that report will be coming back to us. Right now we are funding them in the amount of \$70,000. As well, the other stakeholders that are involved are the Assembly of Manitoba Chiefs, the Manitoba Métis Federation and the Native Women's Council, which is really a part of the Manitoba Métis Federation.

**Mrs. Rowat:** The Mother of Red Nations Women's Council of Manitoba, Inc. has played an integral role in this report, the *Stolen Sisters* report. So they were

very key in making the recommendations. They were very, very clear in their wanting the consultation process to reflect their voice and their concerns about the welfare and status of their people.

He shared in his response previous that there were consultations done throughout the province. Can the minister indicate to me when this occurred and where those consultations took place? He indicated there was also a report expected that was funded by his department. When can we expect that report to be presented?

**Mr. Lathlin:** Well, one of the things this group did was they hosted a half-day forum with Aboriginal women during their MORN's conference. The title of it was "Our Healing in Our Hands." That was held last March '05. Aboriginal women, Aboriginal organizations, including MORN, AMC, MMF and the Métis women's council I mentioned earlier, and other community service providers had a gathering. That group was to provide members of the working group with whatever they received from the conference on violence against Aboriginal women. Their work will be incorporated into the report that is coming forward.

**Mrs. Rowat:** You had indicated that they went across the province. You are providing one example of a half-day forum, were any other consultations done? Also, you indicated to the committee here that the information that was shared at this forum was presented to the committee.

Again, when is this report coming forward? Is this information that was shared at the forum, public information? Is it available? If not, when will this report be expected? You had indicated it was in March '05, so that is more than a year ago that this information was gathered. I am just concerned that there is not anything, there is no process or formulation of policy from that. Again, I guess, more specifically, I need to know where else this consultation or process of consultation was held in the province.

\*(16:20)

**Mr. Lathlin:** Thank you, Mr. Chair. The conference that I just mentioned, MORN's conference was probably the main vehicle that they used for consultation, but I know there were other meetings held here in Winnipeg, and I understand also there was a national initiative to which MORN is affiliated. They also did an awareness campaign.

I should also say, Mr. Chair, I neglected to include MKO, the MKO organization. The women representatives from that organization were also included.

**Mrs. Rowat:** Again we are needing to know what role government has played in this. He is indicating MORN has played a role; there has been a federal conference. What consultation processes has this government done or gone through to ensure that the voices of Aboriginal women are heard in this province?

This is a common thread, a common question that is being asked throughout the report. We need to have a clear direction from government on how they are going to support the voices of Aboriginal women who have indicated there are issues that need to be dealt with. What role is this government doing in this consultation process? What is their role?

**Mr. Lathlin:** Well, Mr. Chair, I am glad the Member for Minnedosa, in representing her party in this committee, is interested in the state of Aboriginal people, in this case, women. I am encouraged by that interest, although I had never seen that interest in the Conservative Party before. So I hope I can work with the Member for Minnedosa to go forward once we get the report that I was referring to earlier.

As I said, we co-chair the working group with a women's directorate, and the working group is developing a report that will identify options to addressing missing, murdered Aboriginal women, violence against Aboriginal women and the sexual exploitation of our youth.

The conference I was referring to earlier, that work apparently is being incorporated into the report that the department is currently working on. I will be very interested in knowing the recommendations from MORN once I get the report. It will be submitted to ministers for their consideration once it is completed.

In implementing the recommendations, of course, the group will continue to work with the various representatives from the Aboriginal organizations, including MORN.

**Mrs. Rowat:** So there is no clear indication of when this report is expected. There has been less than five meetings held in consultation with Aboriginal women in the province. The information that was shared at a half-day forum was received well over a year and several months ago. I guess what I am looking for is some commitment from this minister

that there is a process that is taking place, that there will be a report expected.

The report, *Stolen Sisters*, is extremely disturbing, and I guess I just need some assurances from this minister that this is being taken seriously, that there are actions being formulated and there will be an implementation process shortly.

Can the minister indicate to me that his department is working actively with these three other departments on this and that there will be a report shared shortly?

**Mr. Lathlin:** Yes.

**Mrs. Rowat:** I am getting the assurance from the minister that, yes, shortly. Can the minister indicate to me when? Will it be within the month, within two months? Is there a time line that the minister can share with me?

**Mr. Lathlin:** At this time, Mr. Chair, I cannot pinpoint exactly when the report will be finished, but I will assure the member that once I have a copy of that report, it will go to the ministers, and I will be asking for their response, input and so on. And, hopefully, from there an action plan will be developed.

**Mrs. Rowat:** Earlier in the conversation on this issue, he indicated the deputy minister has received an update from the working group. Has the minister received any briefing on the status of this compilation of information on the report at all?

**Mr. Lathlin:** Well, I am sure the member is aware that ministers continually get briefing notes from the department and from other departments. I receive briefing notes. I have received a briefing note, for example, on the report and some of the plans that were being talked about. So I did get an informal report, but I have not received any final report as yet.

**Mrs. Bonnie Mitchelson (River East):** I did hear the minister indicate that MORN was one of the organizations or groups that was providing input into the departments and the working group. I think he mentioned a couple of organizations.

I guess my question would be what work have the four departments—we have an interdepartmental working committee, which is co-chaired by both the Women's Directorate and the minister's department. What consultations, other than with MORN, have been done by the four departments? Has anyone from the departments gone out and met with or

organized any conferences? Has there been any work done outside of Winnipeg?

**Mr. Chairperson:** Excuse me, let us keep our conversation down so we can carry on our work here. Thank you.

\* (16:30)

**Mr. Lathlin:** I believe the question was: What sort of work does this working group do? Well, first of all, staff from the different departments were asked to develop a paper that would identify options as to how to address the three areas that I mentioned, missing and murdered Aboriginal women, violence against Aboriginal women and sexually exploited youth. They were to look at an inventory of Manitoba's initiatives, legislation, policy, programs, services, as well as any other activities that address violence against women.

They were also supposed to look at what the federal government was doing in their resolve to eliminate violence against Aboriginal women in Manitoba and strategies as to how the federal government was going to be involved.

They were also supposed to look at any gaps that might exist in the two levels of government, and then finally they were supposed to give us some options or develop some options that addresses the identified gaps, something for the intermediate and something for the long term.

**Mrs. Mitchelson:** So then the mandate of the working group was only to review government programming, to talk to the federal government. What about talking to Aboriginal women in communities throughout the province? Was that part of their mandate?

**Mr. Lathlin:** The work that is being done by MORN I believe gathered a lot of information. They represent the Aboriginal women. I know that some community Aboriginal women's group meets sometimes on their own. I see them often at OCN; there is a meeting being held. So the consultation work that the MORN organization carried out, apparently that has been completed and is being incorporated into the report that the working group will be giving us shortly.

**Mrs. Mitchelson:** I do not think I am getting a straight answer. MORN is an external—Mother of Red Nation is an external organization. They held a conference in Winnipeg in 2005, in March of 2005, if I heard the minister correctly, that they had a half-

day workshop and they provided information to the four departments which are the working group. That was well over a year ago.

Was that the only external consultation that was done, or is the mandate of the working group within government to meet with Aboriginal women and Aboriginal women's organizations and get feedback from them and suggestions and ideas on how to improve the programs and the services for abused and potentially murdered women?

I guess I am just trying to get a handle on what the four departments within government are doing. If they are, in fact, developing programming, how are they developing it if they are not talking to Aboriginal women?

**Mr. Lathlin:** Well, you know, since we have gotten into government here, we have done many things with Aboriginal people. We restored the funding that was cut, eliminated by the previous government to organizations like the friendship centres, AMC, MKO. Since we have been in government, we restored all that funding. I know that not every penny that goes into AMC, MKO or MMF is directed at non-women's issues. You know, when you look at the education program, for example, MMF has a pretty strong education program. AMC, we are looking to develop a paper that would address the gap, and that was going to be incorporated into our work in Closing the Gap. So I guess I treat MORN as being the representative body of women from all across the province not just Winnipeg. So I would be interested in reading whatever they have produced that should be incorporated into the main report.

**Mrs. Mitchelson:** Has the minister ever met with MORN?

**Mr. Lathlin:** Yes, I have.

**Mrs. Mitchelson:** Has the minister met with MORN since their workshop in March of 2005?

**Mr. Lathlin:** Mr. Chairperson, I do not believe I have met with MORN since the conference.

**Mrs. Mitchelson:** Has the minister then received a briefing note on the half-day workshop, and what recommendations came out of the MORN process?

**Mr. Lathlin:** Mr. Chair, I said earlier that I was advised that the work that MORN did, they have finished their report, and it is being incorporated into the working group's report, and that report I will be getting shortly.

**Mrs. Rowat:** I am just going to refer back to the *Stolen Sisters* recommendations. I think it will sum up what the Member for River East (Mrs. Mitchelson) and I are trying to get at here is that the recommendations indicate clearly that interdepartmental meetings are needed to ensure proper co-ordination and information sharing on initiatives to address the safety and welfare of indigenous women and girls, and all levels of government should adopt such measures as are necessary to ensure that indigenous women are consulted in the formulation and implementation of any policy that could affect their welfare and status.

So, Mr. Chair, we are trying to get a sense of what role government has played in the consultation process, and to ensure that the voices of the Aboriginal women are being heard in this process. So I appreciate that MORN is playing an integral role, and they should. I think they are a key player in this, but we need to have some assurances that any recommendations and initiatives that are being brought forward are going to be in the best interests or are based on information formulated from the meetings of the Aboriginal community.

**Mr. Chairperson:** Honourable Minister, go ahead.

\* (16:40)

**Mr. Lathlin:** I want to say again to the member that this report is not the only vehicle that will provide us a forum to address murdered Aboriginal women in Manitoba. But we are also addressing it from other initiatives, as well. I mentioned earlier that we are working on a preventional strategy. It was going to be done in conjunction with the Kelowna accord, but now that the federal Conservatives have agreed not to implement the Kelowna accord, our government has decided that we are just going to go it ourselves whatever we can do, how far we can go because it is that important for us, we just cannot ignore it. We have got to do something about it.

When that work is being done, it not only addresses one part of our society but it addresses all members of our Aboriginal society including women. I think I mentioned earlier the Healthy Baby program, moms who are expecting, so we help there as well. We assist the Aboriginal women there as well. We also are aware that the MORN organization in Manitoba is affiliated with a national organization called NWAC, Native Women's Association of Canada so they receive a lot of information from their national organization. They, in turn, work it into their report which is then given to us and that

information will be used to develop our plan of action.

I guess the point I am making here, Mr. Chair, is compared to other years, I feel that we are doing more than what was there before. We are not going to resolve the issue overnight, I know that and I think other people know that as well, but I think we have made a good start to addressing those issues. Being in Cabinet and being a First Nations person, being an Aboriginal person, I tell people that blood is thicker than water. So whenever, wherever I can push to improve the lot of Aboriginal people including Aboriginal women, I will do so.

**Mrs. Rowat:** I think we will leave on that, but, again, I want to just share on that and protecting vulnerable women and children is a priority of our caucus and is of their caucus. I think government has to be held accountable and take the steps to protect the rights of individuals in the province. So we will continue this debate. I appreciate the information that he shared, and we will continue to push for answers and progress on this very, very important issue that affects the social and economic well-being of Aboriginal and northern communities and families, Mr. Chair.

I have a few minutes yet and I would like to just touch base because the government has put forward Bill 33, The Northern Affairs Act. We have not had a chance for a briefing, so I just want the minister to share a couple of comments on the bill. We will, I guess, wait for a briefing on this when that is available.

In the bill, there were a number of things that are very proactive and I think are important in governance and accountability for all communities. By moving this bill forward, northern communities will definitely be moving in the right direction. It is key that we, and I think I just want to mention that in 1999, we were the first, our government at the time, to have a northern community incorporated. I am pleased to see that that is continuing under this current government.

I have a question for the minister regarding the bill. There are three new board appointments that are going to be made. I am just wanting to know if the minister can indicate to me what type of qualifications these individuals are going to have on this board. One of them has to be a representative of NACC, but is chosen by the minister. So can you indicate to me what type of qualifications these individuals will be expected to provide at the table?

**Mr. Lathlin:** Mr. Chairperson, the question of what qualifications people will have to have in order to sit on a board has not been fully determined yet, other than they have to be members of NACC. But I would like to assure the member that appropriately qualified people, I am sure, will be selected to the board.

**Mrs. Rowat:** Just on that piece. This board will have a significant role. They are going to be receiving proposals for incorporation and the like and then hold hearings and then make recommendations. So I think it is critical that the work is done productively and in the public interest towards an impartial and workable solution to a lot of these issues.

So I am sort of trying to get a sense from this minister, the individuals that will likely be considered, what are they looking for. Is there any type of background. Is there any type of educational background, any type of employment background that these individuals will have to have to ensure that the processes of incorporation do not hit a snail's pace.

**Mr. Lathlin:** Mr. Chairperson, as I said earlier, that work has not been completed as of yet. But I want to assure the member that I trust that people will select people who are qualified to the board. I have confidence that they will.

I get a little tired of the question: Are Indians qualified to run their own systems? You see, if the member were to come to OCN sometime and study the history of the development of OCN, she would find that in 30, 35 years we have come from absolutely nothing. In fact, the community of OCN was all marsh and muskeg on which there is a 200,000 square foot shopping centre situated now, fully owned and paid for by OCN. Indians are operating that mall along with a couple of stores that are tenants of that mall. These are qualified people. We also run what I would refer to as a first class hotel, the Kikiwak Inn. Again, there are a bunch of Indians working there. OCN owns other businesses as well. We run a gravel department. We make money from there every year. We have the OCN Shell. It makes a lot of revenue for the band government every year.

\* (16:50)

I guess, the point I am making is that if the chief and council of the governing body in that community were to, for some reason, appoint unqualified people in those positions of responsibility, where would OCN be today.

So that is why I have every confidence that people with qualifications will be appointed. We have come a long way. We have survived many things, and you know what? We are still here and I do not think we are going to disappear.

**Mrs. Rowat:** I thank the minister for his comments, Mr. Chair. I am the critic; I will ask questions as they are relevant to any critic area that I represent. The board appointees will be appointed by the minister, so that is why I was just asking the minister if he had a sense of the types of qualifications that he would like to have before him in the decision making of who the members will be.

Another area in the act is the Public Utilities Board. The minister will be replacing the Public Utilities Board in certain jurisdictions, and I just wanted to know what the minister's reasons would be in wanting to have this change occur. He can give me in his own words the status of that decision and how this will play out in the new act.

**Mr. Lathlin:** Mr. Chair, apparently under the existing structure, communities are not able to use the Public Utilities Board. Almost every area that you go into northern Manitoba, NACC, not just NACC, First Nations as well, many First Nations communities, most of these areas are economically depressed areas so they are not able to pay for maintenance let alone the capital. So that is why we have gone in that route. I am told that it is not really a change from the existing act. It was always like that since the original enactment in 1972, I guess.

**Mrs. Rowat:** In the act, and I guess what we will do is I will get a little bit more information. I have the bill here, but I am getting tired and I am sure the minister is getting tired. It is very warm.

So I appreciate those comments. But the amalgamation of communities or the settlement, the amalgamation of communities and how that may or may not encourage sustainability; I am just asking that question because I know, coming from a rural community, if you talk about amalgamating or joining communities together, it hits red flags, it hits positives and it hits negatives, depending on the issue in the community. So I just wanted to have the minister comment on that because that does not seem to be, does not appear in the bill to the extent that I thought it might. I just wanted to know what his comments would be on that.

**Mr. Lathlin:** Mr. Chair, the amalgamation initiative, we have done quite a bit of work on it, a lot of

consultation with the communities. So you see this Northern Affairs Act work was started quite a while ago. It was on and off, on and off, and then, finally, the work was finished. We were supposed to get on last year. So we decided to do some more work on it. So now this year, in this session, we are going.

About the same time, the amalgamation issue came along, so we decided that we were going to hold off on amalgamation until this bill has been passed and proclaimed, so that the communities will have a more equitable chance, I guess. If some do not want amalgamation, well, they are not going to get amalgamation because this act hopefully will address some of those issues.

But the other side to that story, though—the bottom line is it will be voluntary. But the other side to that story—and I have been criticized before, not by you, but some people have said, well, why do you spend all this money for a community will only 11 houses? My response is because people live there. They have lived there for a long, long time. Just like in municipalities, I thought amalgamation was you cannot force people to get together.

**Mrs. Rowat:** The question is more or less just trying to get a sense of having that as part of the language of the act might have helped maybe the board and down the road in helping them make decisions regarding that process. That is the only reason I am asking it.

As I indicated, I am new to the critic role. So it is just a question of why this was not provided.

**Mr. Chairperson:** Order please. It appears that a recorded vote has been requested. This section of the Committee of Supply will recess and members should proceed to the Chamber. Thank you.

*The committee recessed at 4:57 p.m.*

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*The committee resumed at 5:13 p.m.*

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

#### FAMILY SERVICES AND HOUSING

\* (14:40)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Family Services and



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

**Hon. Christine Melnick (Minister of Family Services and Housing):** Yes, Madam Chairperson, there were some questions asked on Friday, and I would like to read the responses into the record.

In response to several questions made during the Estimates debate on May 19, 2006, I will be providing a response which I will be reading into the record. For clarity and to correct any misinformation that was presented from members opposite and for organizational purposes, I will provide my response in five parts.

The first part of my response is with respect to the questions from the Member for Morris (Mrs. Taillieu) about the deferred contributions. The Member for Morris asked many questions in this area. I indicated on May 19 that the difference in dollar amounts was due, I had believed, to a recommendation from the office of the Auditor General. I can confirm today that those adjustments relate to the change in MHRC's accounting policy. So I will go through the individual questions.

There was a question: Why have MHRC's housing projects decreased from \$334.1 million at March 31, 1999, to \$78.4 million at March 2005? Why have MHRC's housing investments decreased from \$18.6 million at March 31, 1999, to \$2 million at March 31, 2005? Why has MHRC's fund/deficit increased from \$15.9 million at March 31, 1999, to \$245.4 million at March 31, 2005?

Again, I indicated that I took these questions under advisement on Friday, May 19, 2006, and believe that it was due to an accounting policy change recommended by the OAG, the office of the Auditor General who, in fact, is the auditor of the MHRC.

The response to that series of questions is thus: The adjustments relate to a change in accounting policy which was made and reflected in the March 31, 2004, financial statements for the MHRC which, I believe, was the one year that the Member for Morris did not cite in her question. The adjustments were made as a result of discussions with the Auditor General's office and the Comptroller for the Province in order for MHRC to be consistent with the Province's accounting policy, based on the recommendation from the office of the Auditor General.

The actual change in accounting policy became effective April 1, 2003, when the corporation initiated the following change in accounting policy: Previously, amortization for housing projects and housing investment was based on actual principle repayment of long-term debt. Amortization for housing projects under the Rural and Native Housing Program was based on the in-putted principle repayment equivalent to that of 100 percent long-term debt financing with Canada Mortgage and Housing Corporation. Effective April 1, 2003, amortization for housing projects, housing investment and housing projects under the Rural and Native Housing Program is recorded on a straight-line basis over their estimated useful lives as follows: wood buildings, 25 years; brick buildings, 40 years.

