

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

Official Report
(Hansard)

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The Honourable Daryl Reid
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 7, 2012

The House met at 1:30 p.m.

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

Good afternoon, everyone. Please be seated.

**ROUTINE PROCEEDINGS
INTRODUCTION OF BILLS**

**Bill 22—The Highway Traffic Amendment Act
(Extension of Ignition-Interlock Program)**

Hon. Andrew Swan (Minister of Justice and Attorney General): I move, seconded by the Minister of Healthy Living, Seniors and Consumer Affairs (Mr. Rondeau), that Bill 22, The Highway Traffic Amendment Act (Extension of Ignition-Interlock Program); Loi modifiant le Code de la route (extension du programme de verrouillage du système de démarrage), be now read a first time.

Motion presented.

Mr. Swan: At present, The Highway Traffic Act only restricts drivers convicted of certain alcohol-related offences to driving motor vehicles equipped with ignition interlock devices following their driving suspension for their conviction.

This bill would expand the mandatory ignition interlock program to all first-time convicted impaired drivers. It also provides that drivers who choose to drive during this period without obtaining a restricted licence and using the ignition interlock device will face more serious sanctions under The Highway Traffic Act.

Mr. Speaker, this is—this bill is another measure to assist in the fight against impaired driving.

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

**Bill 213—The Child and Family Services
Amendment Act (No Fee for Registry
Checks Respecting Volunteers)**

Mr. Ron Schuler (St. Paul): Mr. Speaker, I move, seconded by the MLA for Morden-Winkler, that Bill 213, The Child and Family Services Amendment Act (No Fee for Registry Checks Respecting Volunteers), be now read a first time.

Motion presented.

Mr. Schuler: Yes, and Bill 213 gives clarity that provides that no fee is payable for a child abuse registry check for any volunteer.

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

PETITIONS

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

Mr. Kelvin Goertzen (Steinbach): Yes, good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly.

These are the reasons for the petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Mr. Speaker, this is signed by D. Bartel, M. Bartel, M. Blatz and hundreds of other Manitobans.

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

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery, where we have with us from Warren Collegiate 55 grade 11 students under the direction of Mrs. Lee Stewart. This group is located in the constituency of the honourable member for Lakeside (Mr. Eichler).

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

And also seated in the public gallery, we have with us today Colleen Kyle, Tanis Kyle, Rose Marie Denise Kyle, Barb Kyle, Jaime Kyle, Shelly Galbraith and Lynn Westlund, who are the guests of the honourable member for Morden-Winkler (Mr. Friesen).

On behalf of all honourable members, we welcome you here this afternoon.

And also, seated in the Speaker's Gallery today, we have Mrs. Diane Reid and Mr. Kevin Reid, who are guests of the honourable member for—MLA for Transcona.

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

ORAL QUESTIONS

Manitoba Liquor and Lotteries Corporation Board Appointment of Political Party Donors

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, over the past number of months, we've seen the Premier break his promise to Manitobans on taxes. We've seen the Premier excuse his ministers when they break election laws. We've seen the Premier excuse his ministers when they use the civil service for political purposes.

And now we see the Premier using the board of Crown corporations for his own political purposes. Last week, the Premier announced a new board for his new Crown corporation, and it was packed with NDP donors.

* (13:40)

I want to ask the Premier how he can justify this misuse of Crown corporations for political donors to the NDP, donors who contributed a total of \$34,000 to the NDP over the past number of years.

Hon. Greg Selinger (Premier): Mr. Speaker, board members were selected for various sorts of expertise.

A couple of the board members bring credentials as chartered accountants. Other board members bring experience working with various sectors of the community. Other board members bring experience working in the public service.

So the attempt of putting a board together was to have a well-rounded set of skills that could relate to all the dimensions of the Crown corporation: management, finance, relationships with the bargaining units. All of those dimensions were covered in the board appointments.

Mr. McFadyen: This is the Premier who broke his election promise. He excuses ministers who break the law. He excuses ministers who politicize the civil service, and now he says that when he selects Crown corporations it's based on a review of peoples' qualifications.

The reality, Mr. Speaker, is that less than 1 per cent of Manitobans donate to the NDP, and yet almost 70 per cent of this board is made up of NDP donors.

How can he say with a straight face that this is based on qualifications when seven out of 11 appointments contributing \$34,000 to the NDP comprise this new Crown corporation, Mr. Speaker?

Mr. Selinger: Mr. Speaker, the qualifications of the individuals appointed to the board are very strong. They bring financial expertise to the board. They bring labour relations expertise to the board. They bring expertise in service in government. They bring expertise as members of other levels of government, whether as elected as trustees in school divisions, et cetera. It's a broad cross-section of people well regarded as leaders in their own communities who we think will provide significant leadership to the board.

And I might remind the member opposite, members that are sitting on the opposite bench, before they sat on the opposite bench, we also appointed them to various boards and commissions and government advisory bodies in Manitoba because of the expertise they 'brang,' and we did not

look at their political affiliation. We looked at what they could contribute to the betterment of Manitoba.

Board Appointment of Political Party Auditor

Mr. McFadyen: Fewer than one in 100 Manitobans donate to the NDP and yet seven out of 11 members of this new board are frequent and significant donors to the Manitoba NDP.

One of those donors, Mr. Speaker, one of those appointees to the board is Gerald Rosenby. Mr. Rosenby is a partner of the accounting firm of Booke and Partners, which also happens to be the firm that audited the NDP's 2011 election return and their 2011 annual return.

Mr. Speaker, there's an important principle of the independence of auditors, and now we have a situation where the individual who audits the books and the financial returns of the NDP—after he filed a falsified return years ago—the person who audits his accounts is now being rewarded with an appointment to a Crown corporation.

Mr. Speaker, what message does that send to Manitobans, when somebody who's supposed to be an independent auditor is receiving patronage from this NDP government?

Mr. Selinger: Mr. Speaker, the individual appointed had been on an existing board already and was also considered to be a person very well qualified in terms of accounting credentials, and was put on the board for the purposes of continuity and the fact that they brought financial expertise to the governance of that board. It met both tests: experience, professional qualifications, and continuity as we merge the boards of liquor and lotteries together to get greater efficiencies in government.

Manitoba Liquor and Lotteries Corporation Board Appointment of Political Party Auditor

Mrs. Mavis Taillieu (Morris): Well, Mr. Speaker, the Premier and his NDP government have given their own auditor an NDP appointment. Gerald Rosenby was named to the board of the Manitoba liquor and lotteries corporation. He is a partner with accounting firm, Booke and Partners, the firm that audited the NDP's annual financial return and the NDP's 2011 election return. Auditors are supposed to be independent from their clients; the Canadian Institute of Chartered Accountants says so.

Mr. Speaker, given that this Premier just handed a political patronage appointment to his own auditor,

how are we to trust the ethics of this Premier and this government?

Hon. Greg Selinger (Premier): Mr. Speaker, the—as I said earlier, the individual in question had already served on that board, was considered to be a person that had financial expertise, and would bring continuity to the merging of the two boards together. And the reality is, is that that individual both had experience and professional qualifications that were deemed valuable to the new board that was being put in place as liquor and lotteries were merged together.

Mrs. Taillieu: Well, Mr. Speaker, the Premier's admitting that this has gone on longer than we even knew.

The Premier broke his election promises; he's allowed a minister in his Cabinet to break the law; he's allowed himself and other ministers to use civil servants for their own political purposes, Mr. Speaker, and now he's appointed his own auditor to a new Crown corporation.

The CICA's own publication says, and I quote: Members of the audit team in the firm are not to accept anything other than insignificant gifts of hospitality from their clients, end quote.

Mr. Speaker, the Premier appointed his own auditor to the board of the Manitoba lotteries and liquor corporation. That does not sound like an insignificant gift of hospitality.

With ethics like this, how can we trust this Premier and this NDP government, Mr. Speaker?

Mr. Selinger: Mr. Speaker, I appreciate the member's raising the question. This will be carefully reviewed in terms of the allegations that they're making, but I can tell you the rationale for appointing that individual is that he had already served on one of the Crown's boards. He had financial expertise, and it was considered advisable to provide continuity with respect to the financial expertise he brought in his previous role on serving on that board.

With respect to any of the other allegations the members have made, we will investigate to see if there's any potential conflict of interest with any professional standards, but that was not the rationale. The rationale was the previous experience and the financial expertise that he brought to that Crown corporation.

Mr. Speaker: The honourable member for Morris, on a final supplementary.

Mrs. Taillieu: Well, Mr. Speaker, why should we believe a Premier that breaks his own election promises, that allows an NDP Cabinet minister to break the law with no consequences, and uses another NDP MLA and Cabinet minister for—to direct the civil servants to do their own political purposes?

And now, Mr. Speaker, he's appointed his own auditor, Mr. Gerald Rosenby, to the Manitoba liquor and lotteries corporation.

Mr. Speaker, the Canadian Institute of Chartered Accountants' own publication shows how giving your own political party's own auditor a political patronage appointment is a bad idea. This Premier is so arrogant that he thinks he can do whatever he wants as he blatantly appoints the NDP's own auditor to a Crown corporation board.

Mr. Speaker, how can we trust this Premier and this NDP government who only serve themselves and not the people of Manitoba?

Mr. Selinger: I thank the member for raising the issue, as she has. She's made a number of other wild accusations as both her preamble and her postamble to the question, but I can affirm again that the individual was appointed because he had already—that individual had already served on a Crown corporation board, was considered to have provided excellent service in terms of the financial expertise they brought to that board, and it was considered valuable to have continuity of that financial expertise on the new board.

With respect to the other allegations that the member has made, they will be investigated. If there's any impropriety, that will be corrected.

But the individual in question—Mr. Speaker, the individual in question was considered a—was considered to have provided excellent service to the Crown corporation, was considered to have good experience, and was considered to bring financial expertise to the new board.

We will closely look at the other allegations that the member has raised today and see if there are any improprieties, and if the allegations prove to be

correct and the improprieties prove to be correct, the situation will be rectified.

Manitoba Liquor Control Commission Access to Winnipeg Jets Season Tickets

Mr. Ron Schuler (St. Paul): Mr. Speaker, at the Manitoba Liquor Control Commission committee, the minister responsible indicated that they had 10 Winnipeg Jets season tickets. He said that he would provide a list of all political staff, board members and MLAs who may have had access to the Winnipeg Jets season tickets.

My question is: Can he provide that list to the Legislature today?

* (13:50)

Hon. Jim Rondeau (Minister responsible for The Liquor Control Act): As the member knows that we had lots of discussions during that meeting, I was pleased to make a commitment to get all that material. The commission—the MLC is gathering that information, and I expect to send it to you very shortly.

Mr. Schuler: Well, Mr. Speaker, the Manitoba Liquor Control Commission had 440 regular and preseason Winnipeg Jets tickets.

Out of those tickets, did political staff, board members or MLAs use any of them? This isn't a overwhelming request. Where's the list?

Mr. Rondeau: I thank the member for the question. As he may recall, there was not just one question. There was questions all about the MLC, its operations, et cetera. It was an extensive conversation. I had agreed to provide the member a whole list of material.

We are gathering that whole list of material. It has been a rather busy time at MLC with the merger and other things going on. The staff is working very, very hard. They will get their list and we'll get it to you very shortly.

Mr. Schuler: Well look, Mr. Speaker, it has been over six weeks since the minister committed to providing the list of which political staff, board members and MLAs had access to the 440 Manitoba Liquor Control Commission's Winnipeg Jets tickets.

Question is: Why is it taking the minister over six weeks? Is the minister that embarrassed to release the list?

Mr. Rondeau: I'm glad to get a question on this, because we're moving forward on the hospitality initiative, there's a merger between liquor and lotteries, and we had public hearings on MLC. So the staff at MLC is gathering material. We've made a commitment to get it to the member.

We will get it to the member, but I right-like to let the member know that there isn't an extensive staff. The staff at MLC is working on it. And you know what, Mr. Speaker? We will get the member the information shortly, but, as I said, we will provide the information in due course. But the staff has been working very, very hard on the multiple issues in front of them.

School Trustees Code of Conduct Standards

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, the Education Minister has tabled legislation calling for a code of conduct for school trustees. This bill would require school boards to put in place codes of conduct to govern the behaviour of locally elected school board trustees.

Mr. Speaker, it's the height of hypocrisy that this government wants to set a standard to keep school trustees in line when the Premier is not willing to hold his own ministers to a standard.

Mr. Speaker, when it comes to codes of conduct, my question to the government is clear: What about you?

Hon. Greg Selinger (Premier): Mr. Speaker, I appreciate the member's question. The request for a code of conduct came from the trustees. They asked for this legislation in order to have ability to police themselves.

The member probably does know that we have our own conflict of interest legislation. We also have our own ethics counsellor, which this government put in place. So we do hold ourselves to a standard under the conflict of interest legislation. We do have an ethics counsellor that is available to advise all and every member in the Legislature on any questions they might have, and we will use the advice from the ethics counsellor on how we proceed currently and in the future.

Mr. Friesen: Mr. Speaker, clearly there's a disconnect between what this government is saying and what they're doing. The bill requires school boards to put in place provisions to make sure that trustees act with integrity and in a manner that

maintains the dignity of the office. And yet, the province's Commissioner of Elections has just found that ministers of this government broke the law prohibiting government advertising during the 90 days leading up to the election.

The minister even states in the news release on Bill 21 that accountability and good governance are critical.

Would the Premier not agree that if accountability and good governance are good ideas for school trustees, they're equally good ideas for the provincial government?

Mr. Selinger: Mr. Speaker, I agree with the member. Accountability is a good idea, which is why Manitoba's—why the—all the MLAs in this Legislature operate under a conflict of interest legal requirement in the Legislature, which is why we took an additional step and appointed and put in place an independent officer to advise all members of the Legislature on ethics. So, in fact, we were well ahead of anything the trustees had to follow.

They are now being provided with a legislative tool that they asked for in order that they can set standards for themselves, as we have set for ourselves in this Legislature. We're always open to new ideas on how we can set a higher standard.

The—with respect to the Elections Manitoba complaint, Mr. Speaker, the commissioner made it very clear that he thought that the breach was unintentional, that he thought that the legislation was not easy to understand. We take that as guidance. I do note that there have been five complaints made, four of which have been dismissed.

Mr. Friesen: Mr. Speaker, we can agree on that, that we need to set a higher standard. This new bill contains enforcement measures, including the threat of censure and even a three-month suspension for breaching board rules. Is the irony of this completely lost on this government, that there is no prescription for a censure or suspension or dismissal of Cabinet ministers who have been found guilty of breaching Elections Manitoba rules?

Mr. Speaker, this government can talk the talk, but they don't walk the walk. Why will the Premier not take a page from his own playbook and enact sanctions against his ministers for breaching this section of The Elections Act?

Mr. Selinger: Under our conflict of interest legislation, you can lose your seat if you do not

properly fill out that form. There is measures in place to censure members to the point of losing their seat. That is not what the trustees asked for; they asked for the ability for a suspension. Our measures could be far more severe in this House if you break the conflict of interest guidelines. I ask the member to take that into account when he considers what's ironic and what's not ironic.

We're open to new ideas on how to do things better, but there are measures in place to police ethical behaviour within this Legislature, and there's an ethics adviser who's an independent member, appointed by this Legislature—not reportable to the government, reportable to the Legislature—that can give advice, can provide guidance and can provide censure through the public reports that they table in front of the Legislature.

Birthing Centre Delivery Statistics

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, this Minister of Health broke the election law in the last election when she organized a media tour of the new birthing centre during the blackout period before the election. Now, that birthing centre is supposed to handle 500 births a year.

I'd like to ask the Minister of Health to tell us: Since the birthing centre opened, how many babies have been born there?

Hon. Theresa Oswald (Minister of Health): I'm very pleased to stand in the House today to speak about the importance of the birth centre in Winnipeg, something that the Women's Health Clinic in particular, Mr. Speaker, had worked for years, over 20 years, in fact, to bring to its reality.

Indeed, Mr. Speaker, the birth centre in Winnipeg is planned to have up to 500 births a year when it gets to its full capacity. In the initial planning for the birth centre we knew that we would have approximately 100 births in the first year. We're at 43 today, on track to meet that 100.

Mrs. Driedger: Mr. Speaker, while we're very supportive of the new birthing centre, the NDP continues to bungle every step of the way. As of the—mid-April, we would note that there were only 33 births at the centre. It sounds like the minister has indicated that there have maybe been 10 more since there.

But, Mr. Speaker, considering there's supposed to be about 500 in a year—that's what this government

said—and if the minister is saying there's only around 43 or 45, we're a really long way from the 500.

So can the Minister of Health tell us: Why are there so few births at this birthing centre?

Ms. Oswald: It's a revelation, indeed, to hear that members opposite are supportive of the birth centre. Film at 11, I hope, Mr. Speaker; this will be the first any of us have heard of that.

Certainly, I can inform the member, although I'm surprised, as a former nurse she wouldn't know this, that people make birth plans when they discover the joyous news that they're expecting a child, in consultation with their OB/GYN, in consultation with their midwife, other medical professionals. So we knew, Mr. Speaker, when the birth centre opened that, indeed, we would not reach the capacity of 500 per year as will be the goal.

We knew that in the first year, Mr. Speaker, as people created their new birth plans and incorporated the birth centre into those plans, that we would see a hundred in the first year. I'm delighted to report that 43 beautiful babies have been born at the birth centre. We're on track to meet the 100, and, indeed, we will get to 500. That's what supporting—

* (14:00)

Mr. Speaker: Order, please. Order, please. Time's expired.

The honourable member for Charleswood, with a final supplementary.

Mrs. Driedger: This Minister of Health broke the law to show off that birthing centre, and something is seriously wrong there right now. They never, ever said that there would be a hundred births the first year. They were out there talking about 500 births a year. There should be about 40 births a month the way they—NDP made this big announcement. Yet in just five months of this birthing centre being open, there are only 43 babies have been born there.

So she had her photo op; she broke the law to get it. So where are all the babies that they said would be born there?

Ms. Oswald: Well, again, Mr. Speaker, it gives me great pleasure to stand up and speak in support of the birth centre, to speak in support of the Women's Health Clinic who advocated for so long to have this second-of-its-kind-in-Canada birth centre in existence. They have worked passionately. They

have worked in having this midwife-led environment come to fruition.

Mr. Speaker, there's grouching and crabbing across the way at every turn about that birth centre. We, on this side of the House, support midwives, support the birth centre, support the fact that we're aware that it does take nine months for a baby to come. Surprising enough, the members opposite don't know that.

We're on track to meet that goal of 100 this year. We'll go on to have 500 births a year and continue to improve maternal and newborn—

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

Northern Midwifery Training Program Cancellation

Mr. Wayne Ewasko (Lac du Bonnet): In 2006, the members opposite started a northern midwifery program run by the University College of the North. In fact, when the announcement was made by former Health minister, he stated: Services offered by midwives are an important part of community health care, helping new mothers and babies get a good start in life. Over the next few years, more midwives will be trained and start their practices, allowing women in northern communities to remain close to their homes and families when they give birth.

Can the Minister of Advanced Education (Ms. Selby) tell this House how many students graduated from that program and caring for pregnant women and delivering their babies in northern Manitoba?

Hon. Theresa Oswald (Minister of Health): Well, Mr. Speaker, I am very pleased to get up again to speak on the subject of midwives and prenatal care here in the province of Manitoba.

I can inform the House that, indeed, Manitoba already has the most midwives per capita. That's according to the Canadian Institute for Health Information, 2012. And I also would like to let the members know that the proportion of births attended by a midwife is indeed 6.5 per cent, well above the Canadian average of 4.3 per cent. That was very, very different from the 1990s when midwifery wasn't even a regulated profession.

We're training midwives, Mr. Speaker, we're employing midwives, and, darn it, we're having babies at the birth centre.

Mr. Ewasko: I'd almost like to repeat my question because I'm not quite sure the question was answered there.

Mr. Speaker, the college of Manitoba midwives has said that the loss of the northern training program has been a devastating for the province.

Can the Minister of Advanced Education please explain to the House what happened to UCN's \$1.6-million northern midwifery program, including why it was cancelled and why no students have ever graduated from that program?

Ms. Oswald: Well, Mr. Speaker, I can certainly inform this—I can inform this member that, indeed, we created the University College of the North midwifery program. There were several students enrolled in the program, a number of whom had some personal circumstances that led them to temporarily—most of the time, temporarily withdraw from the program. There is—there is a southern cohort of midwives. We know that there are currently 12 full-time students in our four-year program, others likely rejoining the program, as stated, after these personal circumstances have been taken care of.

But, again, Mr. Speaker, No. 1 in the nation in terms of midwives per capita—not No. 2, not No. 3—No. 1 in the nation and the most—

Mr. Speaker: Order, please. Order, please. Minister's time has expired.

Mr. Ewasko: Mr. Speaker, the NDP promised more services and expanded health care to northern women and their babies and broke that promise, not to mention the lawsuit that is upcoming.

Mr. Speaker, can the minister explain to this House why that program relocated from Norway House and The Pas to Winnipeg? Why won't the minister just admit they set up a program without the necessary supports and failed to provide the nine students who were enrolled with an education?

Ms. Oswald: Well, the member's just incorrect.

There were individual enrolled in the UCN northern program. Those individuals had some personal circumstances that led them to step away from the program. A number of those individuals have returned to the program in the southern cohort. They're continuing their education and they're going to be marvellous midwives.

In addition to those, there are individuals in the southern cohort that are working towards their education.

I said in my first two answers that the Canadian Institute for Health Information ranks us No. 1 per capita in the nation, that is, Mr. Speaker, in terms of numbers of midwives. And this seems to be unsatisfactory.

They're cranky about the birth centre. They're cranky about the training program. Frankly, I'm trying to find something they aren't cranky about, Mr. Speaker.

Mr. Speaker: Order, please.

Manitoba Liquor and Lotteries Corporation Review of Board Member Qualifications

Hon. Jon Gerrard (River Heights): Mr. Speaker, we heard earlier on in question period that the Premier say that his new appointees to the board of this new Crown corporation which combines responsibility for liquor and for gambling, that these appointments were made based on their financial expertise.

I would ask the Premier: Can he tell the Legislature today what the process was used in order to select the people who he has appointed? Was the first list that the Premier used the list of donors to the NDP party?

Hon. Greg Selinger (Premier): Mr. Speaker, the existing two Crown corporations had boards. The Auditor General had said that many of the members on the boards had sat there for a long time and that—the Auditor General advised that it was a good idea, after people had served on a board for a long period of time, that there should be some rotation. So we looked for new members to sit on the boards that brought specific kinds of expertise, as well as providing continuity between the old board and the new boards.

We'd like to—we looked for at least one member from the old boards to come on to the new board. I think in the case of the member identified earlier, that individual has sat on one of the former boards, had financial expertise. So we thought the continuity and the financial expertise would be beneficial on the new board. And then other types of expertise, as I previously identified, were put in place as well.

Mr. Gerrard: Mr. Speaker, you know, Liberals have for years called for an all-party legislative committee to review pending appointments to Crown

corporations so that new potential appointees can be interviewed, so that legislators can ask about their expertise or about their vision for the future of the Crown corporation.

Mr. Speaker, this, it seems to me, would be a much better way to have appointees chosen, after the government has selected them, that they could be vetted appropriately.

I ask the Premier: Will he consent to having the legislators and an all-party committee interview the pending appointees or the appointees that he's made so that we can ask them about their qualifications and their vision for the corporation?

Mr. Selinger: Mr. Speaker, a member of the House can ask a question about anybody appointed to any board at any time in the House. They can also ask for it at committees.

* (14:10)

The federal government tried to do a public screening process. It was—many commentators suggested that that would put an enormous chill on the willingness of citizens to come forward to serve on boards if they thought they had to appear, prior to appointment, in front of a committee and get chewed up, quite frankly, by members of the committee, that potential.

We do look for good members from all across Manitoba. We have appointed people to all our boards from a variety of backgrounds. In this particular case, we were looking people—for people that had financial expertise, labour relations expertise, expertise in running government, experience in the public service, as well as broader community representation on the board. And that was the basis upon which people were selected, to have a strong board to merge liquor and lotteries together.

Mr. Speaker: The honourable member for River Heights, on a final supplementary.

Mr. Gerrard: Mr. Speaker, I very much object to the Premier trying to suggest that, on this side of the Legislature, we would be chewing up people who are appointed to Crown corporations. This is ridiculous.

The importance here is being able to have a dialogue so that members of the Legislature can understand the qualifications and the vision of people. This is a very important Crown corporation, and it is a difficult one because it mixes the very toxic problems of addiction of alcohol and addiction

to gambling, and it's very important that this be done well and right for all Manitobans. I ask the Premier to rethink this issue.

Will he now permit a legislative committee to ask reasonable questions of those who are going to be appointed in this circumstance?

Mr. Selinger: I just want the member from River Heights to know that we do agree that you need to have qualified people sitting on these boards, people that have expertise, people that have expertise with respect to the potential negative consequences of both 'gamming'—gaming and use of alcohol. We believe that there are people on that board that bring that perspective.

We need people on the board that have financial expertise. I think there are at least two chartered accountants sitting on that board with expertise; we wanted to have that. There are the questions of merging together different bargaining units on that board; we tried to appoint people with an understanding of labour relations on that board.

We looked for people with a variety of backgrounds, including service to the public, experience in the public service, and we tried to bring people with a high degree of expertise.

I invite the member to examine the qualifications of the people that we put on the board. I believe everybody that has been put on that board has a very strong record of professional and community service. They're all people with excellent reputations in their—in the community of Manitoba, and I believe they will serve the public well.

Financial Services Access for Low-Income Consumers

Ms. Melanie Wight (Burrows): Mr. Speaker, I'm so pleased to be in a government that places consumer protection as a priority in a—as in our five-year Let's Make a Better Deal strategy, and as part of this strategy, the Manitoba government introduced limits on payday lending fees to protect Manitobans from unfair charges.

Can the Minister of Healthy Living, Seniors and Consumer Affairs advise the House of the government's next steps in helping low-income people get appropriate financial services in their communities?

Hon. Jim Rondeau (Minister of Healthy Living, Seniors and Consumer Affairs): We've—already have the lowest loan rate in the country for payday

loans, and I think we also have just sent out the latest bill, which is enforcing that, where we're now have rules where we can inform the public if anyone's abusing the rules. We're making sure that the rules are clear and there's certain fees that people can do, and we're also bringing together other partners.

I met with lots of financial institutions, including the Royal Bank and Assiniboine Credit Union, which are working with a number of partners like the Community Financial Service Centre, the Consumers' Association Canada. And we're going to have a conference bringing all these people together to make sure that people have alternatives to payday loan lenders, and also to have appropriate financial supports in our community. And that will be held in June, and I'm pleased to—

Mr. Speaker: Order, please. Order, please. Member's time.

Manitoba Liquor and Lotteries Corporation Board Appointment of Political Party Auditor

Mr. Kelvin Goertzen (Steinbach): You know, Mr. Speaker, we're reluctant to leave the impression that we don't trust the Premier, but we don't trust the Premier.

You know, he brought forward an election promise and he broke that promise. He's falsified his election returns in the past. He has ministers who break election laws and yet there are no repercussions.

Earlier in question period, he indicated that he would be doing the investigation—or that an investigation would be taking place on the appointment of Mr. Rosenberg to the board of the MLCC and the new merged board.

I want to ask him: Who's going to be doing that investigation and when is it going to report back to the Legislature?

Hon. Greg Selinger (Premier): I undertook to review the allegations that the member has made—both members have made—and members of the opposite—of the opposition party have made, and we will do that. We will look into it and we will see if the CIC guidelines have been violated. We will see that—if there's any conflict of interest in—with respect to that person's previous service on a Crown corporation board, or it's—or that person's future service on the board of a Crown corporation, and we will examine whether there's any issues that need to

be addressed there, and we will do that, and I'd be happy to report back on the findings.

Mr. Goertzen: Well, Mr. Speaker, we are glad that the Premier agrees that an investigation is warranted into Mr. Rosenby's appointment. We don't necessarily trust him to do the investigation, but we're glad that there is actually going to be an investigation. We don't understand why it is he couldn't see the inherent conflict, from the beginning, of appointing his own NDP auditor to a patronage appointment.

I wonder if the Premier would tell us: Will he be able to report back to the House tomorrow what is the fate of Mr. Rosenby on this board?

Mr. Selinger: I said I would look into it, and we will look into it. The timeline on that will—I can't give him a firm commitment tomorrow, because we want to do a proper review of the circumstances that the members have raised and see if the allegations are well founded.

But I do want to reiterate that this individual had served previously on a Crown corporation board. They were considered to have provided a good, high-quality level of service for the board. They were considered to have financial expertise, which was valuable. And when the new board was put together to merge liquor and lotteries together, there was a desire to have some continuity from the old board, as well as financial expertise, and this individual was identified as possessing both of those qualities that would be helpful for the governance of the new board.

Mr. Goertzen: The Premier indicates he won't be able to report back tomorrow. It was his minister responsible for MLCC who hasn't been able to find out who's been using Jets tickets for six weeks. So we don't have a lot of trust in his time frame or his willingness to come back and tell us what is happening on this file. It only came to light with this new appointment that Mr. Rosenby, in fact, had an appointment. It seems like a clear conflict to us.

I want to know who he's going to be consulting with to determine whether or not there is, in fact, a conflict with this investigation and when he's going to report back to the House so we can clear this matter up, Mr. Speaker.

Mr. Selinger: I have undertaken to look into it and I've undertaken to report it back and will do that.

Thompson Bridge (Brandon) Project Status and Costs

Mr. Reg Helwer (Brandon West): On Thursday, I asked some questions about the Thompson Bridge in Brandon, and apparently I didn't get answers. I listened intently, and then I read *Hansard* here to see what the answers were. So, we'll go again, Mr. Speaker.

The approaches on the Thompson Bridge on 18th Street in Brandon are sinking. And, you know, Highways has now put orange caution signs at both ends after people are launching themselves onto the 'brinch'-bridge as they drive there, of this west span. It would be easy to blame this on the flood because that was the bridge that took the brunt of the damage, perhaps, but it also happened on the east span prior to the flood.

So, why can't this government build bridges correctly, on budget, and on time?

Hon. Steve Ashton (Minister of Infrastructure and Transportation): I must say I'm very surprised by this question, because a simple phone call to the department would have provided the information the member asked for, Mr. Speaker, which is that the geotechnical issues were anticipated prior to the construction. There's a sand layer. There's—it's not unusual to have the earthen approaches settle. We are putting those warning signs up; we are doing the repairs over the settled areas. This happens with bridge construction all across the province.

But the real question I'd like to ask, Mr. Speaker, is—you know, I've got a mug in my office, says Brandon First. When is the member for Brandon West going to put Brandon first, like the member for Brandon East (Mr. Caldwell) in this government?

Mr. Helwer: I don't know if I can answer questions, but I guess, you know, if members opposite took their personal income and they built businesses in Brandon and hired people in Brandon and they created infrastructure and they created jobs there, then they have the right to talk about supporting Brandon, as I do. I have been a Brandon builder from day one, and I've moved back there to do that again, Mr. Speaker, and that's what I will continue to do.

But the people of Brandon want to know why this government can't build their bridges properly. It was apparently a surprise to the media when this happened, that the bridges sank. Over \$20 million—\$8 million was the original projection

or—and the original one was supposed to be \$17 million.

* (14:20)

So how do we get to that size of a difference on building these bridges? And, in addition, the dike was supposed to be—

Mr. Speaker: The honourable Minister of Infrastructure and Transportation.

Mr. Ashton: Well, Mr. Speaker, I hear the minister for Brandon West standing up on a repeated basis criticizing major projects in Brandon, including this project. And I would put on the record that we're proud of the work that was done on this bridge by some of the best engineers in the province, some of the best people in the construction industry.

All he had to do was make one phone call to the Department of Transportation and he would have found out this was anticipated prior to the construction.

And I want to put on the record that when it comes to putting Brandon first, I don't have to stand up here and talk about my background. As MIT Minister, I put Brandon first. So does every member of our government when it really counts, which is projects like this in Brandon, Mr. Speaker. Action speaks louder than words.

Mr. Speaker: Order, please. Order, please. Time for oral questions has expired.