The effects of the above change in accounting policy, which has been retroactively applied with restatement on the balance sheet as of March 31, 2004, are to increase accumulated amortization for housing projects by \$227,431,674; to decrease housing investment by \$10,891,891; to decrease financing provided by CMHC for housing projects by \$8,931,272; to increase the original cost for housing projects by \$386,641 and to decrease the deficiency of revenue over expenses transferred to the Manitoba Housing and Renewal Fund by \$1,020,075.

As a result of the above changes, the opening balance in the Manitoba Housing and Renewal Fund deficit as at April 1, 2003, has been increased by \$230,025,727. So, in simple terms, the MHRC previously amortized its housing project over an amortization period ranging from 35 to 50 years. As you will know, the actual principal reduction over such longer periods is very low in the earlier years, much similar to say, your own mortgage, anyone's own mortgage. The change in policy resulted in re-amortizing these projects on a straight-line basis over much shorter periods of 25 or 40 years. This, of course, depends on the type of the structure as I noted previous: wood buildings, 25 years and brick buildings, 40 years. So that was the answer to one of the questions.

A second question was: Can I explain why the commitment amount contained in the note on MHRC financial statements has changed when comparing various years? Examples were given for March 31, 1999, with a range from \$48.4 million to \$46.5 million; March 31, 2003, with a range from \$19.9 million to \$31.6 million. Then there was a question,

March 31, 2005, ranging from \$26.8 million to \$31.1 million.

The response is thus: The social housing agreement was signed, effective October 1, 1998. As such, the commitments under the housing program have reduced significantly as a result of decreased costs such as favourable interest rates, decreased other project operating costs resulting from such measures as successful property tax assessment appeals and the resultant lower property taxes. As the reduced costs were realized, the commitments were adjusted down. Those lower costs were all anticipated by the previous administration and are reflected in the increase-deferred contribution savings realized under the social housing agreement.

The deferred contributions have increased from \$6.3 million at March 31, 1999, to \$57.2 million at March 31, 2005. As you will know, the projections for the social housing agreement indicated these savings in the earlier years of the agreement. It was also projected that costs would increase and eventually the savings would be eliminated. So we are now beginning to observe an increase in commitments and a decrease in the level of savings, which was also projected by the previous administration.

I want to commend the department on this particular fact here, that they have diligently worked to make sure that the deferred savings received on an annual basis through the social housing agreement has been, I believe, very well shepherded, and that they have taken a lot of care and concern and action in making sure that we stretch those dollars as far as we can for the social housing portfolio.

\* (14:50)

The third question dealt with the schedule for annual federal funding under the social housing agreement. I think it should be noted that the social housing agreement actually came into effect October 1, 1998, and not in 1999 as the Member for Morris (Mrs. Taillieu) had put on the record. I, in fact, have a copy of this. Schedule E, it is called, and we can make copies and table it if anyone would like that.

The Member for Morris then had questions on the Affordable Housing Initiative. So that was in response to the question about the accounting policy, and I have read it. It is in note No. 3, Manitoba Housing and Renewal Corporation notes to the financial statements, March 31, 2004.

The fourth question was in response to the department's Affordable Housing Initiative. The Member for Morris requested the status of over 1,900 units announced previously as committed for renovation or development under the Affordable Housing Initiative.

So I would like to advise that presently there are some 1,474 of these units complete and 486 under construction. I would also like to clarify that the units were constructed through partnerships with various community-based non-profit and private organizations. Most of these organizations maintain their own waiting lists, and therefore applicants are not typically selected from the Manitoba Housing Authority waiting lists.

I have a bit more to read after this, but I understand my time is running out here.

**Madam Chairperson:** Exactly now. Thank you.

**Mrs. Mavis Taillieu (Morris):** Thank you. I would like to commend the staff, and thank you very much for clarifying those issues in regard to the annual reports from 1999 until 2005. Some of that information that the minister just read into the record was available to me previously by calling the Auditor General. So it is sort of interesting that the minister did not get it last week and I did, but I still want to thank the staff and the minister for the information.

I think it is important when you look at these documents and you see huge discrepancies in numbers, and there was a change in the accounting policy. I recognize that, but the question becomes: Why was there a change? I think that there is some explanation there.

I would like to know, the minister did mention about the dollars in the existing social housing stock portfolio that her department would see that stretch as far as it could go. I am wondering, will these dollars be available at the end of the social housing agreement until the year 2031? Will there be money to fund the maintenance of the existing social housing stock until 2031?

**Ms. Melnick:** It is interesting that the Member for Morris does not trust the information given to her by the office of the Auditor General and came here for clarification.

There is one last piece of information I wanted to share in response to the question from the Member for Morris on the Manitoba Housing Authority's

application wait list. On Friday, the Member for Morris wanted to know why there was a huge increase in the wait list to get into public housing. When we reviewed the Hansard on May 19, specifically page 2367, it references the increase in the number of people waiting to get into public housing from 1,439 to 5,128. The numbers quoted by the Member for Morris are incorrect as is much of the information she puts on the public record.

There has not been an increase, but rather a decrease due to the introduction of a new application process at the Manitoba Housing Authority. The MHA introduced a new application process in June of 2005. At that time, the old wait list had 5,128 applicants waiting to be housed. When the new application form was introduced, only 1,439 of those applicants reapplied. This achieved the MHA's objective of providing a smarter wait list based on a smarter application process to ensure that those in greatest need are given top priority in public housing.

Again, I would like to commend the department for their work in this area. I know Brian Law from the department worked very hard on this for a long period of time. He had many discussions on this and worked in a team effort to bring about a better process to ensure that those most in need of public housing will go to the top of the list. So I would like to thank him and the department for that initiative.

The member asked about the funding under the social housing agreement. It is certainly this government's hope that the monies that were provided through the social housing agreement, which, by the way, were capped at '95-96 levels, so relate mostly to costs during that time, will go a great distance to taking care of public housing. It is important to note that the money decreases over time as we discussed on Friday.

The social housing agreement is primarily based on finances provided according to the agreement on an annual basis. Now, this takes care of operating and mortgage costs, and, when those mortgages run out, I think we clearly established last week that mortgages will begin to run out in 2008; there will be a large number of mortgages that will be running out in the year 2020. It is a concern that we will make these dollars stretch as far as we can. Again, I want to commend the department in the very good work that they have all done, the team effort that they have shown in trying to make these monies work as hard as they can and for as long as they can.

**Mrs. Taillieu:** The numbers that I was quoting were from a Freedom of Information request. The request was the waiting list for public housing units throughout the province, broken down by region and month for the years 2000 to 2004 and to date in 2005. Those are the numbers that were given to me under the Freedom of Information request, and it is broken down by Winnipeg and by rural and then the provincial total. On January of 2000, the provincial total was 1,439; on May 2005, the provincial total was 5,128.

When you look at these numbers, they fluctuate up and down, up and down, but, overall, if you were looking at a graph, you would see a graph that would continually be on the increase. So, again, I am concerned with these numbers. If there is a change in the way these were recorded—I asked for a Freedom of Information request over this five-year term, and this is what came back to me, so I have to believe the information that I get. So the minister is now saying that these are not correct?

\* (15:00)

**Ms. Melnick:** I would like to welcome Brian Law, Director of Strategic Planning, Policy and Support Services for the Manitoba Housing Authority.

When the member read into the record, she did not quote dates. She did not give specific information. We looked at the high number that she had given and we looked at the number that currently exists. From that, we were able to see that the number that she had quoted as going to the high level was, in fact, the high level that we had started on when we began the reorganization of the new application process.

When we rolled that out in June 2005 to today, we have seen a substantial decrease in people waiting on the lists. I think there are some very good features in this new process. One is that people will apply on an annual basis. We found that, previously, people were applying and the application would sit until they had come up on the top of the list, and that we were attempting, then, to get in touch with folks. Sometimes, we were finding that people no longer required housing. Perhaps, they had been fortunate enough to move into one of the new units through the Affordable Housing Initiative. Sometimes, they were in a position where they were no longer requiring social housing due to increased economic stability. Sometimes they had moved. So we found that a lot of time was being spent in trying to get in

touch with folks who were no longer requiring the housing.

So what we did was we asked for people to start the new process to apply again and then to apply on a regular basis, on an annual basis. In that way, again, we want to do a couple of things. One is to always maintain a relatively fresh list, to have a very good understanding of who is waiting and who is in need. But, also, through the process, there are questions that let us know who is in most need. So we call that a smarter process and a process that better reflects the needs. I understand that has worked quite well. Part of the benefits from this new process is that individuals are clearly explained a code of ethics, if you will, as to what will and will not be behaviour that would be tolerated in social housing. Through that, we have actually had, I believe it is, over 230 applications actually rejected by Housing because the individuals were not meeting the profiles of people who would be accepted into social housing.

So I think this is a very positive step. I think this new application has proven many benefits already to both individuals waiting to get into social housing and individuals who no longer require social housing, but also for folks who are currently in social housing.

**Mrs. Taillieu:** Then, can the minister tell me how many were on the waiting list for public housing units throughout the province in June of 2005, in total for the province?

**Ms. Melnick:** As I had just explained, in June 2005, when the new process was being rolled out, there were 5,128. Again, through the rollout of the process, through the re-application and sometimes new application and the screening that goes on, we currently have 1,439.

Could you ask your question again?

**Mrs. Taillieu:** Yes, the question was: In June of 2005, what was the waiting list for public housing units throughout the province, in total for the province, the number in June, at the end of June 2005?

**Ms. Melnick:** At the end of June 2005, there were 5,128.

**Mrs. Taillieu:** Can the minister tell me how many were on the waiting list for public housing in Manitoba, the total for August of 2005?

**Ms. Melnick:** The rollout of the new application process began in June 2005. It took approximately

three months to do several things. One was to make sure the technology was working, to make sure that we were getting in touch with as many of the 5,128 then on the list, as we could to allow those who were wanting to apply, or re-apply in this case, to apply.

That is where we see through May, June and July the number remains constant, but, when we were beginning to receive the new applications or the reapplications under the new process, in August of 2005, the number went down to 1,449.

**Mrs. Taillieu:** So the number was 5,128, went down to 1,449. Were those people—where did they go? Did they find housing or did they just—not on the list any more?

**Ms. Melnick:** Well, everyone was given the opportunity to re-apply, so people who chose to re-apply did so. People who chose not to re-apply did not.

There were a variety of reasons. Sometimes, people's economic situation had changed so that they were no longer requiring public housing. People had moved. People may have been fortunate enough to move into the new housing under the Affordable Housing Initiative.

I do not know that there was an actual tracking of why people would not re-apply. The focus was more on contacting people to let them know that they did have to re-apply, making sure that they got the forms that they needed to re-apply, make sure that people who were still requiring housing were made aware of the new forms.

So, at the end of the day, we ended up with going from 5,128 to, I believe it was 1,449 over a three-month period.

**Mrs. Taillieu:** So, today, May of 2006 or, say, at the end of April 2006, how many people would be on this waiting list now?

**Ms. Melnick:** This is as of April 30, 2006: Approved applications are 429. So it could be people who have taken forms, people who are filling out forms, people who are getting references checked, et cetera; in process, 2,690, which leads to a total, when we add up those two numbers, of approved 429 and, in process, 2,690 to 3,119, which is over 2,000 fewer than before the current application form was available and the current process was in place.

\* (15:10)

**Mrs. Taillieu:** So, then, the number went up from August 2005 from 1,449 to April 30, 2006 to 3,119? So it doubled?

**Ms. Melnick:** Well, again, I will go through that. There were 429 approved as of that date and in process. So this could be people who had picked up an application, who were filling out an application, who were getting references put in order, whose completed forms were being looked at was 2,690. So that is in total of people who were approved and in process of applying, 3,119.

**Mrs. Taillieu:** So 3,119 were still on the waiting list to get into housing?

**Ms. Melnick:** Well, again, I will go through this; 429 approved. So 429 on the wait list, the remainder from the 3,119—I should have this memorized by now; I am not giving you this sheet again—in process, 2,690. Now, in process could mean having picked up a form, filling out a form, having brought a form back, getting references in order, various stages in the process.

**Mrs. Taillieu:** It would appear, though, that we still have a significant number of people in this province waiting to get public housing. The minister did last year make several announcements to housing projects. There was reference to 2,500 new housing units, 1,900 of which she talked about today, with 1,474 complete, 486 under construction.

My first question is: How many of these completed homes do people actually live in now? Are families actually inhabiting these homes now?

**Ms. Melnick:** As I had said in my opening comments this afternoon, there are 1,474 that are completed. They are being inhabited. There may be times of tenant changing. These are through the Affordable Housing Initiative, which I am glad to hear that the member agrees we need to do more in social housing in the province of Manitoba. It is a relief from what was done by her party during the 1990s, when units were not being built, when social housing was not part of what the government of the day saw as an important initiative.

I certainly look forward to her support on the bill that I tabled a few weeks ago in the House on the profits from MHRC lands and development, and redirecting those profits into areas of need based on criteria within the city of Winnipeg. I think it is very important that we continue to work with community groups, not-for-profit groups. We work with for-profits to provide more of the housing that is needed

throughout the province of Manitoba. I think it is also very important that we have the federal government on the partnership initiatives as well.

I know now that I can count on the minister for Morris for being very vocal to support social housing, and to get us working together with the federal government on the Affordable Housing Initiative Phase III, which will see even more units renovated, rehabilitated and built throughout the province of Manitoba.

**Mrs. Taillieu:** Well, I thank the minister for that comment. I am sure that it will be soon that I will be the minister.

Of those 1,474 completed units, I do not really think that the minister said how many of those were actually—you know, we do have people looking for housing, so there are more housing units being built. Now, are they actually living in these houses?

**Ms. Melnick:** Well, I have not done a door-to-door search, nor have I peered in windows on Friday night, and do not plan to do so. But, again, these were completed. They were completed by not-for-profits and for-profits. Certainly, it is our understanding that they would be full today. There may be times of tenants moving in, tenants moving out, et cetera. But, certainly, our understanding is that they are ready for people, for families, individuals, to live in them, and our understanding is that they would be inhabited, or in the process of having a selection of people to come in and inhabit them.

**Mrs. Taillieu:** I do think what I am trying to get at, and I think that the minister understands this, there are a significant number of people waiting to get housing needs in the province, and there are some units completed. So I am just, of course, trying to ensure that they are actually being used and that they are affordable for people and that people are actually being able to get into these units.

There was, as the minister said, some complete and some under construction, but there are still 600 other units, because there was money made available for 2,500. So the other 600 units, what stage are we at with those units?

**Ms. Melnick:** Well, I am sure, as the Member for Morris well appreciates, there is a process to go through for the Affordable Housing Initiative. One is bringing in the proposal, and the first cut on that would be a technical proposal. There are still proposals coming in, which is why we need Phase III of the Affordable Housing Initiative. There are also

approvals that have not been started yet because the organizations that got approval are out in the tendering process, contractors of various kinds, and there are units that are under way.

\* (15:20)

So, when we look at all the activity that is going on around the province, again, it is good to know that the Member for Morris is supportive of affordable housing, and that we will be continuing to work with groups around the province to get the housing that they need.

Again, I think it is important to note that, in working with community groups, we get to recognize and understand the types of housing that are needed throughout the province. So, in some communities, such as Dauphin, it was a supported living housing initiative that we worked with them on. In Morden, it was housing for new Canadians, and, again, it was a very good design in which the units were either accessible or visitable for persons with disabilities, or easily converted. We have worked with Spence Neighbourhood Association, not only through renovation and rehabilitation and building of homes in their community, but they have also worked with the Neighbourhoods Alive! Committee. They have done many things in addition to renovating and rehabilitating and building homes in their community, such as the FRONT and PAINT program that is available for communities in Neighbourhoods Alive!.

So there are a variety of programs that we have available through housing within the Department of Housing. But, also, through programs such as Neighbourhoods Alive!, we are able to work with communities, not only on renovating, rehabilitating and building homes, but on other areas to help grow their communities and help strengthen their communities and help revitalize communities.

**Mrs. Taillieu:** I just wanted to ask a few questions on Bill 38. This bill sets up a new fund to direct monies from suburban land development into inner city revitalization. Now, I know that Manitoba Housing, that is part of the mandate anyway, to look at existing housing stock and revitalization of existing and new housing. So I guess I am just wondering why there is a need to have this bill, because I think that it can happen without the bill.

**Madam Chairperson:** Just a caution: Bill 38 is currently before the House. I would suggest that it might be more appropriate for the member to

comment on the bill at second reading or during the committee stage, unless there is leave. Is there leave? Is there leave to discuss Bill 38, which is before the House—

**An Honourable Member:** Agreed.

**Madam Chairperson:** It is agreed. There is leave to discuss Bill 38.

**Ms. Melnick:** The purpose of this bill, too, is to ensure that profits that are made through the MHRC, either through development of housing or land sales, will go into areas of need housing-wise in Winnipeg for lands that are sold in Winnipeg. The reason that we feel this bill is important is because it is a real statement of this government's long-term commitment to social housing.

We have talked a lot about the Affordable Housing Initiative. The Affordable Housing Initiative has criteria that has worked very well around housing in various areas of Manitoba, and, as I say, we continue to get very, very good proposals from throughout the province. What this bill does is that it creates a fund that will allow proposals that, for some reason or other, would not have fit the criteria of the Affordable Housing Initiative. We wanted to make sure that there was a stream of money available to communities that would allow them to be very, very creative with their housing.

I think it is also very important that, with the Affordable Housing Initiative, we created what we call the Proposal Development Fund. This allows not-for-profit groups to access up to \$60,000 in \$10,000 allotments that will allow them to get the professional services that they need. You know, communities have great vision for how they want to see their communities develop, but they do not always have the professional expertise. For example, landscape architecture or engineering or a group may want to start a co-op, and we want to make sure that, from the ground up literally, they are incorporating the co-op appropriately, that they are setting up the board and the various committees that they need. The Proposal Development Fund under the Affordable Housing Initiative would allow for that sort of expertise to be acquired by a group.

In the Innovation Fund under Bill 38, we made sure that there was a similar type of funding made available for these groups. The amount is \$25,000 and, again, it allows a group who maybe would not qualify for whatever reason under the Affordable Housing Initiative to have another stream of money

where they can bring forward their proposals, bring forward their ideas. I am very pleased to note that we have people like Terry Wotton and Dwayne Rewniak in the department with expertise not only on working through the various proposals, but also working with community groups.

I know that we have put out our first tender. We did announce the first monies even before we have passed this bill to sort of show the people of Manitoba how serious we are about continuing with needed housing in the province. We put out a tender. I know the call for the tender is due mid-June of this year, and I am very interested in finding out the sorts of proposals that will be coming forward. I just wanted to say that I think it is very, very important that we continue to have as many streams as we can to work with groups to create the housing that, I believe, around this table, there is now general consensus that we are needing. The purpose of this bill is that it is for not only developments or sales that may be happening now, but also into the future.

We know that the need for housing is not one that is going to go away. We know that 30 years ago, a family unit was about four people to any unit, to any house. Now, it is about 2.6, I believe, is the average occupancy rate of a house or a condo or a unit in the city of Winnipeg. So we know that the needs will continue to expand. We know that the needs will continue to develop, and I think that it is very important that the provincial government has as many avenues open as possible to help meet those needs and also bring in as many partners as we can.

*Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair*

Again, one of the factors in the tender that went out is that tenders or proposals can be brought forward by profit groups, by not-for-profit groups, by any groups that are coming together with a particular vision of housing. Certainly, we will welcome those and also thank all the not-for-profit groups in particular who—you know, these are people who see the need for housing and go to meeting after meeting and work very hard on these proposals, first of all, to submit them, and, then, if there is any work that has to be done to make the proposal fit better into the criteria of the Affordable Housing Initiative or the Innovation Fund, they will be there working on that too. So this is a very big commitment. It is a commitment to people who are in need of housing, both affordable, low income and accessible, visitable.

I really want to thank those groups for all the efforts that they put in, No. 1 in trying to get housing happening during the 1990s, and for working with this government to actually get more housing happening, and for being so positive and so responsive to the work that we have done as a government and, in many ways, leading the way in necessary housing that is needed throughout the province of Manitoba.

\* (15:30)

**Mrs. Taillieu:** With the Affordable Housing Initiative, Canada and Manitoba both first contributed 25.4 million and then, secondly, each contributed 11.5 million, for 37 million from each government. How much of this 37 million of provincial contributions has been spent to date?

**Ms. Melnick:** Over 51 million has been committed now. When we talk about how much has actually been spent, we talked about the 1,474 doors that are now open for people to live in. We also talked about the projects that are currently being built, so, under construction. Then, we also talked about the projects that are getting prepared to go under construction. So money gets advanced at different times in different projects. I do not have the exact amount that has actually left as of today or how much is promised for next week or the week after, but, overall, 51 million has been committed.

**Mrs. Taillieu:** Well, I can see from the press release that 50.78 million in federal funds has been committed, but there was 11.54 million, each level of government contributing an additional \$11.54 million. So, of that 11.54 million, then, has Manitoba spent its portion, or is it just spending the federal dollars?

**Ms. Melnick:** Just let me clarify there. That is a fed-prov 50-50 cost share when we talk about the \$51 million being committed. So it is 50-50 fed-prov. So is that 25.50? Right. Does that answer your question?

**Mrs. Taillieu:** Madam Acting Chair, there is \$25.54 million from each of the federal and provincial governments. So there is a total of \$50.78 million, and that has been spent. Correct?

**Ms. Melnick:** There have so far been two phases in the Affordable Housing Initiative. Now, the first phase was the \$50.4 million, and that was the 50-50 contribution from fed-prov. So, of that, approximately \$4 million remains.

For Phase II, that was the 11.5 contributed both by the feds and the Province, about 4 million has been spent. When we talk about what has been committed, and, I think, it is important to recognize that the Phase I and Phase II have slightly different criteria so there have been slightly different types of proposals coming in. When we talk about overall, we talk about the fed-prov 50-50 cost matching, and we talk about \$51 million of that total, which is about the \$74 million being committed.

**An Honourable Member:** \$74 million?

**Ms. Melnick:** When you add the 50.4 and the 23.08. Yes, when you add the monies from Phase I and Phase II together that is where we get the \$51 million, roughly \$51 million committed, but, remaining from Phase I, which was the \$50.4 million, is roughly \$4 million; from Phase II, which was the \$23.08 million, there is roughly \$4 million spent. But, again, I think it is important to recognize the criteria is a little different for each phase, but, most importantly, we need to really work towards a Phase III which allows the flexibility. We learned a lot when Phase I came in. We learned a lot about the housing needs and the proposals that came in.

\* (15:40)

In Phase II, the federal government of the day sort of tightened the criteria to more of an urban population. Our position at that time is we wanted the flexibility from Phase I so, in Phase III of the Affordable Housing Initiative, which, hopefully, will soon get under way, the negotiations of, we would be looking for the same flexibility that we got in Phase I and a loosening of the sort of, I would not say constrictions, but the tighter criteria of Phase II.

**Mrs. Taillieu:** Yes, I wonder if the minister can explain the total of \$515,478 spent on hotel rooms in the Department of Family Services according to the Public Accounts 2004-05, Volume 2 Supplementary Information. I will go one by one.

Madam Acting Chair, there was in the Volume 2 Supplementary Information, Public Accounts 2004-2005, by my calculation of the number of the accumulative charges in the Department of Family Services for hotel rooms throughout the province, totalled over \$515,000. I would like to ask the minister, at the Boulevard Hotel there was an expenditure of \$81,175: Could she tell me what that was for?

*Madam Chairperson in the Chair*

**Ms. Melnick:** The Member for Morris has asked a very specific question. Expenses for hotels for the Department of Family Services and Housing could range for staff; it could be a travel expense, it could be a child in care. We could not speak to the specifics of that, but, in general, expenses, certainly, for staff staying at a hotel would be the cost of the room, that sort of thing. If it is for a child in care, expenses would range according to the number of children in the room. We did bring the policy in about two years ago, now, of keeping siblings together, realizing that apprehension could be quite a concern and quite a traumatic event in a child's life. We decided that it would be best to try to keep these children together rather than dispersing them. So a hotel cost could be based on the number of children staying.

Secondly, of course, if there are children there, there is 24/7 care for the time that the child or children are there. There are, of course, meals, and then there is the general rate of staying in the hotel.

**Mrs. Taillieu:** There was over \$81,000 spent at the Boulevard Hotel in Winnipeg; \$79,000 at the Burntwood hotel in Thompson; Canad Inn Fort Garry, \$28,000; Carlton Inn, \$21,000; Charterhouse, \$156,000; Clarion Hotel and Suites, \$5,000; Country Inn, Thompson, \$6,000; Gordon Downtowner, \$9,000; Howard Johnson Inn, \$12,000, Mystery Lake Hotel, Thompson, \$7,000; Nor-Villa Hotel, \$74,000; St. Regis Hotel, \$14,000, Super 8 Hotel, \$5,000; the Super 8 in The Pas, \$6,000; Super 8 in Dauphin, \$6,000. I am rounding those numbers, but, in total, it comes to over \$515,000 for hotel expenditures.

Now, the minister is saying that she does not know whether this is for children in care or whether it is for departmental expenses. Certainly, there would be two different items here. There would be the expenses that would be accrued for children that would be taken into care and having the need to have them in hotels, and that would be separate from expenditures from staff and travelling and whatnot.

So I am going to ask for a breakdown then, I guess, of this total, \$515,000. That is a lot of money. It is a half a million bucks. So, if this money is intended for children that are needing care, \$515,000 could go a long way to opening new shelter beds instead of using hotel rooms. But, if it is for staff travelling, that is another matter. That is still quite a substantial amount of money. But, I think that the department probably has figures as to what is



actually spent in total in the year 2004-05 for the Public Accounts. What would then be the total that would be spent to maintain children in hotel rooms when they are taken into care?

\* (15:50)

**Ms. Melnick:** Again, when we look at the children in hotels in the 1990s, we were up consistently in the hundreds and well over the hundreds. So I am glad that perhaps the Member for Morris has recognized the need to move children out of hotels, which, again, is a deviation from the policy of her party during the 1990s when children were placed in hotels routinely, and in large numbers. There was not a sibling policy when her party was the government. There was not consideration of the trauma of apprehension. There was not consideration given to the separation of siblings throughout the system. So I am glad that she recognizes the need for the policy of keeping siblings together.

When we compare the number from the nineties where, like I say, there were hundreds of children in care, and we look at the average of '05-06, there is an average of 24, and that is with the sibling policy. Now, we agree that we want to not have children in hotels, and that is why we have over the last year, year and a half, I think it has been, established three shelters specifically for siblings that we want to make sure are well utilized. I understand that they are. We do have a plan to establish a fourth shelter, which we hope will be open late in this year of 2006.

So it is very important to recognize, also, that, on the recommendation of the Children's Advocate, one of the chief recommendations, the primary recommendation was the establishment of 50 emergency foster beds for children under the age of eight. In fact, we did that working with the community to, as quickly as we could, establish those. We are always looking to establish more emergency foster care beds. We believe that for children to be in a home environment is important, and we will continue to work on that.

**Hon. Jon Gerrard (River Heights):** A little over a week ago, I was visiting with a group of residents at 170 Hendon in a Manitoba Housing unit. There were considerable concerns over the use of drugs, prostitution, et cetera, and requests for on-site security. I would ask if the minister is aware of the issues, and what is she doing about them?

**Ms. Melnick:** When issues are raised in a particular area of Manitoba Housing, the department works

very closely with the tenants around what those specific issues are. I can tell you in general that, in September of 2002, the Manitoba Housing Authority created the position of manager, security loss prevention. At that time, security reviews and audits began in MHA and sponsor-managed properties. Since this position's creation, upgrades to security systems, which include cameras and recorders, of 24 buildings have been completed. Also, 16 buildings have been outfitted with card access systems in order to increase security. So these are two of the areas that we have worked on around physical security in Manitoba Housing units.

An apartment watch program was developed by the Professional Property Managers Association, and that has been implemented by the Manitoba Housing Authority in all of the multi-unit dwellings in Winnipeg. It is important to recognize that this includes family and senior properties. Security reviews have been completed in 127 Manitoba Housing Authority and sponsored-housing seniors and multi-unit properties, with recommended security upgrades and new systems.

So efforts continue with tenants wherever there are concerns, and quite often these efforts can include working with tenant associations. We can work with the RCMP and local police services, including the Winnipeg Police Service, in order to develop and raise awareness of these issues. Quite often there are good discussions when there are tenant association meetings, when we do go into meetings with Winnipeg Police Service. They have been very good in working with us, as has the RCMP.

We talk about things that can be as basic as not letting someone come in the door behind you when you are going into your building with the swiping card that you have. If someone dials up your unit and asks to come in, if you do not know them, and if you are not expecting them, and if you are not sure who they are and what it is they are actually wanting, just make sure that you do not give them entry. Certainly, if you are in your apartment and you may be running out to do various things, sort of in and out, make sure that your door is, in fact, locked at all times. Also, we have found that, when we have meetings around these sorts of issues and concerns, tenants start to work closely together and also work with the department.

We have also worked with the Department of Justice and the Public Safety Branch to investigate

and respond to these sorts of activities and, in fact, any activities that may be of concern. We also encourage tenants to make sure that any concerns that they have be, in fact, reported to the HCC. It is a 24/7 security and concerns line that people have. They can call, like I say, any time of the night or day, any day that they want.

We worked very closely with 555 Ellice. I again want to compliment Ken Tranborg, the MHA's general manager, as well as Matt Frizzell, who has worked on the security in various buildings. He is, in fact, the MHA's Manager of Security and Loss Prevention. He worked very closely with the people at 555 Ellice.

In fact, the *Winnipeg Free Press*, on the 7th of March, 2005, so, just over a year ago, wrote a story. The story is a picture of some tenants with Matt Frizzell. The title of the story, the headline, is, Housing Agency Praised for Improving Security. It talks about the different measures that the MHA has been working very hard on under both Matt Frizzell's and Ken Tranborg's stewardship.

One of the residents, Holly Bertram, a resident with multiple sclerosis, credits the building's security for bolstering her feeling of safety. In fact, she is quoted as saying I am applauding the Housing Authority. They are my heroes now.

So I think it is very important that, when issues of concern arise, that the department is concerned and shows its concerns in many ways. One is, of course, the response at the HCC. The other is with the tenants' associations, working with the police forces, but also putting in the sorts of security features that we have seen since September 2002. I think it is very important to recognize that the—

\*(16:00)

#### Point of Order

**Madam Chairperson:** The Member for Morris, on a point of order.

**Mrs. Taillieu:** Yes, on a point of order. Madam Chair, does the minister have permission to read into the record the names she read in?

**Ms. Melnick:** I quoted an article from the *Winnipeg Free Press* so my sense is that this, certainly, would be in the public domain.

**Madam Chairperson:** This is a dispute over the facts and should not be used for debate.

\* \* \*

**Ms. Melnick:** So I think it is important to recognize the work that the MHA does. Also, I want to applaud the Professional Property Managers Association, or the PPMA, who has also worked with the MHA in the multi-unit dwellings in Winnipeg around their Apartment Watch Program.

I believe that it has been very successful. Populations within Manitoba Housing can change, so there are times when we do have to go back, where there are new people or a different population, where we work with those folks around the security. But, in general, we found positive responses and positive results.

**Mr. Gerrard:** I have asked twice, and maybe the minister can give me an answer this time. Who is administering the external review for Child and Family Services that she announced on March 20? Is that the Child Advocate?

**Ms. Melnick:** I am sorry, I did not hear the last part of your question.

**Mr. Gerrard:** Is it the Child Advocate, the Child Advocate's office that is administering the external review?

**Ms. Melnick:** Again, for the external review, it is the Children's Advocate, the Ombudsman, and Michael Hardy, the executive director of the Tikinagan Child and Family Services, actually located in Sioux Lookout, Ontario.

The external reviewers are hiring staff. Financing is being provided by the Child Protection Branch, but it is the Advocate, the Ombudsman and Michael Hardy, who are doing the organizing and the administering of the work done around the external review.

**Mr. Gerrard:** In the minister's press release she says, and I quote: The review will be carried out with the CEOs of the four Aboriginal Child and Family Services authorities.

Can the minister tell us which is the fourth Aboriginal Child and Family Services authority?

**Ms. Melnick:** The four authorities are the Northern First Nations, the Southern First Nations, the Métis and the General.

**Mr. Gerrard:** So, in fact, the minister was including the General one as one of the Aboriginal Child and Family Services agencies in her press release. I would ask if the minister is prepared to table the terms of reference today for the external review.

**Ms. Melnick:** I do not have that here right now. I will have to take that under advisement.

**Mr. Gerrard:** I look forward to getting that and hope we will be able to get that soon.

What is the role of the Child Protection Branch in the external review?

**Ms. Melnick:** As I had mentioned a few minutes ago, the Child Protection Branch is providing the money for the external review. They are also providing executive support to make sure that the reviewers have the information that they require. That could include records or files, historical information, previous reports, prior reviews. So there is an information provision aspect that is essential for the review to be done in the way that we believe the reviewers are wanting information, giving the background that they may be requiring.

The Child Protection Branch is also acting as a liaison between the authorities and the reviewers. So there is support financially. There is also informational support. I think it is really important that we recognize that the historical perspective is very important here, and that we have three people who have expertise in a number of areas.

\*(16:10)

The Children's Advocate has a lot of expertise in the area of child welfare. Certainly, the executive director of the Tikinagan Child and Family Services does as well. The Ombudsperson has expertise in the development of child welfare and the development of law around that.

So that can require a lot of information, that can require information to be accessed in a very quick time frame, if it is something that they are wanting to look at quickly. So I think it is very important that we make sure that access to the information is available to them. Of course, I had stated previously that the department would be providing the finances for the external review. But, again, it is very important that the external reviewers are working in their own areas and that they are getting the information that they are needing.

**Mr. Gerrard:** Thank you. I will pass it back to the Member for Morris.

**Mrs. Taillieu:** Can the minister tell me when she first became aware of irregularities with money management at the Society of Manitobans with Disabilities?

**Ms. Melnick:** In the fall of 2004, there was a concern raised around the use of government funds at SMD, and we immediately began to look into it.

**Mrs. Taillieu:** Madam Chair, I believe the intent was with the money that was intended to go to services, SMD services for children with disabilities, and some of that money flowed to another arm of the organization known as Ventures. There appears that there was not a service purchase agreement in place up until just recently, after the department did an internal audit. In fact, it says in the internal audit that a service purchase agreement was soon to be in place. So I am wondering, the department said that they were satisfied that this money was going to be repaid back, and I wonder if the money has been repaid back.

\*(16:20)

**Ms. Melnick:** The question of SPAs is, of course, an important one. Again, when we go back to the 1990s, we find that the former government, the Filmon government did not feel that accountability was important and, in fact, cut the ability of the department to really monitor and to hold agencies accountable. I just wanted to acknowledge the work of Grant Doak and Gisela Rempel around the establishment and the functioning of the Agency Accountability and Support Unit. I think it is important to recognize the name here, Agency Accountability, so requiring accountability from agencies, but also support so that if organizations are having some questions.

You know, a lot of these boards are volunteer boards. Quite often, they are people who are related to or have direct experience with individuals who are needing the service of the not-for-profits. They come onto the boards wanting very much to do a good job and often doing a very good job, but having to learn how does a board actually function, what are the responsibilities of the table officers, what are the committees that need to be struck, how do those committees need to function.

So I would like to also recognize Gord Greasley, who is our manager of the Agency Accountability and Support Unit, for bringing on some well over 200 service purchase agreements in a very short period of time. Again, the Member for Morris is incorrect in saying that there was not an SPA at SMD during the time when concerns were raised. There, in fact, was an SPA for adult services, and we were in the process of negotiating an SPA for the

children's services at the time the concerns were raised.

Now, when the concerns were raised, we held off further negotiation because we wanted to find out just exactly what had been happening and make sure that we were very clear on where finances were going. So, in August of 2005, SMD did provide a copy of the repayment schedule for the intercompany transfer of funds. Those payments are anticipated to be concluded by December of 2007, and it is my understanding that SMD is, in fact, ahead of payments. So we are, again, looking at this and monitoring it. I think, again, we have to go back to crediting the Agency Accountability and Support Unit, which was recreated after the removal of it from the department in the nineties, and the work that has been done in a short time to negotiate SPAs, get them signed and then to continue with the work that they are doing with the not-for-profit organizations.

**Mrs. Taillieu:** In fact, the internal audit report, which was done in March of 2005, says that a children's program SPA is in draft form, and we finalized after the issuance of this report. So there was no service purchase agreement with the children's program activities, which is what I am specifically speaking about. There was money that was intended for children's programs that went to another arm of the organization, and the minister was aware of this in November of 2004. Yet we do not have anything until this was done in 2005, and, now, we have \$500,000 not having been received back yet. I think that this minister has failed children with disabilities who should have been receiving this money for programs, for services, and, yet, she was totally unaware that this money was going for another purpose.

I would like to ask the minister, in Public Accounts of 2004-05, what the \$33,000 paid to Northland Healthcare Products was for.

**Ms. Melnick:** Could you read the beginning of the quote again?

**Mrs. Taillieu:** Sorry?

**Ms. Melnick:** Could you read the beginning of the quote that you just read?

**Mrs. Taillieu:** I am reading from the internal audit report on SMD, *Agency Review for Family Services and Housing, Service for Persons with Disabilities Branch*, March 2005: A children's program SPA is in

draft form and will be finalized after the issuance of this report.

So there was no service agreement with children's activities before this report. So, if there was an SPA with a portion, but the funding was going to services—SMD Services is one arm of the organization. There were several arms of the organization that evolved over a period of time, and because of the change in the organizational structure of the Society of Manitobans with Disabilities, there should have been an initiative on the part of this minister to look at where the service purchase agreement should have been and with what arm of the organization.

So what we have seen here is the minister trying to go around this issue and say there was a service purchase agreement with the adult programs, and there may well have been. It says that there was, I guess. Adult programs were covered, but it is specifically the children's SPA, that there was not one, and this is where the concern arises.