MEMBERS' STATEMENTS

North American Occupational Safety and Health Week

Mr. Dave Gaudreau (St. Norbert): Mr. Speaker, May 6th to 12th is North American Occupational Safety and Health Week, NAOSH. This is time for employers, employees and the public to reflect on the importance of preventing illness and injury in the workplace, at home and in their communities. This year's theme is Making It Work, intended to focus attention on organizations and associations across the province that play a part in keeping Manitobans safe every day. I had a chance to speak this morning at the NAOSH kickoff at the Construction Safety Association of Manitoba. It was a meeting with community members, labour and representatives from safety organizations and demonstrates in part the community-based commitment necessary to promote awareness of what we can all do to help make workplaces in our communities safer.

NAOSH was launched in 1997 as a partnership between Canada, the United States and Mexico expanding on the Canadian Society of Safety Engineers', CSSE, Canadian Occupational Health and Safety Week, COHS—is a logo of three hands forming a triangle, represents the joint venture and co-operation of the three partner nations and symbolizes our commitment to the common goal of occupational safety in a relationship between business, labour and government.

Mr. Speaker, the annual initiative is led by the CSSE in partnership with the Canadian Centre for Occupational Safety and Health, CCOHS, and Human Resources and Skills Development Canada, HRSDC. These national bodies, alongside community-minded organizations like the MFL Occupational Health Centre set the standard for leadership in occupational health and safety.

Mr. Speaker, our province and community does many things to promote and ensure work-safe work places and communities. Initiatives like SAFE Work Manitoba help keep us awareness and promote safety workplace and practices. Workplace and Workers Compensation Board take care of those workers who are injured on the job. This is because our commitment to safety and health in Manitoba—time-loss injury rate has dropped over 40 per cent since the year 2000. Working together we can help bring this number down to zero.

Mr. Speaker, North American Occupational Safety and Health Week is a time for reflection and action. This NAOSH week, I ask my fellow members and all Manitobans to consider what they can do to commit to help reinforce and strengthen occupational health and safety in our province.

Thank you, Mr. Speaker.

National Nurses Week

Mrs. Myrna Driedger (Charleswood): It gives me great pleasure to stand today and recognize Nursing Week, a week to acknowledge how far the profession has come and where it is going. It is a week to celebrate the powerful impact nurses have on people's lives.

Nurses play an integral part in our health-care system. As front-line workers, nurses advocate for health promotion, educate patients and the public on the prevention of illness and injury, provide care and assist in cure, participate in rehabilitation and provide support. No other health-care professional has such a broad and far-reaching role. The scope of

their practice has changed immeasurably since the days of Florence Nightingale.

Mr. Speaker, nursing Week aims to celebrate the important work that nurses do each and every day. Beginning in 1971, the International Council of Nurses designated May 12, the birthday of Florence Nightingale, as International Nurses Day. Nightingale is best known as the lady with the lamp for her work tending to soldiers in the Crimean War and is largely regarded as the founder of professional nursing. An outspoken health advocate, she wrote over 200 books and pamphlets on various topics. She made important contributions for understanding of the relationship between improved sanitation and the reduction of infection.

As a nurse myself, nobody has to convince me about the immeasurable value of nurses' work and the knowledge and skill it takes to be a nurse. I know because I've been there. I've walked many miles in those nursing shoes, Mr. Speaker.

I am sure that each of us has, in one way or another, been touched by the positive work of nurses in this province. It is my pleasure, along with all honourable members in this House, to recognize nurses and the contributions that they make to society, and to say thank you to them.

Thank you, Mr. Speaker.

International Day of the Midwife

Ms. Melanie Wight (Burrows): Mr. Speaker, I rise today to commemorate International Day of the Midwife, which occurred on May 5th. The day is a time to acknowledge and appreciate the importance of midwives and midwifery throughout the world. Since 1981–'91, the International Day of the Midwife has provided an annual focal point for midwives, midwifery associations and partners, to raise awareness for midwifery. It is also an opportunity to extend the influence of midwives, in terms of maternal, newborn and reproductive health care, both nationally and internationally.

There are many types of midwives, Mr. Speaker. The World Health Organization recognizes the importance of midwives in promoting the health of women and babies throughout the world, and strongly encourages that midwives be primary health-care providers for pregnant women. Midwives are specialists in normal pregnancy and women's health care.

Mr. Speaker, since 1999 we have built a midwifery program by regulating the profession,

creating 57 funded midwife positions through the province and developing of training programs so students could study and work right here in Manitoba. Since that time, midwives have provided health care for thousands of Manitoba families, and this option continues to be made available to more families each year. Manitoba midwives work in northern and remote communities, southern and rural communities, and in urban areas.

Mr. Speaker, the World Health Organization considers midwives to be essential to the delivery of quality services before, during, and after childbirth for women and newborns. A key approach of this—of the midwifery profession is to create the conditions for women and their newborn to go through a safe, humanized and respectful childbirth experience.

I am proud to be a member of a government that supports this essential health-care service through many initiatives that cover the spectrum, from education to after-birth services. I hope that all members will join me in acknowledging the contributions that midwives make to safe deliveries and maternal health in Manitoba and worldwide.

Thank you, Mr. Speaker.

Halli Krzyzaniak

Mr. Stuart Briese (Agassiz): Mr. Speaker, I rise today to honour Halli Krzyzaniak, a local Neepawa hockey player, who, I am proud to say, is one of the finest and most talented young athletes in Manitoba today.

Ms. Krzyzaniak was recently a member of the International Ice Hockey Federation under-18 women's world hockey national championship team. The tournament was held in the cities of Zlin and Prerov in the Czech Republic, and with the help of Ms. Krzyzaniak, who was only 16 at the time, the Canadian team defeated the Team USA in the championship game and won the tournament.

For many of these young athletes, it's their first experience in international competition overseas. Yet with great poise and focus they were able to overcome their apprehensions and claim an incredible victory on the world stage for their team and for their country.

I'd like to quote Halli on her experience from her journal entry that was published in the *Neepawa Banner* for her fans back home: Today we became the world champs, beating the USA 3-0. Probably the best feeling ever, after all this time and effort we

put into it. Definitely the best two weeks of my life. I wouldn't change a single moment of it.

Young boys and girls like Halli have an incredible team spirit and dedication to their sport. They are the best of the best in our country. Halli grew up on a farm adjacent to mine, and I'm proud to say rural Manitoba is continuing its tradition of producing world-class athletes.

I am convinced Halli will continue to play hockey at the international level, and she will likely win many more medals, trophies and accolades in her career. I also know that her parents and her community are incredibly proud of her, as we all are in this Assembly today. We wish Ms. Krzyzaniak the best of luck in the future, and may she find continuing success in the years ahead.

Thank you, Mr. Speaker.

École Bannatyne School

Ms. Sharon Blady (Kirkfield Park): Mr. Speaker, I rise today to acknowledge a very special milestone for a beloved St. James School Division school.

This past weekend École Bannatyne School celebrated its 100th anniversary. Named for pioneer Andrew Graham Ballenden Bannatyne, the original school was constructed in 1911 in order to prepare for the expansion of the St. James community at the beginning of the 20th century. When the school opened in 1912, bush and open prairie dominated the landscape of St. James. The school was moved once, when the—when in 1962 the original, grand, three-storey school building was torn down and a new Bannatyne School was constructed on Thompson Drive.

* (14:30)

The 100th anniversary was celebrated over this past weekend with two events: an alumni social evening on Friday, May 4th, and a Family Day on May 6th. I was able to attend the Family Day with my sons; one is currently a student and the other is a graduate of the school.

Mr. Speaker, students and teachers presented a history of École Bannatyne School by devoting entire classrooms to specific decades in order to demonstrate the changes that the school and the wider society have experienced over the past 100 years. This school-wide museum featured storytelling by students in period costumes as well as performances of popular music from each decade. A presentation called Through Gran's Eyes was also given and focused on the story of twins who turned

to their grandmother to tell them the history of the past 100 years. Historical items dealing with both St. James and École Bannatyne School were also displayed. The performances and history lessons were spirited and gave the students, parents and alumni the opportunity to reflect on the school's storied history.

Mr. Speaker, it was a joy to attend the event, to link the school's past to its current generation of students, its beginning with its future. It was a great time to reminisce with alumni about the history and growth of the school and how its transition has mirrored the transformation of St. James.

Thank you Mr. Speaker.

ORDERS OF THE DAY GOVERNMENT BUSINESS

House Business

Hon. Jennifer Howard (Government House Leader): Mr. Speaker, would you please move us into Committee of Supply.

Mr. Speaker: We'll now resolve into the Committee of Supply.

Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSERVATION AND WATER STEWARDSHIP

* (14:40)

Mr. Chairperson (Mohinder Saran): Order.

Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Conservation and Water Stewardship.

Does the honourable minister have an opening statement?

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): Well, I'm very pleased to be appointed to this new portfolio and I look forward to continuing to meet with the many, many stakeholders that have relationships in the past with the department and the issues, and I look forward to building new relationships into the future.

I, in particular, look forward to getting out to visit with many in greater Manitoba. I've had a lot of invitations to come out when the ground and the waters have thawed, and so perhaps even during the

session, I can get out on some of the Thursday nights or Fridays and see some of the water works that I've heard a lot about. And I know some people, conservation districts in particular, have extended kind invitations to me, and I look forward to seeing the great work that they've been doing over the years.

In the meantime, the office has certainly been busy having people in, and we're getting through what has become a quite extensive list of people that do want to come and introduce themselves to me and deal with issues or otherwise just want to hear about the ideas for general direction or even on specific issues.

The departmental reorganization that was done, which led to my appointment, saw, of course, some major components of the former Water Stewardship department joining with Conservation to give the department new and broader responsibilities with regard to air, land, and water, along with the resources within each. MIT is, as the members know, the lead when it comes to flood issues and water quantity generally.

The department manages and protects the province's environment and natural resources working, of course, co-operatively with those stakeholders that I referenced earlier, including First Nations and Métis communities, to balance the environmental, social, and economic needs of the province. So the role is to sustainably manage and protect the province's environment and our rich biodiversity such as water, wildlife, and forests.

The department contributes to the economic development and well-being of the province through managing the commercial use of natural resources, providing recreational, land, water, and resource-based opportunities, and supporting many community initiatives through grant-funding programs. It also protects people, property, and resource values from wildfires, forest fires, and the effects of other natural and human occurrences.

I was pleased last week to be able to announce, with the Minister responsible for MIT, which worked on the process to hire four new water bombers for Manitoba, and two more came on this year. It appears that the capacity of these new water bombers is far superior to the old one. And I was pleased to hear, by the way, on the way out of the press conference, from one of the pilots who talked about just the difference in the demands, the physical demands, and, of course, talking about the different

capacities of the new bombers compared to the old ones. And that was heartening as well because when we make the responsibilities easier on the people in the front lines, we're able to better serve Mother Earth, but essentially, the new water bombers, they almost double the water-dropping capacity compared to the old water bombers. So we're three or four water bombers in now. We have one more that's scheduled to arrive from Bombardier this fall.

The highlights that I want to just touch on briefly in my introductory remarks include the following:

First, I want to acknowledge the tremendous efforts of the staff of the department, and, in particular, the flooding that has been occurring has put a tremendous onus on staff in so many departments but certainly including Conservation and Water Stewardship. People were often taken off their usual duties to help and make sure that job one was flood fighting and helping those who were affected.

As you know, Manitoba's parks and, in addition—to their roads and bridges were not spared. So rebuilding is going to take some time and although we would like it to have—to take no time, but we know that to do a good job, we have to do the necessary engineering studies and put in place the processes so that Manitobans can take part in the redesign of these parks where there has been a significant impact. For example, at Spruce Woods, that is one park of several that have been particularly affected and it's very regrettable, but I'm very pleased to see the movement that has been made and all efforts are going to be made to ensure that whatever amenities can be made available to the public this summer will be so made available.

Of course, working with our First Nations partners on the World Heritage site has been a priority over the last few years, and we were very pleased to see the official launch of the world—UNESCO World Heritage site bid, and that now is under consideration by UNESCO.

In terms of other items of priority interest, and, coming into the department, we began the effort to develop a comprehensive multi-year environment strategy for the province, and by environment strategy, I mean looking at, as well, how the green economy of Manitoba can grow. I think the public certainly expects and wants strong leadership from the Province when it comes to the environment and expects movement towards a greener economy.

I think it's widely acknowledged now that a green economy is a way to help ensure prosperity for the future of the province, and we have a very good start here in Manitoba, of course, with our hydroelectric generation which provides expertise that is world-class. But, as well, we've been providing, I think, some real notable leadership in other areas, whether it's in geothermal, or perhaps more correctly described as ground-source heating, but so many other areas as well, including wind power.

And I think that when you look at the potential with a green economy development, you also have to look at the conservation side as well to ensure that the future is indeed green. So we will be developing a strategy that involves some aggressive planning over the several years ahead and we'll signal to the public what our priorities are. We think it's important that there be, instead of just a year-to-year approach to environmental and green economy objectives, a longer term view so that we can make sure that the right thinking takes place at the right time and we can act in a good, co-ordinated and strategic way.

Just before I joined the department, a peatlands stewardship strategy had been started, and since I became minister, a summit was held. I was very impressed, by the way, with how it was organized and how everyone presented. We heard particularly from municipalities and from conservation districts and many others about surface water at this particular summit, and it reminded me of how integrated all the different strategies are. And the member here for Portage la Prairie (Mr. Wishart) was involved in a wetlands strategy.

So, while we have the peatlands strategy and a wetlands strategy, we've got to make sure that everything is tied together for a surface water strategy that makes sure that the—we, in fact, have a comprehensive approach which is so needed.

Lake Winnipeg is a critical priority for us. The—that really compels us to think long and hard and differently about how we can protect our great lake, and that will be a key component of where we go with the overall surface water management strategy.

We also have got to look particularly at how this Province deals with drainage projects. I'm very concerned about how we have been dealing with drainage licensing, in particular, and I've been putting some time, certainly, some considerable time and priority into looking at how that can be improved

in the interests of both the environment and those who apply and those who may be affected downstream and, indeed, how drainage impacts on drought, flood and on nutrient management.

New legislation will be introduced on groundwater, well-water protection. The legislation is about 50 years old, so that's an immediate priority.

But, as well, we will be looking to ensure that we move ahead on park development generally, not just responding to the mitigation or the reparation needed as a result of the flood, but looking to strengthen our parks for Manitobans, and, as well, to better enhance the protected areas and forests of Manitoba.

Wildlife is a very important—

* (14:50)

Mr. Chairperson: Order. Honourable minister's time is over.

We thank the minister for all those comments.

Does the official opposition critic have any opening comments?

Mr. Larry Maguire (Arthur-Virden): Mr. Chair, a few comments as well, and I appreciate and want to welcome the minister to his new portfolio. The critic area—or this is my critic area here, as well, and sharing that with my colleague from Portage la Prairie, I look forward to many good discussions with the minister on regards to the overall planning of such an important area of our province.

The parks—there's so many areas that are outside of our parks that need to be dealt with as well, as he just indicated some of them, a number of expansions and opportunities in the conservation districts and the watershed areas that we have in the province of Manitoba, and particularly look forward to continuing to work with him through the recovery of the flood from 2011. I know he's indicated that a lot of that area will be held in—going through MIT, and—but we may have a few questions in regards to this area as well.

We would proceed globally if we could on this area, Mr. Chair. I put that request in now as well, but there are a great many opportunities in Manitoba, and we have a—you know, because of the—I would call it disaster that we went through in nineteen—in 2011 here, and the lessons learned from '97 as well as last year as we continue to finalize a number of those areas. And I sense that it'll be an ongoing

process for some time, given the amount of appeals that there are in the flood programming across the province of Manitoba that I'm having calls from, particularly in the southwest, which perhaps wasn't hit as publicly, at least, as the area around Lake Manitoba in regards to the diverse—diversion of the funds—or of the water, rather, through the Portage Diversion into Lake Manitoba, but was still, nevertheless, devastated by some of the flooding that occurred.

Along the Souris River, the Assiniboine River, the Pipestone Creek into Oak Lake—a lot of those areas as we've seen up in Strathclair with the Salt lakes there, as well, coming down through that area to the Oak River—all of this adding to the flow on the Assiniboine. And it's a great opportunity, I think, to involve those municipalities, those watershed management areas, to be able to build a strong framework in Manitoba that will lead us to be able to be leaders in this whole field, because, of course, we are the bottom of the basin, if you want to put it that way, in regards to the Hudson's Bay region.

And so we look forward to a number of questions on those. I appreciate the response that we received by letter from the minister in regards to the restructuring of the department with Water Stewardship, but we may have some questions on that as well.

So, with those, Mr. Chair, I'll see if my colleague from Portage la Prairie would like to have a few comments as well.

Mr. Ian Wishart (Portage la Prairie): Thank you, and thank you very much for the opportunity to say a few words and to get into this portfolio through the process of Estimates.

I guess I'd like to join the minister in thanking the staff. I know that this last year has been exceptionally challenging for many of the staff. I know from some personal contact during the process of flood that many of them put in extremely long hours and worked very hard, and I would like to thank them. I know that most Manitobans, if they understood how much effort they had to put into this and how very close we were to a completely different outcome, in terms of the flood, would certainly join me in saying something along that line, because many of them put in a lot of hours and at great personal cost in terms of family time in particular, so I sure would like to thank them for that.

But it does point out that we do have a lot of challenges, not only the rebuilding from last year, but the process of making sure that we do something to mitigate this so that this does not occur again in the future. History will show that it—we frequently get multiyear floods, not necessarily together in the Prairies, and so we need to plan fairly quickly, I think, to do something to make sure that these type of situations do not occur again.

I'd also like to compliment the party and the government of Manitoba, rather, for putting—*[interjection]*—you can do that too—for putting the two departments back together. Frankly, we could never see the rationale for separating them. I know it made some good press opportunities, but the reality was the decision-making process was confused and divested and getting the right outcomes was increasingly difficult in that process. So I think you've done the right thing.

Certainly, Manitoba knows from past experience that we can go from floods to drought in a single year. And we've not quite done that again because we do certainly see some rainfall out there now kind of alleviating any concerns, but I can certainly see us dealing with a lot of fire issues this year, and that will be coming.

You—the minister mentioned the park situation and that there is—but not only the one he mentioned, but three or four others, particularly around Lake Manitoba and Lake Dauphin that have a lot of rebuilding ahead of them. And a good co-ordinated plan to get them back up and being used by the public is something that we certainly want to look to see and encouraged to be developed as quickly as we can.

Certainly, the issues of Lake Winnipeg are ongoing. We need to look for solutions that are logical, rational, make a little sense from science point of view to try and deal not only with Lake Winnipeg, but there are a number of other lakes in Manitoba that have had some of the same effects. So we certainly need to look at that.

The groundwater bill that the minister has mentioned, and the wells, he has timed for an update. There are a lot of issues surrounding that, some of which were actually pointed out by the various floods, not only in '97, but this more recent one. And I particularly like to recognize the move towards long-term planning. We've done pieces of it, as the minister mentioned, with the wetlands and a peat development process—peatlands development

process—but we need to get a co-ordinated strategy put together for the future. We've never really done this in Manitoba and, frankly, if you look back into our history, we really wouldn't be the province we are now without our management of water in the past. Mostly it's been focused on drainage and we do need to develop a long-term plan that includes drainage, but we also need to pay some attention to water retention because boom and bust on the water cycle is a prairie norm, and Manitoba is not exempt from that. And whether, you know, climate change makes that better or worse in the future remains to be seen, but it is an issue that will have a further impact on it. And being at the bottom of the watershed, like we all know we are, we will either thrive for it or suffer for it if we don't plan for it.

So I'll thank you for the opportunity to make a few remarks, and turn it back to you, Mr. Chair.

Mr. Chairperson: Also I—we thank the critics from the official opposition for those remarks. And, also, this is something new and unprecedented because normally one critic from official opposition speaks, but still within the 10 minutes time—unprecedented. I hope a committee will allow it. Does committee agree on this, to put on the—

Some Honourable Members: Agreed.

Mr. Chairperson: Thank you.

Under Manitoba practice, debate on the Minister's Salary is the last item considered by a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 12.1.(a) contained in the resolution 12.1.

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

Mr. Mackintosh: I just—I was almost finished my remarks. And I just wanted to put on the record that in addition to, of course, the wildlife issues—so it's moose or caribou or walleye populations, deer populations, the issue of climate change has been one that, again, that's of critical importance. And I wanted to make sure that was mentioned as part of my introductory remarks.

I'm pleased to have next to me the deputy minister, Fred Meier. Next to Fred is Bruce Gray, the ADM of Admin and Finance; Serge Scrafield is—Scrafield—Scrafield? How do you pronounce your

name, Scrafield? *[interjection]* Scrafield—Serge Scrafield is here, ADM of Programs Division; Bruce Bremner is here, the ADM of Regional Services and Parks; Dwight Williamson is here, ADM of Water Stewardship; and then we've got Dan McInnis, of course, ADM of Climate Change and Environmental Protection; and Jocelyn Baker, executive director of Corporate Policy Division.

* (15:00)

Mr. Chairperson: Thanks, Minister, for the introduction.

Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

Mr. Maguire: As I indicated in my remarks, if we could proceed globally, that'd be the preference.

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

The floor is now open for questions.

Mr. Maguire: Having chaired a committee now myself, I understand that the importance of making sure that you get everybody on the record with their name and that sort of thing. It took me quite a while to get on to that and I wouldn't say that I've done it yet either, but I'll try to be more gracious and not jump in too far in front of you there.

Just wanted to thank the minister, as well, for the letter, as I said, that the member from Portage and myself wrote and the response that we received back in mid-April.

I want to welcome the staff all to the table as well to help us with any concerns that we may have, and certainly commend you, as has been done before, in regards to the difficulties that we went through last year. But there's always situations and a need to arise to new visions for where our departments go and the things that we can learn, as I said, from the type of situation that we went through last year, and really look forward to continuing dialogue on those, and for some of the meetings that I and other colleagues—I know the member from Portage la Prairie, the member from Spruce Woods, we've had some good meetings so far in regards to a number of these areas, and so we look forward to that.

Before I get into a few questions in regards to staffing and some of those areas, just more pertinently to the minister's own responsibilities, I wonder if he could just outline for me all of the Cabinet responsibilities that he might have.

Mr. Mackintosh: In addition to the department, I'm—I've been assigned to the planning and priorities committee of Cabinet, Aboriginal committee—Aboriginal Issues Committee of Cabinet, Treasury Board.

Well, if there's any—but those are the ones that—those are the obvious responsibilities, and there may be other committees from time to time, whether it's House business or so on. I was trying to think whether, really, those are formalized, and I think those are the three formalized committees that I'm on.

Mr. Maguire: Thank you, Mr. Minister. I was certainly thinking of Cabinet committees as opposed to other things that you might be involved in at that level as well. I appreciate that.

And then in regards to the list of political staff that you provided us, I wonder if you could, just for the record, provide us with the numbers of political staff that you have, the listing of them, just their names and positions and whether they're full-time equivalent or not.

Mr. Mackintosh: The department has three political staff positions assigned to it, and in addition there is an executive assistant position that ministers are given for work in the community, of course. So the total would be four political staff associated with the department.

So Chris Pawley has come from Water Stewardship and fills one of those positions. Don Sullivan is a special adviser and has been working on the east side, and he remains with us in anticipation that Felix Meza will be coming over to take that position in the near future; he's been kind of transitioning over. I hope that is concluded soon. And Joel Carleton is intake officer.

Mr. Maguire: Yes, thanks, Mr. Minister. I wonder if you could just say—can you provide me with where Mr. Meza is coming from?

Mr. Mackintosh: Yes, Mr. Meza works in Family Services and Labour.

Mr. Maguire: And his responsibilities, will they be alongside of—with Mr. Sullivan working on east-side issues, or replacing Mr. Sullivan?

Mr. Mackintosh: Yes, the plan is to replace Mr. Sullivan.

Mr. Maguire: And just in regards to east-side issues there, what would he be responsible for?

Mr. Mackintosh: No, Mr. Meza would be responsible for issues that aren't particular, you know, especially on the east-side issues. It would include east-side issues and could include other issues as well.

Mr. Maguire: Yes, I'll move on, but I just wondered what types of issues. I know it's the east side, and there's east-side road and the development of it—authority and that sort of thing. Will he be working closely with the authority, or is that more in communications between your office and them?

Mr. Mackintosh: Yes, the idea would be just as a general adviser, and, you know, helping with departmental issues as they arise, working with the other MLAs as the issues arise. So, in other words, the idea is to maintain the current complement of political positions.

I should just add that the executive assistant in the community is Mr. Paul Worster—that's the other, that's the fourth one.

Mr. Maguire: These are all full-time equivalents then? They'll be full-time employees, Mr. Minister?

Mr. Mackintosh: Yes.

Mr. Maguire: Are there any part-time staff in that area then?

Mr. Mackintosh: No.

Mr. Maguire: Yes, I wonder if the minister could provide, as well, is there administrative support in his office for those four persons as well, and who they are?

Mr. Mackintosh: Yes, there are three administrative support staff in the minister's office. There's Bev Nagamori and Jan Fontaine and Kathy Vandenberg.

Mr. Maguire: And were they all with the minister's department when the minister came in subsequent to the election or were they—were there with Mr. Blaikie as well?

Mr. Mackintosh: Bev Nagamori came over from Family Services and Consumer Affairs when I came over to help with my new duties in Conservation and Water Stewardship, and then the person that—well they—there was switch of positions and the person that was there went to Family Services and Labour as a result.

Mr. Maguire: And who was that went over?

Mr. Mackintosh: Kathy Dobriansky.

Mr. Maguire: When I was working with Mr. Blaikie on Estimates in the past, one of the names that—of a persons that he worked—had working with him was Jessica Irvin—or Irvine. Can the minister indicate to me if she's still in the department or where she went?

Mr. Mackintosh: I believe it's Chris Pawley is in that position.

Mr. Maguire: Is she still, then, in another department of government or just—I wondered where she went.

Mr. Mackintosh: Yes, I don't know her new position.

Mr. Maguire: Yes, I wasn't even assuming that it was a new position. I thought, you know, that she either is in government or she's out in private sector someplace. And I wonder if the minister could just find that information out for me.

Mr. Mackintosh: Yes, the deputy thinks she may be in the government, but we can make some inquiries.

Mr. Maguire: Yes, thanks, Mr. Minister, if you could—or Mr. Chair, if the minister could find that out for me and provide me with that maybe tomorrow or whatever—later today, whatever—would be appreciated.

And so I wonder if, then, as well, is there an extended list of—other than the political staff? Does the list that he just provided me, is that the total complement of staff in the minister's office, and if he can include those that work in the deputy minister's office as well?

*(15:10)

Mr. Mackintosh: In addition to the deputy and the deputy's office, there are three full-time equivalents: Susan Binder, Ruth Kemp-Tschuncky and Anita Berard.

Mr. Maguire: Yes, and those are in the minister's or the deputy minister's office? Pardon me.

Mr. Mackintosh: Those are in the deputy minister's office.

Mr. Maguire: And are there any other staff, support staff, in your office with the other political staff as well? Or admin staff?

Mr. Mackintosh: No.

Mr. Maguire: As well, I wonder these—there's always a lot of turnover it seems in some areas, that sort of thing, and I know that there's been a, you know, a large load on a lot of people from last year, in regards to the Water Stewardship issues, as well as the Conservation with parks and everything else because parks took a beating all over the province in regards to the amount of flood that we had and that sort of thing. And there'll be a lot of redevelopment, pardon me, that'll need to be required there in areas of capital expenditures.

We've already met with them on Spruce Woods, and a number of those areas, and I just wondered if the minister can tell me whether his department is fully staffed at this time and, if not, how many vacancies he has?

Mr. Mackintosh: As of March 23rd, it's the last report I've got, the regular FTE complement is 893.23 and the vacancies at the beginning of March was 135.76.

Mr. Maguire: The—that seems like quite a number. Can the minister just provide me with some details of—if that—I mean, I think that we were over a hundred maybe last year as well, but if he can just provide me with some details around how long those people are out, whether those are all full-time equivalent positions or if there's some part-time in there as well, and just the—some detail around that number.

Mr. Mackintosh: The department has 8.13 term positions, in addition to the regular positions and what are called departmental positions, which I understand are just seasonal workers. There's 330.96. So the total FTEs add up to 1,232.32. And in terms of vacancies, there is currently authorization to fill 90 vacant FTEs.

Mr. Maguire: Is that—oh yes, so those full-time equivalents will be for longer term programming as opposed to just summer park jobs and that sort of thing as well. How many would be hired, or the potential of indication of how many might be hired for the summer, working in the parks?

While my mike's still on, Mr. Chair, not that there aren't people working in those parks all winter as well, but I understand that there'll be more in the summertimes.

Mr. Mackintosh: The department advises that based on an estimate, and if the numbers vary widely, we will let the member know, but there's an estimate of about 500 positions in the area of parks and most of those would be from 18 to 26 weeks. Those are the seasonal positions, but there's variation there. I hope that answers the question.

Mr. Maguire: Yes. And can the minister indicate to me how many staff he might have in the department that aren't in the field, more or less, office staff in the different divisions? You've got quite a number of responsibilities in the areas with the ADMs and a rather large organizational chart in regards to this portfolio, and appreciate all of the work, as we've said. Both the member from Portage and I have indicated that earlier, and I just wondered if the minister could indicate to me what number of staff would currently be employed in the department in those areas.

Mr. Mackintosh: That can perhaps be a doozie to answer at this particular time except to say that they don't have numbers here to break down the difference, or the breakdown between office staff and what I think the member is asking, that is like field staff, but, quite frankly, many of the office staff have field responsibilities throughout their day as well. In fact, many of the regional folks are out of their office quite a bit during the day. So it's hard to categorize staff that way. If he asks, you know, we could certainly make an effort to try to do that but that—it may not produce the results that he might expect.

Mr. Maguire: No, that—I appreciate that. It would be perhaps difficult because I know there's overlap in those areas and so I—maybe a better way is just—of asking is there's 135 staff, I noticed in the letter here in January it's the same as it was—that you just said in March. Of vacancies, what is the major area, then, of the vacancies in the department?

Mr. Mackintosh: In Admin and Finance, there are 134.29 regular FTEs and there are 16.25 vacant, and regional parks, or Regional Services and Parks, there's 307.96 regular FTEs and 33.76 vacant. In Conservation programs, there's 180 regular FTEs, with 37.5 vacant, and Environmental Stewardship, there's 126 regular FTEs, with 25 vacant, and in

Water Stewardship, there are 155 FTEs, with 25 currently vacant.

* (15:20)

Mr. Maguire: Thank you, Mr. Minister. I guess I was wondering, too, in relation to 2011 and '12, if you could indicate to many—to me, rather, the names of staff that were hired in 2011-12. I don't know if that's an extensive list or if you'd have it available now.

Mr. Mackintosh: In '11-12, the department provides a number of 310 staff hired. That's Conservation-related, and Water Stewardship-related was 17. And in terms of the names, the department would have to compile that list. Whether it's pushing a button or whether there's something more extensive, we would have to look at that.

Mr. Maguire: Yes, thanks, I would certainly appreciate that list if the minister can generate it for us; 17 in Water Stewardship wouldn't be as hard as the 300. I didn't know if the number would be quite that large, but I would appreciate that if they could find those details out for us in the next day or so, as well. And, I guess, whether or not they were hired through competition or appointments, if that was available as well.

Mr. Mackintosh: Yes, we'll—we've asked the department to make their best efforts to do that on a timely basis.

Mr. Maguire: Yes, thanks. I—maybe I—just off the top, they probably aren't all in one category or the other, but is it the general practice of the department to hire through competition or are there a number of those positions that would be appointed or are their different levels for each?

Mr. Mackintosh: Yes, I understand the general practice is competition.

Mr. Maguire: And would that apply, Mr. Chair, to the new positions that he has—or the positions, I should say, that he has in the—in his office, as well, in regards to—I'm assuming, political staff may not have been through a competition, of course, but some of the admin staff at that—at the deputy minister's level or his office as well?

Mr. Mackintosh: Yes, the political staff are, historically, appointed, of course, and—so, Paul Worster in my community office, the EA, he was a CA before, so he was appointed and, as well, Joel Carleton, the intake officer, was appointed.

Mr. Maguire: Yes, and the minister indicated that Chris Pawley is his executive assistant and, of course, he's still with him.

Mr. Mackintosh: Yes, Chris Pawley is the special assistant, and my understanding was, I think, his position was probably that—the same category in Water Stewardship.

Mr. Maguire: That was my next question. Chris came over from Water Stewardship, I believe. Is that correct?

Mr. Mackintosh: Yes, he came from Water Stewardship and provides some good continuity there on the water issues.

Mr. Maguire: Yes, we had a very good response from him and the department as well when the issue came up back in mid-March when it got so dry and warm there this year, and we've got the blanket policy that we can't spread fertilizer in Manitoba till April the 10th. And I made a call to him and he indicated that—well, he was a bit taken aback, I guess, that this was a blanket policy across. It seemed like quite an early time frame and it was unusually early, I certainly sympathize with that. But I believe that they moved forward with the right program there because—with all of southern Manitoba virtually from Winnipeg to Steinbach to the Saskatchewan border—I was getting calls from farmers that were wanting to go on the land and broadcast fertilizer for winter wheat and—while frost was still on the ground so that they could actually do that, I guess, in a way. And some of it had thawed enough that it certainly would have been, you know, the uptake was very good. And, of course, now that it's rained in most of the western part of the—Manitoba through April here, there's no drought out there anymore, I would say, for—from a position in that area except in the far southeast here where we've got a lot of circumstances there around drought. But it's a situation where I appreciated his response at that time and the subsequent moves made there.

And so I wondered if the minister could indicate to me, with all of the work that was done, and of course with the amalgamation of the two departments, were there any positions that have been reclassified in his department over the last year and what does he expect may take place as we move forward in those areas of the realignment of the new departments.

Mr. Mackintosh: Well, I appreciate the compliments given to Mr. Pawley. Now he expects a raise. I can see on the look on his face.

That particular issue also, of course, was raised by the Ag Minister as well, and I was pleased to see the response by the department to the concerns and I think there was some good insights learned as a result of that. And perhaps as climate change becomes more pronounced in its impact we have to look sometimes at these timelines that we often have attached to the implementation of different policies and perhaps be more flexible on a go-forward basis. So that was a lesson that we took from that. So that was good.

In terms of the reclassifications for '11-12 in the Conservation side, there are 126 positions reclassified. Of those, 46 went up in classification, 71 resulted in no change and nine went down in classification.

In the Water Stewardship side, 18 positions were reclassified, with eight going up in classifications, four with no change, and six going down.

Mr. Maguire: Yes, thanks, Mr. Minister, for that as well.

I guess one of the concerns or issues there—and I'm sure it'll change here as we get into the summer more—but just for the record, how soon would you look at filling some of those vacancies that are in those departments, or is there normally a hundred that are outstanding, or do they get filled in the summertime, or can you just provide me with how much the realignment will impact that this year as well?

Mr. Mackintosh: So the deputy indicates that there are about 90 of the 130-plus that are in progress. So it appears that a good percentage are in the process of being filled. I think what we have to remind ourselves of is the age of the—overall age of the civil service is certainly changing and rising, and there are going to be challenges that are increasingly being looked at by the Civil Service Commission and individual departments to ensure that there is a, you know, timely action and that we're making sure that we do the succession planning that is required of the Province. So it certainly is a challenge, more perhaps today than it was a few years ago and maybe more in the years ahead, but I know that there's some good work being done on that.

* (15:30)

Mr. Maguire: I just wanted to say, yes.

I mean, in regards to a number of other portfolios, as well, if I—when I was a farm leader, and I know the—my colleague beside me will attest to this as well as a farm leader—age of farmers we knew went up as we've moved forward through our careers as well. And so I appreciate that.

I also would say that in regards to the minister's previous answer in regards to timing and that sort of thing, that the—that when we can learn from whether it's weather-related climate change issues and those sorts of things on timing of these issues, you know, for a number of years I know the industry out where I am and the oil industry, petroleum industry was looking at—through MIT—and it's another example of how there has been a positive change and that is in relation to looking at when restrictions come on and when they go off on weights and measures for a number of those areas, which is very important out where I am because it's a porous border with Saskatchewan in the oil industry and they're coming and going across it all the time and this change will allow restrictions to come on a little earlier and go off a little sooner, and perhaps even allow them to be more flexible than they were, and I think that's a step in the right direction. The industry there certainly believes it is. It does mean a lot because before, our restrictions were coming on a—staying on a month longer than they were in Saskatchewan.

Now, we can always argue about the level of what roads are what, but—who's got the best roads—but, in the southwest with the flooding of last year and the conditions that are there, I don't have to tell the minister that a lot of the roads have deteriorated badly even if they weren't heavy construction roads. So I think that's something to learn from that, as the minister has said, and, as we move forward, to look at timing of these types of things in regards to set dates and maybe we need to look and be a little more flexible with, and I appreciate his answer on that.

Mr. Mackintosh: There may be other reasons why we should look at increasing flexibility too. I want to bring a fresh look to the need for greater flexibility when looking at the challenges facing the department and those that rely on the services and timelines and rules of the department, and one of the other lessons learned was—and an issue, actually, raised by the member for Portage la Prairie (Mr. Wishart) when I—coincidentally, we had met on the day, I think, that the change—the flexibility was added to

the, you know, the application dates, but we had treated the dates in that way because of a number, but, as well, in terms of fertilizer application—or manure application, I mean, sorry. When it came to manure application, it was thought that we could manage those on an individual basis, but we're going to do some further thinking along that line as well because I think you have to send all the right messages and you have to accommodate the different practises that are out there. So that continues to be looked at and if there—if the members have advice on other kinds of timelines like that, we certainly will take that under consideration.

Mr. Maguire: Yes, thanks, Mr. Minister, for that. The—you know, you've indicated that there's a good process going on in filling some of the vacancies that are there now, and I just wondered if there's been any impacts. What impacts has he seen in his department from that many vacancies—15 to 20 per cent vacancy rate that he has in his department? Has there been any, and what kind of impacts has he seen?

Mr. Mackintosh: I'm advised that the vacancy rate has been managed around that level for the last number of years, and so from that I take it there's been some good experience in being attentive to what the priorities are and where positions have to be filled on a particularly urgent basis, and as well to listen to concerns about demands from the different divisions and the need to address pressure points when they arise. So I think that really—was there anything else? And the overall focus, of course, is on front-line staff to make sure that service to the public is maintained. That has to be the main test when you are dealing with vacancy management.

Mr. Maguire: So have there been many projects that have been delayed, specific projects in relation to the vacancies that you've had?

Mr. Mackintosh: No, I'm advised that that hasn't resulted in the delay of—you know, the implementation of any initiatives or any projects.

Mr. Maguire: Yes, there's a number of contracts that have been—you know, that are always carried on throughout the province, and I just wondered if the minister could indicate to me how many and what type of contracts are being awarded directly, and if—you know, if there are some, just why they're happening directly? And how many contracts are going to tender, as well?

And I'm not looking for, you know, the much smaller ones; let's just say over \$25,000, I think, is

the number I used last year when I asked this question in previous Estimates.

Mr. Mackintosh: Just to clarify: Was the member asking for the number of contracts?

Mr. Maguire: Yes, the number of contracts and the type of them.

Mr. Mackintosh: There were 84 contracts issued over \$25,000 for '11-12.

* (15:40)

Mr. Maguire: Yes, thanks for that, Mr. Minister, and then just—my second part of my comment was—question was: What types are they? And have they been all tendered or some of them just hired directly?

Mr. Mackintosh: I'm advised that 72 were tendered and 12 were untendered.

Mr. Maguire: And what type of contracts are they? Is there a breakdown between the generally contracted ones, or tendered ones rather, and the untendered ones?

Mr. Mackintosh: The department doesn't have available, like, with it, in term—any particular classification but I can certainly describe some of the kinds of contracts.

There are transportation contracts including, I see here, helicopter service. There's construction contracts and consulting contracts, reforestation contracts, septic service and drilling contracts, architecture services. Let's see, the roofing contracts, landscape contracts, tank service, printing and office supplies.

I think I said septic services, yes, seems to be a regular on here. I guess that's with regard to camping or park services. Some moving contracts. There's one with the Trappers Association for removal of predator, clean-up contracts. There's one with—for snowmobile trail upgrades. Some policy contracts, if it—for example, IISD. I think that provides some overview of the types in there, but if there's any more detail, perhaps the member could ask for that.

Mr. Maguire: Yes, thank you for that, through the Chair, Mr. Minister, I thank you for that response.

There are a couple there then. I know that there's the regular contracts that'll be there for the park services and that sort of thing through the summer and some of them in the winter. And we'll maybe get into that a little bit later as well. There was—you—and

I know that you work closely with IISD and appreciate that as well.

Can you just indicate to me, if there was a couple of contracts there, what type of contracts you might have had with IISD and the purpose of them? And then, as well, maybe on a more general basis on the—you mentioned contracted for consultants that you'd contracted as well. I wonder if you could just provide us with a list of those—12, I think you said.

Mr. Mackintosh: I'm advised there was a contract with IISD to apply and further refine the adapted design and assessment policy tool, or what's called ADAPT to a suite of drought in excessive moisture programs in Manitoba.

And then I—there are some consulting contracts. There was a crayfish survey that was done. There was a design and engineering regarding a bridge. There was a water management plan with regard to Blue Lakes. There was help for the Manitoba Water Council in compiling information heard from the public for a What We Heard document and there was work on the clean water strategy development, strategic advice on Aboriginal relations, analysis of high water level effects, another one about the walleye fishery to Waterhen—it looks like—engineering advice to the Clean Environment Commission. There's a forest sampling program that was conducted, receiver costs for Hecla resort and another one with regard to wildlife—health and related communications.

So that looks like the list. This is it for last year? And so I'm advised that was the list for '11-12.

Mr. Maguire: I'd just like to ask, as well, then, in relation to tenders for 2012-13 for parks and that sort of thing, because we're into May already—and I could have gone on the website and looked, but I haven't in the last few days—has there been most of the tenders for those kinds of things, for those kinds of contracts, have they been let yet or will they be—or what is the normal timing for providing those tenders for projects that'll take place through the summer and into—before freeze-up?

* (15:50)

Mr. Mackintosh: There really are two different kinds of contracts with regard to parks. The first is, of course, the annual contracts that are entered into for the, you know, for example, cleaning supplies, ongoing park operations. And the other one, particularly this year, though, is with regard to park services, you know, restoring the parks subsequent to

the flood damage and infrastructure enhancements, and those contracts will be let throughout the year. And I think they're in—well, I know they're in various stages of movement depending on the particular park. For example, with Spruce Woods I know there has been work already done and there may be more to come. So if the member had questions about a specific park we could find out the status of those contracts for flood reparation, but I think that generally is how the contracts, the contract letting flows.

Mr. Maguire: We'll maybe get into some of those later, as well, in regards to specific parks and that sort of thing. I know the member from Spruce Woods and I had a good meeting with the minister and his department in regards to the rebuilding of Spruce Woods—basically the lagoon structures and everything that will be required there.

I know I've met with the people at Oak Lake in regards to the shoreline repair there for particular their big concern. And we met at a local meeting there a few weeks ago with some of the people from the southwest 2011 flood group—Reeve Plaisier there was key to that meeting and in—when—regards to the co-operative—the co-operation from MIT and others was really good in relation to getting a, basically, a sandy beach replaced that was blown away there in last year's flood and some rock facing in regards to the shoreline there, retention of it, removal of some of the old debris that was there from the washed out area as well. May be some questions that we'll have pertinent to that later as well.

But I wanted to just finish off a couple of questions in regards to staffing and some of the minister's work as well. And some of the—you know, with all of the work that went on in Manitoba last year and leading up till now—and of course it's not over yet—but can the minister just indicate to me how much interdepartmental transfers and relocations there might have been amongst his staff throughout Manitoba, whether there was staff from the rural and northern areas locating into Winnipeg, or some staff here that was relocated in staffing positions back out to some of those regions, if there's any detail that he can provide me with there.

Yes, and I wasn't just meaning in the regional services for parks, that sort of thing, you know, there's conservation district staff, that sort of thing, there's, you know, areas of conservation programming with wildlife and everything else as

well. So it's just kind of a broad question—the minister's department.

Mr. Mackintosh: Well, it's great that the member was involved in the Oak Lake discussions then, and I know the emphasis is on trying to get at least some temporary beach in there for the season, but there's an example of where an engineering contract will be necessary to look at the longer term solutions.

The department advises that there has been one position moved from Dauphin to Winnipeg in order to meet the needs for Aboriginal policy person in the division, and there was one position moved from Neepawa to Winnipeg, and one position moved from Winnipeg to Neepawa in the Lands branch. So there was a net change of one over the course of '11-12.

Mr. Maguire: And just—yes, I'll see if there's anything else we want to go on there later. But, in regards to travel, the minister gets—has that opportunity to attend conventions or ministerial meetings, and I just wondered if he could apprise me of his travel budget and travel costs to major meetings and others that he may have had throughout this past year.

Mr. Mackintosh: The department doesn't have the numbers here today. We can go over, though, the travel, but it's all online now. It's posted, I think, quarterly for ministers. But, in terms of my travel, I've had two in Canada and two in the States.

One was to Halifax and Ottawa, a meeting with stakeholders and my counterpart in Halifax and the minister of Natural Resources as well, and getting briefed on a number of their initiatives, in particular, on what they've been doing on recycling. They're recognized as world leaders, actually, in recycling, including composting. And, as well, dealing with the development of modern approaches to park infrastructure and several other issues. And in Ottawa, I met with a number of stakeholders, including the Canadian Boreal Initiative, the World Wildlife Fund and Sustainable Prosperity on climate change.

And the other Canadian travel was to Vancouver for GLOBE, which is one of the pre-eminent environmental conferences in the world, and I was able to meet with two further colleagues of mine: the minister for Québec and the minister for British Columbia. So I've been fortunate to be able to have met with three of my counterparts; it's really important in terms of deciding on approaches to

issues and, as well, providing insights on different policy areas.

And the two visits to the United States: first on pesticides to Yale University on the current thinking and practices around the application of cosmetic chemical pesticides on turf; and the second one to meet our colleagues in the WCI and the Climate Registry in San Francisco. As you know, the—as the member knows, we're members of WCI, and it was like going to school. I attended one of the intensive workshops, climate change 101, and at first I thought it was maybe 301. It has its own language and it's, I think, one of the challenges of climate change and cap-and-trade, in particular, which is the focus of the workshops. It does have its own jargon and very unique features that tend to make it inaccessible to the ordinary person, let alone those that study for some time, so that was a very valuable learning experience. And I expect that that will help us move, in Manitoba, to our next round of approaches on climate change.

So that's—that was the extent of the out-of-province travel.

Mr. Maguire: Yes, does the minister have a breakdown of the costs to that? And did the—was there any travel for the Premier (Mr. Selinger) in his department's budget this past—since he's become the minister as well?

Mr. Mackintosh: Yes, we can provide the numbers if they're not online. I don't know if they are or not, yet, but if they're not—they're not current? Okay, we can get the numbers for the member. Yes, we'll provide the numbers.

Mr. Chairperson: Just a minute.

Mr. Wishart: Sorry for interrupting, but the US information is not online, for sure, and I'm not familiar with whether the other one would be.

* (16:00)

Mr. Mackintosh: And in terms of the question about whether the Premier has had any travel under this department, I'm advised that that hasn't been the case in the last year—certainly not since I've been there.

Mr. Maguire: Good. And was the minister attended by anyone? Does he—how many staff went with him on some of those venues or was he flying solo? I'm assuming that there was staff went with him on some of those, or was there occasion to—and I'm just looking at this from a budgetary perspective, and I

appreciate the fact that the minister hasn't had any—Premier has indicated that there's been no travel to some of those functions from the Premier's budget, at least, even if it wasn't the Premier attending it with him. Thank you.

Mr. Mackintosh: Well, in the interests of budgeting, no, staff did not accompany me.

But staff has gone to at least one climate change initiative where I certainly would have liked to have gone, but I think that we've got to divide those up as between staff and the minister's office. So that's what we did and I think we'll probably continue that approach into the future.

Mr. Wishart: I wondered if we could explore a little further the working relationship between your department and municipal infrastructure, MIT. It's particularly in light of the fact that you've had some transfers of some of your divisions over to their jurisdiction and responsibility and, in particular, the construction-related projects. We'd like to get some clarity on who does the planning and is there a size definition where it becomes MIT?

Obviously, you do some smaller contracts. Is there a trigger in that regard? Could the minister enlighten us a bit as to what's going on there?

Mr. Mackintosh: What was transferred from Water Stewardship to Infrastructure and Transportation may help in answering the question. And then there's a second part, in terms of infrastructure in construction.

But there were two executive FTEs that went over, and regulatory and operational services had two FTEs—that included Steve Topping in that. Flood forecasting and emergency response was 12 FTEs, and Water Control Systems Management, 10 FTEs, for a total of 26.

The—I should just add, too, that—under—some of the functions that went over included waterway planning and operational services support, flood mitigation initiatives, ice-jam remediation and related initiatives and Canada-Manitoba Hydrometric Agreement.

In terms of the second part of the question, MIT is the—is responsible for infrastructure in the construction of any waterworks investments by the Province. And they may receive requests from our department, as any other department may forward to

them, but they're the lead in analyzing and doing up the necessary work and proceeding then to gain the necessary financial approvals.

Mr. Wishart: So all planning in terms of maintenance schedules and that sort of thing would now all be the responsibility of MIT. None of that comes out of your department, based on demand that you see from licence applications and that sort of thing?

Mr. Mackintosh: Yes, the—nothing's changed with regard to the responsibility in the lead for provincial drains; it's been with MIT and that's—that remains there. But, of course, if there are any pressure points or any concerns that come to our attention as a result of any licensing applications or concerns expressed by municipalities or, indeed, landowners, we can raise that with MIT. But nothing has changed there in terms of that responsibility. That's worked well in the past, and if there are improvements that can be made, well, then, we should look for those, but I think the advisory role of our department would continue just as it existed with Water Stewardship and Conservation before.

In terms of the drainage licensing, it's an area where I've been spending a fair bit of time looking at what is happening there, and sometimes that can be important to determine where there are areas and need additional attention, and so that will continue. But I think the long and short is that the responsibilities remain as they were before the reorganization of Water Stewardship and Conservation.

Mr. Wishart: So, basically, the only real difference is the construction projects are no longer part of your budget in terms of water-related construction projects, or were they always MIT?

Mr. Mackintosh: Yes, Infrastructure always had responsibility for the water control works, the capital costs of that and then the—and the necessary planning that was required for that and pursuing the necessary approvals. So that remains as it was.

Mr. Wishart: Does that not lead to some concerns so in terms of getting priorities in terms of drainage or water management issues related to flood construction? It does seem, based on what we saw last year, that we're very much in a crisis management mode when it comes to diking and other flood mitigation processes.

Do you not have a direct way to get input on which are high-priority projects? We know, MIT, for

many years—very familiar with them—they do tend to build roads. And that's their focus, and other projects don't always get the high priority we think are important. Do you not feel that—some concern related to getting your priorities expressed?

* (16:10)

Mr. Mackintosh: I think much of what was learned is, particularly, after the last two or three years in Manitoba, with the flooding situations, has gone to work when the Water Stewardship components that related to flood forecasting, flood response, planning and mitigation were consolidated with the Infrastructure people in MIT. So the real focus was to make sure that there was a better co-ordinated and centralized approach to flood control works and all of the challenges related directly to flooding.

So, I think, if anything the reorganization only can enhance that responsiveness and the 'prioritization' of flood-related infrastructure. And, I mean, the member, of course, may—will—of course, feel free to look to see the investments that are being made in infrastructure, but I think we'll continue to see the priority expressed in terms of the amount of the investments. And, you know, he can certainly weigh the investments in roads and flood infrastructure, but I think the real test—because we are investing historic amounts in road infrastructure—will be the due focus on, or the enhanced focus on flood works. And more information and direction on that one will come from the analysis that's being done by way of those reviews.

Mr. Wishart: Well, I certainly appreciate—thank you, Mr. Chairman—that this is an ongoing process and it's hard to measure. But, frankly, after last year, with some of the projects being done, fortunately on a timely basis at the last minute, like the lower Assiniboine, the dikes in Brandon, and the lack of progress on projects like Shellmouth—which has been on the books since 2003 or '04—we are very concerned that the priorities of water management in the province are not being expressed as solidly as we would like to see. So I guess I would express my concern that this process might not improve that particular problem. And forecasting in particular is a very—not something that MIT—it has a priority establishment process, but in terms of information gathering on the landscape it's not really something they do. And I am somewhat concerned that MIT may not be the right place, in particular, for the forecasting branch—and the minister's comments related to that.

Mr. Mackintosh: The flood forecasting contingent, of course, remains intact. They're the people that were there before, but they now are with the other flood operational efforts. And so the view, I understand, was that that can only enhance our ability to manage flooding on a go-forward basis.

I think we are—and, you know, the departments will continue to work together and co-operate. I think where Water Stewardship will have a, not just a continuing but an enhanced role I anticipate going forward when it comes to flood-mitigation is looking at how we can better drain and retain land—water—when it comes to upstream efforts.

Certainly—I don't know if I had this conversation with the member, but in one of my earlier lives I was involved with litigation about a major infrastructure project in southern Saskatchewan and the Alameda dam to fight the idea that having large works like that was the solution for that province. And it was our view that instead there should be upstream storage in the Moose Mountains, a smaller retention, and that would avoid a lot of impacts including even evaporation of very valuable water there. I think that that approach is more important now than ever to develop, and I think the challenge is really to best determine how that can be 'incented' to a greater extent.

Agricultural land is increasingly valuable. We feed the world and we've got to continue to do that, perhaps, even more in the future, and, at the same time, we've got to recognize that by having upstream retention to a greater extent we can then enjoy greater benefits for both flood management and drought prevention and mitigation as well as nutrient management. So I think that is really the area where our department will have the lead rather than the larger infrastructure approaches that MIT has historically and will continue to be the lead on. So—and I look forward to further discussions on that.

Mr. Wishart: Well, and thank you, I certainly applaud that direction. That's something, actually, our party has supported for some time. So I'm glad to see you've taken a leaf out of our book, at least that one. But in terms of finding funding for them, where will that be coming from? They're many and numerous. I appreciate your linkages through the conservation district to the landscape in terms of having some access to that information. But, of course, agriculture also has significant access through the environmental farm plan process and related to that same information, so how would that

be co-ordinated and where will the funding for these types of initiatives be coming from?

Mr. Mackintosh: I think that one of the key components of what will become the surface water management strategy for Manitoba will have to consider how we fairly enable and grow—facilitate the—a greater emphasis on both drainage coupled with retention, and so we do know that there are several efforts out there, whether it's through the Habitat Heritage Corporation or the Nature Conservancy, for example, and that's one model. But we also know that there are other models, whether it's by tax credits or whether it's by several other means. There have been some approaches, historically, in Manitoba that do provide some insights on how that might be accomplished.

We know of a conservation district that has had a tax credit response, and, as well, I think it's important for us to always remind ourselves of all the great benefits of upstream retention for irrigation and for the purposes of drought prevention. So there are inherent economic benefits from doing that. But, in terms of the land-use cost, I think that is where the greatest challenge will lie, and so what kind of incentives can best be put in place that is fair to everybody, and that's where we are picking the brains of so many across Manitoba and we'll continue to do that as we develop the strategy. And because we've got to find that sweet spot where we can do this in a way that respects the big picture of flood prevention for one, but also respects the economics of running a farm, and, as well, the demand for agricultural production. So—and we've heard from some observers and scientists that, you know, this can be effectively done on very small pieces of land, but even that should not be counter to production without a benefit flowing. So we know that there are challenges there and it may be that there are multiple ways to incent this, to encourage it, and that's what the strategy development will determine and then provide some guidance.

* (16:20)

Mr. Wishart: I guess I'd relate these briefly to the four committees that were struck for evaluation on last year's flooding, and you gave different mandates to the different committees. Some are quite clear, but there is, at least the initial steps of looking at a province-wide strategy, if you want to put it, and is that your intent to have this committee provide the recommendations for you?

Mr. Mackintosh: Yes, it's a Surface Water Management Strategy process that we'll really be looking at the upstream storage challenge, in addition to many, many other challenges, obviously. And I don't want to give the impression that that really is the predominant focus because there are many other challenges, including nutrient management, that are absolutely critical. And Lake Winnipeg will again be a key consideration.

The work done by the Manitoba Water Council that this member is familiar with, looking at wetlands, provided some good advice that is now being followed up on in terms of, you know, developing an inventory, making sure that there is education in the development of a comprehensive strategy. At the same time, we have others that have been looking at the issue of peat lands, and Manitoba's been providing leadership on that one, actually worldwide, in terms of recognizing all of the benefits and the need to better steward peat lands, but we've got to tie it all together. And so, the summit that I'd mentioned earlier at the outset of my remarks was the summit that—it was part of the early stages of the Surface Water Management Strategy.

I was so heartened to hear the presentations being made, and, by the way, the summit was kicked off by a professor who looked at the history of water management in Manitoba. And the main message there was that we haven't done, generally, a very good job because we, as human beings, for some reason, love to make jurisdictional boundaries that are square, and that's not how water flows.

So that's where we started and now, as the conservation districts are rightfully taking their place to develop watershed management plans, I think the future can only look positive. We start to fill in all the blanks on the map in terms of watershed management or watershed management plans. I think that—I don't think it would be a surprise to anyone, but I do anticipate that there will be a consensus that conservation districts have an absolute critical role to play, as we move forward and get into different ways of looking at how we manage flood prevention and water management generally, including trout and nutrient management.

Mr. Wishart: I appreciate the minister's comments, so if I might carry this one step further then, the integrated watershed management plans that the conservation districts have been in the process of developing for a number of years and are at some point in the process right now, not completed, I

know, but, who is responsible for amalgamating what they have done with the wetland plans, the wet—or the peat management plans and anything that comes in terms of additional flood management from any of those four committees? So two of them are fairly specific in nature; the other two are more general. Who is responsible for the overall integration of this into something that would resemble a strategy for Manitoba?

Mr. Mackintosh: I don't know if this is where the member was going, but just to make it clear that it's our department that is the lead and is responsible for pulling together the insights, the recommendations, and to look at the—at where there was consensus, and look at reconciling where there are differences, to make sure that we have a comprehensive view.

The—I think the—some of the initial challenges are making sure that we elicit the views of those on the front lines, those that have experience on water management and I think that that is being achieved from what I can see. We're going to continue a dialogue with stakeholders.

The conservation districts, I think, are absolutely critical to how we proceed. Some of them are at different stages than others in terms of their focus on broad water issues. Some remain focused on drainage issues, but some are moving into the other areas where I think we've got to go. As well, of course, we've got to make sure that the conservation districts are bringing comprehensive approaches.

I also have some lingering concerns—and I don't know if the member shares this—but we have a—we have some divides that have to be addressed. And, No. 1, I am—I'm concerned that we have conservation districts on the one hand, planning districts on the other. We have to make sure that there's a connection. It doesn't have to be that they join, but there has to be some connection. There has to be, again, some—a strategy that—that's the underpinning for their work.

And, as well, the other divide that I'm concerned about is the First Nation divide. And, I think, historically the approaches have not involved to the extent that we should the First Nations because it's the same watersheds. So those are two areas that I'll certainly be looking for and ones that have struck me early on as the minister after just three months.

As well, I think we've got to celebrate the leadership that we have been seeing from conservation districts in Manitoba. I—it strikes me

that the conservation district model is a good one and it's been proven to be a good one, again, though, with varying degrees of comprehensiveness in their approach.

Mr. Maguire: Just to follow up on that, the—there's been some very good work done by the conservation districts in regards to developing their own conservation district plans, and I know some of them spent a number of years putting those together. And it was a number of years before they were and, you know, and they were presented to the government and there was a number of years before some of them were adopted. And I just wondered if the minister could follow up in regards to the plans of funding required.

Some of them were extensive in planning and required larger budgets than others. And I wonder if he has—if he can provide me with just a—I guess a thousand-foot view of what their plans are in regards to funding the conservation districts and how quickly they would move forward with some of those plans given that they would probably have to fit into the minister—what the minister's just been talking about, about watershed management areas and planning districts.

Mr. Mackintosh: Do we have to do that?

The provincial grant totalled \$5.615 million in '11-12 and the grant for '12-13 is printed at \$5.736 million, and the expansion plans are—include the following: \$100,000 to Assiniboine Hills Conservation District to support the extension—expansion of the district to include Brandon.

Oh, Oh, I'm sorry. Okay, \$15,000 to the Upper Assiniboine River Conservation District to support the expansion of the district to include the town of Virden. That's why you asked the question, right? And \$6,000 to the Seine-Rat River Conservation District to support the expansion to include the RM of Piney.

Mr. Maguire: Yes, I appreciate that.

*(16:30)

In regards to—and I was at their—the dinner that they had just a few short weeks ago in regards to the Upper Assiniboine River Conversation District. I don't want to be facetious, but, you know, when you were talking about the \$5 million here and the \$5 million there, I was going to ask if that was for the Province or if that was for the Turtle Mountain Conservation District. But because I know they've

had an extensive program, they were one of the first to put a program forward to the government a number of years ago when the minister's second predecessor, I think, was the minister, and it was a—considered by the government, I think, at that time and the department, a very detailed plan, and one that I think the minister's alluded to earlier about retention of water in certain areas and how to control it and manage it and those things.

I just have a few questions in regards to staffing that I wanted to finish up before we—so we don't leave them hanging, Mr. Chair, and that was in regards to—I wondered if the minister could provide me with a list of retired staff from his department for the years 2010-11 and '11-12.

Mr. Mackintosh: The department will endeavour to get that information in terms of, I understand, the number of retirees in '11-12 and the names. Is that correct?

Mr. Maguire: Yes, I thank the minister for that.

Mr. Chairperson: Member for Arthur-Virden. Sorry.

Mr. Maguire: Yes, that is the—what I was looking for, the names and the number of staff that have retired from the department for 2010-11 and '11-12.

Mr. Mackintosh: Was—is the member looking for those who have retired from public service or those that have left the department? If he can just clarify that.

Mr. Maguire: No, just the ones that have retired from the department. They may still be—if he could—if he has that information available, if they've retired completely, fine, or if they've been relocated, that would be a help as well.

Mr. Mackintosh: Yes. The department will endeavour to get that information.

Mr. Maguire: Thank you. Another question would be just a listing of the individuals hired on a contractual basis in both those years as well.

Mr. Mackintosh: Just to clarify, is the member looking for the list of contractees, persons that we have contracted with? Persons being corporations or partnerships or individuals. Maybe he can just clarify what information he's looking for.

Mr. Maguire: Yes. No, just a list of individuals that have been hired on a contractual basis for the—by the department that are working on staff for 2011-12.

Mr. Mackintosh: Yes, the department will have to obtain that information as well, and provide it.

Mr. Maguire: Yes, that's fine. It's probably more extensive than being able to answer it right here, but if they could provide me with that information, along with the rest here, in the next day or so, that would be great.

And I wondered if I could get a list of all the fees charged by the department for these last two fiscal years, as well, 2011 and 2012, for the rates—for all of the fees and the rates that they would have charged for each of those fees for those two years.

Mr. Mackintosh: Is the member looking for, like, one particular area of fees or—like park fees, for example?

Mr. Maguire: Just—no, just in general, just a complete list of fees. You've got fees for parks and fees for other work, that sort of thing, and then just a general listing of all of the fees charged for December—or for—by the department for the fiscal years 2011 and 2012.

Mr. Mackintosh: Yes, I'm advised that the department can compile that.

Mr. Maguire: Yes, thank you. I'm reminded that there's—there are—you know, there's the wildlife programs and there's forestry and there's just a number of other areas as well. So if we could look at fees that might be there on some of the other programming, that would be great. So I thank the minister for that.

In regards to the numbers of staff that have retired—and there's always a certain number of persons that retire, and the minister, I think, alluded to that in one of the previous questions that I had—are there any that would be sort of rehired on a contractual basis then? I'm—you know, some areas there's persons that retire, but then they are placed on contracts because of their expertise in some other areas.

Mr. Mackintosh: Yes, actually, we were just thinking, when the member was asking for contracted staff, the only kind that we thought of was the—those that would retire and then we'd contract for them to come back because they had some special expertise or there was a demand in an area. So the department can provide a list of that; they don't have that here, but they can provide a list.

An Honourable Member: Yes.

Mr. Mackintosh: And if the member would just clarify: Is he looking for numbers, or names as well?

Mr. Maguire: Yes, if I could have a listing of those individuals—numbers of them, and then the names of those individuals—that'd be great. Yes.

Mr. Mackintosh: Okay, the department will pursue that information.

Mr. Maguire: Okay. Just to move on and follow up on what my colleague from Portage la Prairie was asking, just in relation to the flooding from last year, I've got a few questions there before I move into some of the other department's work here.