The concern is also that money was flowing out of this. Public money that was intended to go into services for children was channelled into another area, and that money was—well, we are not exactly sure where that money went, but there is an admission on the part of the minister that it was inappropriate because she has asked them to pay it back.

I would like to know exactly in the Public Accounts book there is \$33,000 paid to Northland Healthcare Products, and Northland Healthcare Products was the organization that purchased SMD Ventures.

**Ms. Melnick:** So, okay, the Member for Morris is attempting to backpedal on what she was originally talking about, that there was no SPA for children, and it was not being worked on, and there was no accountability.

Again, I will go back to the cutting of the accountability abilities within the department in the nineties. I had just said in my response to the Member for Morris—and, again, it would be very good for her to listen—is that there was an SPA for adult services that had been negotiated, that there was under negotiation—and she read the quote twice from the internal review, so, hopefully, she is comprehending what she has read twice into the public record, is that there was an SPA for children's services that was being negotiated at the time that the concerns came forward—this I put on the public

record just before the last two misleading questions from the Member for Morris (Mrs. Taillieu). That was under negotiation when the concerns were brought forward, and that we have put those on hold until we found out exactly what was happening.

In August, 2005, SMD provided a copy of the repayment schedule for the intercompany transfer of funds. Repayments are anticipated to be concluded by December 2007. My understanding is that they are ahead of schedule, but we are continuing to monitor this very closely.

Again, I credit the department with the very good work that they did in rebuilding the monitoring capacity. I think that the Member for Morris has illustrated why it is important to have that capacity in the department, and how wrong, in fact, her party was when they were in power to have cut that capability.

This also shows how important it is and how efficient it is to work within the department, that, when concerns were raised in the fall of 2004, we immediately took the action of holding the negotiation on the children's SPA, in going and talking to SMD and getting the information that we needed, in getting an agreement with SMD, that it was important to repay the monies that were in question at the time, and that this repayment schedule was worked out in less than a year from the time where the concerns were first raised.

\* (16:30)

Now I know the Member for Morris is rather reactionary, and I know that she always wants to be jumping around and always wants to be creating a state of hysteria, but I think it is much more important to be working in a concise manner—

#### **Point of Order**

**An Honourable Member:** A point of order.

**Madam Chairperson:** The Member for Steinbach, on a point of order, please.

**Mr. Kelvin Goertzen (Official Opposition House Leader):** A point of order, Madam Chairperson. *Beauchesne* is very clear about reflections on members and reflecting upon individual members and their character. I know it is a hot day here in the committee room, but I would certainly ask you to caution the member that all members are honourable members. I know all members are doing this service on behalf of Manitobans.

**Madam Chairperson:** This is not a point of order. However, I would agree and would like to take a moment to caution all honourable members. The language has been close, but not unparliamentary. It is more the tone that is what we are talking about here. I would ask that members keep their remarks temperate and worthy of this Assembly and the office that we all hold. I caution members on both sides of this committee.

\* \* \*

**Ms. Melnick:** Well, it is really interesting the Member for Steinbach did not raise any objections on what was being said by the Member for Morris. I think if we are going to play the game, it has to play both ways. We toughened up the skin of the Member for Morris last week, and so there is hope for the Member for Steinbach too. So, if you are going to dish it out, you have to take it.

What I was talking about, again, was the importance of working in a manner which is, when concerns are raised to take them seriously. This is, of course, what the department did, to work and put together the information. Of course, this is what the department did, to put together a resolution. In this case, it was in the form of the repayment schedule for the inter-company transfer of funds, but, furthermore, to continue to work in accordance with the signed SPAs, which the department continues to do, to monitor resolution to any concerns raised, which, again, they continue to do in monitoring the repayment schedule from SMD.

**Mrs. Taillieu:** Well, Madam Chairperson, I did ask a specific question there and the member, as usual, when she does not want to answer a question, goes on her tirade. So it is kind of pointless to ask questions all the time and not get answers. It is very frustrating.

**Madam Chairperson:** Order, please. Again, I ask that we maintain a respectful tone, respectful to each other and worthy of this Assembly.

**Mrs. Taillieu:** As we have gone through this a number of hours in the Estimates process, it certainly has been less than enlightening because of not being able to get specific answers to questions. These are questions that we put forward because, as members of the opposition, we view our jobs very seriously to hold to account the ministers for the care of the portfolio that has been given them and the monies that come with that. We ask questions over a variety of issues, and a lot of these questions are put forward

to us by Manitobans who have questions about what the government is doing. So I think when we ask questions and we do not get answers to our questions, I think Manitobans are very disappointed in that.

At this point, because of time, I would like to suggest that we move line by line.

**An Honourable Member:** You better be careful.

**Ms. Melnick:** I am always careful.

The question around the Northland Healthcare public accounts, I will take under advisement and will table.

**Madam Chairperson:** Beginning with Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$218,528,700 for Family Services and Housing, Employment, Income and Housing, for the fiscal year ending the 31st day of March, 2007.

**Resolution agreed to.**

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$402,810,900 for Family Services and Housing, Services for Persons with Disabilities, for the fiscal year ending the 31st day of March, 2007.

**Resolution agreed to.**

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$272,701,800 for Family Services and Housing, Child and Family Services, for the fiscal year ending the 31st day of March, 2007.

**Resolution agreed to.**

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$123,245,900 for Family Services and Housing, Community Service Delivery, for the fiscal year ending the 31st day of March, 2007.

**Resolution agreed to.**

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,562,000 for Family Services and Housing, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2007.

**Resolution agreed to.**

The last item to be considered for the Estimates of this department is item 9.1(a) Minister's Salary contained in Resolution 9.1(a).

At this point, we request that the minister's staff leave the table for the consideration of this last item. The floor is open for questions.

**Mrs. Taillieu:** Madam Chair, I want to, again, thank all of the staff that came and assisted over the last several days of Estimates. I know that they do a great job in their departments, and I want to thank them very much just before they leave.

Having said that, Madam Chair, it is with some reluctance that I have to put these kinds of comments on the record because, what we see is—in other departments, when there is failure to do things, maybe it does not result in too much of a hardship. It can be done at a later time or done in another way, but, when we see failures in the Department of Family Services, there are very human consequences, and we have seen failures in the Department of Family Services.

\* (16:40)

We have seen this minister has failed people with disabilities because she wants to invest \$40 million into the Manitoba Developmental Centre. We know that the population at the Manitoba Developmental Centre is dwindling as it should because people want to be living in supported living in the community. We know that some of this money may be needed for upgrades to the centre, to be sure, because some people are still there, but there needs to be a long-term vision and a plan before you invest \$40 million into bricks and mortar instead of into the lives of vulnerable and disabled people.

This minister has failed to account for or recover monies that were missing in the Society of Manitobans with Disabilities. Now, I know that organization as well. It does very good work in the community, and they do provide services to adults and children with disabilities. They provide a lot of different programs, but, again, because this minister did not have a service purchase agreement in place for the children's programs, money was channelled from the services arm of the organization into a for-profit arm of the organization called Ventures which eventually was a failed business attempt and was sold. We are still wondering if that money was ever recovered from the sale of that arm of that organization.

Nevertheless, there was money, public funds, that went for children with disabilities that was used for purposes that it was not intended for, and it is the responsibility of this minister to administer the

programs and the monies that flow from her department into the variety of organizations under the Department of Family Services and Housing.

Millions of dollars went missing during the Hydra House scandal under this minister's watch, and we know now, today, that there are still people living in a Hydra House home, so this is not over. This minister still provides, there is still some money going to Hydra House, because there are still some people living there. This minister has failed, again, to protect the people from the misuse of money that was intended for vulnerable people and, instead, was used for a variety of things under this minister's watch, and this continues, Madam Chair.

We also see per diems at the St. Amant Centre. Actually, I should rephrase that. I will say that the wages paid to people working at St. Amant—and a lot of these people are former Hydra House employees—are higher, and what that is doing to other disability organizations is devastating because they cannot compete with the money. Therefore, the workers within the system are, of course, attracted to the higher wages at places like St. Amant, which eventually will end up shutting down some of the other organizations if this is not addressed.

Certainly, we know that there is another organization called Visions for Independence, where there was an internal review done on that organization. The minister has refused to provide details on that, not during these Estimates processes, but during a letter to her, and, certainly, many of my letters that I have written to the minister over the last year, some of them have not been answered to date. Some of them do get answered, but in a very untimely manner, which I think is failing, again, Manitobans because we do need answers to be able to hold this government to account.

Certainly, let us not forget the Aiyawin Corporation where, again, there was mismanagement, misspending of money under this minister's watch. Our money flowed out that was supposed to be used to manage the houses and repair and maintain the houses. Again, missing, and drew down on the risk reserve fund at Manitoba Housing and, again, hundreds of thousands of dollars there. This was brought to the department's attention back in, I believe it was 2002. Again, this minister did nothing. Right now, some of the same people that were employed by Aiyawin are still employed with the new authority that is now administering the former Aiyawin properties.

We cannot understate the failure to protect and care for children in care in the province of Manitoba. It is truly atrocious to see the statistics here, when 31 children died while in care, or shortly after being released from care in the last five years, and an all-time high of nine in 2005 under this minister's watch. It is just a terrible thing to have to even talk about, this number of children dying under this minister's watch.

Therefore, Madam Chair, I move, seconded by the Member for Steinbach (Mr. Goertzen), that the Minister's Salary be reduced to \$9 as a reminder to this minister that nine children died in 2005 under her watch. She should take a serious look at calling a public inquiry into the delivery of child welfare in the province of Manitoba.

Just as the final straw, I think, in the reason why I am speaking on this today. When you see nine children die in one year, in 2005, under this minister's watch, I think that she should take a very serious look at calling a public inquiry into the method in which we deliver child welfare services in the province of Manitoba. It is for this reason that I move, seconded by the Member for Steinbach,

THAT the Minister's Salary be reduced to \$9.

**Madam Chairperson:** It has been moved by the honourable Member for Morris (Mrs. Taillieu),

THAT the Minister's Salary be reduced to \$9.

The motion is in order. Debate may proceed.

**Mr. Doug Martindale (Burrows):** I would like to speak briefly to this motion and say that I think that our Minister of Family Services and Housing is doing an exemplary job. I think this motion prejudices some of the processes that are under way now. Her concerns are being investigated. This minister takes them very seriously. I think we should wait until the outcome of those processes before jumping to any conclusions.

\*(16:50)

It is also distressing to me that this critic tends to personalize things, which I think is unfair and unnecessary. This minister takes her job very seriously and so do all the staff in the department. I do not think that this motion is necessary. The member had ample opportunity to ask all her questions in Estimates, and we need to await the outcome of reviews that are currently under way.

**Madam Chairperson:** Is the committee ready for the question?

**An Honourable Member:** Question.

**Voice Vote**

**Madam Chairperson:** Shall the motion pass? 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**

**Mr. Goertzen:** I heard it differently. Can I have a recorded vote, Madam Chairperson?

**Madam Chairperson:** Is there support?

**An Honourable Member:** Oh, yes.

**Madam Chairperson:** A formal vote has been requested by two members. This section of the Committee of Supply will now recess to allow this matter to be reported and for members to proceed to the Chamber for the vote.

*The committee recessed at 4:51 p.m.*

*The committee resumed at 5:14 p.m.*

**Madam Chairperson:** The hour being past five o'clock, committee rise.

**EXECUTIVE COUNCIL**

\* (14:40)

**Mr Chairperson (Conrad Santos):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Executive Council.

Does the honourable First Minister have an opening statement?

**Hon. Gary Doer (Premier):** Yes, just a brief one, Mr. Chairperson. The Estimates are pretty straightforward. I believe there is a 1.2 percent increase for salaries operating in capital in the Executive Council lines. Last year we came in at 2.6 percent under budget because of some of the savings on salary lines.

The MCIC co-operative agreement that the member opposite will be aware of is from the enabling appropriation. It is administered by Executive Council. The grant has gone up from \$500,000 to \$750,000. We, of course, believe that the number of organizations that are involved in the grass roots of community economic development around the world, the Mennonite Central Committee, the Red Cross, . . . Canada organization, UNICEF, the United Church and hundreds of other organizations, Save the Children Fund, that are involved in the MCIC do an excellent job.

We feel that the 13 to 1 ratio of dollars raised by our international communities and invested in economic development is worthy of additional support. I believe the ratio is 13 to 1; \$1 from the provincial government for \$13 raised and spent by the organizations. People, of course, are working in Louisiana right now as well as working around the world.

Last year we increased our grant on an interim basis by \$200,000 for the earthquake in Pakistan and the Philippines. The year before the tsunami we, of course, put money into the MCI organization, and these organizations and these grass-roots volunteers and church volunteers continue to work long after the media has left the tragedy and moved on, regrettably, to another one.

We have some changes in the senior civil service. Shirley Strutt has retired as a civil service commissioner. She has been replaced by Debra Woodgate, a person that would be known to the member opposite. She was a former deputy chair of the Treasury Board when we came into office. Mr. Potter, Mr. MacFarlane, and Marie Elliott have also retired, although all of them are doing other potential work, sometimes for the government, sometimes in the private sector. Mr. MacFarlane is still dealing with organized crime. Mr. Don Cook has replaced Mr. Don Potter and Ron Perozzo has replaced Bruce MacFarlane. Linda McFadyen has replaced Marie Elliott at Intergovernmental Affairs. The member opposite will know these are long-time, meritorious civil servants that had been promoted from within the ranks and therefore we believe are worthy of consideration.

In terms of the overall staffing, there have been changes since the member opposite was the chief of staff. The Protocol office and the Intergovernmental Affairs office have been moved to the—federal-provincial and Intergovernmental Affairs has been



moved to the Intergovernmental Affairs Department of government. It is my view that there was very little co-ordination between the various international affairs areas in government—you would sometimes see Agriculture going to Jalisco two months before Industry or vice versa, and we want more of a co-ordinated office dealing with these issues and any diplomatic visits from, for example, the Governor of Jalisco has been here; I have not been to Jalisco, but any kind of co-ordination, we wanted a greater co-ordination between the two offices, and we felt, at least it was my opinion, that there were orbits of trade internationally that were not connected together and that is why we made the change.

We also believe Protocol should be more involved in some of the economic activity, hosting some of the CEOs that come in from other provinces. We see the role as being partially diplomatic and partially event-orientated, but also trade-orientated. We want our Protocol office to be involved when trade opportunities are visiting Manitoba. For example, we had a major entrepreneur from India in today who was following up our trade mission to India and we had our Protocol people involved. I think two weeks ago we had the Francophonie group in and our Protocol people were also involved, along with our ministers that were affected by that quadrant of the province; not that quadrant, but in terms of Francophone issues, and we, of course, worked with the federal Foreign Affairs Department in that mission.

So those are briefly my report. It is comparable to '99, but compare apples to apples. It is slightly different because we have transferred two functions out of the Premier's Office to the other departments, and the enabling vote indicates that properly.

Next week, of course, we have a number of priorities in federal-provincial relations. Next week, we host the western premiers' meeting in Gimli. We have, also, a discussion on Canada, U.S. and Mexican trade which will have other ambassadors and representatives from other Canadian provinces join us. Later on in the week, we have NASCO, which we are also hosting, which comprise representatives of Mexico, United States, and Canada in terms of the mid-continent trade corridor and representatives of the business community. I think Art DeFehr is co-chairing it on behalf of the business community here in Manitoba. He, of course, has spent time in Monterrey, Mexico, with Governor Parás and the other representatives of Nuevo León. So that will be part of what our federal-provincial

staff are doing for the hosting responsibilities this year.

I will wait and introduce our staff in a moment.

**Mr. Chairperson:** The Chair thanks the First Minister for those comments.

Does the official opposition critic, the honourable Official Opposition Leader, have any opening comments?

**Mr. Hugh McFadyen (Leader of the Official Opposition):** I do, Mr. Chairperson, thank you. I am pleased to take this opportunity to make an opening statement in these 2006-2007 budget year Estimates. I thank the Premier for his comments. I do note the budget up 1.2 percent. I do not see that on its face as being an unreasonable increase to the budget for Executive Council.

I do, also, though, note the Premier's comments about the transfers out of Executive Council certain fairly important functions that had formerly been performed from within Executive Council. So I think it is important to note that the budget increases to Executive Council, if compared on a year-over-year basis, do not fully reflect the increase in the size of Executive Council. But, having said that, Mr. Chairperson, I do not have any particular area of concern. I have questions, but no particular area of criticism in terms of the structure of Executive Council at this stage.

I know from my own experience what an important function that the Department of Executive Council, the Secretariat, in effect, to the Cabinet performs in government. It provides support for the Cabinet of the Province. It supports the Cabinet committees that operate as delegates of the Cabinet as a whole. There is support there for the Premier, in the form of the Premier's Secretariat and the office there. There are many important functions performed within that office, in terms of correspondence and scheduling and all of those other things that go into running a good political office.

I note the comment about Intergovernmental Affairs. I know from my own experience in government that there are some excellent people who work in that area, who did so under our government, who continue to work so under this government. Also, just a note that Cabinet communications is the other area within Executive Council which continues to be centralized as it was under the last government. So I just make those as comments, just about the importance of Executive Council and the staff there.

The Executive Council and the Premier are where the buck stops in government. It is a very important role. It is the place where ministers, if they are to be held accountable, have to be held accountable. It is the place where the tone is set for government, where the culture is established essentially in a government. The Premier is the president of the Executive Council. The Clerk is the top civil servant in government who reports to the Premier, and the senior political staff wield a tremendous amount of power and influence in government.

I have questions through this process, Mr. Chairperson, related to the functions performed by different individuals, and I say and I will ask those questions in a spirit of absolute respect for all of those individuals. I, as a former political staffer, do appreciate the effort that is made by those people each and every day. I do not share their party stripe, but I can say that I have shared the experience of working in a political office and I know the effort that goes in.

There is a tone and a culture that is established by the Premier and his office in relation to all of government, and that is an important thing that I want to get into, a theme that I want to explore through the Estimates process.

I will acknowledge that there are other checks and balances in the government system. There is the provincial auditor. There are organizations and individuals such as the Children's Advocate, the Ombudsman, the opposition and others that hold the government to account in certain ways. Obviously, this Chamber is a place where questions are put to the government and answers sought, but at the end of the day there is nothing more important in terms of establishing the direction of a government than Executive Council and the people who work there.

\*(14:50)

So I just want to get into some questions, which I will after staff come in, about the role of staff in that structure and the culture that has been established within the Premier's government. I know there was a time back in the late 1990s when the Premier, who was then the Leader of the Opposition, raised concerns about a culture in the previous government. He used to characterize it as a "win at all cost" culture in that government. I, respectfully, disagree with that, but I will acknowledge that there were some competitive people working in that operation, and I know that there are some

competitive people, other than the Premier himself, who work within his operation.

So I just want to explore, in the course of my questions through this process, how and why decisions are made, and the impact they have on the culture of this current administration. So it is an important body. Important information flows through it that has a tremendous impact on the direction and the decisions made in government. I look forward to putting some of what I hope will be considered constructive questions to the Premier through this process. I look forward to candid and constructive replies as I think has been the Premier's practice in the past in the Estimates process.