And, you know, there was a great deal of overtime and everything else put in by the department last year, and, of course, that would have entailed some of the flood-forecasting groups and management in those areas. And I wonder if the minister can just provide me with a number of the overtime hours worked by the Conservation and Water Stewardship staff related to the 2011 flood?

Mr. Mackintosh: Yes, I'm advised that the department's been working with Finance to compile that. The information's not yet—is not yet completed. But we'll certainly provide that when the information's available.

* (16:40)

Mr. Maguire: Okay. I thank you, Mr. Minister, for that and probably a dollar value attached to that overtime, as well, for those areas the numbers of hours of overtime and the value of that.

And the temporary or contracted staff hired in relation to that flood, I just wondered how much was spent on these staff and whether there was any indication of whether any of them are still employed in the department, and some of them probably have stayed on because I think there's probably a need for some of that work. But if he could supply me with—does he have any kind of a number of temporary or contracted staff that they picked up to deal with some of the excesses of the flood from last year?

Mr. Mackintosh: Yes, I'm advised that along with the hours and the cost of the additional hours, the staff and—or the answer to the second question follows that. It's being compiled by Finance now presumably because it's emergency expenditures and there's some, I think some different streams of administration that come to bear on that. But we'll

provide that when that's compiled. As I say, Finance apparently is doing that work.

Mr. Maguire: Yes, I'm not sure just where they're at with their compilation of that information and I know that you would have to have it in your department to forward to them. And that's, I guess, all I was asking is just how many might have been hired from a temporary perspective. Things happened awfully quickly and I know that they may needed to have contracted things, as an example, some trucking companies or individual help for setting up HESCO—or not HESCO—barriers and that sort of thing that are out there for protecting some of the towns and communities and sandbags and everything else. And I just wondered if there was a number of temporary and contracted staff that the minister would have in that area.

Mr. Mackintosh: Yes, the department will endeavour to get that and some of the challenge with that is many of those—in fact, the majority would've been the staff that were in areas that are now part of MIT. But we'll get whatever information we have to the member as soon as it's available.

Mr. Maguire: Yes, I know that there's been a move. Like, the Department of Finance is the one, of course, paying the bills and a good deal of the flood in that area, and so I wonder if the minister can provide me with a number in relation to the bills submitted to Finance from his department?

Mr. Mackintosh: Yes, well, like the earlier two requests, we'll have to get that information compiled and to the member on a timely basis. My understanding is that that work is ongoing now.

Mr. Maguire: Yes, I guess I was looking for what might be there up to the end of March at least, anyway, of the fiscal year because I know that there would've been—there would have to have been a lot going. There's been hundreds of millions of dollars put out by the government I know to try to help with the flood recovery for a lot of the citizens that are there. I know that there's probably several hundred million dollars left to go out, as well, in regards to claims that I know each of us, as MLAs, have had to deal with in our areas—people that are still, you know, really reeling, I guess, would be a good word to use from trying to recover from the after-effects of the flood. And so I just—that's why I ask, is just to get an idea of, you know, a dollar value in that whole area.

And in a sense with the, you know, with the importance of so many projects needing to go forward, can the minister indicate to me how many projects he thinks might have been delayed? I know that they had a good deal of, you know, programming from conservation districts and that sort of thing, and if he could supply me or provide me with an answer to how many projects he thinks might have been delayed because of the flood—one's that they may have had to defer, I guess, that were projects that they had planned on undertaking in 2011.

Mr. Mackintosh: Is the member asking for projects that were planned by conservation districts themselves or other kinds of projects as well? I wasn't sure.

Mr. Maguire: No, I just used that as an example. The projects I was referring to are ones that the Department of Conservation and Water Stewardship would have had on their books to proceed with, that they might have had to delay.

Mr. Mackintosh: The senior staff can't think of any projects that were delayed. There was—they gave me an example of a project that actually was expedited as a result, and that was the need to replace the lagoon at Spruce Woods park, and just because of the—what happened there, that was moved up. But if there is any further information that gives a different answer, we'll certainly provide that to the member.

Mr. Maguire: Yes, there—if he could provide me with a list of projects. There's—there may be a few others, but if he could provide me with that list. Don't need it right now, but in the, you know, Estimates is—will be a few days, I think, here, so if he could just supply me with that, that would be great.

I wonder if—there's a lot of damage sustained by infrastructure throughout the province, and some of it certainly comes under the minister's purview, regarding provincial parks and that sort of thing, and I wonder if he has a cost to the damage that was incurred to, not just parks, but other responsibilities in his department from the flood of last year as well?

Mr. Mackintosh: The question really goes, then, to the impacts on the provincial parks. There were—there was significant damage particularly around Lake Manitoba and Lake Dauphin, as the members know, but also on other waterways. But Duck Mountain, Rivers, Manipogo, Rainbow Beach, Assessippi, Oak Lake, Watchorn, Lundar Beach and

St. Ambroise, in addition, of course, to Spruce Woods.

The damage that we anticipate to Spruce Woods could be approximately \$20 million, actually. That's the initial estimate. The damage cost in other provincial parks is still being investigated as the engineering studies are being conducted and the replacement costs are being calculated. So it's still a work in progress, but it's certainly obvious that the damage is in the multimillions and very substantive in terms of the pressures on our capital budget.

Mr. Maguire: Yes, thanks, Mr. Minister, for that. It is expensive, because there was quite a bit of damage in some areas, and—but—okay, we've had some discussions peripherally, but can he just provide me with an indication, and thank you, you've named a lot of parks, but will there be reopening of some of those this spring, or can he provide me with a timing of reopening of a number of those parks and/or any other flood-damaged infrastructure that he has in his department.

(16:50)

Mr. Mackintosh: St. Ambroise will not be back in service this year. That's obvious from the extent of the damage, and Watchorn is the other one. But Spruce Woods we—we'll be opening camping there in the upper grounds, for example, and as well it's anticipated that the beach will be open this year at Spirit Sands.

We're looking at putting this information together, getting it out over the next, you know, few weeks in terms of letting Manitobans know the status of this, now that we've got a good sense of the—of what's anticipated. There are also, in the meantime, updates on the website.

Mr. Maguire: Yes, I appreciate that, thanks, Mr. Minister. You have a number of them posted and I appreciate that as well.

My colleague from Lac du Bonnet—I have to get my towns right when we've changed some of the names, but his didn't change—Sustainable Resource and Policy Management, Mr. Minister, in regards to a number of areas there, and there's some Crown land use and off-road vehicles there and my colleague has some questions that he'd like to ask on that. I'll turn it over to him.

Mr. Wayne Ewasko (Lac du Bonnet): Minister, if you can just enlighten us with an update on the

development of the policy for the use of off-road vehicles on Crown land.

Mr. Mackintosh: Well, I'll just start by saying that just like snowmobiles and cross-country skiers, we're competing for trails. Going back, you know, 10, 20 years, that was reconciled and it was realized that there had to be good planning in designation of trails. Today, the challenge really is around ATV use and other use. On the other hand, with ATVs we've seen a rapid increase in their popularity, and as well we moved from, of course, the three wheelers to the four wheelers and now we're moving to what are called side by sides. They're almost like sort of Jeeps, if you will, and so the impact on other users and the environment and wildlife and habitat is important to be recognized and managed as best as possible.

I'll say this: I think that ATVs are an exciting and great potential for family—for families to get together, and it's a great recreational endeavour, and it's one that's good for tourism. And just as the non-motorized use of our parks is great for families and for tourism and for development, so the challenge is to reconcile the uses. And the general approach is that we have approached these challenges as to recognize the need for designating trails then. If you can—if we can designate trails we can ensure that the respective uses are enhanced because the trails are stronger. When we have ATVs that are on trails particularly early in the year and they're still wet, they get what I am told is called braiding where the ATVs make it very difficult to later walk on the path then or have other uses, and it actually increases the width of the trails and can impact on habitat and sometimes sensitive habitat.

So it would only be in the interest of ATV users that they're able to have access to a trail that is sound and well-constructed. So I think everyone would benefit from the designation approach rather than an all-or-nothing approach, which I don't think will serve any of the users to the extent—or Manitobans and the economy to the extent that it should.

So what we did, first of all, in the Duck Mountain area was develop a very localized approach to consulting with the stakeholders, getting people in the room, which is what I always believe in anyway, and they were able to do that successfully in that area and designate trails that worked for everybody. So the approach, other than recognizing the need for designated trails, is to do that on a local basis because the needs are different locally, the environment is different locally, and so we are

approaching that when it comes to the area that I know the member is particularly concerned about where there's been a lot of expression of interest, and I think, you know, people on both sides that are very supportive of one use or the other, so I know that there has been a working group established for Mars Hill and the stakeholders are engaged in that one. The department is working with the residents to make sure that we understand, have the insights in terms of what their expectations are, what their use has been and what would serve them well in the future. So the intention is to promote and conclude a safe and environmentally sound approach that accommodates off-road vehicle use and respects those that aren't in those vehicles.

So we're bound and determined to get to that place where Duck Mountains has gone, and then start to apply that approach in other places in the province and move to a use where everyone can be accommodated.

I think, too, that the ATV industry has been very supportive of the move in this direction to designated trails, and they're looking at other ways that ATV users can participate in their activity in a way that's safer and environmentally sound. So that's, I think, the approach that we brought to bear, and my understanding is that the process is moving along well, you know, despite the—a lot of passion from the respective users, and I appreciate that—I love that—that's what people should bring to bear to debate, and so our job now is to make sure that those views and those passions are respected and recognized and go to work so that we can all enjoy Mother Earth in the way we want.

Mr. Ewasko: Then, in regards to policies in regards to off-road vehicle usage, there's not going to then be a blanket policy for the entire province of Manitoba? It's going to be more specific to the different areas?

Mr. Mackintosh: There will be public comment on a province-wide policy, but the policy will recognize the need for local differences and local decision-making around the immediate stakeholders. It really is a strategy framework, if you will, that will accommodate what I had just said. But there may be some common elements of that strategy aside from just the framework in terms of how we make local—how we determine local trail designations. And, you know, we can look at things like how Snoman has operated and, you know, should there be models like that for ATV users. I want to hear from ATV users in particular about that. I know the ATV—

ATV Manitoba, for one, has been proactive in promoting ideas like that.

I've also, by the way, been really heartened to see what's happening in the state of Minnesota when it comes to ATV use. They've got a very mature approach to that. They have, you know, seasonal, you know, seasonal calendaring, if you will. They have, you know, financial contributions from ATV users to their own trails to make sure that they're strong. We—and it builds, I think, a pride and a sense of community, too, among ATV users. So I think we're going to learn not only from ourselves here in Manitoba, but I think there's some other models that we can look to and see if any of that might work in Manitoba.

And I'm not prejudging whether it would or not, because I think there's a lot of good insights right here at home, but it's really a—seen as a marketing tool in the state of Minnesota. And I'm first-hand familiar because I'm born and raised in the Fort Frances-International Falls area, and I know I have family in International Falls area and those snowmobile trails are quite—

Mr. Chairperson: Order. Order.

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

FINANCE

* (14:40)

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

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

Mrs. Heather Stefanson (Tuxedo): Just to go back to where we were questioning last week with regards to flood-related expenditures, I'm wondering if the minister had an update for us now. There were some questions that we had that he said he would get the information for us. I'm just wondering if he had that information for us today.

Hon. Stan Struthers (Minister of Finance): If memory serves me correctly, we had undertaken to work with other departments to make sure that we don't set up a situation where members opposite are bounced back and forth looking for the information

that they need. And we're continuing to make sure that that happens.

We're putting together for members the—some—we're finalizing the year-end expenditures. She will notice in some of the information we used the December 31st date; year-end, March 31st, would be much more helpful, I think, to members opposite. But we are finalizing those numbers.

I wanted—I want to get that done as quickly as we can for the members opposite, and we'll continue to do that.

Mrs. Stefanson: Is there any indication when we might be able to receive those? It would be helpful to be able to ask some questions in Estimates as well regarding that information.

Mr. Struthers: I don't have a particular date in mind. But I don't want it to drag it out as—and I want to, you know, as quickly as I can get that information to the member.

I want it—of course, I want it to be fulsome and I want to be thorough, because I think that will be most useful. But I don't have a date in terms of a time frame, but I—my undertaking is to do it as quickly as I can.

Mrs. Stefanson: Okay, and I appreciate that very much. I know we've got a lot of questions in Finance, and we just want to try and co-ordinate with the minister as much as possible. So I appreciate him endeavouring to get back to us as soon as possible with that information.

Just a couple of general questions. I'm just wondering if we could just go back to this a little bit in terms of the expenditures themselves. As I understand that all of the flood-related expenditures go through appropriation 27.1. Is that correct?

Mr. Struthers: Yes. That's—yes, vote 27. We—what we've—what we want to do is we want to consolidate that number in that vote. It's an appropriate vote. We've always used that vote and this method, even, I was thinking, even back to the flood of 1997, to have in that vote 27 a budgeted amount, you know, to be helpful in budgeting purposes.

Of course, we—one year to the next, we don't know exactly how Mother Nature is going to treat us and so that sometimes is difficult to get a specific number there, except that we do think that it is much more clear to make sure that the total flood fight that our Manitoba government expended on, the total flood fight be reflected in that line.

Of course, the other part of the discussion from last week was many of the terms and conditions that go along with the programming. I remember this from the agricultural compensation programs that we put together. Each of those programs have different terms and references, criteria, whatever the term you want to use, but different criteria that described the program in a lot more detail.

But, you know, we've—we believe that it's a much more useful, much more clear way to frame the amount of money that is spent 'fighting' the Manitoba flood through vote 27.

Mrs. Stefanson: And I thank the minister for that.

I guess I'm just trying to figure out—there are a number of programs, as the minister alluded to, within the Department of Agriculture and other departments who deliver the services to those who have been affected by the flood. And I know some of them are listed in what was a briefing note, which I gather the minister has agreed that he will get back to us with updated numbers, because those are as of December 31st. So I appreciate that as well.

I'm just wondering, with respect to—I'm sure that individual government departments, whether it's Conservation, Water Stewardship, Agriculture, there'll be a number of government departments who will incur their own costs with relation to the flood because it's—I think many of the programs fall under those individual government departments, so those government departments would be responsible for paying the salaries, et cetera, for those that are delivering the services.

Is there an indication for how much of that will be—will fall under the individual government departments in terms of salaries and for the delivery of those programs? Or is it that those are all going to be incurred under appropriation 27.1?

Mr. Struthers: Yes, let's take Agriculture as an example. Much of the money that was flowed to ranchers who couldn't feed their cattle, grain farmers who couldn't get to seed, much of the expenses occurred there were flowed through AgriRecovery, AgriInsurance. There are agreements put in place to cover off those kinds of administrative expenses that are reflected in the Agriculture budget. I know when the—in—for—in the area of AgriRecovery, there's—and AgriInsurance—there's agreements on how much of that funding is federal-provincial, and that's all set out and reflected every year in the Agriculture budget.

In terms of infrastructure and expenses—administrative expenses for infrastructure, that would be contained within the Estimates of Manitoba Infrastructure and Transportation, MIT.

Everything else would be contained within the vote 27 line of the budget that we've been talking about.

Mrs. Stefanson: So, in terms of the expenses, with relation to the flood for last year, is it fair to say that there are—there was a document that was—that we were able to obtain, I think through freedom of information, and those were as of December 31st. Again, we go back to we're going to maybe get an update of what those are, in terms of what the expenses are to date.

But, is there—I mean, there's obviously more expenditures that are related to the flood. Is there any way and is your department keeping track of the overall expenditures, including those that are also related to flood—flooding from, like, within the individual departments? Or is this—is—are the expenditures that are within this document, and the ones that are being discussed in the public, in terms of, you know, the overall expenditures to do with the flood, are those separate and apart from those that are being incurred within the individual government departments?

* (14:50)

Mr. Struthers: We—as we discussed there last week, we will reflect in this department the total expenses that we've—that we're incurring for the Manitoba flood fight of 2011.

At the end of December, as the member has noted, we're in and around the \$600-million mark and we've publicly projected that we're going to be in excess of \$930 million—about \$936 million. That's our projection as to what fighting the flood will cost. So when those numbers are finalized, as I've committed here earlier, we'll come back with those numbers.

And, as we discussed last week, those expenditures from departments like Agriculture and MIT and emergency measures will be reflected in that number, reflected by this department. Any specific questions on terms of reference and those sort of things are quite rightly placed in the departments that I've mentioned.

Mrs. Stefanson: Then, I guess, how is it accounted for? I assume that if money has flowed in the last

fiscal year, that that will go against the year-end numbers prior to April 1st of this year, and anything beyond that would be in this budget.

Is there a breakdown of that \$600 million of what can be expected from last year over this year?

Mr. Struthers: The first thing I should mention is that any of the—any of these decisions that we make are guided by the general accounting—generally accepted accounting principles, which we've adopted in this province a number of years ago. That, I think, makes it a lot—probably a lot more straightforward for people to understand—I think, gives us a better way to report back into Manitobans, because this is their tax dollar after all, their taxes at work in terms of fighting this flood.

As I've said, the partial year is the \$600 million worth. The full year for the '11-12 budget year would be nine hundred and—we're projecting \$936 million.

We'll—again, once we get those numbers finalized, we'll report back to the member as quickly as we can.

Mrs. Stefanson: I guess, is the \$936 million the total cost overall—some of that will fall in last year's budget, some in this year's budget, or is the \$936 million all for budget '11-12?

Mr. Struthers: That's the 2011-12, a full year. The \$600 million is the partial year, and the full year is in the area of \$936 million—is what we're projecting.

Mrs. Stefanson: Okay, and again, I'm just trying to be clear here, because obviously there were some expenditures for last year, which I thought these were, sort of, projections—the \$600 million was projections for this year, as opposed—sorry, for last year, for '10—or sorry, for '11-12. So—oh, so that is all for '11-12, and then there's nothing. Are there any expenditures for '12-13 that you are anticipating?

Mr. Struthers: We're projecting that in the—so, for in the '11-12 year, we were looking at the \$936 million. In '12-13, we're looking at about \$42 million, in terms of finishing off some of the work that we could properly account for in—that the '12-13 fiscal year, if that makes sense. The—when we look at the GAAP and the acceptable accounting principles, that you try as—to book your expenditure in the same fiscal year as the event that you're dealing with, in this case, an unprecedented flood with an unprecedented price tag.

Mrs. Stefanson: And does that \$42 million that you're anticipating for the 2012-13 budget, is that

budgeted for in the—where is that budgeted for? Is that just in the appropriations 27.1?

Mr. Struthers: That's correct.

Mrs. Stefanson: And I guess as, you know, again, we know that are some other departments that have incurred expenditures with relation to the flood as well. So does this, as I understand, would not include those expenditures as well. And is there an indication from Finance what they might be anticipating, some of the other costs to be incurred throughout the other departments?

Mr. Struthers: Well, that fits into the discussion that we've been—that we had last Wednesday about how these are accounted for and reflected for the public.

The \$42 million is— it will be contained within vote 27.1. It—that's the emergency expenditure line. We, again, we would reflect that as the costs of the—the total costs of the government to fight the flood that would be reflected in the '12-13 budget that we're projecting that to be.

That would be the same principle upon which the \$936 million would be reflected from last year's budget, and the same principle that was used back in 1997 to flight the Flood of the Century from back in those days. We think that that is a much more straightforward and easily presented to the public way of doing this accounting. And we think that's the proper way to do this.

Mrs. Stefanson: As I understand, there's still a number of people, because we're hearing from the many constituencies of my colleagues, and all of us have been affected significantly by this, and there's a number of people who are still awaiting compensation for their hardships that they have endured as a result of the flood.

And I guess I'm just trying to figure out, because they haven't yet received that compensation yet—we're into the next fiscal year—are you accounting for those reimbursements in last year's expenses?

* (15:00)

Mr. Struthers: Yes. The proper accounting suggests that those folks that the member is talking about be dealt with as part of the \$936 million that was captured in the 2011, yes, 2011-2012 budget year. That was the year that the Premier (Mr. Selinger) and I and others made commitments in terms of the

compensation programs that we rolled out back last spring and into the early summer.

The one thing I really want to make very clear is that we intend for those programs to work for Manitobans, and when they have—when—if somebody has a problem in terms of accessing what they believe they're entitled to, that we make every effort to hook those people up with the correct compensation package and work with them to meet their needs.

There will be disputes; I have no doubt about that. I've had people come and talk to me about disputes about the amount, or whether they qualified or not. That's understandable. That's why we put in place an appeals commissioner to hear those kinds of stories. The appeals commissioner can make recommendations to us not just on the basis of an individual appeal, but on—you know, I—we're open to advice from him in terms of the programs themselves. And he has—you know, through the contact he's had with many flood victims and organizations representing those flood victims, he has made suggestions in terms of how we can make those programs better. And we tried to respond to that.

But, first of all, with—everything having to do with the flood fight of 2011 is documented and is reflected, partly—oh, \$936 million worth reflected—in last year's budget. And we tried to forecast, at least here, to the tune of \$42 million, what does then spill into this coming budget year, the '12-13 budget year.

Mrs. Stefanson: I thank the minister for that. Of the \$936 million, how much of that will be recovered from the federal government?

Mr. Struthers: We're forecasting that the federal government would be on the hook for \$445 million. We've had a lot of opportunity to speak with our counterparts in Ottawa on this. We—I don't mind giving credit where credit is due—we have heard from the Prime Minister himself some encouraging words about helping us pay for the cost of long-term mitigation works. It made no sense to us to every year, time after time—I think of Wallace Island, for example—to put up a—get a bunch of people together and put up and pay for a whole pile of sandbags and sandbag dikes and then tear them all down and do it all again the next year. So we were very encouraged when our Premier spoke with the Prime Minister, and they talked about—and the Prime Minister talked about—participating in terms of building long-term

infrastructure to avoid all that unnecessary time, energy, expense, local headaches, to say the least.

The other parts of this that, I think, we have to keep our eye on is, well, I'll go back into my days in Agriculture. The federal government hasn't completely signed on to a number of components of the AgriRecovery program that we signed onto on behalf of the Manitoba farmer, on behalf of the Manitoba rancher last year. We totally understand that the feds would—will need to do their assessments; that's prudent. We do ours, they need to do theirs; that's understandable.

But why they couldn't come up with some money for a \$3-million touch on a greenfeed component of the AgriRecovery, \$3 million on a 60-40 split, that's \$1.8 million for the feds, 1.2 for us, if my math is correct, to honour some contracts and save, probably, both the province and the feds, a lot of money in terms of moving hay from one part of our province to the next. I just don't understand why the feds haven't come in with their share of a very common sense, co-operative approach on that one component.

I just used that one as an example. The member for Emerson (Mr. Graydon), I think, can maybe expound on that; I think he knows the programs and the number of people who participated in his area and in mine.

So we intend to be co-operative with the federal government in order to have them come to the table with their share of the money. But I will continue to both give them credit for the good things that they do and hold their feet to the fire when they don't step up to bat, in this case, for farmers, or in any other part of this package that we all put together to help fellow Manitobans.

Mrs. Stefanson: How much of that \$936 million has actually flowed to date through this program?

Mr. Struthers: The most—as I've indicated, the most current number on that is December 31st, that number, \$598,079,000.

Mrs. Stefanson: And I know in last year's estimate of expenditures, I know it was about \$30 million for this, and clearly, you know, there's some—you know, we recognize that, you know, the significance of the flood and how it relates to people, of course. You know, there still is a budget deficit of well beyond that of \$1.12 billion that is very significant in terms of the extra expenditures and—but, I want to get more into that later and I want to focus on last year, it was

\$30 million that was estimated for expenditures; this year it's 42.

And I'm wondering if, you know, because not a lot of that money, I mean, well, a significant, you know, portion has flowed to Manitobans, but there's still a number of Manitobans who are waiting to hear back and who haven't heard back, and obviously, have not received their, you know, compensation for their hardships, and the applications are in.

Has this—has it already been determined—based on this budget of \$42 million—has it already been determined—or even out of the 936—let's go back to the \$936 million, where all of these applications are in, has it already been determined who and who's getting how much and what they're anticipating—you know, what they should be getting or what they should have gotten already? Because, you know, all we know is that we're past, we're into the next year's fiscal year and a lot of these people are still living out of their homes, living off their lands, and so, you know, I guess it's—we'd just like to know how much of that—do you believe that enough has been estimated for that and how much of that will spill into next year.

If the minister could just, sort of, indicate how many are still outstanding—well, I guess he won't necessarily know the claims, but how did you come to the budgeted number of the \$936 million?

* (15:10)

Mr. Struthers: Well, first off, I appreciate the—I appreciate what the member for Tuxedo said about the projections from last year and then having Manitoba get hit by a flood, that I would dare anyone to say they could predict the extent of—and along with that, the extent of the damage of that flood.

We had a—at the end of April, 1st of May, we had a huge blizzard right in my hometown of Dauphin—the whole western part of the province—thick, heavy, wet snow that hit us, killed calves and sheep. And we had—the first program that we actually rolled out, was a livestock blizzard-related program that took a lot of people by surprise, not the least of which was the Manitoba farmer, but also, in terms of the number of livestock that was lost, and the cost of that storm. That storm only led to further problems in terms of the amount of moisture it brought to our watershed. And then we were hit by seven more rainstorms of large magnitude, either in our area or our watershed, which eventually all flowed through our communities.

So I appreciate the acknowledgement by the member for Tuxedo, that projection of \$30 million was quickly flooded by a larger number because of circumstances that we were facing. It was—I think we did put in place a number of mitigation—take some mitigation actions, some flood-proofing actions that did save us some money down the road and worked on behalf of Manitobans, but she's right, that's still a big number; a big number that needs to be reflected in the '11-12 fiscal year, and we've been attempting to do that and we will continue to do that.

That number—and, of course, I do want to be clear, we haven't made determinations. We haven't set a certain number and you don't—you can only have enough claims approved up to this certain limit. We've—that's not the way the Premier (Mr. Selinger) and I rolled out those compensation programs, back last May and into June. And we continue to project the amount of money and we base that on the number of claims that we get and we base that on—to base it on some knowledge of the money that has already been spent. There's a history of what certain jobs cost, how much does a dike cost and, you know—per yard, sort of thing—big dike, little dike. We've got some—we've got people who've got some history and can figure those things out.

So, as much as we can, we try to be close with the numbers that we come forward with, again, understanding, as the member for Tuxedo (Mrs. Stefanson) has pointed out, that when it comes to putting programs together that are driven by the need, and, in this case, the hurt of Manitobans, that we'll end up dealing with pretty large numbers, and no government is going to walk away from their commitments in terms of what we've committed to the people of Manitoba who were flood victims.

So that's how we come up with these kinds of numbers and we're always looking for ways in which we can be as accurate as we can.

Mrs. Stefanson: Just to be clear, you know, I do recognize, you know, the significance of the flood, but I think—I also recognize that there were a number of decisions made by this government that led many, many aspects of this to be mismanaged. And, I think, because of that, you're going to have a lot more disputes coming forward from Manitobans whose land was artificially flooded for whatever reason, or, you know, these types of disputes that will come forward as a result of decisions made by the government that didn't necessarily have to go that way. And I think, as a result of some of the areas of

mismanagement, there were a number of more people who were hurt by this process, and I think, because of that, there's going to be a number of disputes that will come forward and probably more, I would think, than maybe the minister is thinking there will be.

And I'm just wondering, of the \$42 million, is that primarily there—will that take into consideration all the disputes? And is there a specific formula for deciding or a percentage of overall claims that usually come forward in disputes and need to be—need to—that require further action?

Is that all that's part of this, or is part of this \$42 million any money that will be flowing as a result of claims that are either outstanding or that are still to come forward as a result of the flood?

Mr. Struthers: Well, you know, it's one thing to sit in Estimates and talk about decisions that could have been made. And we have been very clear that we're not going to contend that we were perfect. We're not going to contend that every single decision, from top to bottom, was the correct one.

But I do contend that it's quite easy for us to sit here now and speculate on—you know, kind of play—it is Monday—Monday afternoon quarterbacks. And, you know, there were some very important decisions that were made in some very trying times by a lot of people who had a set of information in front of themselves, who did their very best to make decisions that benefited as many Manitobans as possible.

We were very clear that if there were cases where decisions had to be made that impacted negatively on people, that we would have a compensation program put in place, as we did for folks at the Hoop and Holler area, where a decision wasn't taken, to—that impacted negatively on Manitobans. And I stood with some of those farmers just previous to that decision being made, so I know what they were going through. Unfortunately, I guess—unfortunately, Doug Connery was one of them, and he's not with us any longer—but, you know, conversations with Doug and with others about, you know, the need to make decisions to manage an unprecedented flood in our province.

We have, as the member would know in—through questions in question period, we have been managing 30,000—I think in excess of 30,000 claims in this event, claims who, you know, we understand, we need to have a very open mind about their own

particular circumstances. I know just in my constituency, dealing with folks who have been impacted by the flood, each of them has a different angle by which they want to let you know about, and that's perfectly fine. That has impacts on some of the financial decisions there, the way in which we approach these.

The claims that the member for Tuxedo references would come out of the \$936 million. We've got—we have a compensation package that's announced in that budget year. The event occurred in that budget year. Manitobans have been opening claims with our civil servants during that budget year. So we think that the \$936 million, as she knows, that's—at least part of that is a projection. We know we've spent just under \$600 million, and that we're projecting the total to be \$936 million. We're saying that that's a reasonable expectation that that money, in that last fiscal year, would total in that neighbourhood.

* (15:20)

Mrs. Stefanson: Are any—has any money been included in the—or projected expenditures for disputes been included in that \$936 million, or is it primarily the \$42 million for the next fiscal year, under budget 2012-13, the \$42 million? Is that where they anticipate the expenditures for disputes to be paid?

Mr. Struthers: If someone has—let's kind of start from the beginning. The flood occurred in the '11-12 fiscal year. The compensation packages were announced in the '11-12 fiscal year. The claim would have been opened in the '11-12 fiscal year. Somebody who's been impacted by the flood and has contacted our office—offices, whoever that might be, they've opened up a claim, they've begun that work in that last fiscal year. They have a dispute that occurs in that fiscal year. That's why that money would be reflected in the \$936 million from that fiscal year.

We think that, you know, given the claims, given the work we've done already, given the tons of claims that have been settled without dispute and have—we've, you know, I think we've learned, you know, we've all learned a lot throughout the course of all of this, I think we can fairly, reasonably project that \$936 million is a reasonable projection of the costs that would carry us through the whole fiscal year.

So her question—the answer to her question is that that would be contained within the projection already, not so much the \$42 million in the following fiscal year.

Mrs. Stefanson: So just to follow up then on that, and so would it only be claims that are outstanding in the 2011-12 fiscal year, where they're in dispute? Then they would be applied to that, and if there's claims—and I don't know if there are claims after April 1st that apply to this year with respect to last year, but I assume those disputes would be included in the—you know, if there are disputes—in the 2012-13 year. Is that correct?

Mr. Struthers: Well, any, as I said, any dispute that they have that is connected to the '11-12 fiscal year would be accessed through the \$936-million number that we think is a reasonable projection to the end of that year.

We believe that there may be some expenses that can be expensed in the '12-13 year, the \$42 million that we also think is a reasonable projection. You'll—I mean, you can imagine it won't be the kind of—and, you know, the number of claims that you were dealing with from last year's fiscal year, but there could be—I'll give you an example. There could be somebody who builds a permanent dike. Maybe they're out with their shovel right now building a permanent dike and that's—this is this year. We may find that given the—given our commitment to the generally accepted accounting principles, that it would make more sense to reflect that in this year's budget. But we—I think it's pretty obvious, the vast bulk of the work has been done—vast bulk of the claims, in last year's budget, and that would be encapsulated in \$936 million.

Mrs. Stefanson: And just one follow-up there until I pass it off to my colleague from Lakeside.

And just wanted to just follow up on that with—I mean, there are—when you're talking about dikes that are being built and so on, I mean, a lot of that would have maybe been put off until the spring, this year.

And—are—is the minister confident that those claims that come forward for this year's budget, that there's enough money there in vote 27.1 to cover those expenditures?

Mr. Struthers: We think the approach we took to arrive at the \$936 million number for last year's budget, given the kind of natural disaster that we faced, was a reasonable approach to get to that

number. We're confident that this is a reasonable approach for this budget year as well, yes.

Mr. Ralph Eichler (Lakeside): If these questions have already been answered or put to the minister—certainly don't mind being corrected, and I can read them in *Hansard*, so I don't want to take a lot of time on repeating the same questions, but I do have a couple.

First of all, security cost for the flood on Lake Manitoba in particular, do we have a number on that yet?

Mr. Struthers: We had a bit of a discussion of these sort of—not particular on security, like the member for Lakeside is asking about, but what we've undertaken to do on—the Finance critic, is try, as to the extent that we can, to work with particular departments to make sure that we can provide as much detail as we can on those kind of specifics.

We've—in Finance, we've—our approach has been to reflect through vote 27, the general costs for the entire government to fight—sorry, the entire government to fight the flood of 2011. What we're going to do is, as much as we can, try to—instead of having the member for Lakeside bounce back and forth between a number of different departments, we're going to try to, as much as we can, get that information for him. If there are specifics, I think maybe he can let us know exactly what those specifics are, so that might help us in tracking these things down.

Mr. Eichler: The process for hiring those services then, I know I'm—in my particular area, one of the corporations was Impact Security. So, if we could get the dollar amount for them, and if that was a tendered contract or if that contract was just let, based on what criteria?

*(15:30)

Mr. Struthers: Actually, this is a pretty good example of what we were trying to deal with last week. We're going to try, through our officials, to get the member some of the general numbers, in terms of costs to the government to fighting the flood.

The process by which they put together the people providing security, that would be an appropriate question in the Estimates of my colleague, the member—the minister in charge of EMO. They would know that kind of detail. We've been kind of aggregating the costs of this Manitoba flood of 2011 in Finance, and we try to be as specific

as we can on that to be helpful to members across the way, but those kinds of process questions would really be appropriately dealt with by my colleague, the Minister for EMO.

Mr. Eichler: Certainly be happy to do that.

As far as borrowing costs for those municipalities that had to go out and incur a line of credit, they're telling me that they're not being reimbursed for those borrowing costs, but yet the Province can claim interest costs from the federal government to borrow money to cover those costs. Why the double standard?

Mr. Struthers: The Minister for EMO would have a breakdown of those sorts of things. And, again, I don't want to appear like I just pawned my friend from Lakeside off on somebody else, but those kinds of details I think you'd be well advised to talk to the Minister for EMO.

Mr. Eichler: Two for two; I'm doing really well.

Today, there was an announcement again by the EMO Minister in regards to taxation. How—what was the formula used to determine which RMs would be able to receive compensation?

For example, one of the municipalities that was not included was the RM of Woodlands who lost 30 per cent of their tax base, but yet they weren't included in the tax base revenue section where those neighbouring RMs did, that—for example, the RM of St. Laurent lost 80 per cent of their tax base; our Woodlands lost 30 per cent of their tax base, yet they were not included in the revenue sharing on taxation because of that lost revenue.

Mr. Struthers: Well, again, I think that that's the kind of question that my colleague would be happy to answer.

I do know that last year in the middle of the—fighting the flood of 2011, there were decisions taken at that time with a number of municipalities to provide a—to provide relief from April through to the end of December, basically the flood period, because—on the premise that you didn't want to put municipalities who depend on that revenue in the position where they had to take a loss because people in the area couldn't pay their taxes, or tried to turn to that tax base while they were up to their ears in water and have them, you know, try to make the case for them to pay taxes. So I do know we stepped in at that point.

I don't know if there's a relationship between the RMs that received that kind of help then and the ones that were announced here but, again, I think it's a benefit for those RMs and I would advise the member for Lakeside to—as I know he'll do—go to bat for his constituents, if he thinks one of them has been left out, to make that case to my colleague in EMO.

Mr. Eichler: Still on the same theme of finances, when regards to deadlines, most of those deadlines have a date set. One, in particular, the minister's very familiar with, with his previous portfolio, was the Shoal lakes, and those deadlines are fast approaching.

Now, many of those applications have not been filed, so what is the government's plans in regards to those deadlines? One is for the Shoal lakes; the other is on for those of the cottagers and those ranchers that are surrounded by Lake Manitoba. Is there going to be an extension on those deadlines or do I go to another department for that answer as well?

Mr. Struthers: Yes, I do remember this one well, and I appreciate the advice that the member for Lakeside has given me, and especially coming out of the trip that he and I and the member for Emerson (Mr. Graydon) took last year where we saw first-hand quite a situation, where one rancher after the next couldn't get to their cattle or couldn't get their cattle to them in order to get fed, including a fairly substantially sized bison herd that we visited.

I do know that a lot of work has been put into making sure that that—that first of all, people understand that the Shoal lakes are in a different position than, say, other parts of the province or a river comes up and then flows through and the flood's over. This is a flood that keeps sneaking its way, insidiously sneaking its way up towards ranches and takes productive land out of use. So the—I do know that there was a lot of work gone into making sure as many people as they could were included.

See, you know, and this is one of the programs we announced that where a buyout was part of it and makes some good sense and, you know, a number of different criteria with that program. But, again, I'm going to send him to another department on this to get more fully updated. Negotiations and meetings take place with those hard-working folks over in Agriculture, Food and Rural Initiatives, with many ranchers and farmers in the area.

So he—my colleague in Agriculture will give him a much more up-to-date report on the progress of that particular program and the people who actually do and have, I know, benefited from it.

Mr. Eichler: In regards to the flood mitigation, the federal government has advanced \$50 million, is my understanding, to the Province of Manitoba. What are those projects that's been identified for those mitigation products that are—projects that we want to see move forward on this year?

Mr. Struthers: The \$50 million is a little bit different than the way the member for Lakeside characterized it. The member for Lakeside should think of it in terms of an advance. It's an advance on the \$445 million that is the total obligation of the federal government. So it doesn't go—I don't believe that the member will find a list of those projects that the federal government has signed on to. I think what he—I think what he'll find is that that's \$50 million flowed to us as part of their total of 445. So it's not as specific as which project their money is going to.

Mr. Eichler: So, then, I'm perfectly clear on this, Mr. Chair, the \$50 million, is that an advance on the DFA dollars that you're going to be applying for? It has nothing to do with flood mitigation dollars then?

* (15:40)

Mr. Struthers: As of the—as of December 31st, the exact number—the member and I have been using the number 50 million. We're pretty close; it's fifty-nine million seven hundred. That money, though, is—isn't, as far as I know, isn't dedicated to anything; it is simply a down payment on the total amount that can be used.

Of course, the member knows there's criteria that go along with the disaster financial assistance agreement that governs what Ottawa and the Province put their money toward, and that's been an agreement in place for quite a number of years now.

But that—that's their—kind of their advance of that money.

Mr. Eichler: Could the—Mr. Chair, could the minister then clarify—he used the number 455 million and that was 445, was the federal government's responsibility to the Province for DFA dollars that were spent.

So what does that translate to? We were understanding that most of that was 90-cent dollars, but yet you're saying that it's well over \$900 million

that was spent and yet we're only entitled to 455. Is that not correct?

Mr. Struthers: The \$445 million, that's our projection over a number of different programs.

The member is—has partly got it correct with the 90-10 split on DFA. There's a 60-40 split in terms of AgriRecovery, a 50-50 split on some of the mitigation, kind of the long-term mitigation projects like we had talked about a while ago.

So, I mean, there's 50-cent dollars, there's 60-cent dollars, there's 90-cent dollars. This is a projection of the—what the overall federal obligation is in terms of the 2011 flood fight.

Mr. Eichler: What was the percentage for the AgriRecovery program on the 60-40? Do we have a number on that?

Mr. Struthers: As in anything in life, I guess, there's complications, right?

The AgriRecovery, as the member knows—he's quite right. It's a 60-40 split. The feds, though—and I'm going to refer him on to Agriculture on this, because the federal government didn't sign up for all of the components of the AgriRecovery program that we announced. So we're in for our 40 per cent. The feds are in for 60 per cent of what they've agreed to sign up for, which will, when you look at the overall number, will be less than 60—less than the 60-40 split.

The example I used earlier was the Greenfeed program. Another component that I can remember the feds, at the last I heard, hadn't signed up for, was in terms of some help for feedlots, feedlots who had a lot of water sitting on their yards for a long time and sustained a lot of damage. At the last I heard, and you'll want to confirm this with agriculture officials, but they hadn't signed up for that component in the AgriRecovery side, and wanted us to—the federal minister, at least, wanted us to kind of work together to have it fall under DFA.

That's fine by me as, you know, we were willing to settle for 60-40 split. If they want to do a 90-10 split to help feedlot owners, I'd be happy with that. The problem is that at the last count, they haven't said yes to either. So what we have is a situation where the Province stepped up and helped feedlot owners and the federal government didn't. Now, it makes a lot of sense to help out. I think the feds want to work with us to build a bigger herd in this province, and I know—I think they understand that

they can't do that if every time there's a disaster that hits, we lose some of our capacity in our feedlots.

So that's an example that does kind of make it challenging to nail down a specific number, but we're confident that the \$445 million is a good number. We're confident that that is part of the—a reasonable number of \$936 million for the overall cost. So, if the member opposite has some suggestions on who we can arm twist to make sure the feds sign up to the balance of those AgriRecovery sections, I'm all ears.

Mr. Eichler: I have a lot of good advice for the minister. I'm certainly not about to put it on record though. We'll meet after.

Also, I do have another question in regards to protection for flood victims who've already been, through no fault of their own, been flooded out, and with the deadlines, there's a number of fly-by-night outfits that are out there that are taking advantage of those people that are already distressed, and they're trying to make good decisions to have their properties and buildings raised to the level that the government set.

What steps and major advice does your department have for those seeking protection from the fly-by-night outfits? And I get stories and calls almost every week, and I'm sure that your office does as well, so is there some steps that we could share with those people through the flood protection program that we could give them advice on?

Mr. Struthers: Well, we learned this in Dauphin really upfront several years ago when we got clobbered with a huge hailstorm, and, you know, now, now Dauphin, I am proud to say, has—is the best-roofed community in the whole province because we worked our way through it, and you got to learn, you know, which of the insurance companies and which of the installers, which of the contractors, kind of were thumbs up and some thumbs down.

And our community got inundated by, you know, half-tons we'd never seen before with signs on the side, you know, advertising for companies we'd never heard of before. And I'm not saying that they, you know, they were all bad, but my mother-in-law told one to get—well, I can't say exactly what she told him. She told the guy to get off her roof. She had three quotes, and one of the quotes, the guy just assumed he was going to get the job and was up on the roof and thought this elderly person was just going to let him get away with it. He doesn't

know—well, he knows now, but he didn't know my mother-in-law at the time, and she told him to get off the roof.

So the first thing that we've—that we talked about and departments have talked about in any of these disasters is making sure you get three quotes to get the work done. I—when we were looking at ours, I knew some local folks that were reputable, and even if it meant waiting a little longer in line to—for the—to get the local folk, local contractor to do the work, that was my approach. Three quotes, get some from people that you know and you trust, and that was—I know that's the first bit of advice that the departments, and, to their credit, insurance companies, give at the same time.

*(15:50)

Mr. Cliff Cullen (Spruce Woods): I just wanted to provide some information to the minister, too, in the form of advice, if I could. Certainly, from last year's flood, we still are suffering through a lot of disaster financial assistance claims, which haven't been paid. And primarily, my primarily is concerned about is the private claims, which haven't been addressed. And, certainly, I will be bringing that up with the minister responsible, as well, but I think you, as the Minister of Finance, should be aware that there is a lot of claims out there that haven't been addressed. I'm heartened somewhat by the, you know, discussion this morning, in terms of the press release and the news conference, that, hopefully, some of those people that'll be hired will be providing some service to some residents of mine who have been looking for, you know, almost a year now for some answers to their claims. And it's been very frustrating process for them. So I'd hope you would take that to heart.

In addition, I've—we've had a couple of substantial bridges that have been washed out—not in service—and I know the area residents are quite concerned as well as the local municipalities. It's certainly a major impact for them, but there's been no indication from the government that these bridges will be replaced at any point down the road. And I guess I would like some assurance that there's actually a process in place, that there is a discussion with the province and the federal government in terms of moving forward. And I think the municipalities are looking forward to that assurance that their particular bridges are on that list, and that there is some discussion with the provincial

government. Could the minister speak to that process?

Mr. Struthers: Well, I appreciate the member's sentiments in terms of the claims—private claims. We—even, you know, claims that we're dealing with through departments and how quickly we want them to be wrapped up, we want those claims to be dealt with thoroughly though. The more thorough we can be with those claims, the fewer appeals we'll have to do, because we'll get it right the first time. So I understand the member's advice on that.

The member also talks about roads and bridges, and I know a number in his area have been impacted. Roads and bridges that are—I've seen municipal, I've seen provincial roads, provincial bridges—that was widespread flooding with huge impacts. So much so that I understand the department's still working to try, through inspections, to still get a handle on, exactly, how many bridges have been impacted. And many of them—the—many of the inspections couldn't happen until the flood moved on through, and then they were dealing with snow and ice and the usual—more the usual—kinds of impediments this year. The last I heard, we were in excess of 80 bridges that would be impacted by the flood, alone, and that the department is working to make sure that they understand exactly what that number is, so that we can, you know, budget for that.

In terms of a specific list, I suppose I should put a plug in for the \$584 million that our Budget 2012 has dedicated to infrastructure in this; I'd be remiss if I didn't put a plug in for that. I won't even mention who voted for it and against it, just because I'm a nice guy. But the—in terms of specific projects, that really is a question to ask of Manitoba Infrastructure and Transportation. I do know that they work their way through a process to make sure that they get to the kind of the bridges in most need, the roads in most need, which I think always governs decisions like that when it comes to infrastructure.

Mr. Cullen: I raise it as a concern because I look at the announcement this morning, and there was \$100 million allocated to these bridges; you know, \$50 million this year, \$50 million next year. And just doing some quick math, the bridges that I know, provincial bridges that I know that have been impacted that we're hoping to be replaced, will be substantially higher than that. And I think the communities are looking for some kind of reassurance that, you know, there's a commitment from the province to be there because, in my view,

and the province is only on the hook for 10 per cent dollars on these—10 cent dollars. So it's a pretty substantial undertaking.

So I guess what I will do then, with the minister's instruction, will kind of refer those specific bridges back to the respective department on that.

Mr. Struthers: Yes, that would be fine. I do want to make the point, though, that our intent is to maximize the dollars, whether it's federal or provincial. I don't want to miss out on federal money coming to help Manitoba.

Every provincial finance minister will be looking for ways to have Ottawa help out when—in times like this. I know other—I know Saskatchewan has, both in terms of agricultural supports and infrastructure supports, have been speaking with the federal government on this as well. I think they want to maximize their DFA dollars, as do we. We want to make sure we get our fair share of that and that the money goes towards the roads and bridges and other infrastructure that get us the best bang for our dollar.

I think in the southwest part of Manitoba, we've got an oil and gas industry that is cooking along, and they have talked to us about some strategic investment into infrastructure there that would be very helpful. I think we have to take that approach across Manitoba, to make sure we do get the best value for money that we can—that we possibly can. Whether that's 90 cent federal or not, I think it's taxpayers' dollars in the end, and we have to get the best value for that money.

Mr. Cullen: Mr. Chair, having some conversations with some ratepayers, we're—they're facing similar situations to last year, in terms of excess moisture on quite a number of acres, both cropland and pasture land. And as you can tell, the weather conditions haven't really improved a lot. So, you know, we're still facing a lot of high water issues in southwestern Manitoba that I think you should be aware of.

And just wanted to confirm that there is some discussion then with the federal government, in terms of possibly future programs going forward this spring, or are you just leaving it up to the existing programs that are in place?

Mr. Struthers: I think when he follows up with my colleague in MIT, he should ask that question. I know that our minister is in constant discussions on these kinds of issues, and he would have a much better update than I could give him on that particular question.

Mr. Cullen: Okay. Thank you very much for that advice, Mr. Minister.

I wasn't going to bring up the infrastructure dollars but seeing that the minister did, I would like to question him on that. And I want to specifically talk about the water-related infrastructure, page B5 of your budget document. Last year, the budget in excess of \$99 million for water-related projects. This year the budget is only—what is it?—\$47.8 million. So it's been a very substantial reduction in water-related infrastructure.

Clearly, we have a lot of municipalities that are in desperate need of both sewer and water infrastructure, and I'm—I think they are quite alarmed to read that there's been a—that dramatic of a decrease in terms of the money available for those capital projects. And I just wondered if the minister would comment why that's been reduced so dramatically.

I guess in conjunction with that, maybe you could talk about the federal transfers for capital as well. I know there—it's not as neat and tidy as maybe it was at one time, in terms of what federal dollars were going into infrastructure. But if the minister could advise us, you know, what percentage of that \$47.8 million is actual federal dollars that have been transferred for—specifically for water-related infrastructure

* (16:00)

Mr. Struthers: The 99—the reduction from \$99 million to about \$48 million reflects the reduced costs that we have in terms of carrying the work that was done on the floodway. So as those—as that amount gets smaller, the number comes down. The kinds of projects—the water-services kinds of projects that the member speaks of was actually about a \$3.7 million increase over last year; that's part of the \$47.8 million. But this shows the reduced expenditure level of us carrying that floodway now in our book.

So I would—again, if the member is interested in some of those particular projects then, you know, the Minister for Conservation (Mr. Mackintosh)—well, no, I guess it would be MIT on the construction side would have more detail on that. But that accounts for the decrease from about \$99 million to about \$48 million.

Mr. Cullen: So in saying that, is that \$47.8 million—would that be dedicated to municipal infrastructure, water and sewer works?

Mr. James Allum, Acting Chairperson, in the Chair

Mr. Struthers: The—what the member is asking about is actually funding through the Manitoba Water Services Board through Local Government. And I think they'll, in their Estimates, can give them a—maybe give them a more detailed breakdown of what's there.

The \$47.8 million is water projects that are Manitoba owned—not municipalities, but Manitoba owned. If there's any cost towards the floodway that we still incur, that would be part of that, as an example.

Mr. Cullen: Then maybe you could clarify for me, where would I—would see the line then for grants to the municipal—or to the Manitoba Water Services Board?

Mr. Struthers: That would be contained within the Estimates of the Department of Local Government.

Mr. Cullen: I am sorry. Could the minister repeat that answer.

Mr. Struthers: That could be found in the Estimates of my colleague the Minister for Local Government (Mr. Lemieux).

Mr. Cullen: Okay, I thank the minister for that and I will certainly follow up with those various departments.

Mr. Reg Helwer (Brandon West): I guess a couple more questions pertaining to the flood—military flood costs. We had soldiers out building dikes and such. Is that billed to the Province? Is that part of the federal responsibility? Is it—where does that fit into the flood costs?

Mr. Struthers: I'm going to refer the member to my colleague the Minister for EMO for details on that.

Mr. Helwer: So you can't tell me if any of those costs are contained in the \$936-million flood estimate?

Mr. Struthers: I think he should ask the—we'll—that particular question, if we can find that out, we'll take it upon ourselves to do that, but any more specifics on that, in terms of the relationship with us, the military, and all the services they did do, I think he should follow up with the Minister of EMO.

Mr. Helwer: All right, I guess I'm not sure where you might want to refer this one then to. I have had some people that have had pasture land flooded, are eligible for compensation, but been told they have to

reseed it back into pasture. And I'm sure with your knowledge of agriculture that you had the last little bit, you'd know that rotation is an important tool in agriculture and you would not reseed a field back into pasture; it would go into something else.

So their question is why they can't put it into another crop. If they don't put that into pasture, they're not eligible for flood compensation, whereas crop insurance will allow you to go do a different crop.

Mr. Struthers: Well, I do know that there would be a lot of variables, including if there's some federal oversight. I think—I know with PFRAs and other pasture lands that the feds do have their set of guidelines as well, probably stronger than guidelines, but—so I think what the member should do is approach my colleague in Agriculture, make sure that they understand some more of the details of this, in particular. I think the member generally is correct but I don't want to give him an answer that has some other criteria, especially if they've adopted something since I've left that department. So I think it would be good for him to talk to my colleague over in Agriculture.

* (16:10)

Mr. Helwer: I guess I can't do that right now, but we'll go on to something else. *[interjection]* He'll have it solved by then. I can give you his phone number; you can solve it directly.

The estimates that you have here show a \$65-million contribution from Manitoba Hydro, and in Manitoba Hydro's estimates, when they had their emergency application to the Public Utilities Board, et cetera, their estimate was that they would lose \$51 million this year. So that's a bit of a difference, I guess, of \$116 million. So I'm interested to know where the \$65-million revenue forecast came from.

Mr. Struthers: Those are numbers that we received from Hydro, and a lot of things that could have changed from when we received those numbers to when the Public Utilities Board application was put forward, as the member has pointed out. We wouldn't have that level of detail here. He should probably talk to the Minister responsible for Hydro to get that kind of detail.

Mr. Helwer: So it's not concerning that we might have a hundred million dollar swing in that particular line item?

Mr. Struthers: Well, I'm concerned about a lot of things, but I'm—one of my concerns is that the member for Brandon West gets the most up-to-date information that he can and that he's accurate with it. So the best thing to do is to make sure that he hooks up with the Minister responsible for Hydro to get the kind of detail, I think, that he needs in order to be able to form a complete opinion on what's going on with the difference in those numbers.

Mr. Helwer: You know, in committee we did discuss this even further, and they have several projections they're looking at. None of them came up to the \$65-million target. The most—the highest one here was a \$52-million forecast which did include the \$23 million that has been set aside, and the Public Utilities Board has told Hydro they have to probably give back to ratepayers. You know, there's—even if they get their best estimates, that's the highest that they may all been able to come up with. So I'm concerned about the discrepancy here, and, you know, Hydro would be obviously where you're getting your information from, but there you have different information out there than you have available.

Any guidance on how we can find what would be the correct number?

Mr. Struthers: We're confident in the numbers that we've put, whether it's that line in the budget or any other line. We do our due diligence. We do our homework. We don't—we want to make sure that the numbers that we present for yourself and for 1.2 million Manitobans is as accurate as we can actually have it. There could be a whole number of explanations, more detailed explanations, to answer the queries of the member for Brandon West, and the Minister for Manitoba Hydro, I think, should get a shot at providing that for the member.

Mrs. Stefanson: And just moving on to sort of a more general area of questioning for the minister, I know this is a new role and his first budget, and it was great to see his son there the day of the budget, and he was definitely having a good time.

But I just wanted to ask the minister if—I know there was a period of time where you were the Minister of Agriculture as well as the acting Minister of Finance as well. And during that time, I know, of course, as Minister of Agriculture, you were out and you were wearing your Agriculture cap and you're fighting for the various programs and the Agriculture Department, and then at the same time, as acting Finance Minister, that's—the role of the Finance

Minister would be to maybe rein in those expenditures in some of those government departments, and I'm just wondering how you dealt with that conflict.

Mr. Struthers: You should have heard some of the conversations that Finance Minister and Agriculture Minister had.

First thing, I never was the acting Finance Minister. I was sworn in as the Finance Minister in October; there was never the "acting" in front of it. So, I was pulling double duty, doing both. I beat down a path along the—you can see it on the limestone floor—between the Agriculture office and the Finance office, back and forth.

I—it's interesting because, even as Agriculture Minister, you don't have the attitude that you can just go out and spend money. It doesn't have to be just the Finance Minister that is responsible with Manitoba tax dollars. Every minister—and it doesn't matter this government, the government in the '90s, the government in the '80s back—it has a responsibility of being—let's—should I say, small "c" conservative with their attitude when it comes to spending money.

It doesn't mean you don't spend money; it means you analyze where that money is being spent. Can we spend money that produces a bang for our dollar out on—in the provincial economy?

We—and, you know, as Agriculture Minister, there was a lot of programs that fit into that category. There was a lot of need to make sure we had programs that came out of the—you know, a response to the flood, which kept the Department of Agriculture extremely busy last spring and summer and fall—well, basically throughout the winter, because, I mean, there's still people working very hard to make sure that the needs of Manitobans impacted by that flood get met.

Mr. Chairperson in the Chair

I was very happy to be asked by the Premier to take on the responsibilities of Finance Minister. I really appreciate the member referencing my son in the Speaker's Gallery the day the budget was read.

I totally believe that there's a subset of Manitobans that get to be MLAs, and not everybody gets to be an MLA. There's another subset of MLAs who get to be Finance ministers and work on a budget and present it to the House. I was honoured to do that and—because budgets are important. Budgets

are where governments put their money where their mouths are; they prioritize. We can talk in election campaigns and Throne Speeches and the rest, but budget day comes along and that's where you indicate to Manitobans where your priorities are.

The other part of this is that there's 364 days left in the year where you're implementing your budget, and you—every day you have to work hard to do that, to make sure that you come through with what you said you're going—you've come through on.

So I'm—I was really honoured to be the Finance Minister, I was honoured to present a budget, and I enjoy sitting in Estimates talking about the budget because I think it's important.

Mrs. Stefanson: And I thank the minister for his comments, and certainly want to apologize, as he was made the Finance Minister; I thought he was acting first and then came in as Finance Minister, so in fact he was both ministers at the same time. And I would suggest that that's a difficult task because of the two extremely important roles, the—as minister in both areas.

* (16:20)

And so I just wanted to talk to the minister a little bit more about how the day-to-day process took place during that period of time when he was minister—both Minister of Finance and Agriculture. How did you—because I really see them both as full-time jobs, and how do you—how did you balance your day-to-day activities between the two portfolios?

Mr. Struthers: Well, the most important part of that was the people that I worked with in Agriculture and the people that I work—got to know in Finance and continue to work in those departments. Each department is populated by very committed, very professional, very organized, experienced, intelligent people, who, I think, scrambled along with me sometimes as things came up that we needed to deal with. I can't say enough about the civil servants in each of those departments and the political staff in each of the offices and the outer offices, who were very good at their jobs, as well, to keep me organized.

The one thing I will say is that the focus—I was sworn in as Finance Minister in October. The focus very quickly became the session that we had in place, that we had committed to coming into, our House leaders organized for us. And then the focus very much became the process that eventually led to

the April 17th budget. A lot of work had been initiated at—by that time by staff, by people within the Department of Finance, people at Treasury Board, who worked hours and hours and hours on getting ready for the budget. We—and then, of course, we—once we did that, we were looking to organize some pre-budget consultations, which we did in January, which I mentioned in my speech the other day when the budget passed, and, also, we were into a round of Estimates which—with each department. And again, every department has, you know, the folks that had done a lot of the leg work to make sure that we could have a successful round of Estimates in each department.

So there was—I won't deny that, you know, that period of time was busy. I'm not the first minister that has taken on two portfolios like that, and in some cases other ministers held two positions longer than the period of time that I held them. I do think, though, that I was very pleased that my neighbour, the MLA for Swan River, was asked to step up to the Agriculture, Food and Rural Initiatives portfolio, because at—he stepped in at a time when things were really getting much busier in Agriculture as well. January, see, is a busy, busy month for Agriculture, and I was quite pleased that the MLA for Swan River took that on.

There—the—my belief is that, you know, they were busy weeks, but we didn't fall behind. We kept up; we did well for the—not just for the government, but for the people of Manitoba during that time frame.

Mrs. Stefanson: What percentage of your time would you—did you feel that you spent on each of those portfolios? Did you end up spending a little bit more time in one area? Obviously, the Finance area being your new area, was it—at that time, in terms of briefings and so on, did that maybe take up a little bit more of your time than Agriculture at that time? Or what percentage did you spend on both those portfolios?

Mr. Struthers: It's—I would suggest it's pretty much impossible to try to figure out kind of, you know 50-50, 60-40, those kinds of ratios between the two.

The member for Tuxedo is correct—the—that there were briefings that took place on the Finance side. But I will say that I've sat eight years on Treasury Board, last couple of years as the vice-chair of Treasury Board, so that made the learning curve—I won't deny there is a learning curve. And whoever

takes on the job is going to have a learning curve, but that made that learning curve a lot easier. In briefings that I had, because of my experience at Treasury Board the—it did mean myself and others coming to work a little earlier in the morning and staying a little later in the evening to make sure that we covered all the bases in both Finance and Agriculture.

Mrs. Stefanson: What is the process? Is it still similar to past practices in terms of when you're sitting down with—you know, at Treasury Board, and discussing and going over all the different government departments and expenditures and what you can expect and anticipate in the upcoming budget when you're preparing for the budget process? What are some of the criteria that you take into consideration when developing the budgets?

Mr. Struthers: Well, the—a lot of work goes into—led by the minister and deputy minister and the executive team at—in each of the departments. And they, in co-ordination with, you know, members of Treasury Board, work up options understanding—this year especially—understanding that we face uncertain economic times, that a number of departments were going to be either frozen or have actual reductions. As the member saw in the—when the budget was presented we ended up with 10 departments in that category.

But we want to make sure, though, that when there are ideas in terms of projects to do or programs to do that we get a good solid analysis of those projects or those programs. It's clear that—and, you know, we've made it clear to the public: we're not going to say yes to everything that comes along. We've been clear that we have some end-year targets. I mean, I know the member for Tuxedo has talked about doing an internal review; that is what we're doing. We've set some targets, as we explained when I read the budget, \$128 million internally and—which is an equivalent to 1 per cent of our expenditures. So departments led by deputies and ministers spend a lot of time analyzing—first understanding where the government needs to go and analyzing how to get there.

At the same time, I will say, we just came out of a provincial election back in September, October, and the people of Manitoba were pretty clear in what their priorities are. Let alone—I don't want to get into how they voted, but they were very clear with all of us where the priorities were: health care, education, infrastructure, services for kids. Those are the kind of things that we're not going to throw

underneath the bus, and we expect everyone involved—departments and Treasury Board and ministers—to make sure that a good solid analysis is done of all of the things that we were—that we're asked to do.

* (16:30)

Mrs. Stefanson: Just noticing, going through the Estimates of expenditures and revenue budget book, that in—for the most part, under the operating area where they have administration and finance, for the most part, in pretty much in all cases, it either stays the same as last year's budget or it's gone up a little bit. But there are some other areas where there have been cutbacks, you know, and most of those areas are more in the area of services being delivered or capital costs going down and that kind of thing, or capital expenditures going down from last year.

I'm just wondering what the priority of the government is in that case. Is it—it just seems that the administration side seems to be staying the same and going up, but some of the programs, as a result, are being cut back upon. I wonder if the minister could just comment on that.

Mr. Struthers: Well, your—you will see that it may play out differently one department to the next. We—we're clear that we want to do—we want to come forward with programs, offer them in a different way. If departments can realize the same outcomes and do it in a more efficient way, then I think we have an obligation to follow up with that. And departments take that on, and each department's going to have some ideas on how to achieve those goals.

If there's—some departments are pressured in terms of the volume questions that they deal with. Something like—a department like Family Services will be looking to see how they can still offer programs. Because you're not going to—well, we can't turn away a kid who needs us. Legislatively, we can't do it, let alone, you know, on compassionate reasons. But, we can't turn kids away, but we can certainly, I think, explore better ways to serve that same child, and maybe we can do it in a more efficient and a more effective way.

The—you know, if we can have a department thinking about how it is that you, you know, an investment in a program reduces the number of people we'll be housing in jails, I think we have an obligation to Manitobans to explore those kind of possibilities as well.

It—the—our goals, though are—have been pretty clear. They've been—we've been public with the goals that we have, as the targets, in terms of changing the way in which we deliver services. You know, another good example is if, you know, the people in the Department of Health can think about delivering primary health care so that we don't have people always walking through the emergency room of a hospital, which is the most expensive door to walk through, yet—and yet still offer good health care to Manitobans. I think we have an obligation to follow those—to follow up on those and, you know, it can mean better health care at less cost to the Manitoba taxpayer.

So those are the kind of things that you'll see reflected in each of these departments. And, really, the goal of each department, you know, is kind of unique among—unique to themselves sometimes, will be their approach to getting to the targets that we're looking to get to.

Mrs. Stefanson: I wonder if the minister could indicate what the process is—at what point do you start preparing for the next budget? And what is the process that takes place with respect to you and your colleagues who are responsible for various government departments?

Mr. Struthers: Well, the first thing I want to be clear is that two things pretty much happen on the same time; April 18th, I guess this year. We do start thinking about what we're going to do next year, but we are very focused on what we're doing this year, in terms of implementing Budget 2012. We're really focused on making sure that we come through on the things that we said we'd—that we've committed to.