I hope he will forgive me, given this is my first Estimates process, indulge me, as he has in other areas, with Bill 22, for example, provided me with some additional time, which I appreciate, to get fully briefed before we get into the debates and discussions on that bill. I hope that he will indulge me if I run afoul of any of the normal conventions or procedures in the Estimates process. I am going to do my best not to do that, and I look forward to our discussion as we go through this process.

I will allow the Premier to call in the staff.

**Mr. Chairperson:** Before we do that, the Chair reminds the majority government leader and the Official Opposition Leader, they do not have to stand unless they want to.

**An Honourable Member:** I need some exercise. It is all the exercise I get.

**Mr. Chairperson:** Well, I guess it is good for the legs.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in Committee of Supply. Accordingly, we shall defer consideration of item 1.(a) and proceed with the consideration of the remaining items referenced in the resolution.

At this time, we invite the minister—

**An Honourable Member:** I guess the Liberals have no opening statement.

**Mr. Chairperson:** They are not official opposition.

At this time, we invite the minister's staff to join us in the Chamber.

We ask the honourable First Minister to please introduce his staff.

**Mr. Doer:** Maria Garcea is the manager of Finances and Human Resources. She was the 2IC when the member opposite was the chief of staff. Karen Hill has taken a promotion, so Maria has gracefully graced us with her presence to keep track of our money. Paul Vogt is the Clerk of Executive Council.

**Mr. Chairperson:** At this point, the Chair wants to know if the committee wishes to proceed through these Estimates in a chronological manner or have a global discussion. Which is it?

**Mr. McFadyen:** Mr. Chairman, we would request that we proceed on a global basis.

**Mr. Chairperson:** Is that agreeable to the First Minister?

**Mr. Doer:** Yes.

**Mr. Chairperson:** It is understood and agreed that we will proceed on a global discussion of the Executive Council. The floor is now open for questions.

**Mr. McFadyen:** I know that any discussion of Executive Council, global or not, will lead to discussions of the globe, inevitably, given the international mandate of the Premier and Executive Council.

I just want to start, Mr. Chairman, with questions around just structure and staffing and, again, just to get some understanding of the various roles and functions different members of staff play. I want to just indicate at the outset that I agree with the promotion of the member of staff present. I am not going to make you guess which member of staff I am referring to, but I do think that they are both extremely capable and qualified people.

I just want to start with what is known as the Policy Secretariat within Executive Council, Mr. Chairperson, and just ask the Premier, according to my information, two individuals hold titles in that body that are slightly different from the ones I have been used to. One is the policy secretary to Cabinet, a Mr. Rory Henry. The second is a director of the Policy Management Secretariat, Jean Guy Bourgeois.

I wonder if the Premier (Mr. Doer) could just provide a bit of background on the delineation in roles and responsibilities between those two individuals.

**Mr. Doer:** Mr. Chairperson, first of all, just in terms of transferring out the staffing and the size of the Premier's Office, if you were to compare apples to

apples, I will go back, I will double check, but my belief is it was 36 FTEs, or I used to call them SYs. If you took out the Protocol office and the other office and you added up the positions and secondments, it would be 36, and it is now 36. So there have been some internal rearrangements made from one area to another, but it is comparable staff in terms of the overall office.

The positions that the member opposite has identified, there is a reporting relationship with the research office. We have changed it a bit. We found that the co-ordination of the Cabinet office on policy was often directed to more short-term issues and diverted away from some of the longer term issues of policy. It is very, very important because I think you will find in government departments this happens as well, that the people in management positions get diverted away to day-to-day questions too much and get too much focussed in on the grenade of the day, which of course in government there is at least one in any government any day. Sometimes the grenades blow up in other people's hands. *[interjection]* But sometimes you have got to be dealing with the questions that are raised. Just to deal with the chortle of the Member for Inkster (Mr. Lamoureux).

Our belief is that we are trying to ensure that there is some energy spent on the day-to-day issues, which there is and will be, and a lot of that has a policy implication to it. But there is also the issue of making sure that we are working in a longer term way, working for a longer term economy, for example, take the renewable energy sector, or making sure that we have a bioscience or biotechnology sector, or making sure we have longer term work going on in government that enables us to not only deal with tomorrow's announcement or tomorrow's grenade, as the case may be, but also allows us to deal longer term. I would use the energy file as an example where the former director of policy spent a lot of time with energy renewability and—*[interjection]* I beg your pardon? I do not know, I do not have any shares. I did not buy any Nortel either.

\* (15:00)

So the bottom line is that this is intended to be an attempt to have policy recognize throughout the process, but I do not want everybody just to be thinking about tomorrow's Question Period, albeit important as it is. We want to think 10 years ahead, five years ahead, and a year ahead. In government, the member opposite will know that oftentimes too

many resources get diverted to the issue of the day and not enough resources get, in my view, spent or expended on longer term. So one of the individuals is working on projects three, four, five years out, which will have a benefit to the province, I believe, both economically and socially. Others are dealing with the more immediate issues that arise, or will arise in the next six months or one year or 18 months. So that is a partial delineation.

I would say we are also trying to make sure, in my view, some deputy ministers are diverted too often to the day-to-day workings of the issue of the day. I do not say that is a political issue; it is just reality. We want to make sure that they are managing their departments. You will note that almost every deputy, if not all the deputies, is of long-term service in the public service. We want to make sure they are managing, not only the daily issues, but managing the departments a year out, five years out and 10 years out.

I think sometimes in politics, the environment we are in, politics sometimes short-circuits some long-term thinking. Our view is to try to resist that and try to have longer term files that do not take people away from the longer term to deal with tomorrow's Question Period.

**Mr. McFadyen:** From my experience in government, I do appreciate that tension between day-to-day issue management and long-term planning. I see the logic of having that separation. Just because my next question has to do with long-term planning, I do not necessarily need a long, long answer. But the question is just the split between Mr. Henry and Mr. Bourgeois: Which is focussed on long term, and which is focussed on the day-to-day?

**Mr. Doer:** Well, the delineation would be difficult because there is a bit of an overlap. The intent is for the policy secretary to Cabinet to be working, not exclusively, but the priority would be longer term. As it was with the previous incumbent, Mr. Vogt, his responsibilities were more long term.

To give you some examples of that, the energy strategy that we put in, renewable energy that dealt with ethanol, that dealt with wind, that dealt with solar, that dealt with geothermal, that dealt with other biofuels; the longer term issues of having the public task forces. We had a public hearing process on climate change and what the economic advantages were for Manitoba and what the economic disadvantages were. So, for that position, its priority would be longer term. It is not always

dealing with longer term. I have to say, there are legislative issues that come up, legislation that may be part of a long-term plan that is within short-term consideration.

The position of director of policy management would normally deal with short term, not exclusively, because I do not want short-term—again, in this field of work, if you are coming up with something that is superficial today, it is going to be damning tomorrow. I always want people to think where they are going to be a year from now, two years from now, where Manitoba is going to be three years from now, not just three minutes from now. So they all have to think longer term, because if they do not, I will try to ask the question.

**Mr. McFadyen:** Again, I thank the Premier for that answer, and I do understand the importance of that distinction to have different people in government focussed on shorter and longer term issues.

Within the communications secretariat, or Cabinet communications, as I think it continues to be referred to, our information is that there is a Mr. Hildebrand in as the acting director of communications as of September of '05. I was just wondering if the Premier can indicate where that individual came from and whether that person continues to be in an acting capacity or whether there is an expectation that that will be converted to a full-time, non-acting role.

**Mr. Doer:** Well, he is from Crystal City. He is not acting; he is permanent.

**Mr. McFadyen:** On that basis, I have no further questions about Mr. Hildebrand, obviously, from good stock, Mr. Chairman.

Mr. Vogt, who is here as Clerk of Executive Council—and just so the Premier can be put at comfort, I am not going to go on any kind of diatribe about political appointments to senior civil service roles. I think that is a debate that we have had. I think it should be merit, whether somebody is political or not. I think these should be merit-based appointments. I have no concern about the background of Mr. Vogt, in terms of his academic credentials and his understanding of policy, but, given the Premier's (Mr. Doer) comments when he was Leader of the Opposition about Mr. Leitch and his appointment, does he want to revisit any of those criticisms that were levelled at the previous government with respect to Mr. Leitch?

**Mr. Doer:** Well, Mr. Leitch and I have met on a number of occasions in his role as deputy minister. In fact, during the transition to government I offered him a senior position in government.

**Mr. McFadyen:** Well, I did not, and I probably should have, pulled up some of the Hansards, Mr. Chairperson, but there is no point in going over old news.

Can I just ask the Premier, with respect to his current chief of staff, who is at the level, the pay level, and I am not saying he does not deserve to be paid this level of \$103,133, whether that is a salary level—and, again, I am not critical of that—but I wonder if that level is consistent with the level of the chief of staff in the Premier's Office who was appointed after the 1999 election.

**Mr. Doer:** Well, I can assure the member opposite, it is the same classification as the incumbent's before the '99 election. Now who would that be? Ah.

So it is the same classification. *[interjection]*

That's right. Well, the same classification and same classification as pre-'99 for the chief of staff. There was a question the member opposite—you know, it is interesting. When I did the Premier's Estimates, there is only once I moved an amendment to the Premier's Estimates and it was over the chief of staff, to delete the position, and it was actually over Mr. Sokolyk in 19—actually, no, it was during the blizzard week in 1997. And that was the only time I ever moved a deletion of the Premier's lines, because of—but little did I know, later on what would have developed.

I have made comments in the past about staff in the Premier's Office, but most of them have been extremely positive.

**Mr. McFadyen:** I actually do have specific recollections of generous comments made by the then-Leader of the Opposition when I sat in this Chamber, I think in the very seat that Mr. Vogt is in now, and so I do recall that and I do draw from that precedent of being kind to staff, because I think we all deserve respect for the hard work that is done in Executive Council, which is, I know, a challenging department to work in sometimes.

Just a question on Intergovernmental Affairs and Trade: The position of director of Strategic Initiatives and Communications, which was filled by Ms. Harrison when she left Executive Council, can the Premier just advise is that a new position within

Intergovernmental Affairs and Trade? And what was the thinking behind the transfer of a political member of staff into that secretariat?

**Mr. Doer:** Well, Mr. Chairperson, it was not a new position. There were 36 positions in the Intergovernmental Affairs and Trade area. When we took the Trade officers from Agriculture, we took the Trade officers from Industry and we took the Intergovernmental Affairs under the stewardship of Ms. Diane Gray, who has now been promoted to a deputy minister, probably a person the member also worked with in his youth and her youth, and she would still argue that she is still youthful, so I do not want that to be in any way, shape or form miscommunicated.

So, therefore, it is not a new position. It is an existing position.

\* (15:10)

**Mr. McFadyen:** Mr. Chairman, I will not contradict the Premier's comments about Ms. Gray, who I think is competent and youthful. So I just would second that comment.

To the Premier again: Is there any seconded staff working within Executive Council now? In other words, staff being paid from a different budget, either by a Crown agency or another department of government, with public funds, that currently operates within Executive Council in terms of their functional day-to-day responsibilities?

**Mr. Doer:** There are seconded positions that rotate. The total staffing complement of 36 includes seconded positions. The number of seconded positions are comparable to 1999. When we came into office, the Premier's Office had a number of positions that were seconded to it. My instructions were we cannot go over the seconded complement; one of the reasons. So we do have seconded positions. We have permanent positions. The number, the total is 36, I believe. It was 44, if you subtract the positions that went from Protocol to Intergovernmental Affairs. Even in Protocol, there were seconded positions in Protocol, but the number is constant between the two premiers. I believe the former premier tried to keep it constant with the previous Premier for the same reasons I am keeping it constant now. But there are secondments and they are no higher or lower in terms of a staff complement than they were in the past.

**Mr. McFadyen:** I see Maria nodding her head as the Premier speaks. That gives me all the confidence I

need about staffing levels. I thank the Premier for that answer. I do recall a number of seconded staff working out of Executive Council, and thank him for confirming that number remains what it was as of 1999.

I wonder if the Premier could just outline, in terms of the daily routine within Executive Council which members of staff, both within Executive Council and, more broadly, within the civil service would be considered, for the lack of a better description, the Premier's senior staff.

**Mr. Doer:** Well, it sometimes changes. The member will know, if you are dealing with an opening of a hospital, you will have the capital person come in and brief you. You will have, perhaps, the ADM or the deputy minister brief you. So that team of people may brief me. I sometimes will meet with people about announcements just to make sure I can understand any questions I may get from the media or the public or understand myself. The senior staff varies based on function. You know, the staff that brief me for Question Period would not include, for example, the Clerk of Cabinet because, obviously, there is a role of the senior civil service and there is a role that deals with matters that I am dealing with. So it varies from function to function.

**Mr. McFadyen:** Mr. Chairperson, just to be more specific about a question, I do understand that there are meetings that take place on a one-off basis depending on a major project or announcement. Certainly, if there is a health care announcement then, as I recall, senior health staff would be brought into the Premier's Office for the purpose of a briefing, maybe even including the minister. But my question relates to the daily routine within the Premier's Office. There would be a group of staff the Premier would meet with on a daily basis, regardless of whether there was a one-off issue being dealt with. I wonder if the Premier can just indicate which staff he meets with on a daily basis?

**Mr. Doer:** Well, I deal with some staff, as I say, on Question Period. I will deal with some staff on pre-Cabinet items. I will deal with some staff on my schedule, and it varies from function to function. So it is not every day I meet with staff either. A lot of times, one should be out of this building and one is out of this building.

**Mr. McFadyen:** The Premier has referred twice now to briefings for Question Period. I wonder if he would just indicate who are the normal participants

in his daily Question Period briefing when the House is in session.

**Mr. Doer:** People that I ask to brief me.

**Mr. McFadyen:** Can the Premier indicate, if he were to outline the five civil servants or members of staff in government that he meets with most often, who would those five be?

**Mr. Doer:** Well, I think I would meet with the—depending on the session, I might be with the Government House Leader. The most amount of time I spent in a meeting today was—I had a caucus meeting at 9:30 and another caucus meeting at 1. So five members of the 35-member caucus would be my contact today.

I would point out, Mr. Chairperson, that my greatest source of briefing is actually from the public. I actually find, whether it is for Question Period or for every daily event, I get better briefing on the soccer field, not that my staff do not give me good briefing but in terms of perspective, having a perspective of what people are talking about, thinking about, the soccer field is not a bad place. I will be there tomorrow night, River East Collegiate. You can see the parents that will be there. I do not know who they are playing. I will try to find out. I find that I get probably as good a reality of what people are really talking about there.

I am sure the member opposite—I talked to his old football coach, Mitch Zalnasky, at an event the other day. He said, you know, not very good hands but not a bad guy, not a bad athlete, and I am sure he got lots of advice on sports. I will have to check it with your other cohort from Thompson Dorfman Sweatman. We are all in the twilight of mediocre sports careers, but I find my best briefing actually takes place, you know, I hate to say that, and I keep telling people this, get out of the building. Get out of the building. I daresay that everybody across the way actually knows which way they are going to vote in the next election campaign, and I daresay most people on our side know which way they are going to vote. So my advice to people as to who you are going to meet with is get out of the building.

So the people I talked to the most today in a meeting were caucus. *[interjection]* Okay, that is good advice.

**Mr. McFadyen:** Thank you for that, Premier. The Member for Radisson (Mr. Jha) is looking like he is wavering a bit these days, but I am sure he will be

there when the Premier needs him. He certainly has been there every step of the way until now.

I agree with the Premier that very often the best lessons in life can be derived from conversations with the likes of Mitch Zalnasky, who was an excellent football coach, which I would like to say for the record when I send him the excerpt from Hansard. *[interjection]*

Well, the Member for Minto (Mr. Swan) has interjected references to Mr. Rauhaus, who was also an excellent coach. He never really lived up to the skill level that his son displayed on the field, but he was not so bad as a coach. But I do digress and want to come back to the point of the Premier's daily meetings.

I do not think that Mr. Zalnasky or those folks at the soccer field, as wise as they may be, attend at the Premier's Office on a daily basis to provide briefings to the Premier. I do appreciate that meetings with caucus are fruitful, but I do want to ask the Premier one more time. I know I have no power to compel an answer but I will ask it one more time, if the Premier could just indicate five members of staff, either political or civil service staff whom he would meet with most frequently.

**Mr. Doer:** Well, Mr. Chairperson, as I said, the people I met with today, as an example, is caucus, twice. The people I am meeting with tomorrow is Cabinet. So take your pick out of the Cabinet ministers. The elected representatives provide the advice to government and they are elected to give that advice and I take that advice.

**Mr. McFadyen:** Mr. Chairperson, I think I will move on, knowing now that I am not going to get a direct answer to that question. I have to say I have only been here a few weeks, but I did come into the House predisposed to think that I might be disappointed on that exchange, and my supposition was, as it turns out, correct. But that is okay. We will move on and just talk more generally, broadly about the structure of government and decision making.

I wonder if the Premier could just indicate whether it is still the practice for Cabinet to meet once a week on Wednesday mornings.

\* (15:20)

**Mr. Doer:** Yes. I think that we looked at that because, actually, I was getting asked the question by the Ottawa meeting a couple of weeks ago. It is not every week, but most weeks. Sometimes we meet

additionally during Estimates time or pre-Speech from the Throne time, but generally we are scheduled to meet tomorrow morning, and we will be meeting.

**Mr. McFadyen:** Mr. Chairperson, the structure of Cabinet committees, I wonder on the public information that is available on the government's Web site, there are a number of Cabinet committees listed, if the Premier though could just indicate, other than Cabinet, whether there is any committee that he either sits on or routinely attends meetings of?

**Mr. Doer:** Well, we have a number of Cabinet committees and the Aboriginal Affairs of Cabinet is one which I am a member of. I do not get to the meetings regularly, but I do get briefed on them and sometimes, as follow-up items, we have work to do. For example, we met with the three chiefs last week primarily on Kelowna and on the progress of treaties, treaty land. Obviously, we have a number of people on the Aboriginal issues of Cabinet.

We also have a Community Economic Development Committee of Cabinet chaired by a minister, not myself. We have a Compensation Committee of Cabinet made up of Cabinet ministers. We have a Healthy Child Committee and we have a Treasury Board Committee. Of course, the Treasury Board is by Order-in-Council and those are public documents.

**Mr. McFadyen:** The Premier referred to the Community Economic Development Committee of Cabinet, which I understand is the renamed Economic Development Board Committee of Cabinet, or at least changed in terms of its general mandate and focus, but essentially with those changes in mandate a continuation of that former Cabinet committee, the Economic Development Board? Does the Premier routinely attend meetings of that Cabinet committee?

**Mr. Doer:** Well, a lot of items that flow through that committee flow to Cabinet. If there are any financial issues that that committee deals with, it has to flow to Treasury Board prior to going to Cabinet. So, obviously, it reports to Cabinet but sometimes through the Treasury Board. I would say it is different; it deals with a lot more with some of the Intergovernmental Affairs issues.

The member opposite talks about who I deal with. Well, he would know that he and I sat in the same room with the mayor and Mr. Kostyra at some point and Ms. Mathieson at other points. I think we dealt a lot with the gas tax and the re-allocation of

money from rapid transit to recreation. So he would know that a couple of representatives of that body, well, not that body, but Ms. Mathieson reports to Ms. McFadyen in Intergovernmental Affairs, but they would obviously be briefing me on Intergovernmental Affairs issues.