We—well, for example, Treasury Board meets weekly and Treasury Board has got a good relationship with each department, and we are constantly talking to departments about improvements to programming. So in a sense, we—you know, the thinking needs to be on next year's budget. The sense needs to be in—also I think in terms of the five-year economic strategic plan that we put in place, and, you know, this—that the budget that—the budget we presented on the 17th is year three of that five-year approach. Next year's is year four and year five. We've got some very definite—we've put some very definite thought into at least generally big picture-wise in terms of getting to year five, 2014, and having that year being a balanced year and having our—get back into the black in terms of our budget.

So the thinking in my mind is constant. It's ongoing. We kind of have to do two things at once and that's implement the budget we have, and that leads into a process that gets started into next year. Many of the things that we do get started in the fall. We had—of course, we had the election this year which wrapped up on the 4th of October and did compress the time frame somewhat. But a lot of the work starts early on—the real work really starts early on in the fall for that particular budget year.

Mrs. Stefanson: And just to get into talking about the five-year plan briefly, I notice just from looking at last year's budget book over this year's budget book that there are changes in the five-year plan. Just wondering if you could indicate what those changes are, why they are, and maybe indicate what—why those changes would have taken place.

Mr. Struthers: Well, the first one that pops to mind is the—one of the changes is the amount of deficit that we would be facing, and the member has pointed this out. We took the approach a few years ago that in response to a global economic downturn, we took the view that we had to approach that in a multi-year way, not all at once but over a course of a period of time. So we believed that a five-year horizon, time horizon, would be achievable. We—in year one I think you can see where we were—we hit our targets, exceeded targets. Year two comes along and one of the differences that the member would—has keyed in on already is the deficit number and that, of course, is as a result—directly a result of the flood, and the amount of expenditures that we had to account for in year two of our five-year strategic economic plan.

So in year one, two, three and four of our five-year plans, we had projected that we would be in deficit for those years. We're up front with people about that. We got questions on it in the election, you know, the whole thing. So the difference though is that this year—sorry, last year's budget, up goes that deficit number, and she will notice that we're—in Budget 2012 we're targeting to get that back, at least trending back the right direction.

I want to assure the member that I like years of surplus more than I like years with deficits and so does our government, and we're going to work our way back to a surplus situation.

* (16:40)

Mrs. Stefanson: I guess I'd—I, you know, the minister has brought up another point that he says, and I quote, that this \$1.12-billion deficit is directly a

result of the flood, and I would argue that it's not. As we know from earlier this afternoon, the minister had stated that about \$491 million of the \$1.12 billion is provincial expenditures related to the flood and that leaves an extra \$629 million of overexpenditures, and—that puts us up to the \$1.12 billion.

So I'm wondering if the minister can indicate how can he really, honestly say that this is a direct result of the flood when, in fact, the expenditures, the real expenditures and the operating expenditures and so on, come from just increases to general expenditures within the government departments that are well beyond what were originally budgeted for.

Mr. Struthers: Well, the member for Tuxedo will remember that what I said about the five-year strategic economic recovery plan. For five years for year one, two, three and four, we were very upfront with people, saying that we projected in those years that we would run deficits. We didn't want to take the approach that was taken in the early part of the '90s where, in response to an economic downturn, we exacerbated the problem by restricting even further.

This was a—you know, we agreed to participate with the federal government in terms on an economic stimulus plan which, I think, kept our employment numbers amongst the best in the country, which provided some economic activity in this province that helped us in terms of responding to the global economic downturn. And you know, that—the member's right. Those kind of things cost money.

The—so we had budgeted already for a deficit in year two of the five-year plan. The—I think she has—I think she's quite rightly stated that the—there is a cost to fighting this flood, and we've talked about the number \$936 million, \$445 million of which would be federal responsibility. But the difference between what the feds put in and what the flood cost, is reflected in our deficit for that year. There's no arguing around that; there's no use in pretending the flood didn't exist or that the flood doesn't cost money.

We made a very strong commitment to the flood victims. We made a very strong commitment to Manitobans that we weren't going to—I was going to say leave them high and dry, but I suppose they would love—would have loved to have been left high and dry last year. But we weren't going to leave them out on their own. We committed to programs that helped. They have a—costs of the hundreds of millions of dollars. We're going to come through

with that, and we're going to reflect that accurately in our reporting of the deficit to Manitobans so that they know what we've spent their money on.

The balance of the \$1.12 billion are—and, you know, I note that the *Free Press* had an article about this and showed a number of departments, some running deficits, some not, some overspent, some underspent. One of the ones that they keyed in on in the *Free Press* was Family Services. And, you know, I get back to what I just said. Are we—are members opposite going to advise us to turn kids away when they come? I mean, is this some of this spending, this spending addiction that they seem to think we have? Is it—should we be turning kids—should we open up—should we do like California and open up our jails and just let criminals go? I mean, there's some costs there that are very difficult to deal with. Maybe we—maybe the member's thinking of a weekend take-a-prisoner-home sort of thing to cut down the costs, but, you know, we have to be realistic in that. It doesn't mean we can't look at those departments and explore ways in which our expenses can be cut down. I'm all for that.

But I do want to remind the member opposite is that she's got her finger on part of the deficit that we ran that is driven by those exact kinds of expenses. So it's those kinds of expenses. It is the flood to the tune of, you know, the difference between \$445 million up to \$936 million, nearly \$500 million worth of expenses that we just can't ignore, and those are the things that make up that deficit.

But I will remind the member for Tuxedo when she looks at the [*inaudible*] there's a bar graph in there that shows that we're coming from last year down to a smaller deficit this year and we intend to continue that trend right into balance for the year 2014.

Mrs. Stefanson: Well, the minister talked about a global economic downturn, and I'm wondering if he could indicate for us what years there was actually a downturn in the economy in Manitoba.

Mr. Struthers: That's a good question, because everyone experienced the impact of the global economic downturn.

Manitoba did not experience it to the tune of other parts of our country. Nevertheless, when—if my memory serves me correctly—in that '08-09, about a half a per cent decrease in our economy as compared to about a 2.8 per cent decrease in Canada.

Now, it has a couple of ways in which these global economic downturns impact. One is—one's very personal and one's, you know, the guy who—one of my constituents who talked to me about wanting to retire, he had every—all the plans in the world to retire, and his wife was teaching and she was retiring. She did. He, because his pension was so wrapped up in the global marketplace, he put on hold his retirement. He's still working, you know, a couple years later, he's still working, hoping to be able to retire. So in a very personal way, that Manitoban was impacted by the uncertain economic times, especially from that '08-09 period.

Our economy, generally, was impacted in terms of the revenues that we received. Our revenues became much flatter than what we would like to have seen. That has an impact on budgeting in Manitoba, but in any jurisdiction that depends on a certain amount of revenue to be able to either produce surpluses or balance.

So it did have an impact on Manitoba. We did what we could to try to alleviate that impact. I think one of the very key decisions was our government and the federal government participating in an economic stimulus program very much based on infrastructure investments. But also, and this was actually a discussion that we had last week when we were meeting with some of the people in Toronto and in New York who had—we had some meetings with investors and people that we need to be in contact with—very much a discussion about that investment not just being scattered to the wind, but that investment being very particular on long-lasting infrastructure and a real tie-in to skills development.

*(16:50)

I think that this is kind of the—a bit of the untold story, a bit of the untold good news, about what the federal government and us did together. And a very good example is right in my hometown of Dauphin where we invested money, expanded the Parkland campus of Assiniboine Community College. And it was good for the infrastructure, but the real win for us is the programming, the number of apprenticeships that we can produce in that little college that then get jobs in our area—provided a real shot in the arm to our economy.

So there's no point in ignoring what's happening on the world stage. There's—it's clear that Manitoba fared better than others—other jurisdictions. But it's also very clear that it still had an impact on our bottom line, and we had to respond to it.

Mrs. Stefanson: I wonder if the minister could just indicate what the actual number was for the economic downturn in the economy in Manitoba in 2008 to '09.

Mr. Struthers: I guess the most acceptable measuring stick for a question like that would be the gross domestic product for the Province, and I kind of touched on it a while ago in—I had said a minus .5 in terms of the GDP for 2009 and, by gosh, I was correct on that. And compared to a negative 2.8—that was the Canadian average, yes—a minus 2.8 drop in the GDP as the Canadian average.

In 2008, the GDP for Manitoba was \$42.7 billion. The drop—the .5 drop from '08 to '09 was 42.7 down to 42.5 billion. So it was an impact. That—of course, we'd like to see growth; we'd like to see a plus .5 rather than minus .5, but when you look at the kind of employment levels and—everything from employment levels to housing starts to investor confidence, so many indicators that Manitoba remained relatively strong compared to other jurisdictions.

And I don't want this to sound like, you know, I'm kind of glad everybody else decreased more than Manitoba. I think we have to talk about how strong the Canadian context is and how strong Manitoba is within that Canadian context. We are, and continue to be, Canada's most stable economy, and that's not because I do something or the member for Tuxedo does something, that's a reflection of our diversity in terms of geography. That's a reflection of our diversity in terms of the number of economic activities we have going. It's—it certainly is a reflection of the diversity of our province and our—the people of our province, the skill sets, what people bring to the table, when it comes to job creation and keeping our economy going.

So we were impacted by the global economic downturn, not quite to the extent that others were, but still it had an impact on our bottom line, and it required a response, and I think we gave the right response in terms of a multi-year approach to handling that impact on our bottom line.

Mrs. Stefanson: Well, I think most people would look at a .5 per cent decline as relatively flat and—in the whole scheme of things, and especially if you look at what happened to other provinces across the country and, indeed, on the federal level. And, if you look at other countries around the world, like Greece and even the US economy, and how they took such a significant hit globally, that I think if you look at

what transpired in Manitoba, the economy remained relatively flat and didn't experience the decline, as the minister has indicated, that other provinces saw.

But, at the same time, expenditures were on a significant rise, and so really it wasn't a revenue problem that we had here with respect to the deficits that we've seen over the course of this five-year plan. It's really—it's not a revenue problem; it's an expenditure problem. So what is the minister doing? Because we know that expenditures and core government expenditures have been on the rise over the last number of years, even despite what's happening globally. And some of the lessons that this government should have learned and should be taking into consideration, where they should be showing some fiscal restraint in areas, we know that expenditures in core government operations have been on the rise, significantly beyond where the—beyond GDP growth.

And I'm wondering why, you know, what the minister is doing to show fiscal restraint in those areas, and, you know, to ensure that the—that he does get, as he has indicated that he would do, the budget back into balance by 2014-15.

Mr. Struthers: Well, first of all, the member for Tuxedo, I think, needs to understand how wide a net she's just cast over a lot of different jurisdictions, a lot of different governments, including the federal government, whose expenditure track record I would compare ours to any time. When you look at the number, the last number of years, we're not the stingiest of the jurisdictions but we're not the free spenders addicted to spending, as the member for Tuxedo likes to describe us as. We're probably about fourth in terms of expenditure—of an expenditure track record. We're—we participate in infrastructure and economic stimulus spending, like the feds did when we got together to do that.

The fact of the matter is—and I know this doesn't fit into the narrative that my friends in opposition like to talk about—the fact of the matter is that our expenditures are competitive with other jurisdictions. I think she also has to be careful. I listened to some commentators talking about Ontario and some of the problems that Ontario has experienced recently, and they started comparing Ontario and Greece. Well, Ontario's no Greece, and we shouldn't be comparing Ontario to Greece. We shouldn't be complaining any jurisdiction—sorry, comparing any jurisdiction to Greece.

We shouldn't—at the same time, though, we shouldn't underestimate the value of smart decisions when it comes to expenditures and smart decisions when it comes to revenue. Contrary to what the member just said, all provinces—Canada, has experienced a challenge when it comes to revenue.

Some provinces have some natural advantages, in terms of the price of oil and gas going up and reflecting a pile of money into their revenue streams. But as the former—now, I guess—Finance minister in Alberta said to me at our last FPT meeting, he says, I understand where everybody else would like some of our revenues, but I would give up some of these revenues to be able to have the kind of diversity that a province like Manitoba has.

So, when we have a situation where other provinces are, well, they're at the top of their peak in terms of the revenue cycle, when they come—and we're not that high—when they come crashing down, they come crashing down past us.

Mr. Chairperson: No offence, but the hour being 5 p.m., committee rise.

EXECUTIVE COUNCIL

* (14:40)

Mr. Chairperson (Tom Nevakshonoff): Will the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of Executive Council.

Would the minister's staff please enter the Chamber. That includes the staff of the Leader of the Official Opposition.

All right, we're on page 29 of the Estimates book. As previously agreed, questions or questioning for this department will proceed in a global manner.

The floor is now open for questions.

Mr. Hugh McFadyen (Leader of the Official Opposition): Before starting, I just want to introduce a member of my staff who's joined us in the Chamber today. His name is Greg Burch, B-u-r-c-h, and he's the deputy chief of staff in office of the Leader of the Opposition.

Mr. Chair, just coming back on Executive Council staffing and contracts, I just want to ask the Premier: When Mr. Balagus left the employment of Executive Council, did he receive any kind of a severance payment?

Hon. Greg Selinger (Premier): Yes, I believe he did.

Mr. McFadyen: So, was Mr.—in that case, can the Premier confirm Mr. Balagus was dismissed from his position?

Mr. Selinger: No.

Mr. McFadyen: The indication in the media at the time was that Mr. Balagus resigned. I'm just wondering why would somebody who resigned receive a severance payment.

Mr. Selinger: Officials at that level, when they leave public service, receive a severance package.

Mr. McFadyen: I think the normal position is that if they leave through dismissal or reorganization, they would receive a severance package, but not through voluntary resignation.

So can the Premier just indicate how much he received in severance and how many payments that was received over?

Mr. Selinger: I'll take that question as notice and we'll get them the information.

Mr. McFadyen: And can the Premier just indicate whether Thomas Linner is still employed within Executive Council?

Mr. Selinger: Yes, I believe Thomas Linner is presently in our employ.

Mr. McFadyen: And is Mr. Linner continuing to be employed as a policy analyst, PM2, as he was as of April 20th, 2011?

Mr. Selinger: He is continuing as a policy analyst. I'm not clear on what the classification would be. I'd have to check that for him.

Mr. McFadyen: Can the Premier just indicate—respond to the question of who Mr. Linner reports to within Executive Council.

Mr. Selinger: Yes, Mr. Linner reports to the person who's in charge of Issues Management, Maeghan Dewar.

Mr. McFadyen: I just want to ask, as well, whether an individual by the name of Ben Wickham continues to be employed by the government.

An Honourable Member: Wickstrom.

Mr. McFadyen: Sorry, I—the name is Ben Wickstrom.

Mr. Selinger: Yes, he's employed by the government.

Mr. McFadyen: And what's the position that Mr. Wickstrom occupies?

Mr. Selinger: We'll get that information for the Leader of the Opposition.

Mr. McFadyen: And can the Premier just indicate who would make the decision to hire or promote Mr. Wickstrom? Is that the minister of the department or is there somebody within Executive Council who oversees those appointments?

Mr. Selinger: We'll verify his position and who was in charge of hiring him.

Mr. McFadyen: Can the Premier just indicate, as a general practice within the government, when political staff are appointed by government, is it the minister who would be responsible for those hires or is it senior staff within the Premier's office who would make those hires of political staff who work with ministers?

Mr. Selinger: Right. The minister makes the hire within their department of any political staff.

Mr. McFadyen: And can the Premier indicate whether, following the election, members of political staff were given significant reclassifications and raises?

Mr. Selinger: We'll see what reclasses may have occurred and what the impact would have been on their wages.

Mr. McFadyen: Just to be specific on that point, can the Premier just undertake to come back with a list of names and salaries and titles of political staff pre-election and what those—what their new titles and salaries are as of the present date?

Mr. Selinger: Yes, we'll canvass and review that and provide that information to the Leader of the Opposition.

Mr. McFadyen: Can the Premier just indicate—we discussed Rory Henry's appointment the other day, and I wonder if—can the Premier just indicate whether Mr. Henry is currently performing any political functions for the government?

Mr. Selinger: No.

Mr. McFadyen: Does Mr. Henry monitor question period and attend media scrums as part of his current responsibilities?

Mr. Selinger: I'd have to check and see if he's attended any media scrums and whether he monitors question period on behalf of the ministers that he reports to.

Mr. McFadyen: The Premier's just indicated he doesn't perform any political functions and then said he would look into it. I'm just wondering which one is the correct answer.

Mr. Selinger: They're not necessarily contradictory. Officials often check out what's going on in the Legislature so they can provide information to their ministers.

Mr. McFadyen: And is that then common, then, with this government, that senior civil servants would be responsible, then, for monitoring question period and attending media scrums?

Mr. Selinger: I'm informed that when a minister's being questioned on something relevant to their department, their senior officials will observe what's going on and try to provide accurate information to their ministers.

Mr. McFadyen: And can the Premier just indicate whether Scott Smith, who's a former member for Brandon West, performs any function within government currently?

Mr. Selinger: I understand he's employed by the Trade department.

Mr. McFadyen: And can the Premier just provide details of that position and the current salary level, as well, and any changes in that salary level?

Mr. Selinger: I'll undertake to get that information for the Leader of the Opposition.

Mr. McFadyen: Okay, Mr. Chairman, just in general terms, can the Premier indicate how many ministers there are within government currently versus how many ministers there were as of the year 2000?

Mr. Selinger: We'll provide that information for the Leader of the Opposition.

Mr. McFadyen: And, similarly, can the Premier provide the information on how many deputy ministers there are today versus 2000?

Mr. Selinger: Yes, we'll provide that information as—in terms of the number of deputy ministers now versus 2000 and—for the member—Leader of the Opposition.

Mr. McFadyen: Can the Premier just indicate how many associate deputy ministers there are today versus 2000?

Mr. Selinger: Again, I'll obtain that information for the Leader of the Opposition.

Mr. McFadyen: And can the Premier also indicate how many assistant deputy ministers there are today versus 2000?

Mr. Selinger: Again, I'll get that information for the member and we'll provide that to the Leader of the Opposition.

Mr. McFadyen: And can the Premier also indicate, of the members of the NDP caucus, how many have appointments above and beyond their MLA positions, and can he also indicate what those appointments are and how much they pay?

Mr. Selinger: Yes, we'll get that information for the member of which members are LAs and which sit on various boards and commissions.

Mr. McFadyen: With respect to regional health authorities, can the Premier just indicate how many layoffs are expected as part of the merger process?

Mr. Selinger: I don't believe there's a precise number. There's a calculation of what the savings would be over three years and it was in the order of \$9 million—9 to 10 million dollars.

Mr. McFadyen: We would assume there'd be some analysis as to positions within the health authorities to achieve those savings. Can the Premier just provide that analysis, as to how many positions are going to be eliminated with the mergers and how many layoffs can be expected as a result of that?

Mr. Selinger: And again that's within the purview of the Health Minister's Estimates, which will be coming up soon. If he wants the information provided through this medium, we can attempt to do that as well. But that's in the scope of the Health Department Estimates.

* (14:50)

Mr. Chairperson: The Deputy Clerk informs me that your previous question is, indeed, more so in the domain of the Minister of Health (Ms. Oswald), just for your advice.

Mr. McFadyen: We had agreement at the start of the session that we'd proceed in a global fashion, so can the Chairman just clarify, then, what that means?

Mr. Chairperson: All right, the Deputy Clerk informs me that, yes, we agreed to a global discussion on the topic of Executive Council, which is what is before us today. That would include senior appointments and so forth. However, appointments to regional health authorities falls somewhat outside that domain, and is in the domain of the Department of Health.

Mr. McFadyen: I would just say that the practice has been, in prior years, that questions can be directed toward Executive Council itself and to broader government, and, in fact, certainly with the current Premier and his predecessor—and, I believe, going back into days when our party was in government—the Leader of the Opposition was free and, actually, did ask questions in relation to all of government.

So I'm wondering if we're now changing this long-standing practice.

Mr. Chairperson: It's a question of degree. Policy decisions, in particular, are what is before us with the Executive Council.

As I said before, specifics related to other departments may be outside the domain of that, but, you know, I would suggest that maybe the Leader of the Official Opposition restate his question, and we will take it from there. Would that be acceptable?

Mr. McFadyen: Thank you, Mr. Chair. Just in terms of the Crown corporations merger, which the Premier announced in his capacity as president of Executive Council: Can the Premier just indicate how many positions are expected—how many layoffs are expected in connection with the merger of Manitoba Lotteries and the Manitoba Liquor Control Commission?

Mr. Selinger: And, again, the merger will reduce the number of positions, which may not equate with layoffs. There may be people that can be placed within other jobs within the merged corporation. So I think the question of layoffs is one that's evolving as they go through the merger and work on how to harmonize the administration of the two organizations. So that'll be a work in progress, but we do expect to see some slimming down of senior management positions there and better integration of the two functions.

I do have information for the member on deputy ministers, the previous question he asked me today, if he'd like me to get back to him immediately. Okay, would you like me to read each deputy minister one

by one by department versus—'99-2000 versus now, or would you like just a global number?

Mr. McFadyen: I think we're just asking for just a global number.

Mr. Selinger: Yes, in '99-2000, the total number of deputy minister positions was 20—I got two numbers here—was 22, September 1st, '99, 20 as of—oh, yes, okay, 22 as of September 1st, '99, and this year, the number of deputy minister positions is 19.

Mr. McFadyen: In terms of the question on Crown corporations, the Premier has indicated a slimming down in the executive ranks. Can he just provide the numbers, in terms of the number of positions that he would expect to be eliminated with the merger?

Mr. Selinger: Again, that's going to be a work in process.

As the acting or the CEO Winston Hodgins starts to look at the two organizations, he will be getting support and advice in how to integrate the two organizations to reduce some of the back-office functions and some of the senior positions that get better integration.

So I can't give him a precise number now, but the idea is to get a more harmonized senior administration and a better integration of services between liquor and lotteries.

Mr. McFadyen: Can the Premier just indicate, with Mr. Hodgins taking on the responsibility of being president and CEO of the merged corporation, what arrangements are in place for the former CEO of the Lotteries Corporation—pardon me, the liquor commission?

Mr. Selinger: Yes, there was only an acting CEO in place at the liquor Crown corporation. The member might recall that the former CEO met an untimely death.

Mr. McFadyen: Just one question that I just want to make sure is properly understood and that's with respect to the appointments for MLAs, above and beyond their MLA responsibilities. That would include Crown corporation, board appointments, legislative assistants, and anything else that carries with it added pay or per diems or other forms of income. And so, can the Premier just provide a list, with respect to members of his caucus, as to who has additional appointments that provide income beyond that that is offered as an MLA?

Mr. Selinger: Yes, we'll endeavour to provide that information to the Leader of the Opposition.

Mr. McFadyen: Just in terms of Crown corporation board appointments, we asked questions earlier today about appointments to the new, merged board of the liquor commission and lotteries. Can the Premier just indicate what role he played in these appointments?

Mr. Selinger: All the appointments went through Cabinet and were approved by Cabinet, including myself.

Mr. McFadyen: And can the Premier just indicate what kind of a vetting process takes place and who conducts that process before these appointments come to Cabinet?

Mr. Selinger: Yes, the two ministers reviewed—the ministers for liquor and lotteries reviewed the boards they had and worked together to provide a new set of board recommendations, and they brought them to Cabinet.

Mr. McFadyen: And can the Premier just be specific about who the two ministers are that he's referring to?

Mr. Selinger: Minister Ashton for lotteries—

* (15:00)

Mr. Chairperson: Just for the Premier's knowledge, you have to refer to members by their titles, not their names.

Mr. Selinger: The minister of lotteries and the minister of liquor, and that's their titles.

Mr. McFadyen: I'm going to have to be satisfied with that response and whatever the constraints of the rules provide.

An Honourable Member: I can send you a personal correspondence.

Mr. McFadyen: Exactly.

Mr. Chair, just—I just want to switch gears to another area of policy entirely for a period of time here, and it just respects public education and, in particular, math and science education, which has been the subject of some discussion and debate over the last period of time. And just to review some of the highlights—or maybe lowlights is a better description of it—from the past period of time.

In terms of recent test scores that have been put out publicly, the Program for International Student

Assessment, which is PISA, which is run under the umbrella of the OECD, put out numbers that were measurements as of 2009 that were released in December of 2010. And what those assessment scores indicated for Manitoba students was that in mathematics, as of 2003, Manitoba students were ranked No. 5 in Canada, and as of 2009, Manitoba's ranking had dropped four spots to No. 9 out of 10—out of the 10 provinces that were included.

In science, Manitoba was ranked, as of 2006, at No. 6, and as of 2009, a mere three years later, had dropped to eighth spot. And in reading, as of 2000, Manitoba was middle of the pack at fifth place and by 2009, had dropped all the way down to ninth place.

Lest anybody have concerns about the methodology of PISA, there is further evidence of problems from the Pan Canadian Assessment Program, PCAP, which showed 2010 scores which were released in the fall of 2011—so they're quite recent—and what they showed was that within Canada in mathematics, Manitoba students were second last in the country. In science, Manitoba students were ranked last in Canada and in reading, Manitoba students were ranked last in Canada.

I wonder if the Premier can just explain the significant drop in performance here in Manitoba compared to other provinces in these really important areas.

Mr. Chairperson: Just before I recognize the honourable First Minister, just to clarify my earlier interjection, a member should be recognized either by their portfolio or by their constituency, too, just to ease matters.

Mr. Selinger: Yes. And, again, these are important questions very specific to the Ministry of Education and so I don't have those officials in front of me, but I can give a broader answer. The broader answer is that, first of all, we want students to do well and that's why test scores—these test scores are important factors to be considered in the—how—the achievement levels of our students.

Generally, my understanding is that Canada's education system as a whole performs extremely well compared to other countries around the world and is certainly in the top ranking of the countries around the world that provide compulsory education for young people. And within that the provinces compare to each other, and we have seen that the ranking has dropped. Some people have suggested

that the ranking's within the margin of error, that the differences are relatively small, that one or two percentage points difference can move you from middle of the pack to the lower end of the pack.

But the point is that we want to continue to improve the quality of education, which is why there has been a revised math curriculum put in place, which is why there's a revised science curriculum that's developed and being put in place, and language arts is the next on the list. So it does matter to us that students do well in Manitoba and that's why we've brought in some additional measures, including measures that focus on these core competencies such as math and science and reading, and as well as the legislation that we brought in that requires young people to continue in school till 18, not just 16, as school leaving age. So we've broadened the requirements for compulsory school attendance in Manitoba, which was the case in one other province whose scores seemed to be higher than ours.

And so we're looking at all the various measures we can take to strengthen the competency of our students in terms of their educational achievements, not only in terms of the requirements to stay in school, but supports we provide to teachers for professional development, a curriculum that we are revising and strengthening in the system that's made available to all our public schools, and other supports as well, including programs like Brighter Futures, which targets supports to students that may need additional support to succeed, whether it's homework or tutoring or additional, in some cases, financial support to continue in school. So we're looking at all these various measures that we can bring in place to increase student achievement.

We have seen some very significant outcomes in terms of the number of people graduating from high schools. I believe it's up 16 per cent, from the low 70s into the low 80s, in terms of percentage of young people that are graduating, and that's a helpful sign. We want more people completing high school, because that opens up other doors for them in terms of apprenticeship and college or post-secondary education or pursuing other forms of training that they may wish to participate in, including training in some of the professions, such as accounting.

So we are interested in looking at all the avenues that we can increase student performance within the schools in Manitoba, and our funding announcements have tried to be consistent with that. Our funding this year was equivalent to the growth in

the economy, 2.2 per cent, and there was additional resources put in there for professional development. There were additional resources put in for English as an Additional Language because we have a lot of newcomers coming to Manitoba, so we want them to be able to adapt and succeed in school as quickly as possible; resources for persons with disabilities to participate in public education and to be able to achieve successful outcomes; resources for students with an Aboriginal background to successfully do well and stay in school.

So we look at a broad variety of measures to increase performance and increase the number of people graduating and increasing the scores that they achieve on any of these tests that the official Leader of the Opposition has raised with us today.

Mr. McFadyen: And the importance of students doing well in math, science, and reading is something that every Manitoban agrees on.

The—I have to say I'm concerned that the Premier seems to be minimizing the reduction in Manitoba's relative performance as being a statistical phenomenon when there is a consistent decline in Manitoba's performance over all three subject matters over a 12-year period and under different measurement programs.

PISA shows Manitoba dropping in math over a six-year period; it shows us dropping in science over a three-year period; it shows us dropping in reading over a nine-year period. And then the completely separate program, the Pan-Canadian Assessment Program, shows us either in second last or last place.

And so it's not just a matter of statistics sometimes going our way and sometimes working against us. On every single measurement over a 12-year period, Manitoba students are falling further behind other students in Canada.

And I want to ask the Premier whether that's something that's of concern to him.

Mr. Selinger: Yes, as I said in my previous question, it is a concern to us, which is why we're making all of those very significant investments in upgrading our curriculum in math and in science and language arts; which is why we've continued to fund schools at—consistent with the rate of growth in the economy; which is why we've made investments in professional development; which is why we've made investments in English as an Additional Language; which is why we've put resources in place for Aboriginal students to do better in school; which is

why we've launched the Bright Futures program, which provides additional supports for students, whether it's tutoring or extracurricular support.

And these are just some of the measures we've taken, and we do take education very seriously and we want all our young people to do well. We are pleased that there's more people graduating from high school now, that that's up about 16 per cent, and we want them to graduate with better marks, good marks so that they have greater opportunities to pursue other forms of training or education after they complete their high school. So, it is important.

*(15:10)

I did point out that in some cases the percentage differences between a lower ranking and a higher ranking are just a couple of percentage points. That's not in any way to minimize it. It's just to point out the facts. It can go either way.

But, if your scores show that they're in the bottom half of Canadian scores, it is something that you want to pay attention to, at the same as we acknowledge that all of Canada's education system, which is in a matter of provincial jurisdiction, is considered one of the best in the world by any ranking at the international level. But we still think it's important to continue to invest, innovate and improve the quality of educational outcomes in the province of Manitoba.

Mr. McFadyen: And again, even as Canada is performing well, the province over which the Premier has responsibility is, relatively speaking, falling behind the rest of the country. And I want to encourage the Premier to make it a high priority of himself and his government to address the issue. The Premier's made reference to the issue of curriculum, and the introduction of a new curriculum. And it's the curriculum that has been zeroed in on by some experts in the field, not members of the opposition or members of any political party, but some experts in the field, including math professors.

I shouldn't say including math professors—primarily led by math professors. Professor Anna Stokke and her husband, Ross Stokke, are both professors at University of Winnipeg, and Professor Craigen is a professor at University of Manitoba, have all come together. And my understanding of the reason they have raised the concern is that they are experiencing, within their own classrooms, year over year, a noticeable decline in the ability of students to perform well in mathematical calculations.

And they've pointed out that it appears that the foundational knowledge in mathematics, the ability to perform operations like addition, subtraction, division, multiplication, is not where it ought to be. And that's impeding the ability of students at a more advanced level to do calculus and algebra and other areas of mathematics that are founded on the ability to do more basic operations well.

And the point that the professors have made is that there's been a noticeable decline over the last number of years, as they see students, graduates of Manitoba schools, coming into their classrooms, that they—their abilities seem to be on the decline year over year. And so it's a product—it's a problem that seems to be years in the making.

And as we understand, it goes back to curriculum changes that were made a considerable period of time ago, not—and so it's not—the questions aren't designed to necessarily be partisan in nature. They're just a statement of the fact that it seems that a number of years ago changes were made, and that the product of those changes is now working its way through university. And these professors who deal with the students day in and day out are really noticing a decline in their abilities to operate at the level they need to, in order to achieve success within areas like algebra and calculus.

And so I just want to ask the Premier whether he's had the opportunity to take a hard look at what these professors are saying and to ask questions of his officials as to why this might be.

Mr. Selinger: Yes, I thank the member for the concern and the interest in this area, because it is important that our students do well. And I am aware of certain professors at the university level, the names mentioned, raising concerns about the math skills of students entering into university. And our officials in the Department of Education, our minister, have met with some of those individuals and listened to their concerns and taken them seriously. And we do want students to do well in mathematics and in their computational skills.

And so we are listening to their ideas there, and we are looking at ways that we can improve the curriculum. One of the things that we've looking at is smaller class sizes for K to 3. That's a commitment we made in the election.

Early childhood learning is an area where we're investing more resources, and we've made very significant investments there. That was an area

where Dr. Fraser Mustard gave us, as one of only three provinces, a passing grade.

We've also looked at, even, the curriculum in daycare centres and tried to ensure that daycare is more than just child minding, that it also has a learning curriculum, a school-readiness curriculum, for kids in daycare and the preschool area. So we—all the investments we make in children and families are, in part, related to helping students and young people and their families be more ready to participate and succeed in the educational system. Our report card initiative, where we're trying to get simpler reporting mechanisms—you know, go back to letter grades, go back to percentages so the parents can get a clear read on the—how well their students are doing.

So these are measures, additional measures, to ensure that special-needs children get access to the educational system. And so, these are measures that we take a serious look at. And we are working with the stakeholders in the faculties of education and teacher training to—especially to look at how they prepare teachers to teach mathematics in the schools so that they could do a good job of conveying and developing competency in mathematical concepts and operations with students.

And, as the member knows, we've also pressed the federal government to start bringing up the level of funding for students in First Nations communities, where they get about \$3,500 less per student than we provide to students off the first—that are going to schools outside of the First Nations. And a lot of those students wind up in our post-secondary system once they come out of the First Nations system, and so there is some issues of equitable financing there that are starting to be addressed by the federal government. And we think that's a good beginning there.

Specific to mathematics, there is—there has been contact, as I said, with math professors Anna Stokke and Robert Craigen, and the Deputy Minister has met with them as well, and we will work with those education partners to improve math teaching and student achievement in math. Those are some of the comments—oh, in January '12 we announced \$800,000 additional and new funding for numeracy initiatives for middle-years teachers to give them access to teaching strategies in mathematics. And in May of this year—this month—we are hosting a conversation on teaching and learning mathematics in Manitoba. Education partners and representatives from the business and industry will be invited to

share their ideas for how we can improve math education in Manitoba. And the math curriculum, still, will be looked at for other ways it can be improved.

Mr. McFadyen: I don't want to diminish the significance of any of the points that the Premier has made, but the issue that the—that a lot of the experts, and lots of parents and business people and government officials and other employers, are zeroing in on is the issue of curriculum and the way mathematics, in particular, is being taught, which is different now from how it was taught, certainly, when I went to school, which is getting to be quite a long time ago, and when, probably, many members of this House went to school.

Certainly, when I attended Silver Heights Collegiate with the member for Minto (Mr. Swan) and the member for Kirkfield Park (Ms. Blady), there was an approach to teaching math—I'm sure the member opposite when he attended St. James and other schools prior to that was taught math in a certain way—and it's been changed quite significantly since that time. And what the argument is is that those changes have not necessarily been for the better, and so that's really where the focus of the concern is and the comments that I, certainly, get as a parent from other parents.

It happens that the Stokkes have kids in our kids' school at Robert H. Smith, and so we're familiar with the debate that's going on that the parents have concerns about the curriculum. And, I think, a lot of the—there's a lot of common sense there that comes from parents who are working with their kids doing homework, and employers who are seeing recent graduates may be not as adept at mathematics in a practical way that they should be.

* (15:20)

And so it's not an issue that has—that's really related to the funding; it's not an issue that's related to teachers because the teachers are teaching the curriculum they've been given. It's really one that's related to a certain philosophy of teaching mathematics and the way it's been described, and I hear the defenders of the current curriculum describe it as a focus on understanding rather than drills.

And the argument that's used is that rather than just a rote memorization of how to solve problems, we want kids to understand the basic underlying principles. And I think the argument in response to that is that those are not mutually exclusive. In

learning drills and learning the basics, you also acquire an understanding of the underlying ideas behind those formulas as you go along. And I think there's a lot to that.

We don't teach kids the philosophy of hockey before they go out and start skating and playing hockey. They just learn to internalize it or understand it by playing. And I think the same applies for math, and I—we would just note that since the issue arose, Saskatchewan has formally committed to a review of the curriculum—there was a news release to that effect—in a formal process.

I know, and the Premier has made reference to some of the discussions and meetings that have taken place within Manitoba, and I wonder if the Premier will go from the comments made to date to something more formal in terms of an announcement and a formal process for reviewing the curriculum in the same way or in a similar way to what Saskatchewan has done.

Mr. Selinger: I think the member's right. I think one way to characterize the debate about mathematics education in Manitoba is along a continuum of understanding to operational skill and where along that spectrum students need to be. And I would agree. I think you need both sets of skills.

I think you need to know why you're doing something. I think you know—need to know how to do it, and I think that balance is the issue that's in front of us here. And I do actually remember the math curriculum I took and it was very focused on operations, and I actually remember asking why and they couldn't explain why. They just said, just do it and that's the way it was.

And I think there has been a movement towards being able to try and explain it and then not necessarily helping students acquire enough repetitions that they could perform certain functions quickly. And so I think it is finding the right balance there.

There has been the announcement of the conference this spring that will bring together the experts to take a look at this issue, and the math curriculum has been tuned up. And I think it may not be just the curriculum; it may be how the curriculum is taught—what emphasis we put on the teaching of it, because I suspect the operations and the concepts are both there and then it comes down to how you apply that curriculum in the classroom, where you put the emphasis. Do you put the emphasis first on

operational competency and build back towards understanding, or do you start with understanding and then spend some time on competency and maybe that might not get as much attention?

So I'm hopeful that that conference in May, which will have some of the people the Leader of the Opposition has mentioned will—as participants, will be able to listen to each other and take a look at what can be done there, because I do think you can learn both ways and I think different people learn in different ways. Some people won't be able to do it very well unless they understand it, and other people understand it by doing it, as the member indicated with respect to a sport. You don't grasp all the subtleties of how you play a sport maybe till many years after you've played it and then it starts dawning on you; well, I'm doing it because of this reason.

And I think different young people have different learning styles, and I think we need to train our teachers to tune in to the learning styles of the students that they're working with and then help them find the best way that they're going to achieve that level of both understanding or comprehension and operational competency, for lack of a better term. I think both are important and I think we have to—I don't know that there's a one-size-fits-all approach. I suspect that there's an approach that allows the teacher to diagnose the learning style and level of readiness of the student and then work with them in a way that allows them to move forward and to grow and develop the skills of math and the understanding of math.

And that's a tall order to teach teachers how to do those kinds of assessments as opposed to just one approach for the whole class, some—for whom some of the members of the class it will work and for whom other members of the class it won't work and then you have passing and failing. I mean, you want every student to be able to move along on that math continuum, and so it is an important discussion and it's one that—so my short answer to the member is, yes, we will continue to work with our education partners in how we can improve the capacity to teach mathematics in a way that will get good outcomes for our students, both on tests that test skill and tests that's test understandings. I suspect these tests examine both things when they look at them these days. I don't think they just do one or the other; I think they probably examine both ends of it, both the operational capacity and the understanding capacity of the students.

Mr. McFadyen: And in the—I think there's probably a lot of agreement in terms of what the Premier's saying and the questions we're asking. And I think the changes that were made to the curriculum were made in good faith at the time they were made based on recognition that some understanding was important. But it appears that what's happened in practice is that the pendulum has swung in that direction and it's kind of stayed there and is—has resulted in the abandonment of other teaching strategies and strategies for solving mathematical problems.

And I just want to—and I—what I'll do is I'll undertake to get some specific examples for the Premier because I happen to look at this from two perspectives: one as a policy perspective that we respond to ideas and issues that are brought forward by people in this context, but from a parent perspective as well. Our daughter is in grade 4 and our son's in grade 2 in public school right now, and in doing—just doing mathematics homework, what I've noticed in asking our daughter questions about their approach, I've just noticed a really different approach to it from what I'm used to, not to say just because something's different doesn't mean it's no good. But I want to just provide the Premier with a couple of examples, and I'll provide—because it's hard to understand this when we only have a theoretical debate; it's a lot easier to understand when you actually look at the questions and the exams and compare them to what other students are doing.

But I just want to provide two examples of questions from the current curriculum which I think are illustrative of the concern—and this is grade 4 level, our kids who are at a pretty advanced level of ability. But here's one of the questions that was asked in a recent assignment. The question is: Which temperature is most likely if you're playing in the snow? (a) -5 degrees Celsius, (b) 30 degrees Celsius, or (c) 4 degrees Celsius. This is pretty basic stuff for a kid who's 10 years old in the province of Manitoba.

And I'll give you another question, the next question was: It's now 4 o'clock. What time will it be in one hour and 14 minutes?—[interjection] And, again, you know, I hear laughter from staff, and I had the same reaction, and, in fact, grade 4 kids are laughing at these questions as well. But these are the questions that are being brought home and that they're being examined on.

The next one, just since we're on a roll: 55 times blank equals 110. And, again, these are things that

we would kind of take for granted as being fairly basic calculations.

And then, by contrast, the—our daughter—the grade 4 math club, which Anna Stokke runs, is doing questions such as 8 into 7,964, in terms of long-division operations. So you'll see there's a level of complexity that's there that doesn't exist with the school-based curriculum. And there's an—so they—and so they do the long division calculations outside of the curriculum in the voluntary math club, but within the curriculum students are, in fact, told that they're not allowed to do long division. Not only is it off the curriculum, but they're not allowed to solve the problems using that method, which really bothered me as a parent.

Ms. Melanie Wight, Acting Chairperson, in the Chair

I think that it should be—they should be able to use whichever system they think is going to allow them to efficiently solve the problem.

And then just so we don't mistakenly think it's all about drills and it's all about operations, one of the other problems that they tackled—and I think it's—it just really helps when you look at specific examples—was, I'm just quoting from one of the questions: Mrs. Owen bought 170 yards of red cloth and 357 yards of white cloth. One yard of cloth costs \$8. How much did she pay altogether? How much did she pay for the white cloth? How much did she pay for the red cloth?—you know, and what operations do you have to perform in order to arrive at your conclusions? That's—these are the same grade 4 students doing these questions as doing the other questions about what temperature is it if you're playing in the snow.

* (15:30)

And so I didn't understand the issue particularly well until I started looking at the specific examples. But what it did for me and what it's doing for other parents, providing concrete examples, is there is something amiss with that curriculum. And I think it's important that it be addressed. I don't think anybody can be expected to understand it unless they've actually sat down and looked at the actual questions.

So, with that, I just want to ask the Premier if he's got any reaction to that and if it would be helpful to provide him with some other concrete examples.

Mr. Selinger: I appreciate the practical examples because it's just as we discussed: Practical examples

can illustrate some of the theoretical challenges in teaching a math curriculum. You know, the ability to do complicated division—you had a number there in the thousands that I think divided by one—depending on where you are in the school system, that used to be taught well after grade 4. In some places it used to be taught at grade 4, depending on what schools you go to, and there were—was a great deal of variation.

If the member is suggesting that the standard curriculum is too easy for a grade 4 student, which is, I think, what his implication was, of what was happening in the classroom versus the math club, that there was a pretty large gap between the two, that could be something that we have to take a look at. What is the threshold that we expect people to achieve in understanding a concept?

The question that the member raised about temperature: It's not just mathematics. It's about understanding climate and freezing and warming and all that sort of stuff. A couple of them were—I mean, it was pretty obvious that if you're going to be playing in the snow that you have to sort of be below zero, right? So there's a whole conceptual understanding that goes in there, which almost isn't really mathematical at all; it's just understanding the concept of weather and what—at what point does weather transform itself into something that's—produces snow versus rain or, you know, sunburn, quite frankly, at 30 degrees, which would be the other end of that spectrum. So it seems to me that that question was very much focused on understanding a larger set of concepts and really didn't have much to do with operations at all. If that's where the curriculum is at exclusively, that's probably not sufficient to teach the kinds of math skills that students need. But if that question is part of a larger set of questions, and then at the other—other questions deal more with how you compute, add, subtract, it might be appropriate as part of a total mix.

So, you know, I appreciate the examples. I—you know, I think these are the—I—the *Hansard*, without putting too fine a point on it, we'll ask our senior officials to review what happened in Estimates, as we do in question period, and take a look at your examples, and see whether or not they make sense and whether there's a—whether they're part of a larger context or they're too narrowly focused on whether they're just teaching conceptual understanding and not paying enough attention to the skills that were, for example, you illustrated in the math club, because there's clearly room for both.

I don't remember in grade 4—I don't know if you do—anything about climate. I mean, at all. It was strictly adding and subtracting and, you know, often it was physical objects, and so it was very concrete. And that's fine. I mean, there's nothing the matter with that. But it never really took it into anything to do with understanding weather. That was a whole different curriculum altogether.

I do think it is true that more and more math curriculum tries to get people to use math to address real world problems, whether it's consumer issues or interest rate calculations or, you know, those kinds of things. I don't think that's a bad thing because there's skill required to achieve those outcomes.

So, really what I'm saying to the member is I think we do—we aren't really that far apart in where we're trying to go here, as we want students to be able to have skills in mathematics that they can, in turn, apply to real situations in life and know which situation, which skills are needed for. And I think we need both. We need understanding and we need to be able—and you need to be able to make a quick decision.

I mean, I don't know about you, but I was recently, just this weekend, shopping, and one of the things I was saying to myself, I really appreciate, in the store I was at, unit pricing, because I'm trying to compare two products and how much is it per litre, or how much is it per hundred grams. And I don't know about you, but without that information, you can never make a proper decision because every product's in a different size, in a different volume, with a different price point on it, and you really can't make a comparison unless they give you the unit pricing. And most people don't look at the unit pricing. They look at the sale; they look how big it is and whether it'll fit in their basket. But a lot of us actually are kind of interested in what the unit pricing was. And, you know, sometimes unit pricing allows you to make a more informed decision. It requires some math skills, but just the concept of unit pricing itself is a mathematical concept because you have to have a common base upon which you're making the comparison.

So I'm not disagreeing with the member's concerns. If he thinks it's exclusively focused on understanding weather with no computational skills later on in the curriculum, I just don't know whether the rest of the math curriculum at grade 4—I think the level was referring to—takes them to another place later on in the year. If it's just focuses on weather for

the whole year, that would obviously probably be insufficient.

Mr. McFadyen: And just be clear that the—I mean, I gave a couple of examples there and one of them was weather-based and others did other things, and there are questions that relate to geometry and there are questions that relate to, you know, how you look at groupings of objects or things.

And so I used a few examples, and it was really to illustrate (a) that in many of the examples, they—it just seems to be fairly basic for kids at that stage in life. So growing up in Manitoba, you find out at a pretty early age that when it says minus that it's more likely to be snow and not—you know, and a plus gives you different results. So it's the—it's kind of the complexity level seems low. And then the approach is all—it all seems to be horizontal, for lack of a better description, rather than computational for more—for larger numbers and more significantly complex challenges.

And so I don't think it's—and I think the Premier's right that there's got to be room in the curriculum to approach it both ways, and I think our concern is that it seems to be exclusively focused on one approach as opposed to applying both. And I think that's where the professors are coming from, and I didn't understand that very well until I actually went through the workbooks myself and tried to understand what it was that they were referring to, and I think it's a good debate to have.

It's a—I think it's both a challenge and a significant opportunity for the government to look at, because, as I said, my understanding is the changes came in a long time ago and I don't think it's a partisan debate. I think it's just with X years of experience, there is now a good opportunity to review what's happening and determine whether we can learn something from it.

And so with that, I just—I want to—I mean, I'll just allow the Premier just to make a sum-up comment before I move on.

Mr. Selinger: I don't know when the changes came in. I mean, if it becomes partisan, we'll find out, but I'll take it as a non-partisan approach at this level.

And I think there are tendencies that express themselves in educational training and there's a movement along a continuum from understanding to practical skills. And I think we've agreed that both ends of the continuum are important in terms of student accomplishment, and we want students

to both understand and be able to perform certain fundamental computational skills, such as adding, subtracting and long division—division, multiplication, et cetera. Those are pretty basic skills that students should have.

And I do think it's important that if we have some people with expertise who are also parents who are seeing curriculum that they don't think sufficiently challenges their children as students that they give us that feedback and we have received that. I mean, one of the good things about our province is that we're not really that far away from each other, that they may be parents at, say, Robert H. Smith School and professors at the University of Manitoba and the University of Winnipeg, but, really, the connect—the ability to connect to departmental officials and to politicians is—it's maybe one degree of separation. In your case, it sounds like both politically elected people and professors who are both parents are in the same school, so there's an opportunity to share right in real time the impact on your respective children, and I think that's a positive thing, quite frankly. We're not that far apart from each other.

But I do want the member to know that I think these are important issues that need further exploration and we need to always be aware of what level of skill we're developing in our young people, not just in absolute terms but also in relative terms, relative to other jurisdictions, relative to a global community where there's always people doing well.

One of the criticisms I read, for example, was that students in the city of Shanghai did very well on the PISA scores, and then I read an article about those students that they were very strong on computational skills, but not as strong on the ability to problem solve and innovate in their problem solving, that it was a very much a rote set of skills that were taught. I'm not sure if that's accurate or not, but that was the criticism of it. But they had done very well on these international tests on the computational side and—but weren't as strong on the ability to problem solve, the innovation, free creative thinking side.

* (15:40)

And basically it was just a comment that both sets of skills, again, are needed, and criticizing the strengths and weaknesses of different approaches. But as we increasingly become part of a global community where people are, quite frankly, competing for jobs in a global marketplace, these

kinds of skills are important and the ability to be able to perform these functions is important.

So I do think the member has an important issue and I do think we need to continue to have that debate. I think this forum will allow that opportunity for that—some of that debate to occur among parents, teachers, teachers that are of mathematics and experts of mathematics who happen to be parents as well, who are encountering things that they think could be done better. I think that's very, very helpful.

Sometimes the math curriculum, from what I've seen as a parent, is extremely complicated for a lot of people, young people, and they not really—they don't relate to it that well and they don't know why they're having to learn that stuff, and so they tune out. And then there's the other tendency, where we make it so easy, that they may understand it, but then not be able to do much with it after they complete that education.

And I think we want a level of complexity that addresses the challenge of the world we live in, as a citizen, and then allows them, if they want to specialize in further training in education, whether it's an engineering or mathematics, or as a teacher of sciences and mathematics, that they can go there if they want to go there; they have a sufficient knowledge base to do that.

Mr. McFadyen: The Premier's comments are fair. The—I think that the positive part of the discussion is that there's recognition there's an issue here that needs to be looked at carefully, and we'll certainly look forward to seeing the debate continue and, obviously, hope that that forum will produce some positive feedback and changes.

You know the Premier made the comment, quite rightly, that the ability within this province for legislators to, you know, stand side by side with math professors in the schoolyard and have a discussion about math curriculum, is very true. And we've certainly been fortunate, within our caucus, to have the member from Morden-Winkler and the member for Lac du Bonnet (Mr. Ewasko) both coming from the teaching profession, both as parents, able to look at it from those important perspectives, and their contribution to the debate around our caucus table has been significant. It's been a lively and, I think, a really productive debate around our caucus table and also within the Legislature.

You know, the concern is that for kids who go to schools where maybe that same opportunity for interaction doesn't take place, because not every kid in the province goes to a school where there're going to be university professors with their kids in the same schools to make sure they have the same opportunity to learn as kids who are privileged enough to be in that kind of a situation. We're fortunate where we are to have access to other parents who are very, very good in this area, more by luck than anything else. But we would want that to be universal for all the students in the province and for that reason, we think it's important that the Premier and the government drill down on the issue with the department and look at what changes to the curriculum may be appropriate.

I'll—it's been a good discussion. I appreciate the Premier's interest and his responses.

I just want to circle back from math curriculum just to discuss public finances, perhaps not as distantly related as a—as it may appear on the surface, but in terms of the government's fiscal position and its projections, going back over what the government said following the 2008 financial crisis with its five-year financial plan, which was billed as a plan to get the government back into surplus within five years, that was a feature of all the government advertising and communications. We note that that get back to balance within five years has been dropped from the current round of budget advertising. But, with that comment aside, the summary budget is showing this year a deficit of \$460 million, which is about \$115 million or 33 per cent higher than what the original five-year plan provided.

And I want to ask the Premier if he can explain why there's such a significant discrepancy from the original five-year plan when you look at this year's projected summary budget.

Mr. Selinger: Simply, first of all, the flood had an impact both on expenditures but also the growth in the economy of Manitoba, and both of those issues factor into where your projection is for next year and those were big determining factors.

The continuing uncertainty in the global economy is also a factor that's weighing on all economies these days. That being said, the projections for growth in Manitoba are reasonably decent at about 2.2 per cent. But those were the factors that weighed heavily upon the calculation this year of—I mean the deficit grew to over a billion

dollars last year, driven in large part by the flood. But—so to bring it down to less than half of that and within about 115, as the member said, of the original five-year plan didn't seem unrealistic in view of the experience. Nobody predicted that event to occur in Manitoba and the impact it would have on our economy.

Mr. McFadyen: And the reason for the focus on the—on this year's budget, because we recognize that last year was an anomaly because of the flood, but when you look at the structural deficit, which is the deficit after you factor out flood-related costs, we're still in a position of a structural deficit of roughly \$500 million, and that's before a transfer from the Fiscal Stabilization Fund.

So I just want to ask the Premier, in light of that roughly half-billion-dollar structural deficit which is not caused by the flood, how the Premier can expect people to believe that the government is going to be in a position to balance within the time frame that's been set out.

Mr. Selinger: Well, again, that's—we're working on the plan that was put in place, and every year Estimates have variations with them, depending on circumstances that occur after the budget is dropped or the Estimates are made. And the five-year plan was put in place a couple of years ago, and subsequent to that, there's been some very significant changes in real world events that we've experienced in Manitoba, so there was a pretty major effort to manage both expenditure and economic investments in Manitoba to ensure that we could continue to proceed along that five-year plan of balancing the budget.

So there are a number of things going on in the province where we're providing resources to grow the economy. There's expenditure management that has reduced growth in expenditures quite dramatically. And all of those measures are intended to get back as close as possible to that five-year plan's targets.

Mr. McFadyen: With the—because the five-year economic plan is a moving target—it gets revised with every budget, so it's a very different five-year plan as of this budget, compared to the one that was put out in all the advertising prior to the election. And now, what we see with this budget is a projected deficit of \$30 million in 2014 rather than a surplus of \$110 million.

Can the Premier just confirm that, with this year's budget, the balance date is being pushed back by a year?

Mr. Selinger: Yes, is the member referring to a specific table on a specific page?

Mr. McFadyen: I will—I'm looking at briefing materials, and I'll find the page. But the reference is to the projected core deficit for 2014 is now \$30 million, rather than a surplus of \$110 million which was laid out in the earlier plan.

Mr. Selinger: Yes, it's difficult to comment on the member's numbers without being able to see them on paper, but when I look at the documents that we have in front of us, I'm looking at, for example, page 10 in the budget, and this year's budget, next year's budget and the projections for the year after that where we do come back into surplus in the year 2014-15, according to the projections and prior to any extraordinary events or surprises or changes in the economy. And we do acknowledge always that there's a great deal of uncertainty in the global economy right now.

* (15:50)

As we moved on the budget this year, we projected the summary net income loss of \$460 million, which the member has identified as being about 115 above what the original five-year plan said. But then, as I looked at that document on page 10, the five-year economic plan, it still shows us coming into balance in the year 2014-15.

Mr. McFadyen: The—as we look at the government's plans, and we know from past years that estimates are estimates, and so they very rarely come in at exactly where governments project, but it seems that over the last couple of years the government has consistently projected on the overly optimistic side. These things go both ways, and what we see is just consistently more negative outcomes than what the government was projecting over the last couple of years. I wonder if the Premier can comment on that.

Mr. Selinger: Well, all I can say is we've had many years when the outcomes have been better than forecast, including the early days of the recession where we were able to be somewhat ahead of our targets, and, again, it changes depending on what happens within that year. And the member correctly acknowledged that these are estimates, and the estimates vary—often vary from 1 to 2 per cent.

Mr. McFadyen: Just in terms of total public debt, including government general—which includes both government general operations and Crown corporations, we see quite a dramatic increase in total debt in Budget 2012 to a total debt of \$27.6 billion, which is a new record for the province. It's an increase of \$2.5 billion from Budget 2011, an increase of roughly 10 per cent. Can the Premier just indicate whether he thinks that a 10 per cent increase in the province's total debt is a sustainable practice going forward?

Mr. Selinger: Again, I'm assuming the member's referring to page 22 of the budget book?

Mr. McFadyen: If I can just have a minute, I'll find it. That's correct. The reference is to page 22 of the budget and budget papers document.

Mr. Selinger: Okay, he seems to be on the subtotal line of \$27.6 billion of government borrowings, guarantees and obligations, and I ask him to just go to the bottom of that column where the summary net debt is \$16.3 billion, which is 27.4 per cent of net debt as a percentage of the gross domestic product in Manitoba, up about 1.3 per cent over last year.

Mr. McFadyen: All of that is correct. The total debt is the total amount that needs to be repaid over time, and that number has increased by about 10 per cent, that the net debt, which is a somewhat more controversial calculation, is rising at a similar rate in terms of year-over-year percentage changes, and so I wonder if the Premier could just indicate whether he's comfortable with total debt growing in the range of 10 per cent a year.

Mr. Selinger: Again, net debt actually isn't controversial. That's the standard measurement that all governments use when they report debt because they subtract assets from liabilities to come up with the net debt. And that's why I point it out to the member. But, again, what is that debt getting you? Is it getting you assets? There's been a tremendous growth in assets in the province of Manitoba: schools, hospitals, hydro assets, other buildings and roads and infrastructure that we have invested in. And it's very important to note that, when you're making these investments, you're getting something for it and that something has a lifetime and provides an opportunity for the economy to grow and for people to receive better quality of services, including educational investments in post-secondary and in K to 12 schools. We've got more schools, new schools, improved schools, we've got more university and college facilities. So all of these things are

by way of investing in the potential growth of the economy and the ability of our citizens to participate in that economy. So, you know, we have to put these things in perspective when we're asked those questions. And our assets have grown very significantly, more rapidly than the debt has in Manitoba.

Mr. McFadyen: The reason for the focus on the \$27.6 billion in total debt is that that's the amount that needs to be repaid with interest at some point. I think we agreed in last year's Estimates, or the Premier stated in last year's Estimates that he didn't plan on selling off any of the assets in order to repay the debt. He didn't plan on using any of the assets that are being counted against it, to repay it, which means he needs to generate, over a period of time, cash to repay that debt.

And, when that debt is growing at a rate of about 10 per cent, it starts to put pressure up on debt-servicing costs and other—and obviously, on taxpayers, which we started to see in this year's budget. And so is the Premier indicating that he's satisfied with a 10 per cent increase in total debt and is that what we can expect to see in years going forward?

Mr. Selinger: Again, I'm not in any way suggesting that I'm satisfied with any of the comments that the member made and the interpretation he's put on those comments, because the net debt is the bottom line for debt in Manitoba, because it allows you to, for example, take account of assets that have been put aside.

In the case of pensions, for example, there's a pension asset fund of \$5.16 billion, which has grown from \$3.6 billion in 2007 and '08. It's grown quite significantly, about \$1.5 billion roughly. And those are assets that are used—put aside to meet pension obligations in Manitoba. And, the reality is, does the—do these investments grow the economy? I mean, you can—you do have some jurisdictions that have no debt, but they have a very weak economy and a poorly educated citizenry and an inadequate medical system.

So is 27.4 per cent net debt as a percentage of GDP reasonable? It's in the top half of provinces in Canada and below the federal level of debt to—net debt to GDP, and that's not in any way to condemn any other level of government, because they've made investments and decisions that they thought were in the best interests of their—with respect to their responsibilities. But it just is by way of putting it in perspective.

Mr. McFadyen: And just looking at the—the Premier has pointed out there are different ways of measuring debt. So he's got a total debt number of \$27.6 billion, which is up \$2.5 billion from Budget 2011. The second way of doing it is to look at net debt. Looking at that, it's increased by \$1.5 billion from last year, from 14.8 to \$16.32 billion, so that's another 10 per cent increase. And core government general debt is set to go up to \$8.04 billion by the end of this fiscal year, which is an increase of \$732 million from Budget 2011 and, again, a 10 per cent increase. So, by any measure, you see debt increasing this year by roughly 10 per cent.

And that may not be alarming in an environment of low interest rates, but I wonder what contingencies the Premier has put in place to deal with the possibility of an interest rate increase?

Mr. Selinger: First of all, I think the reason that all governments, that I'm aware of, focus on summary net debt as a percentage of the economy or GDP is because it indicates the relationship of any borrowed resources to the growth in the economy. And it's up about 1.3 per cent, which tells you the economy is growing at a fairly healthy clip as well. And that's a good sign. We do want a growing economy.

* (16:00)

We see in some other jurisdictions in developed countries where—I mean, there's been—there's actually a decline in the economy. Some of these economies in Europe, for example, are going into what they call a double dip recession at the same time as they're trying to balance the budget. So their debt's going up and they're debt to GDP's going up even more rapidly when the economy's shrinking. So what we've got here is a story of a growing economy and investments that continue to help that economy grow. So that's an important perspective to put the—any investments and any borrowed money in.

With respect to the risk of borrowing money at this time, a small percentage of the resources are kept in short-term debt instruments. Most of the overwhelming majority of borrowed money is put into long-term interests bonds at a low rate of interest because that's what's available in the marketplace right now. So a lot of that is fixed and stabilized, and it's brought back into Canadian dollars so that you don't have exchange rate risk as well.

Mr. Chairperson in the Chair

So most of the money that is being borrowed right now—I believe at least 90-plus per cent—is being

put into long-term bonds at low interest rates relative to historic trends, and that allows these assets to be financed at a reasonably low rate of interest and then produce good results for Manitobans for many, many years to come.

Mr. Chairperson: Order, please. I would like to clarify an issue that came up earlier for the record.

The honourable Leader of the Official Opposition had inquired as to the boundaries of a global discussion in the Executive Council Estimates, and I would like to add to the explanation I gave earlier.

The Leader of the Official Opposition was correct in his assessment of this process. Historically, in Executive Council Estimates, questions on all aspects of government have been in order, as the Premier is the head of the entire government.

However, the Premier may decline to answer certain questions and refer members to other departments where he feels the minister responsible would be better able to respond to certain questions.

I thank the committee for their patience on this issue.

Mr. McFadyen: Thank you, Mr. Chairman, and we're always modest in counting our victories. I appreciate that. I appreciate the clarification.

Just on the issue of debt, the Premier has indicated that a lot of the public debt incurred by the Province and Crown corporations is in longer term instruments at low interest rates.

Can the Premier—and I wouldn't expect him to have it on hand, but—provide a table of when those tranches of debt come due so that we have a sense as to the refinancing, either repayment or refinancing dates, for that—for our public debt?

Mr. Selinger: Again, with respect to your most recent ruling, those questions are legitimately asked and best answered by the officials in Finance, and we can get that information for him.

But I do note that they try to bring that information to the Finance Estimates, and I invite him to participate in that. I know it's going on at the same time right now. I believe Finance is also under review at this stage, but we can try to get that information for him. But there are officials in the Finance Estimates that have that information pretty close at hand. We can endeavour to reach out to them

and find out if what they can make available to us for these Estimates as well.

Hon. Jon Gerrard (River Heights): Thank you. To the Premier, let me start out on one of the issues which has been significant this year, which is the flood of last year, and just a little bit of questions about the general approach that the government is going to take with regard to the future of Lake Manitoba.

In response to a question last week, the Minister of Infrastructure and Transportation (Mr. Ashton) was very forceful about the government's desire to rebuild homes. I presume he's including cottages and communities around Lake Manitoba. And I just want to see if that's also the Premier's perspective on this.

Mr. Selinger: There have been very substantial programs put in place to aid people with reconstruction, and there are different layers. There's resources for people that build above the previous levels that they built at to protect themselves in the future. There's resources for structural damage on cottages. There's additional resources, I think starting at \$240,000, subject to correction for homeowners, that have been impacted by the flood, so it is without doubt the most generous program ever seen in the history of the province of Manitoba, and maybe the most generous program ever seen in the history of the country for people that have been impacted by floods.

Mr. Gerrard: I take that then as a yes, that the Premier is committed to rebuilding homes, cottages, communities around Lake Manitoba.

Now, in 2003, after widespread consultation, it was a recommendation that the level of Lake Manitoba be between 810.5 and 812.5 feet above sea level, occasionally going down to 810, and occasionally going up to 813. And, if the Premier is going to continue at this level, and based on the experience last year with the amount of water flowing through the Portage Diversion and the impact of that on Lake Manitoba, it will clearly be less necessary to have some additional capacity to flow water from Lake Manitoba to Lake Winnipeg, and I'm just wondering what the Premier's perspective on this.