The issue of economic development and intergovernmental affairs, particularly with the infrastructure, many projects that require support from a municipality and support from the federal government and provide an economic advantage, we find it is very, very important that it go through the CED Committee of Cabinet.

Let me give an example: the proposed reinvestment in the Keystone agricultural centre in Brandon. We found that it was kind of bouncing around between departments. You know, it was in Infrastructure, it was in Intergovernmental Affairs, it was in Agriculture because the board members were there. Sometimes we needed a more co-ordinated approach across departments, and that is the advantage of the CEDC. We find a lot with issues of municipal investment and federal investment it is important to have the CEDC involved. Sometimes it is just a way of keeping our group together. That becomes complicated when you are dealing with a city and a federal government. It becomes even more complicated when the federal government—I think we have gone through three prime ministers in 18 months, so it becomes complicated. We have gone through two mayors in two years. So we need some constancy of those negotiations. So there are many projects that are proposed. To use a Christian analogy, many are called but few are chosen, and members opposite will know that. To govern is to choose, and sometimes you are choosing between five good choices and only can choose two or three, and so that body reports. Now it does not have the authority to—it must report on financial matters.

I use the Keystone Centre as an example. To get the \$5-million commitment from the province—to look at some of the capital investments going back to when we started funding the ice plant for the World Women's. No, it was the Canadian Women's, the Scott Tournament of Hearts. To get the ice plant so Brandon did not have to foreclose, we had a co-ordination across departments. So CEC does that, but it still does not take away from the issue of Treasury Board authority, budgeting amounts of money in the Estimates and reporting to Cabinet through Treasury Board.

**Mr. McFadyen:** Could the Premier just outline who are the current members of the Community Economic Development Committee of Cabinet, and who chairs that committee currently?

**Mr. Doer:** The committee names would be in the Department of Intergovernmental Affairs and Trade. The person who chairs the committee is the Minister of Agriculture (Ms. Wowchuk).

**Mr. McFadyen:** Does it continue to be the practice of Cabinet to receive minutes of Cabinet committee meetings at full meetings of Cabinet?

**Mr. Doer:** Well, I would point out that any minute that includes the spending of money has to go through Treasury Board.

**Mr. McFadyen:** Do minutes of Treasury Board and the Community Economic Development Committee of Cabinet come to full Cabinet?

**Mr. Doer:** There is no change in the practice.

**Mr. McFadyen:** Can the Premier indicate, was the former Minister of Industry, Trade and Mines, Ms. Mihychuk, a member of the Community Economic Development Committee of Cabinet when she was in Cabinet?

**Mr. Doer:** I would have to check but I believe so, yes. In fact, I think she chaired. She did chair.

**Mr. McFadyen:** Thank you. Has the Premier ever attended a meeting of that committee?

**Mr. Doer:** Not in the last number of years, but it does report. I mean, as I say, if it has a financial matter, it reports to Cabinet through Treasury Board.

**Mr. McFadyen:** I wonder if the Premier can just generally outline what is the job description and what, in practice, are the duties of the secretary to the Community Economic Development Committee of Cabinet.

\* (15:30)

**Mr. Doer:** Well, it is to make sure the economic agenda of the government and the various sets of negotiations that are part of intergovernmental relations (a) with businesses that are interested in moving to the province, (b) with different levels of government and (c) with different departments are co-ordinated. One of the reasons why we added the word "community" to economic development—as I stated before, the member opposite was talking about the comparability when Mr. Bessey, I believe, was the secretary of that committee. It is a much broader



committee in terms of community economic development because we found that if we were interested in, say, a water treatment plant to increase slaughter capacity for cows in the middle of the BSE crisis, we did not want one minister over here prioritizing the proposals from the municipalities and another minister talking to Ottawa about trying to get greater slaughter capacity in Manitoba. We wanted to make sure—in the example of the rural economic development and the City, the member opposite would have dealt with the former secretary on city-related matters. It is an attempt to co-ordinate levels of activity between the Province, the federal government and the city governments. It is an attempt to also make sure that, if economic opportunities are there, they are co-ordinated back to municipalities and to decision-makers at the grass roots.

We have often heard from—when we came into office, one of the criticisms we heard is, well, if this company comes into Manitoba and wants to locate here and wants to locate in Saskatchewan or wants to locate somewhere else, there is no place where they can go and there is no person who will refer them to this community or that community if, say, an X-community will not work. There was nobody to say, if Winnipeg will not work, will it work in Brandon, will it work in Neepawa, will it work in Dauphin? There was a feeling that, if the company did not think of it themselves, we may miss the opportunity. So the attempt is to take some of the infrastructure money that is available through the federal-provincial-municipal agreements.

Some of the economic opportunities that come every day to Manitoba, some are successful, some are in the ground, and some are unsuccessful. We could answer some of these questions, even on something like the movies. We changed, for example, where there was a recommendation to change the film credits, to improve film credits in rural Manitoba. That partly came from the film office, Carole Vivier, but it also came as an analysis of the CEDC that said that we are losing films to Saskatchewan for rural locations. So we changed the film tech credit in rural Manitoba, and now we have Hartney representing Hollywood right now.

That is the kind of work the CEDC would do, but the member opposite spent probably many hours with the secretary of that committee and would know—I think what our line was that, when the new sheriff was selected at City Hall, we changed. His priority was not to proceed with rapid transit. We did

not second-guess the decision of the people, and we did not second-guess the mandate of the mayor. We just tried to find a way to make sure we did not leave money in Ottawa when we need millions of dollars of infrastructure in Winnipeg.

**Mr. McFadyen:** Mr. Chairman, I did spend some time with the secretary of that committee, and I will confirm that he did work tirelessly on many issues that were relevant to the city of Winnipeg at the time. So I do not have any question about the level of dedication that exists there.

My question, in terms of reporting relationships, is whether, as a practical matter, the reporting relationship from the secretary was to the Premier directly, or was it to the committee or somebody else? I do not mean formal reporting; I mean practical reporting relationship.

**Mr. Doer:** Well, there is a difference between communication and decision making. For example, if we were having discussions on an infrastructure proposal to take the old Eaton's building and make it an arena, and I mentioned the Keystone Centre. We may have meetings with interested people, and we may communicate our desire of whether it will work or not. We may require due diligence reports about the numbers, but the decision making would follow the normal process in government.

In other words, the decision, the communication about the desire to take a boarded-up Eaton's building and turn it into something else, that is a matter that was obviously communicated by not just myself but by a number of people, you know, a number of Cabinet ministers. It would include the secretary of the Community Economic Development Committee, but the decision making—how much money would it cost, how much money would we get in tax returns, what is the economic benefit—that would go through the normal decision-making process, which starts with due diligence in the department responsible. I cannot remember whether it was Industry or Sport at the time. Then it was an infrastructure proposal, so we took it out of the infrastructure allocation. We had already agreed to the envelope—took it out of that after we did the due diligence; the department would, of course, do due diligence. We would get statistics generated to say how much tax revenue would come back and how much cost it would be. Then we would take it, but the decision making would follow Treasury Board, and would go to Cabinet. It would not be a decision between the secretary of that committee and any

other minister. The decision making is different than communication.

**Mr. McFadyen:** Mr. Chairman, I recognize that difference. I know within government there would be a lot of communication in advance of a formal decision on something, and a formal decision would be defined as something that either went through the appropriate committee of Cabinet or Cabinet itself in terms of sign-off for those decisions that required that sort of decision making.

I wonder if the Premier could indicate whether the secretary to the committee in question, when he spoke with parties outside of government did so with the authority of the Premier in terms of communicating to outside parties whether he was speaking on behalf of or expressing the will of the Premier.

**Mr. Doer:** I do know one thing about government, and I even heard this a lot in opposition, that people who work in the Premier's Office sometimes are perceived to be omnipotent and even the Premier is perceived to be omnipotent, and you find out quickly how little omnipotent you really have. So perceptions of people and how people speak and how they negotiate and who knows who, and if I could get a nickel for everybody that apparently had my eyes and ears and notice and you hear it invoked later on that this person comes and says oh, I hear the Premier supports you, and I do not even know anything about it. I used to hear this about the previous Premier, and to some degree you have to be very careful about (a) how much power you have or do not have in this job, because, quite frankly, you usually are sometimes frustrated about how slow things work, and (b) that it is a decision-making process, it is collegial. It is not always accurate, and it is not always precise, and it is not always sometimes after the fact appreciated, but it is the individual you are talking about, and all individuals that work in the Premier's Office. Sometimes people believe if you are close to the cloth, to use a Catholic term, that you have this omnipotent, which you do not.

And I hear people all the time saying, do not worry about it; I can talk to the Premier, and I have never met them before in my life, so I found that out before, but I actually found that out a couple of times chasing a few cars myself when I was in opposition, thinking that I had this great tip. When I chased it down about somebody invoking the former premier's name, he was just name dropping, and you would know plenty of examples of that, and you will

probably chase a few cars yourself. Maybe you will catch them and maybe you will not. I did not always catch the cars, but I did chase a few around.

So this thing about did he speak to the Premier, you know, he is a pretty good negotiator and he is not going to go into any meeting with the mayor saying, I have no authority and I cannot do anything; what do you want? He is going to say this is—you know, I had already made a statement; I am using this example because this is how we dealt with each other the day after the night of the election of Sam Katz, so we talked briefly about the infrastructure promise. I said in the media the next day we have a new sheriff and we will act accordingly, and that was his instructions, the public comments I made.

But it still needed power, and we still had to go back to our own authorities, Treasury Board, et cetera, et cetera, and obviously we had to still rework our decision. So, in that respect, anybody that speaks to the government has a level of responsibility and authority, but the responsibility is within a system and the authority is within a system, and often it is the authority of anybody, including this job, is perceived to be much greater than it really is.

\*(15:40)

**Mr. McFadyen:** I can just indicate to the Premier that I certainly have had experience with individuals in political offices and even sometimes people outside political offices, indicating that they speak on behalf of a particular individual. In fact, I think recently I was surprised to read a quote in the *Brandon Sun* of my mother commenting on a policy issue which took me aback just a little bit. I am not sure how that happened, but I can assure you that whatever views she may have had on the issue do not necessarily represent the policy of the official opposition. So I do know—and before somebody copies her a Hansard, I do want to say I have profound respect for my mother's views on issues, but she does not necessarily speak for us on all issues. I just want to indicate to the Premier that I do know how that can happen.

But I will say that just my own experience with the individual in question, the secretary of the Community and Economic Development Committee of Cabinet, is that he rarely invoked the name of the Premier, but there was very little question in most meetings I was in with that individual as to whether he had authority to speak on behalf of the Premier and the government. I do recall on occasion and others certainly recall the Premier's name being

invoked, and I assume that was not invoked without authority, but I also know that in most cases it was not. It was just understood that this was an individual who had frequent access to the Premier.

I wonder if the Premier would just say that, if the Premier's name had been invoked by that secretary in the context of important discussions, is that done so without the Premier's okay?

**Mr. Doer:** I did not come out here in a pumpkin truck, I would say to the member opposite.

I just want to say to the member opposite that last Thursday he said that the secretary of Cabinet had good judgment. He went on to say that that is why he supported my opponent in the '88 election. I am not so sure anybody wanted that job in the '88 election. We were at 6 percent in the polls at that time. The member opposite might be slightly above that taking the job on now.

I just want to carry that argument a little bit further because the person who was my friend and I considered to be a person of great dignity and intelligence, Leonard Harapiak, was also supported by the Deputy Premier, and just to take it further, the Minister of Energy (Mr. Chomiak) on my left, I mean, I am surrounded by people who have good judgment who did not support me.

My theory in life is you have a contest; you move on. You also have stated that he had good judgment. He did have good judgment and he has good judgment. He will have good judgment into the future. My view is he is effective at what he does and he knows how to use his judgment. I am not going to answer the dangling question that the member opposite asked and he would not expect me to.

**Mr. McFadyen:** I think I got what I needed out of that answer and I will move on. I will not say any more about that secretary's judgment. I have to say that I felt some remorse over the comment I made in Question Period last week. I think to be fair—and I do not want this to be any indication of any kind of retraction about the glowing words I spoke of Mr. Harapiak who is a constituent of mine, which makes him that much more excellent as a person in my view. So I do not want to go on at length about that. I will not second-guess the judgment of the members of the NDP in their selection.

The outcome of the last two general elections, I think, to give members their due, speaks to the fact that they probably made the right choice for a leader of their party, but I do, though, want to raise some

concerns about other decisions that have been made by that individual and his staff and the general way in which the government has been run since 1999, which I think are important ones in terms of performance of the government since 1999 and its accountability to taxpayers.

I just want to ask the Premier whether there is any written code within his government issued by him on the issue of ministerial accountability and responsibility.

**Mr. Doer:** Well, the responsibility is to the oath of office and the oath of office that the minister has taken, and, I dare say, the oath of office that all MLAs take when they get elected to this office. The allegiance to the Queen, the allegiance to Manitoba, the allegiance to perform to the best of one's abilities still remains the constant pledge that ministers make, and it is one that I certainly respect. I had the privilege of being sworn in with our government in '99. It is a humbling feeling, but it is a very real oath.

**Mr. McFadyen:** I thank the Premier for that answer. I do acknowledge the oath as an important undertaking by anybody seeking to serve in that kind of an office. But I wonder, given that there are other governments within our British parliamentary system, including governments within this country, but also in the United Kingdom that do issue codes or guidelines from the Prime Minister or the First Minister that lay out for ministers the principles of ministerial responsibility that exists in a parliamentary system, most of which came into being through practice and precedent, many of which were codified and have been codified.

Just from my own research, I understand that in the U.K. there is a code issued to ministers by the Prime Minister. I believe it was initially done by the current Prime Minister of Great Britain to his ministers which outlines issues like the vicarious responsibility of ministers for the acts of their department even though they may not have personal knowledge of those acts. Is there any such written code in the government of Manitoba presently?

**Mr. Doer:** Well, Mr. Chairperson, I think the whole area of accountability, and this is something we are dealing with particularly in evolutionary ways with the Public Accounts Committee of the Legislature, it would be our goal to deal with some of these issues of accountability, particularly at the senior civil service level, the deputy minister level and some of the standards of conduct. The Clerk of Cabinet is obviously well versed on the Blair initiatives.

I think it was last week he said in the House, in criticizing my invocation of the Auditor General's report, I believe I heard him say, and I will go back to Hansard, that no law can supersede common sense and good judgment. I think that is what he said. I will have to check back, but I think something similar to that. I have a tremendous amount of respect for Tony Blair, but I would note that he is having an interesting time. I do not want to get into all the details of ministerial accountability with Mr. Blair, the secretary of the home office and some of the issues of the secretary of defence and the former secretary of defence and some of the issues of appointments to the House of Lords.

So there are a lot of issues of accountability. I do believe the public, actually, like the member opposite said last week, has a sense of who should be accountable and who should not. I sometimes think that people in ministerial positions, I can think of a couple of occasions in Ottawa, let us talk about a previous government, I think one minister was blasted for meeting with somebody who eventually ended up being an illegal immigrant and was blasted and pasted and tarred on the front page of *The Toronto Star*.

\*(15:50)

To some degree I do believe in accountability. I also think there should be accountability sometimes to the media for allegations that prove not to be correct. The retractions that are required, you need a magnifying glass to read them. I think that I am worried, generally. I notice what happened last week to the person that was proposed by the Prime Minister to that committee. I generally do not like, on either side, character assassinations that are unwarranted. I know that there is a certain amount of blood required in the to and fro in government, and each of us have a job to do in terms of winning the next election. I understand that. But I am not so sure when historians write and look back at this period of time that it will not be our finest hour in terms of democracy. There have been a few comments I have made in opposition that I would like to take back, some of which I did at the time. But I think that we should be very, very careful about the accountability issue because sometimes it goes too far. I think that we are not going to be attracting the best and brightest to public life.

I remember when I first came to this Legislative Building Duff Roblin was the Premier. The questions were witty, the issues were tough, but the civility of

the debate was on ideas, not on people. I think to some degree, and both of us are committed to winning the next election, so I understand this it is not love, trust and pixie dust always, but I do believe that we have not done a very good service.

I think of the former immigration minister under the Liberal government. She may have had problems with the one profession coming in through a quick entry which I think she should have been accountable for. If somebody can just go and get a front page story on an allegation that is unproven, I think that is very, very unfair. I think last week's incident was not a proud moment in Parliament either.

On issues of accountability, we have public accountability. The ultimate accountability is always in an election campaign, and people are generally feeling that the government and its ministers and all its caucus members—because caucus is just as important, none of us can get elected without a strong caucus—if they are not doing the job, there is that accountability in the sky called the election campaign which is the ultimate democratic test.

The Blair stuff, we are studying some of it, particularly, I think, coming to some of the issues of accountability in the public service. You have the American system where everybody is thrown out, right down to the security guard at the guard gate, when the government changes. That is the American system. Then you have the British system that is trying to change accountability, but generally have the public service, the yes-Humphrey series of the public service being there forever. Sir Humphreys, I guess.

So Canada is sort of in between. Who should be appointed to a policy board—the new Tory government—who should be appointed as a policy person to a new board of directors? Who should be appointed to be on some of these various bodies where the government has made election promises and to implement your promises you need people who have a similar view. But how does that affect the meritorious public service? So we have tried to really be careful about deputy ministers and assistant deputy ministers. I think if you look at the record, they are pretty much lifelong civil servants.

If you look at our Crown corporations, we took Winston Hodgins and asked him to take over at Lotteries. We had Mr. Lussier take over at Liquor who had been there for 35 years. We did not pluck somebody from the outside in both places. We took

somebody that we knew both parties would trust. Ms. McLaren in MPI, we chose, again, through the ranks, a vice-president who had worked there 25 years. Mr. Brennan, of course, stays there through two different governments as the CEO of Hydro. Workers Compensation, we could not touch because the stakeholders hired the person. You will agree to disagree on that. But that is what the law says.

So we tried to keep accountable in that way by having meritorious people. But I think the whole issue of accountability is something we are looking at, particularly, how we can advance the Public Accounts Committee and how we can look at some of Blair's work with the public service, who in the British system should be—if you had a change in government to the Tories, I know the member opposite has worked for the British Tories—but if you have a change in government after Blair leaves, what should happen and what should not happen? The advice in those areas, I am really open to receive from members opposite.

I would actually like us to have a non-political debate about the public service and how it relates to government. How we are different than the Americans. We do not exchange prisoners on the Saskatchewan-Manitoba border after every election. How we can be more effective. It would not be bad to have these debates some time. Maybe we will have to do it after the next election campaign. We would be more than willing to listen to your advice and I am sure you would be more than willing to listen to our advice.

**Mr. McFadyen:** Mr. Chairman, I thank the Premier for those comments.

I know that this is the issue of civil service appointments and accountability. Accountability of ministers is not a new issue, by any means. It is as old as Parliament itself, certainly. I know there were issues raised under the previous government around appointments to various roles within the civil service, some of which were accepted by and some of which were criticized by the current leader, of the opposition at the time. I do think it is worth having a discussion on that point. I am not going to advocate that we do it right now, though I do want to ask some more specific questions about ministerial responsibility.

I think the Premier has indicated that, at present, there is not a written code outlining the doctrine of ministerial responsibility per se within the existing government. I do not make that comment as a

criticism. This is an evolving concept to the extent that it exists in other governments. It is a relatively new development. I am pleased to hear that it is something that is under the consideration of the current government here in Manitoba.

I do want to get into some elements of that doctrine as I understand it, and ask the Premier whether he has a similar understanding to us in terms of what ministerial responsibility in the individual sense means. There was a paper which I think is a helpful one, just written in 2001, by Professor Kernaghan, who is probably known to the Clerk. It was written for the Government of Canada for the purpose of the access to information review task force. Within this paper, the author, Professor Kernaghan, referred to the concept of individual ministerial responsibility. It refers in particular to the resignation component of that.

He says that, for serious policy or administrative mistakes made by the minister personally, or by his or her public servants, it may be appropriate for a minister to resign, given that ministers bear a vicarious responsibility for all of the acts of their department, even if they have no personal knowledge of those acts.

He goes on to say that, when public servants make an error, the minister is expected to explain to Parliament what went wrong, to promise that the error will be remedied and that measures will be taken to prevent its repetition, and to impose appropriate sanctions within the department on the public servant or servants who committed the error.

Given that public servants cannot appear in the Legislature, except in exceptional circumstances, but generally do not appear to answer questions posed by the opposition, and that it is the minister who appears to accept responsibility on behalf of the government and that minister's department for errors that are made, does the Premier agree with this statement of ministerial responsibility?

Just to recap it, when a public servant makes an error, there is a requirement on the minister to explain the error in Parliament, promise the error will be remedied, take measures to prevent its repetition, and impose appropriate sanctions within the department on the public servant or public servants who committed the error. Is that a fair statement of the Premier's understanding of the concept of ministerial responsibility as it would apply to his government?

**Mr. Doer:** Well, again, I want to state that there is a code of conduct. It is higher than a code; it is an oath. It is an oath of office. So, with the greatest of respect to the professor who is being quoted by the member opposite, we have an oath of office in this Legislative Building that Cabinet ministers take to the Queen and to the public of Manitoba. That oath of office, in my view, trumps codes, and is a clear document of commitment that any government will make, and I daresay every MLA takes a code, is sworn in as well. The ultimate accountability—I always find it interesting when academics write about this, because they are the ones, no disrespect to my colleague, the Clerk of Cabinet, with tenure forever. There is no tenure in this Legislature.

\* (16:00)

Now, I also know that some of these studies are interesting. Going back to the two studies, I remember recently being quoted by members of this House, without any discrimination, about what was in them. The Gomery inquiry recommended that no minister can be responsible in any way, shape or form for decisions of any Crown corporation in government, and, further, no Cabinet can make a decision on the hiring of deputy ministers. This is the great academic work that informed Gomery, great academic work. The same week that that came out, the Auditor General said the minister of Workers Compensation should have met with somebody, but the law states that the Workers Compensation Board in every province has stakeholders hiring and firing CEOs, and very clear. So here you had two independent bodies wanting an inquiry, informed by some of the academics who are now writing books, making money, lawyers making money, lots of money being made by lawyers, not that there is anything wrong with lawyers. We have some in our caucus.

So then you have this other recommendation that has gone to Prime Minister Harper on relinquishing his responsibilities to hire deputy ministers in the senior public service. Now he is saying, I am accountable. I am going to make these decisions. Arthur Kruger, former deputy ministers who are now in the private sector—I worked with Mr. Kruger as a member of the Niagara Institute in my youth when I was on their board and giving management seminars. So you have these reports and you have these academics out there.

So is a minister of highways, any minister of highways, responsible for any death on a road? If the

accidents because of intoxicated drivers are down by 25 percent—any death is too high, any death. Any person dying is too high. So these issues of ministerial accountability are often interpreted by the opposition to be quite liberal, small "I," and quite convenient. *[interjection]* I did, but I was careful. I was careful about human tragedies, very careful about human tragedies. The Hansard will show that, about some very, very human tragedies. I knew nobody in the House on the former side would have any comfort with some of those preventable deaths at the cardiac unit of the Health Sciences Centre. So you found us being very, very deliberate on what process should take place but not on who basically is responsible for an unfortunate and preventable death.

So, in terms of accountability, I believe the oath of office is the accountable test. I believe that the oath of office is more important than anything else because it is an oath made in public to the people of Manitoba. We are not working for each other in this building. We are working for the people of Manitoba and the responsibilities we have. We are working for the Queen, and that is why we take an oath of office to the Queen.

I will take a look at the oath of office, but I recall that all MLAs and all Cabinet ministers take that oath, and in my way of thinking that is the most important, important test of accountability, the oath you make publicly to the people of Manitoba and to the Crown, in right of the Queen.

**Mr. McFadyen:** I would agree with the Premier that that oath is an important oath. It is an expression of our commitment as MLAs and for those who are in Cabinet as ministers of the Crown of their loyalty, certainly, and their personal either oath or affirmation that they will adhere to those loyalties.

But the notion of ministerial accountability is a different concept. I do not think the oath quite captures ministerial accountability, as I just referred to. It has been a topic of some debate, some of it academic. The Premier has dismissed the academic approach to it and I accept that. I do not think that we should always necessarily rely on academics, but from time to time they do say something that is useful in these discussions.

But there is a discussion and a paper released regarding real life situations where ministers have taken responsibility for things that have gone wrong in their departments, 13 examples in one paper that I have looked at from another government, 13 ministers who have addressed the issue of ministerial

accountability, that doctrine, and made decisions either to resign, to apologize or to outline for Parliament various remedial steps to prevent a repetition of the situation that gave rise to the original issue.

So it is not just an academic issue. It has been an issue debated in houses around this country and in others that share this same tradition. So I would just ask the Premier to come back to the point whether—and I do not want to get sidetracked by absurd examples of a minister of highways having to apologize or otherwise take responsibility in the event there is a death on a highway. Clearly, there are causation factors at work that may have nothing to do with government policy or ministerial decision making, but there are other examples of things where the minister would have a more direct connection to a negative outcome, and I want to get into those in a little bit more detail.

Would the Premier agree, though, that in a general discussion of ministerial accountability—and we will get into some specifics so that we can agree or disagree when we get into specific cases—but, as a general statement, does the Premier think it is reasonable where there is an error made within a department, so not just a tragedy or a mistake or an unfortunate event—and we all know that in the real world that things do happen that are tragic events in the health care system every day. In the Child and Family Services system, kids are within that system by definition because they are at risk, and we do not necessarily seek to impose accountability on a minister just because something tragic may happen within those systems. We will be remorseful and we will certainly regret those situations, but we will be careful to try to assign responsibility where it is most appropriately assigned.

But does the Premier think it is appropriate, as a general statement of ministerial accountability, that when a public servant, given they do not appear in this House to answer questions—if a public servant makes an error, is there some accountability on the part of the minister to accept responsibility for that error? The range of activities that a minister may accept accountability and the range of ways that they can show an acceptance of accountability ranges from perhaps coming to the House with an explanation up to and including resignation on the part of the minister where the circumstances are serious enough and where they are so directly related to misconduct or negligence or a failure of duty on the part of a minister that that sort of an outcome is

warranted. But would the Premier acknowledge that, in general, ministers have to be held accountable for things that go on within their department?

**Mr. Doer:** Well, Mr. Chairman, obviously, ministers are accountable every day in this Chamber and every day outside of this Chamber to the public, through the media and to the members of the opposition. There is an obvious balance with every individual. I will be, you know, 10 years from now if the member opposite is Premier it will be interesting to quote back the Kernaghan article. He will probably want to think about that, but that is interesting stuff that all errors will be assumed by him with the 20,000 people that—well, it is not 20 now that we have lowered the number—but if an Ag rep makes a mistake on a crop advice and mentions to the—I will give you a small example. I want to go to the biggest example I can think of on an error.

If an Ag rep makes a mistake on giving you advice about what crop you should put in based on the commodity market and it dramatically changes, is that going to be an error that warrants a ministerial resignation, even though that could be very, very important issue for that farmer and that equity and that farm?

The biggest error ever made that I have ever seen in my time in this office, and I do not know whether the member opposite can guess it, but the biggest error that we had to deal with was the accounting error. It was \$940 million that went back to 1993 that we became aware of with the press release issued by the federal government. They underestimated the tax revenue from income trusts and other portfolios and corporate taxes, and there was a large amount of that attributed and accounted to Manitoba.

\*(16:10)

Now, you know, we could have actually negotiated something on the books that actually would have made the previous government look bad in the terms of negotiating the treatment of these things back before the '99 budget, and then we would have retroactively gone back and fined them, docked pay off their salary. *[interjection]*

No, but because, also, at the end of the day, you try to do the best job you can for the province.

That is the biggest error ever made. Now who is responsible for that on the Manitoba side? People who are ministers now, who are advisers now to the Leader of the Opposition. I am assuming he is not

holding them accountable for this accounting error. I know that the senior civil service obviously had to sign off. The Auditor General's office had to sign off. We, when we found out about it, we tried to negotiate the most effective job we can which by the way adds to the debt line of the provincial government. So now instead of having it nailed back in '93-94 we are getting attacked for part of the debt going up from dealing with the federal accounting error because we were able to negotiate it down from 9 something to a lot less, but we were able to show it on our account as opposed to most of the years from '93 to 2001-02. So there is a question.

The largest error I have observed since I have been Premier and even before was, you know—in terms of not an error as opposed to a deliberate action, which is different—the largest example I can recall is the federal accounting error. Now the member opposite, if he was to use the Kernaghan rules, would not be using former Finance Minister, Eric Stefanson, as his advisor under the Kernaghan rules, whoever this guy, Mr. Kernaghan, a professor. Is he a doctor, professor, you know this guy? Oh, okay. Does he have tenure? Does this guy have tenure? Has he ever written anything that has been incorrect? Has he ever resigned? So, you know, these things are interesting, but I am glad the member opposite is tying his wagon to Mr. Kernaghan. That will be an interesting position. I think if former Premier Filmon was here he would be advising you, plan on two realities: one, losing, and one, winning, and plan more on winning than losing.

**Mr. McFadyen:** I will acknowledge that in looking at this issue that it has not even been noted by the academics or some of the, I guess, what you might call more pragmatic academics in the group, even acknowledge that it does seem strange the way perspectives change when individuals move from opposition to government and sometimes from government to opposition in terms of their view on these issues. But I do not think that takes away from the fact, and I would submit to the people that it does not take away from the fact, that some measure of accountability in the system is important.

It is hard as a matter of common sense to imagine how a government can function well when errors and mistakes are made and nobody is ever called to account for it. I think any manager would say that if somebody in their organization makes a mistake that at the outset at least that some expression of displeasure might be an appropriate consequence of that. If it was a repetition or a

particularly serious mistake or even a deliberate act that it might be more serious than an expression of displeasure but maybe even dismissal or a demotion or some other consequence that flows from it. I just want to and I trust and I will not even ask the Premier whether he agrees that that just makes good common sense, that if somebody is not doing their job or living up to the standards expected that there might be some consequence for that. I am not calling for floggings or public hangings or anything serious. I think just from time to time that for minor examples that there may be some expression of displeasure on the part of the Premier to a minister or there may be some form of mea culpa or apology that might be appropriate in some circumstances up to and including resignation in very serious cases. Seriousness is obviously a subjective concept, but when one looks at serious consequences such as the loss of life or the loss of \$60 million, for example, on the part of 33,000 Manitobans which is a serious outcome that there might be some consequences flowing from that.

Before I get too far ahead of myself, I just want to get to some specific examples and ask the Premier whether some questions related to some specific examples, particularly items that have been reviewed and commented upon by the provincial auditor.

I start with the Hydra House example. That report from the provincial auditor, on page 5 in the summary, indicates that there was serious financial misconduct and serious irregularities that took place at the agency level, not within the department, not by any individuals employed by the government, either directly or indirectly by the Premier, but within an agency at arm's length that was in an agreement with the Province of Manitoba to provide certain services in exchange for public funds. The indication there, the finding of the Auditor, was that service purchase agreements, SPAs, were not in place for the majority of external service providers. Per diem funding models used in the department were not current or precise. Many of the financial reports requested by the department from external service providers were not being provided. The department's analytical review procedures were not adequate in all instances, and as a result of these deficiencies, the department was not effectively measuring the performance of its external service providers, not in a position to determine whether external service providers were spending public monies for purposes intended.

So, again, this relates to the monitoring function of the department, the accountability function, so that



when public monies are being expended to provide services, that there is some comfort and there is some security on the part of taxpayers and members of the government and opposition that those funds are being properly expended. I know it has been the history and the pattern of this government that when such things take place, there is an initial indication of oops, we goofed up there. We are going to take some measures to make sure it does not happen again.

That is appropriate, but my question then for the Premier is whether there have been any other consequences flowing or whether he thinks it would have been appropriate for an apology to this House or some consequence for the minister responsible at the time or for those serving the minister for what would appear to us to be a fairly serious set of shortcomings when it came to monitoring of external agencies.

**Mr. Doer:** Well, I want to point out to the member opposite that the audit that the member quotes from predates our government. It predates our government. I would also point out that there are about 600 nonprofit agencies and operations in government that are external to government. Some of them are church groups. Some of them are nonprofit organizations. Some of them are agencies. Some of them have been around a long time. There are about 600 of them.

The member opposite may not know this, but he might want to ask the question to two doors to his right, the former minister, because the Cadillacs went out the door before we were elected. The grants to the private school went out before we were elected. I think that the concerns raised, obviously—I think only one of the allegations took place after 1999, not allegations, findings.

The other issue is, were there financial statements provided to the department? Some years they were not and some years they were.

What we found when we looked at what went wrong with Hydra House is that Mr. Benson, you may recall him, cut nine staff positions that were all responsible for monitoring external agencies, the 600 agencies, all nine positions, the whole branch. I think it was called the Audit branch. It was all eliminated in the 1990s. I believe it was eliminated in 1994-95. So the Treasury Board at the time made that decision, sanctioned by the government, and cut the positions.

They also, when we came into office—and something that this audit helped us identify is that I

think there were less than 15 percent of the agencies outside of government that had special—there is a term, the contract? *[interjection]* Well, there is a special operating—but there was a specific term, the contracts that were negotiated with.

**An Honourable Member:** Service purchase agreements.

\* (16:20)

**Mr. Doer:** Service purchase agreements. I know that when we looked at what went wrong at Hydra House, and, by the way, there are 600 agencies. When we came into office, we found a number of real discrepancies in the Family Services Department. We were the ones that discovered a really huge amount of money from the Lions Club seniors' location, and we had to bring the Auditor General in and straighten that operation out. In all 600 agencies we did not always get all the information.

So what have we done since that audit? Well, (1) we did hold the people, the operators accountable by taking over the operation; (2) we transferred it. We were concerned, and we were concerned before the Auditor's report about the residents in the setting because there were residents there. So it is not that simple with people living there that have a relationship with staff. So we did three things: One, we made sure the accountability for the private owners stopped, and we stopped purchasing services from that agency; No. 2, we made sure the residents and staff had an orderly transfer because some of the residents, by the way, have long-term relationships with the staff and we transferred that over to St. Amant. It took us a while to negotiate that, but we feel that that has worked out quite well for the residents, and No. 3, we reinstated the Audit Branch, the nine staff years, I believe, FTEs, nine FTEs that were eliminated with the elimination of the Audit Branch in the early nineties. Now I have to admit as Opposition Leader I did not pick that up. In the big Estimates of Family Services we did not see this cut, and so I take responsibility as Opposition Leader for not seeing the hand of Jules Benson at the time and the staff cuts that were made.

The service purchase agreements, I think, were well over 90 percent now in Family Services and Housing, getting close to 100 percent as a requirement for funding from the government. I will have to look at the number, but we have gone from 15 percent SPAs to over 90 percent, and, again, the question is why are you not at 100 percent? Well, you are negotiating with people that have residents,

are vulnerable people in the setting, and sometimes you are negotiating with extremely impoverished organizations that are not getting a lot of money from the government, so I will provide an update to the member at our next sitting of Estimates. I think we are well over 90 percent, and we monitor it on a monthly basis to get it up higher from the Department of Family Services.

There are going to be audits. We have extended the power of the Auditor General. I know the member opposite dismissed that last week as being an evasion. The Auditor General's report is an evasion—I have been accused of a lot of things, but I did not think the Auditor General's 225-page report was evasive. I thought it was pretty direct. But having said that, the recommendations made by the Auditor General in these agencies are sound ones. The Hydra House situation, the owners have been held accountable, and we referred it to the Prosecutions branch to identify whether there was any violation of The Income Tax Act to deal with this issue.

I would suggest, to use the same comparison, there will be people funded by the provincial government on per diems and other things that might drive—this was a pink Cadillac, I think. It was a Cadillac or something like that, an Audi or a Cadillac. If we fund Maples, for example, and the doctor buys a fancy car, are we going to be held accountable by the Auditor General? That is the private profit model that is adored by members opposite.

We like a balance between profit, people, market. But the Hydra House thing, I do apologize for not, in opposition, identifying the nine audit officers that were cut and cut in 19—I will get the date for the member opposite; I will bring that back, but I know that the audit officers were cut. I know it was nine positions and when we read the Hydra House audit, I said, well, who is monitoring, like, what happened? And we dug and we dug and we dug, and we found out it was Jules Benson. We used to call him Mr. Scissorhands. We cut that position out. I did not think it would be, but this is an example where you do not have enough staff monitoring 600 agencies. You can pay me now or you can pay me later. It is unfortunate that happened, and it is unfortunate that it went that long. We think we had a lot better audit functions.

In fact, I get more complaints now from non-profit organizations out there complaining about the

service purchase agreements because they are too rigorous, or this, or that. Sometimes you even hear people in the media saying, oh, the government is being too tough on us. Well, you have to get a balance between letting them do their job and being able to be accountable when somebody looks at it through an audit and raises questions about the lack of compliance. The Auditor raised some good questions, and we think that, in terms of residence, accounting and management, we have, Hydra House, the residents today are better today than they were a few years ago.

**Mr. McFadyen:** I just want to indicate that I do accept the Premier's (Mr. Doer) apology for missing that when he was in opposition. I am sure there are many things that we are missing today that we will one day have to apologize for. I do not know when that will be, but, whenever the people of Manitoba decide, we will certainly look forward to being in a position to apologize for the mistakes and bad policies of his government.

I also would just comment, the Premier made reference to my comments about the expanding of the powers of the provincial auditor. We think, regrettably, that it was a good move. It is unfortunate that those expanded powers and funds were required, but it is a function of the fact that there is obviously a heavy workload in looking into mismanagement within this government. I characterize it, not as an evasion, but as akin to a "stop me before I kill again" kind of plea that, just because we are so inept at managing our government, we are going to put in place powers to stop us from doing it again in the future. I think, though, that the extra powers are called for. I think it is regrettable, though, that they are required.