Mr. Selinger: Well, the member will know that we have built the emergency channel in late summer, early fall and that emergency channel served both Lake St. Martin and Lake Manitoba very well last winter. It allowed about five times more water to

flow through the channel during the entire course of the winter. I believe that the amount of water flowing through there in the previous year was in the 3,000 cubic feet per second, give or take several hundred feet. But that last year, with the channel in place, it allowed a flow of around 15,000–13,000 to 15,000—but significantly more water to flow, which, I'm informed, has brought the lakes down two and a half to three and a half, maybe even four feet at this stage of the game. It peaked at 817. I think we're into the 813s now.

So the question I think the member's asking me from River Heights is: Will that be sufficient to manage the future levels of the lake within the ranges that he's discussed with me? And the people that we have appointed to a committee will be looking at that question and recommending whether the public works in place are sufficient to manage the lakes within a certain range, subject to other unforeseen weather events that go beyond even what we've seen right now. I mean, we do have to remember that the events that we saw last year were beyond what anybody had ever forecast would be possible in that area that—so we put additional public works in place on an emergency basis. I expect we'll get recommendations about the value of making that channel permanent and whether it's sufficient to keep the lake within a tolerable range to prevent the kind of serious damage that we've seen this year.

Mr. Gerrard: If the analysis suggests that—or shows that that is not sufficient to keep the water level within 810.5 to 812.5, that area which has been what Lake Manitoba has been set to—there's always a possibility that could change—but if it's not sufficient, right, to keep it within that level, would the Premier then be prepared to proceed with additional capacity to flow water from Lake Manitoba to Lake Winnipeg?

Mr. Selinger: Yes. We're certainly going to keep an open mind on what the recommendations say to us and what they recommend in terms of whether there's a need for any additional, essentially drainage, from Lake Manitoba into Lake St. Martin, and from Lake St. Martin into Lake Winnipeg. And that's why their engineers are being consulted on this and the expert committee will take a look at what makes sense in terms of the range and what is needed to maintain that range.

* (16:10)

The member's right. They might recommend a slightly—might recommend a different range than the

one that was arrived at in '03. It might be—you know, there could be some increased tolerance there, but who—I don't know, I have no inside information on that. We'll just see what they come up with, and, then, once they identify what they think is a reasonable range, what resources are needed in terms of drainage and diversion sufficient to allow that to be managed within reasonable tolerances, given the experience that we've had in the great flood, or the great flood of last year.

Mr. Gerrard: Based on, you know, talking with many people who've done a fair bit of analysis to date about Lake Manitoba, it would appear that the outlet capacity with the channel from Lake Manitoba to Lake Winnipeg, even though that was helpful last winter, because, oh, last summer, for example, the flow through the Fairford Channel was at maximum, and, yet, it wasn't enough to balance out the water coming in through the Portage Diversion, that it is, I suspect, highly likely that the engineers and others who look at this will conclude that if one is going to keep the level within reasonable tolerance based on these kinds of 810.5 to 812.5 levels, that it probably will need to be some additional capacity to take water from Lake Manitoba to Lake Winnipeg, but I take it that the Premier is going to wait for the report.

When does the Premier expect the reports, the relevant reports to be in?

Mr. Selinger: I think the reports should be available as early as this fall, but, yes, we're waiting for their advice on this matter.

There has—there have been some suggestions that what has been put in place now may be sufficient to manage it in the future, because the member is correct, it's Lake Manitoba to Lake Winnipeg through Lake St. Martin, and we've tried to structure a solution that doesn't make anybody worse off.

On the—one thing that I've learned about floods, there's always somebody downstream and that if you're not careful about how you do it, you could solve one problem and create another, and so the solution we're looking for is one that allows Lake Manitoba to be managed within a certain tolerance.

The member has indicated the ones that were recommended in the period of 2003, but then, also, what's the reasonable tolerances for lakes—Lake St. Martin, as well, to protect those communities from further flooding experiences?

Nobody doubts that Lake Winnipeg can handle some additional flow, given the size of the lake relative to Lake St. Martin and Lake Manitoba. It seems to have enormous capacity unless, of course, it's under stress as well.

But we've this last winter had a good experience. Lake Winnipeg was more than able to handle any additional outflow at the same time as it continued to decline itself. So we were fine on that end of it.

Originally, there was a thought that the Dauphin River may not have sufficient capacity to handle all the additional water and that it might need to be a second outlet towards Lake Winnipeg up around the Dauphin River area. But the experts came back and suggested that they did not need that second outlet, that the channel and Dauphin River were capable of handling the additional flows that have been occurring over the winter and into the spring in a way that would not put anybody at risk and would allow both lakes to come down as forecast.

When they put the additional channel in place, I believe they wanted to get to about 813—something by late summer, and they believe they're well on track to achieve that.

Mr. Gerrard: I'm very much of the opinion that it is very important in the planning that there be a view of what the level should be for Lake St. Martin, that that is clearly essential if we're going to provide for some stability for the communities around Lake St. Martin and to enable people to build their communities, knowing that they're not going to be flooded, you know, like this year, whether that means—whatever that means, in terms of protection or stabilization of the lake levels and so on.

My understanding that there has been some work done on the, I think, an additional—I don't know what—whether you call it channel or a route or a passage for water going from, is it Big Buffalo Lake, toward but not to Lake Winnipeg? I wonder if the Premier can, you know, discuss that and, you know, whether there's been some work on that or whether it's been completely dropped.

Mr. Selinger: Is the member asking me—thank you, and I know the Chairperson has, perhaps, an interest in this subject as well and perhaps maybe even have an answer to some of the questions, but he can't do that because he's in the Chair. But are you asking me if there's an additional flow from Lake St. Martin into Lake Winnipeg that is being worked on? Is that what you're asking?

Mr. Gerrard: I'm well aware of the channel which goes from Lake St. Martin to Big Buffalo Lake and then back into Dauphin River. But there has been some mention that there maybe has been some work on a potential channel going from Big Buffalo Lake, I think it is, or creek toward but not to Lake Winnipeg. I'm just wondering whether the Premier's aware of any work in that regard.

Mr. Selinger: I understand that there was consideration to what they call a second exit point for water out of the Lake St. Martin-Buffalo Lake area into Lake Winnipeg, but they decided it was not necessary. As I said earlier, they felt that the existing channel through the Dauphin River was sufficient to meet the needs of bringing the lake down as they were attempting to do, without having to have that second form of egress into Lake Winnipeg.

Mr. Gerrard: In the Premier's view, for the level for Lake St. Martin—you know, the water level there has sort of gone up and down very considerably, I wonder if the Premier has a view in terms of what should be the level that it is stabilized, if not in terms of absolute numbers, but in terms of what it would provide for the communities in terms of stability.

Mr. Selinger: This is on Lake Manitoba?

An Honourable Member: No, on Lake St. Martin.

Mr. Selinger: Lake St. Martin. Well, I think what we want for the communities on Lake St. Martin is the same thing we want for the communities on Lake Manitoba, the ability to be able to live in their communities without a serious risk under reasonable conditions of flooding every year. We've seen quite a bit of flooding, and that might require rebuilding to different levels.

The member might know that we bought some additional land called the Halaburta [*phonetic*] lands, which, we understand, is outside of the risk zone for flooding that has occurred, and that that land is available to the First Nation if they wish to take advantage of it for where they rebuild some housing in their community.

So what we want for the communities on Lake St. Martin is the ability to live in their homes with a reasonable level of security. I mean, sometime every—communities in Manitoba, from time to time, have to sandbag, but, I mean, that just wasn't adequate. Sandbagging just didn't do it last year.

There is really very little that could be done in the overwhelming amount of water coming their way other than to evacuate some of those communities.

Some of the properties were able to be protected, but many of them, even after protection, still wound up being flooded just because of the total volume of water that was flowing into that area. So I think what we want to do is we want to—I know there's some communities on the Lake St. Martin where—I think Little Saskatchewan, for example, we built a really excellent road dike that protected them last year and will act as a permanent form of protection to that community, and they were very satisfied with that measure as an emergency measure, and they see it providing long-term value out there as well. So, as we invest in protection, we would like to see it provide immediate and long-term protection where that makes sense. And so we just want those people to be able to live lives without being at risk every single year of flooding or on a fairly periodic basis being at risk of flooding, and so that's the objective. That's why there's looks at what public works are needed, whether the channel should be made permanent, with the existing diversion from Lake Manitoba into Lake St. Martin, would be sufficient to be able to manage the water levels, that they're not at the kind of risk that we saw in the last couple of years.

* (16:20)

Mr. Gerrard: You know, in that context, one of the communities, which is Dauphin River, has had problems because the road into Dauphin River has often been flooded. And, you know, I'm wondering in terms of general perspective, on the approach to the community of Dauphin River, what the Premier's approach is going to be to try and, you know, limit the problems that people in Dauphin River have had with access to their community?

Mr. Selinger: I believe the road challenge is very similar to the other challenges.

We—if we can find a way to use the channel and other public works to keep the risk factors down for high-water years, it would, obviously, be in everybody's interest to maintain that road, open, to have that road available to be open. Does it require additional buildup of the road? Perhaps. Does it require additional diking to protect the road? Perhaps. Would the channel, if made permanent, be sufficient to protect road access into Dauphin River? This is the kinds of recommendations we'd like to see from the expert committee.

But, yes, we'd like to keep the road open because keeping the road open just solves a lot of security problems and a lot of access problems for that community.

Mr. Gerrard: One of the issues around Lake Manitoba, now we're back to Lake Manitoba, is the importance for the healing of the lake, in essence, to keep the level low for periods, and that, indeed, was why when the initial recommendation was made, it was 10.5 to 12.5 or 810.5 to 812.5 feet above sea level. And it was—the recommendation was made that the level be allowed to fluctuate between those two numbers, occasionally going down to 810 and occasionally up to 813. But the lower levels are particularly important in terms of building up the sand around the edges of the lake. And that sand has been an important buffer, and the berms which are created are important for the stability, right, of homes and cottages around the lake.

And one of the things that happened between 2003 and 2011 was that the level tended to be kept up around 812 feet above sea level and really didn't go down very much or not for significant periods and so that you had a lot more erosion of the sand in a number of areas, in particular, Twin Lakes beach, St. Laurent, as examples, and that the net result of that was one of the factors that may have put the cottages and homes at greater risk, and that, if one followed through on the original recommendations, and that is to keep the water level, you know, for parts—significant parts of the time, down at the 810–811 sort of range, that it would help the healing of the lake, the buildup of the sand and the buildup of the berms.

Is that something that the Premier would be willing to look at in terms of overall management of Lake Manitoba?

Mr. Selinger: Yes, I think we've put people on these expert committees, on the regulation of the lake, that understand the very issues the member's raising, from River Heights—Dr. Goldsborough, for example, who's done a lot of work out in that area over his career. And, if they think that there needs to some low years, and that that's manageable, then that could be looked at.

I'm just always a little wary about how much total control we can have of lake levels, given the ability of Mother Nature to defy us all the time on these things. But I understand the argument the member's making; that if you can have some low years, it allows for sand and beaches and grasses to

grow, and even some shrubs and even some trees, and that that protects—more protection to the land, for—where people have their cottages, and, conversely, if the water's high all the time, there's kind of constant erosion which reduces the buffer zone. And I understand the argument that he's making.

So I have—certainly have an open mind on what could be done, within reason, and I look forward to the recommendations of the members of the committee on these types of matters.

Mr. Gerrard: I appreciate the Premier's comment in this area because I think that this is an important, you know, perspective.

One of the things which, as I talk to people around Lake Manitoba who are struggling with the decision whether to invest or whether to, you know, give up or whether to wait, that one of the critical things is, you know, what is the future going to be of the lake? Where are the lakes going to be stabilized? You know, is the government, you know, going to use it as a hydro reservoir? Is there, you know, what—and the clearer the vision in terms of what, you know, the easier it's going to be for people to make up their minds in terms of reinvesting.

And, you know, what I'm hearing is, you know, a commitment to look seriously if it's decided that there's not enough capacity, all right, going from Lake Manitoba to Lake Winnipeg to look at that, a commitment to keep the lake level stabilized within tolerable levels, which I think is helpful. I think that there will still be a significant number of people who will not make a final decision whether or not to invest in rebuilding until they've actually heard the reports and until there's been a very clear statement of the government in terms of what's going to be done.

So maybe the Premier would comment.

Mr. Selinger: Well, one can certainly understand the hesitancy of people to reinvest given the experience they've had in the last year. It was a very traumatic experience for many people. I'm hoping it is one-in-a-400, one-in-a-800-year event and that—that doesn't mean it's only going to happen every 400 years. It means the severity of the event. I hope that that volatility in the weather that we saw will not reoccur again any time soon but there's no guarantee of that.

So I think as we go through these reviews and set standards that we try to do it in a way that minimizes the potential for people to have that

negative experience if they invest in property and cottages and homes in that area, and that, obviously, speaks to the issue of how we operate the lake.

By the way, I don't think anybody has ever suggested, nor has it ever been used as a hydro reservoir. I think that that's kind of a specious argument and I hope the member is aware of that. And nobody's ever used it in that regard, and certainly Hydro has never expressed even the slightest interest in that and nor has there ever been any historical use of it in that regard. So I wouldn't want to get that kind of rumour going because that's just not helpful to public policy decisions in this regard.

But the question is, I mean, when the inlet and the outlet on Lake Manitoba were built, presumably, the people that made the decisions at that time thought it would be sufficient to manage the lake in a way that was safe for the people around the lake. That didn't turn out to be the case in the last few years, particularly last year, so we've built the channel on an emergency basis.

Is the channel, if made permanent, sufficient to add additional capacity to manage the lake within reasonable tolerances along the lines that the member has suggested today or which might be recommended by the expert committee? We'll find out. I mean, if it is, that's something certainly to be looked at. I mean, there's been a significant investment made there and that investment might need to be firmed up and converted from a temporary emergency channel to a permanent channel which may be sufficient.

If they recommend additional works need to be done, that may have to be looked at as well. We're keeping an open mind and that's why we struck these expert committees to take a look at Lake Manitoba regulation, for instance, because that's the issue we're discussing here. But I have an open mind at what it's going to take and what's the—and whether it's—what's necessary to provide greater protection in the future to resist the kind of event that we saw last year.

Mr. Gerrard: Yes, I appreciate the clarification on the Manitoba Hydro situation. That was a view that I had but you would be surprised at the number of people who have come to me and said, oh, look, the government might be regulating this for Manitoba Hydro, and so I think your clear statement that this is not happening and won't happen will be helpful. Thank you.

* (16:30)

Now, one of the things which is happening is that there are certain groups of people who are—well, let's say people who are seniors who have, you know, spent a lot of time out on Lake Manitoba, all right, who have—well, let's be frank, they've invested in property, they've got their home there and now they're sitting without, you know, either on a fixed income or sometimes with not much income because they may have lost a business as well. And so, they're—No. 1, you know, some of these individuals would prefer to say, okay, you know, I'm not—my health is not good enough; I'm not young enough to rebuild. Right now they can't sell the property.

But I think the Premier has suggested that in certain instances there might be consideration of a buyout for people who are in this kind of circumstance and who, you know, because of their particular life situation and perhaps because of the situation of their home or cabin, really feel that, you know, this is not the time of life for them—they may have health issues—to be reinvesting. What can you say to people who are in this condition or in this situation?

Mr. Selinger: I believe what we said is that buyouts could be considered whether—when it's a situation where, just physically, it's not practical to rebuild, or in a circumstance where it doesn't make sense economically to rebuild, that the cost of rebuilding would be greater than the value of rebuilding that property, and those are the kinds of circumstances where buyouts will be considered. And the independent person we've appointed was giving us advice in that regard and how to apply those criteria.

Mr. Gerrard: Just a suggestion that the Premier look at, as part of those criteria, the—you know, the particular situation of the individual or family who is involved and not just, you know, answer the question, can you rebuild or can you not rebuild?

And part of the reason, perhaps, for doing this is that, you know, right now and the value of these properties is greatly diminished from what it was. And although one might hope that, you know, five years from now the value of these properties may be back to or above what it is, that in this interim, for people who have particular health issues or particular issues because they're aging, that there may need to be some specific consideration of particular circumstances. Maybe the Premier would comment.

Mr. Selinger: Again, one of the reasons we put an independent commissioner in place to handle appeals was so the people that felt that they weren't being given due consideration on the criteria of whether they can physically rebuild or economically rebuild could have an appeal on that. And that's why that person was put in place for.

Mr. Gerrard: Yes, appreciate that comment.

One of the other issues that I hear—we've got, you know, people, you know, example, people who've had income from developing farmland or from running—operating farmland or from, you know, developing cottages, what have you, but, right now, I mean, that they've basically been in a position where there is no income this last year because of the flood, that it would appear that there's probably going to be no income this year and, you know, there are some of these people, who would like to rebuild, would very much like to rebuild but, I mean, they have no—not got the financial capacity, you know—single mothers who are working and trying to support their kids and, you know, trying to rebuild their home at the same time. You're in more difficult circumstance, right? But there may be a few circumstances, it seems to me, where the government could potentially help in the provision of transitional loans to people who are in very difficult financial circumstances who want to rebuild, but who can't, at this point, because of the financial situation.

I don't know whether the Premier has thought about this circumstance, or would he even consider that?

Mr. Selinger: Again, I would say that the resources that we put in place for helping people rebuild are probably the most generous in the history of the province and probably the most generous in terms of the history of the country. People can get up to \$240,000 just to rebuild their home, and they can get additional money if they rebuild to more flood proofing, and I think they can get up—it's not quite 300,000—but I think it's within 20,000 or so, \$300,000. I think they can get very substantial resources to reinvest in their properties, particularly if they reinvest in such a way that it reduces their chances of getting into similar circumstances in the future.

Mr. Gerrard: It would seem to me that there may be some particular circumstances that would be worthwhile, you know, the Premier or the people involved having a look at and perhaps bringing to the attention of yourself and the Minister of

Infrastructure and Transportation (Mr. Ashton). I just bring that forward.

One of the things which clearly has happened is that there are people—give you an example—Joe and Lydia Johnson, who are farming near Big Point. They had no income from their farm last year. They're likely to have no income from their farm this year because, you know, much of it has got cattails and much of it the land is still, as of this juncture, too wet to seed.

What's the approach that the Premier is taking, or will take, in the case of individuals like Joe and Lydia Johnson who are, you know, in the circumstance—you know, if your farm—if you—you know, got 10 per cent of your farm, which is flooded, and a problem you can manage, but if all your farm is still not farmable and you've got no chance of getting income, then it's a different situation. What's the Premier's approach to this kind of situation?

Mr. Selinger: I would say this, that we did top up our ag stability programs last year with additional resources to help people through the difficult circumstances with access to feed, and some green-fields projects as well, and we didn't have full federal participation in all the programs. Some of them wound up just being programs exclusively on the provincial payroll, on the provincial dime, to put it colloquially.

So there are—we do have a suite of AgriStability programs and agri support programs that are cost shared between the federal and provincial government. Those are available every year to somebody that has, for whatever reason, can't have a profitable crop, and so those programs are available to these individuals in addition to the extraordinary programing that was provided last year.

Mr. Gerrard: You know, I want to talk briefly about the history of the government handling situations where there's some artificial flooding. South of the floodway entrance, there was what's now acknowledged to be artificial flooding, and that there was some artificial flooding which occurred in the Flood of the Century, in 1997. And, as I understand it, there was a dispute between the government and a number of people in that area, that there was a court case, and that there was eventually a settlement, but some people actually didn't get settled until, I think, about 2010. So it took a matter of about 13 years to get things finally settled.

* (16:40)

Out at the Shellmouth Dam, there is a circumstance there where there has been acknowledged to be some artificial flooding. There is a circumstance there where there has been acknowledged to be some artificial flooding. There is a debate about the extent of this, and—but that first—or the farmers below the dam initially had, oh, what I think would be considered artificial flooding starting in about 1972, shortly after the Shellmouth Dam was put in. And here we are, 41 years later, and there's still not what I would see as a final resolution to this situation which has gone back. And, now, on Lake Manitoba, where, I think, most would agree that there's some level of artificial flooding in terms of all the water that came through the Portage Diversion—

So I just want to give the Premier an opportunity to comment on this and, you know, how this will be handled, oh, both at areas like the Shellmouth Dam, which is still under dispute, and on Lake Manitoba.

Mr. Selinger: Well, again, we would want to resolve outstanding claims as rapidly as possible. I mean, it goes without saying that there's no intention or no desire to see them take too long. There probably will be some complicated claims where people aren't satisfied and more time will be taken, but, even in those very complicated cases, you'd like resolution as quickly as possible so people can get the resources and get on with their lives.

So we've put additional resources in terms of appraisal and compensation officers in place as recently as this spring. So there have been additional resources brought to bear to try to move these applications along as rapidly as possible, and there's been active phone calls made out to people so to engage them and get them involved in the process for resolving their specific claims.

And so we'll continue to take an active approach to try and move these processes along as rapidly as possible, because I know it does cause frustration and anxiety and stress for people, and we'd like to minimize that as much as possible.

Mr. Gerrard: I appreciate the Premier's comments. And I'm aware of the announcement today of—I think it was eight additional appraisers and 14 additional other staff, you know, in what I've been hearing in terms of delays and so on. It would have been helpful if that had been in place in July to speed things up, but the fact that it's occurring is positive.

One of the things that I've been asked is, the decision in terms of flooding or of moving lots of

water through the Portage Diversion was based on a cost-benefit analysis in terms of impact on Lake Manitoba versus the impact on people along the Assiniboine River and in Winnipeg. And I'm just wondering, was there such a cost-benefit analysis and what, you know, what kind of, you know, cost or damage would have been done if that water had—extra water had flowed down the Assiniboine River instead of into Lake Manitoba?

Mr. Selinger: I don't know at the time that these works were put in place, in the '60s, 1960s, what level of cost-benefit analysis was done, but I believe it was done for more than just protecting Winnipeg. I think there was also concerns about the diking system along the Assiniboine River to the east of the Portage Diversion, that if all the water flowed through there, that it would put a lot of those rural communities at risk. The member knows those communities well because he used to live out that way. And I think—so I think the diversion was put in place, as I understand it, not just to protect Winnipeg but to protect all those communities essentially east of Portage la Prairie. And so I think they felt there was sufficient population all along that area that there needed to be some diversion, particularly when the dikes were at risk. And the member will know that we were also concerned about the dikes this year—last year, when the flood—there was getting very iffy there at a certain point. There were a lot of stress points along the dikes, east of Portage la Prairie, up to 30, as I recall. And I went out and visited some of them, and the water was extremely high and the weather conditions were fairly grim. It was grey. It was sort of your worst-case scenario. And it was in the midst of all of that that the Hoop and Holler decision was made, and the troops were called in to reinforce the dikes, and to relieve pressure on them, so that there weren't any catastrophic breaches that would bring more damage than people could control, and have negative outcomes that people might not be able to predict.

Mr. Gerrard: Yes, the—I meant to include the area from Portage to Winnipeg because, I mean, that's obviously part of where the benefit would come in terms of the Portage Diversion. But I would understand from the Premier's comments that there wasn't a specific cost-benefit analysis done this last year in terms of impact. The decision was based on, you know, the previous assessments. Is that correct?

Mr. Selinger: There just, quite frankly, wasn't time to do a cost benefit. The Portage Diversion was put in place for a purpose, which was to protect those

communities east of Portage la Prairie. And I think the view was, is that the diversion was there and it needed to be used; otherwise—I don't think there's any doubt, given the amount of water that flowed this year, that there could have been a catastrophic breach of the dikes with—in the absence of the use of the diversion.

And I think there's even a view among some people that, even if the diversion had not been used, that the dikes would have breached and would have impacted the communities on Lake Manitoba, including Delta Beach and Twin Beaches and St. Laurent, et cetera, and would have put a lot of additional water into Lake Manitoba, even in the absence of the diversion, because of the way the land flows. And the water would have wound up there, and then it probably would have wound up in Lake St. Martin as well. So we just had a heck of a lot of water, and it needed to go someplace, and I think the diversion was used to minimize the negative consequences for as many Manitobans as possible.

Mr. Gerrard: I'd like to move into a slightly different area. There has been a lot of discussion about the immigration settlement services, and I am very much of the view that this should be managed at a provincial level. And one of the questions which has come up, and maybe the Premier can provide an answer, you know, in the money which has come from the federal government to provide immigration settlement services, has any of that money been used to hire provincial civil servants?

Mr. Selinger: I believe some of the money is used to provide the provincial services that work in partnership with business and the non-profit organization, within the Department of Immigration and Multiculturalism, yes.

Mr. Gerrard: Yes, so just to confirm that, that indeed some of the money was used to hire people who are provincial civil servants, within government departments, to help deliver those services?

Mr. Selinger: Specifically, I understand the resources were used to provide a very complete integration service and settlement service within Manitoba, which requires some people inside of government to take initiatives that will benefit settlement in Manitoba, and work in partnership with businesses, as well as with non-profit organizations and communities.

So, as I said, you know, you have a situation where the officials in the Department of Immigration can sit and work with all the other officials in all the other departments inside the provincial government—Health, Education, Local Government, Family Services, et cetera—to co-ordinate responses that will increase the potential for people coming here to be able to put down roots and stay here and become integrated into the community, and the results were positive. There—we saw very good results. We saw—the stats that we've been using are 83 per cent of people getting jobs within about three months, 80 per cent retention rate, and over 80 per cent becoming homeowners within six years, which, as understand it, are better results than other parts of the country where there isn't that integrated approach through the provincial government in partnership with business and settlement agencies. Elsewhere, I'm—I understand, where the program is delivered by other levels of government, the results are less effective in terms of retention, employment and long-term roots in the community.

* (16:50)

Mr. Gerrard: Yes, I thank the Premier for that information.

Let me move to one other area, and that is an area which I've been particular concerned, as the Premier's well aware, that the fact that we have about 1,400 homes in northern Manitoba which still don't have running water.

And I raised the issue in November concerning the fact that, in Ontario, when Bob Rae was premier, that he managed to negotiate and have a federal-provincial agreement in which there was federal funding to hook up the communities. But the—my understanding that there was also significant partnered provincial funding and that provincial funding was particularly for retrofitting the homes so that people could actually get the water into their homes.

And the major component, clearly, was federal funding, and the provincial funding was a much smaller component, but the provincial funding turned out to be very important in terms of getting an agreement which worked and in terms of making sure that the homes were actually connected.

And so I wonder if the Premier has looked at such a, you know, an agreement between Manitoba

and Canada, and what the situation is, and what his view is.

Mr. Selinger: We are definitely interested in seeing those homes get proper sewer and water, as the member, I believe, for River Heights is as well.

And using—like, our equivalent contribution would be at least, in my view, what is already—what was offered in Ontario but in a different way. For example, we're making, you know, like a 90-plus million dollar investment in the east-side road this year with very little federal offset. I think they've come in for a couple million bucks to hook up one of the communities in the south, in the southern portion of the east side of Lake Manitoba. But we've gone ahead with that without any federal commitment to cost sharing, even though it entirely serves First Nations communities on the east side.

And we provide airstrips, as well, on the east side. We do get some federal funding on the capital side for improving those airstrips, but the operational expenditures are looked after by Manitoba.

So the circumstances are a little different than in Ontario, but, certainly, in terms of the spirit of what we're prepared to offer, it is at least in proportionate terms as much, if not more than what the federal government is offering. And, then, in addition, as I've said in question period to the member from River Heights, we've said we'd be prepared to put training money on the table to allow residents in the areas to get the skills needed to be able to actually work on these projects of installing sewer and water in those communities.

So it's not exactly the same approach. But I think in an equivalent contribution, on a proportionate basis, we would be at least what was offered in Ontario, if not more. Just the very fact that we've committed to that east-side road reduces the cost of goods and services going into those communities, not only for retrofits but for everything, groceries and medical services and all kinds of other goods and services they might need in those communities, including dry goods, et cetera, building materials. All of those things would be cheaper and more accessible on a year-round basis as we proceed to bring that road on the east side into play.

Island Lake area hooked up to Norway House, and we've done some original—we've done some initial work with community benefits agreements with the communities in the Island Lake area to start brush clearing and laying out where the road could

go. And, in the southern part of the east side, we've started work on the north-south route as well.

So it's not exactly the way it was done in Ontario, but it would, at least, in equivalent commitment in terms of resources, I think, match or exceed what was offered in Ontario. So the federal government, they really have no reason not to proceed in terms of lack of provincial commitment and every reason to proceed more aggressively than they are.

I noted that the federal minister, I think, offered something in the order of \$5 million last fall to advance the project and try to get materials in there over the winter. We're doing over \$90 million on the road. We're doing community benefit agreements in those areas, and we're prepared to do as much training as people need to do the work up there.

So the short answer is—and I did meet with the leader of the federal Liberal Party on this matter when he was in town in the fall, and I said we would be there to be a partner.

Mr. Gerrard: I'm going to move back to a flood-related issue, and that is that there's a lot of bridges which are either damaged or under concern at the moment because of the flood last year or, in fact, are out.

And, just to—what the Premier can tell me in terms of the overall assessment and what kind of priority, or what the Premier's priority, is going to be in terms of fixing bridges or building new bridges where we've got this infrastructure damage from the flood last year?

Mr. Selinger: I believe in the capital budget this year for highways there's up to 80 bridges that are being looked at for repairs and many roads that were also damaged during the flood period that are also being repaired, so, again, the fine detail of that would be available through the Infrastructure Estimates but there's a very significant commitment to 'priorizing' public infrastructure that's been damaged as a result of the flood as investments for the capital program and infrastructure and highways this year.

Mr. Gerrard: Well, one of the bridges which has been taken out is the bridge across the floodway. There's a bridge that goes across the Portage Diversion, not the Winnipeg floodway, the Portage Diversion, and that bridge, as it's been taken out, has left a number of farmers having to travel a lot further than they had to before and has also put it in a situation where farmers may have to take some fairly

large equipment on the Trans-Canada Highway, which may not be optimum in terms of safety for the farmers or for other traffic.

And, given that they're in an area which was particularly affected, you know, it seems that they should be given some consideration in terms of where the priority of the government is, and I just would, you know, look for a comment from the Premier on this matter.

Mr. Selinger: I'm not—I don't know the specifics on this. I think the member raised it earlier with me at one point.

Mr. Gerrard: Yes, I think it's been raised by the member for Portage la Prairie (Mr. Wishart).

Mr. Selinger: Again, we have said in this capital budget for infrastructure and highways, that flood repair works are one of the priorities that are being focused on this year, and a lot of bridges are part of that. There's been a big priority on bridges because of the obvious role they play and the necessity to have them functioning properly; otherwise, the rest of the investments in the roads just don't make sense. So there is a big priority on bridges on this year.

The specifics of that bridge, I'd have to get more information on that, but I know that that department is fully aware of the specific situation that the member is raising with me and they would be able to tell us through their Estimates.

If you want, I can try and get it back here, just how high that bridge is as a priority among all the other bridges that are being repaired.

Mr. Gerrard: Again, on the flood, one of the long-running issues has been the situation of the community of Peguis where they've had repeated flooding, and yet there has, no, never been an adequate plan, approach implemented to protect the community from repeated flooding. It's often forgotten in looking at this year's flood, but I'm just wondering what the Premier's approach to this is.

Mr. Selinger: I have actually visited that community with the member from the Interlake, and we have made pretty significant commitments on provincial

roads that go into that community to upgrade those roads and we're prepared to look at other things we could do to upgrade the roads that go into that community so that they can have greater access and egress even during high-water times.

And they had hoped to get a commitment from the federal government to fix up a certain number of homes and I don't have an update on how rapidly those homes are being fixed up, but, you know, what we can do from our side to help that community get better protection. Sometimes the road works we do can also provide a diking function as well. So we did commit to additional road upgrades going into that community, and then we'll see what we can do in terms of other provincial roads that actually go right through that community to upgrade those roads as well to provide better protection and better transportation links for that community.

Mr. Gerrard: As the Premier knows, I've been a very strong advocate of improving water retention efforts and, you know, storing water so that we decrease the risk of future floods.

One of the questions which arises when I talk to people who are interested in storing water, is that, you know, you've got Water Stewardship now, Water Stewardship and Conservation, you've got Minister of Infrastructure and Transportation (Mr. Ashton), you've got the minister of—Ministry of Agriculture, you've got various places where, you know, people could potentially go to seek support for such investments and—but—and one of the reasons why this area hasn't perhaps moved nearly as fast or as well as it might, is that, you know, one department can, in essence, say, well, you know, I—we're not—it's not under us—

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

Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 7, 2012

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