Moving on from Hydra House, and most of the Premier's answer, I think, related to blaming the previous government. I cannot say that I blame him necessarily for doing that. I remember it was a favourite refrain when our party was in government during the 1990s to talk about Howard Pawley, the Pawley-Doer years as we knew them in those days. That was sometimes the best we could come up with in response to a question. So I do not blame the Premier for wanting to go back in history to come up with his answers as to why he should evade responsibility, but we are closing in on the seven-year mark of this government. I do think, and I often thought when we were at about the nine- or ten-year mark of the previous government, that it was getting tired, but I cannot say that I blame the former

premier or his ministers for wanting to fall back on that position. The Premier is running out of time on that particular excuse, though, for mismanagement under his government. The people of Manitoba will duly, I think, catch on to that response to questions, the more they get used.

I just want to move on, though, to Aiyawin, and just refer to comments made by the provincial auditor in respect of that example of financial mismanagement. There is an indication, a finding in the report that MHRC was aware of allegations of mismanagement, human resource issues and conflicts of interest as early as September 2002, certainly, under the watch of the current government, and had identified through their financial statement reviews that there were operational problems not being dealt with or responded to. Despite these red flags, the government did not sufficiently follow up or act to address the problems until their operational review. So, coming back again to the issue of accountability to the Legislature on the part of the minister, I wonder if the Premier (Mr. Doer) can indicate why it is that we have had no apology from the minister and no apparent sanction arising from this example of mismanagement within his government.

**Mr. Doer:** Just dealing with the issue of the Auditor General, we changed the act because the act that was in place when we came into office did not sufficiently deal with public money that went into private companies. It did not sufficiently deal with public money that went into private agencies. I am accountable for that change in 2001. We also were concerned.

\*(16:30)

I would point out that the Auditor General submitted a report to the Legislature in 1998. It dealt actually with labour-sponsored funds, and it dealt with MIOP loans. It rose out of the Shamray fiasco, but we were very worried about the relationship between government grants and government funds and the huge loss of money, \$40 million in MIOP loans or other direct government grants that lost money.

Now the member opposite has asked questions about Maple Leaf Distillers, and that is a legitimate question of accountability. So far under MIOP loans we have made money, made money, and contrary to the Leader of the Liberal Party, we are going to make 1 percent over our rate on the loan. We will make money. That does not mean to say we are going to

approve it; the environmental process will be independent of the government.

Now, on the issue of accountability, in 2001 we changed the law for the Auditor General. This is five years before Ottawa is proposing this. So, yes, we look ahead, and, yes, when you do something like this, it does create more audits and more accountability. That is fine because the public is better served, and, yes, there is one, again, Aiyawin is one of hundreds, I think 400 non-profit housing agencies, and so we caught some big ones that were in difficulty, like the Lions senior centre, huge issues. But I am saying that again we did not have audit branch staff in the Department of Family Services and Housing. The Auditor states that the government itself ordered an operational review, and the minister handled it appropriately when it came to her attention.

I would pull out the Auditor General's report in 1998 and 1999. He would not sign off on the books of the previous government. There are comments about a, quote, red flag, and that is fair enough, but we did not take \$500 million of health capital and bury it. We did not take \$500 million of health capital and keep it off the books. So, if the member opposite wants, I have got Auditor General reports, money here, money there, money over here that was not on the books.

I thought it was interesting yesterday or last week to hear John Baird talk about the money that was re-allocated from the gun registry, the \$35 million in supplemental spending, and moved over to some other esoteric fund so that the Liberals could hide the true costs of that. He said that was cooking the books.

Well, you know, if we want to talk about Aiyawin, and you want to talk about \$500 million of health capital that was kept off the books your last two years, there is a comparison here. We are accountable, but I am willing to go hammer and tong on this, because I do not think the public knows that you did not even get the Auditor General to sign off on your books in '98 and '99. He could not say the books accurately reflect the finances of the provincial government. He could not say it, and we found out that on our first visit to New York there was \$500 million, besides all the other things that Deloitte & Touche identified: \$33 million for SmartHealth, signed off by Cabinet, and the member opposite was in Cabinet—\$33 million on SmartHealth in January of 1999.

I am willing to deal with the red flag in Aiyawin and \$500 million of what went unaccounted for in the Estimates of the previous government. We have never had a situation—we had a disagreement with the Auditor General about the GAAP, and we were convinced he was right. We also had made a promise to people that we would follow the Filmon balanced budget legislation, which we kept for our mandate. We made that promise. Members opposite said no to GAAP. I actually have the Hansard, but I just want to say that we will take—I am willing to debate this issue about accountability, you know, the Aiyawin accountability for a, quote, red flag, that was made at an agency that, when it got to the government, they had an operational review versus \$500 million in health capital that was never, ever, ever put on the books. So this is an interesting issue of accountability, and the people that did not put it on the books are now the chief advisers of the member opposite.

**Mr. McFadyen:** Well, we can have a debate about accounting treatment and accounting policies. There was a disagreement between the provincial auditor and the previous government on accounting policies. Accounting policies were changed as a result of recommendations coming from the provincial auditor. But it is one thing to have a debate about accounting policies and the characterization of different things for accounting purposes, and to have a debate about money that has simply gone missing or been misspent, public money. If Aiyawin was the only case, then the Premier might have a point, but it is not the only case where we have got examples of mismanagement under his watch. I know he wants to go back to the 1990s and have debates about what happened in the 1990s. I think Manitobans want us to talk about what is going on in this government in 2006 and beyond, and, in particular, the approach that the current government takes to dealing with problems within its government.

So I want to move from Aiyawin on to the Auditor's report with respect to the Workers Compensation Board, and, in particular, the decision made on the part of the then minister to refer an individual back to the board chair when that individual had brought forward concerns and complaints about the conduct of the board chair at the time, which, I think, is acknowledged by anybody with a shred of common sense was a mistake and an error why it is that this House to date has received no apology, no explanation and no

apparent sanction in relation to what was patently a bad exercise of judgment.

**Mr. Doer:** Well, Mr. Chairperson, it was not an issue of policy dealing with the '99 and '98 books. It was an issue of the Auditor General could not testify in writing that the books of the Province accurately reflected the financial situation of the province. Now, that is the biggest accounting error—the accounting error that took place between '93 and 2002, which, I think, is the biggest error, and, I think, that is a serious error in accounting. Then, a fact that the books were not attested to by the Auditor General in the '98 and '99 year. I will get that for the member opposite. There was a disagreement between the Auditor General and the previous Minister of Finance on GAAP, and there was a disagreement with us, because we had made a promise to the public. But we think that the Auditor General did prevail upon us, and we think he is right. We are preceding the GAAP; we have had accounting firms working on it, but I think we have got everything dealt with. We reported on GAAP last year; we reported on GAAP this year; we are reporting on GAAP next year; we are moving towards the legislation. How do we maintain our promise to the people on Filmon's balanced budget legislation?

Well, this is not a policy issue. It was that the Auditor General would not sign off on the books, would not sign off on the books of government. Now, they are lucky they get a free ride from some of the media. That is okay because that is just the way it works. But, in my view, I cannot recall any other year, maybe the member opposite can, besides '98-99 and '99-2000.

We think those are very important issues in terms of responsibility and accountability. The member opposite has Mr. Stefanson working for him. He is in this building advising the member opposite. He quotes Mr. Kernaghan about accountability. I will table at the next session of Estimates the Auditor General's Report because he was in the Cabinet room; he is accountable, and I am accountable as well. I am willing to look at equal accountability with the public because, quite frankly, the accountability issue for not having the books stated correctly in '98 and '99, I think, is a scandal that has never ever been followed through by the media. The Tories, you know, everything is fine, and then we came into office, and we found out about the Deloitte & Touche numbers.

The other thing, Mr. Chairperson, dealing with the Workers Compensation Board, Mr. Fox-Decent was an individual appointed by the previous government, and we reappointed him. When I was first elected, business and labour both said that they would like to keep—I think I got advice on two bodies: one was the chair of the Labour Board and the other was the chair of the Workers Compensation Board. In both of those bodies, there was a consensus of the stakeholders, and there was a view of the stakeholders not to change those two individuals, and I respected that from business.

\* (16:40)

Workers compensation in Canada is treated, very definitely, as an arm's-length agency. Why? I asked this question once about the hiring of the CEOs. I was told, in opposition, that the CEO was not signed by Order-in-Council. MPI is Order-in-Council. The Liquor Commission is Order-in-Council. I believe the Hydro CEO is Order-in-Council. The Lotteries Corporation is Order-in-Council. Workers Compensation is not. There is a specific section in the act. If I could find that, if somebody can pull out the act for me, if it is here.

**An Honourable Member:** I will take your word for it.

**Mr. Doer:** No, no, I want to quote it word for word. I want to quote word for word, because you are a lawyer and I do think you respect the law.

**An Honourable Member:** I do appreciate the relevance, though.

**Mr. Doer:** Well, I do appreciate relevance, because it is relevant to your question, very relevant. If I have the quote here.

Section 59(1). I do have the act, 59(1) "The Board of Directors shall"—not "may"—"the Board of Directors shall appoint a person to be known as the chief executive officer, and shall fix his or her salary and prescribe his or her duties"; 59(2) "Every person so appointed shall"—I emphasize the word "shall," because the member opposite will know the difference between the words "shall" and "may"—"every person so appointed shall hold office during the pleasure of"—is it the Cabinet? Is it the Premier? Is it the minister responsible? No, 59(2) says, "every person so appointed shall hold office during the pleasure of the board."

Now, if the minister responsible—this, of course, comes back to the point raised by Gomery. Gomery

actually recommends this. Gomery actually recommends this as the model for deputy ministers and other people. But the Auditor says the minister may, could have, should have dealt with this issue. I think, if the minister responsible for workers compensation had interfered with a board decision on who had the authority to hire and fire, I would bet money that the chambers of commerce and the other stakeholders—if the minister responsible had gone in there and taken action with the CEO, it would absolutely be against the act, and she, in my view, the former minister, would have been overreaching her authority, because the authority was vested in the board.

The question is what happens when a CEO and a board chair are in conflict. The CEO, the board chair, as I understood it, sent it back to the board, absented himself from the board meeting, and the board itself dealt with it. It was one of the former—I will have to find the person's name, but the person who chaired that meeting, the internal meeting of the board, was a person appointed by the former government. It was not even an appointment of ours. So I actually believe that this is obviously an issue that is fair in questions, but I do not believe that the law—the law basically provides a structure of dealing with the hiring and firing with the board of directors.

One thing I have learned, and I know the member opposite is a lawyer, well, the first area of accountability that will be a vulnerability for any minister is if you take a law and break it. The law cannot be, in my view, second guessed. It cannot be, well, it should be something else, or it should be this, or it should be that. The law was very clear. The board hired Ms. Jacobsen and the board dealt with the allegations.

So I would say that we have law. I would also point out, in terms of Workers Compensation, that we think the former chair of the board deserves some credit. He deserves accountability for the issues raised with the interference with the audit, and he has been held accountable, but the accident rate in Manitoba went down 20 percent. The rates, when he left the chair's office, were the, I think, the second lowest or the lowest in Canada. We are all judged by debits and credits, and, in this business, you are judged only by your debits. But he should be held accountable for the issue of the interference with the audit. Nobody should interfere with an audit. He was held accountable, but there are other factors; there are other good points about the former chair of the Workers Compensation Board, and, I think, the minister responsible followed the law.

**Mr. McFadyen:** The Premier has correctly stated the law, but what we are talking about, Mr. Chairman, is a matter of common sense and judgment; it is not a question of law. The issue with the Workers Compensation Board was the CEO, who was hired by the board of the Workers Compensation Board, who is not a crackpot, who is not somebody known for coming forward with frivolous unfounded allegations, but comes forward with serious concerns and allegations and worries about decisions made by the chair of the board; that person comes to the minister, and, what does the minister do, but turn them back to the board, the subject of the complaint.

So whatever the law states, I would think that the Premier would agree that common sense would say that, if the quarterback on the football team has problems with a coach and comes to the general manager, the general manager says, oh, that is not my problem; go talk to the coach, that anybody, I think, would understand that that does not make very much sense. The general manager would look into those things.

If an assistant deputy minister comes to a minister with concerns about the deputy minister, their immediate superior, the minister in that situation would not, then, turn around to the deputy and say, look into this and deal with it. I would think that a responsible minister would say, assuming that there is some error of credibility to the concerns raised, that they might want to, either themselves or with the help of some independent person, look into the issues and deal with them in a common sense way. It does not matter what the act says. We are talking about common sense and good judgment and, ultimately, accountability and responsibility to Manitobans.

The act of introducing whistle-blower legislation is in and of itself a kind of a non-explicit admission that there were mistakes made because, allegedly, in any event—and I do not think the letter of the law actually would deal with this case in a satisfactory way, the letter of the bill, but it was, at least, introduced as part of the damage control strategy to make it appear as though the government was doing something to prevent a repeat of this kind of situation, whether it is or not is, obviously, a matter for discussion. Given that it was a patently bad decision by the minister to turn the former CEO of the organization back to the very people that they were raising concerns about, why has this House not had any show of contrition, an apology, or any indication of sanctions flowing for what was a very

serious error in judgment on the part of one of this Premier's ministers whom he put in place?

**Mr. Doer:** First of all, I am very pleased with the former minister's performance for the people of Manitoba. The injury rate was stated as an objective early on. We wanted to get the injury rate down, the death and accident rate down in Manitoba. That was our No. 1 priority publicly. We find there are less people being killed at the workplace today. There are less people being injured at the workplace today. There are still some concerns we have in the farm community. A lot of young people get maimed, dismembered and killed, and we are trying to increase the education programs, particularly for young people. We are very concerned about young people that are going into the workplace shortly after writing their exams, going into the workplace without any training, and we are very concerned about the economic performance of the Workers Compensation Board. Some of the issues raised by members opposite, the investment account now is performing at first or second rate three out of the last four years in Canada. That was a big scandal. It evaporated like a house of cards when the facts were presented. The accident rate has gone down 21 percent, and the financial returns, the rates, I think, are the second lowest in Canada.

\*(16:50)

Members opposite will talk about judgment, but I know if a minister in our government took section 59(1) and (2) and overruled a board contrary to the act, I know that there would be thundering and lightning and righteous indignation, and they would be coming down on whoever that minister was with all their weight. They would be demanding that the minister—with the aid and abetted by some of the stakeholders because, at that point, business and labour would be extremely concerned about what had happened at the board. It is business's money. It is labour's agreement not to go to the tort system, to have workers' compensation. They are the stakeholders in the act. They have the majority of the board members. The act is written by the former government and by our government not to have a minister hire and fire a CEO, not to have the Cabinet hire and fire a CEO. Why is that different? Well, in Hydro, it is the minister and Cabinet. In the insurance company, it is Cabinet. In the Liquor Commission, it is Cabinet. In the Lotteries Corporation, Mr. Funk was hired by Order-in-Council and Mr. Hodgins was hired to replace him.

So this is a very different board. There is no Order-in-Council signed by Mr. Filmon. I guess it was Mr. Gilleshammer at the time, I am not sure—I know Mr. Fox-Decent, as I say, was rehired by us after he was hired three times. I think it was three or four times by Premier Filmon. I am sure he had the same criteria I had, as a person who could work with both business and labour.

Now I think that 59(1) is very, very important. The board of directors shall appoint a person; 59(2) Every person so appointed shall hold office during the pleasure of the board. The member opposite talked about football. I have been on the Bombers' board of directors back in my youth, and the Bombers' board of directors did not have—you know, if there was a dispute between the coach and the general manager, if it was between Lyle Bauer and somebody else—[interjection]

**An Honourable Member:** I would be looking for a place kicker.

**Mr. Doer:** Yes, I would like to look for a place kicker. Well, I could kick at 35 yards, but not farther, but I am not making any other comment. But I will not say rude things about Saskatchewan. I actually believe that the Bombers—you mentioned a football team. I would not recommend anybody get in a power struggle with Lyle Bauer. I just would not recommend that, you know, and I do not think that—I think the board of directors, the stakeholders would normally deal with the person who reports directly to them.

In this case, the chair of the board did withdraw, and the stakeholders, the people that pay the money—it is not Becky Barrett that pays the fees. It is not Becky Barrett that makes a claim at Workers Compensation. It is workers that make the claim and it is employers that pay the money. They are the ones that made the decision on hiring Ms. Jacobsen, and ultimately made the decision on the issues of complaint. They are the stakeholders. I am actually surprised at Conservatives wanting to have employers put in money into the board, and then have a minister come around and overrule or undermine the board of directors and the law. You cannot have legal authority and then responsibility.

On the other issue the member raises, the other issue he raises was on the whole issue of the whistle-blowers. We brought in whistle-blower legislation first on health care workers and the senior citizens, mostly senior citizens, the elderly people that were most vulnerable for purposes of the act. We did bring

it in. We did bring it in, brought in more, and I note now that, in Manitoba, it does not go far enough here and does not go far enough there.

I notice that maybe Mr. Kernaghan is even commenting in Ottawa. I am going to find out who this guy is who is now the eminent source of the political wisdom for the member opposite.

Mr. Kernaghan—is he Dr. Kernaghan or Professor, Ph.D.? Has he got tenure? Tenure. Accountability.

I am going to find out more, but maybe Mr. Kernaghan has commented about the—he will be the first one saying that somebody should resign in the Harper government because, you know, a paper clip went missing somewhere. No, maybe something more important.

Whistle-blower legislation is important. Now, we would like you to look at it very seriously because one of the areas that concerns us is the whole area of public health. Who should speak to the public? The Chief Public Health Officer in Manitoba has unfettered access to the public through the media. He is not directed by the minister of the day or the government of the day. He made an announcement last week about preparation for avian flu. He did not have a minister at the lab making that announcement. He does not provide advice to the public or provide advice to the government in a way that has kind of been the traditional political reporting system. So I would really, really respect the fact that the member opposite looks at this. Now, I know I talked a long time, which I had not been doing till just this latest question. [interjection]

No, no. No, I do not want—some audiences I like, but this is not one of them.

But I know that the member opposite raised a lot of questions, and I know we will still continuing to get that and I will sit down. Thank you.

### Report

**Ms. Bonnie Korzeniowski (Chairperson of the section of the Committee of Supply meeting in Room 255):** Mr. Chairperson, in the section of the Committee of Supply meeting in Room 255, considering the Estimates of the Department of Family Services and Housing, the honourable Member for Morris (Mrs. Taillieu) moved the following motion:

THAT the Minister's Salary be reduced to \$9.

Mr. Chairperson, this motion was defeated on a voice count. 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.

*All sections in Chamber for formal vote.*

In the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Family Services the honourable Member for Morris (Mrs. Taillieu) moved the following motion:

THAT the Minister's Salary be reduced to \$9.

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 17, Nays 29*

**Mr. Chairperson:** The motion is accordingly defeated.

Committee rise. Call in the Speaker.

**IN SESSION**

**House Business**

**Mr. Speaker:** The honourable Government House Leader, on House business.

**Hon. Gord Mackintosh (Government House Leader):** I would like to announce that the committee consideration of Bill 12 is being rescheduled from Wednesday, May 24, to a future meeting.

**Mr. Speaker:** Is there leave of the House? *[Agreed]*

It has been announced that committee consideration of Bill 12 is being rescheduled from Wednesday, May 24, to a future meeting. It has been announced.

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**Mr. Speaker:** The hour being past 5 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).



# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 23, 2006

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**<http://www.gov.mb.ca/legislature/hansard/index.html>**