

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

Official Report
(Hansard)

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

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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
MELNICK, Christine, Hon.	Riel	NDP
MITCHELSON, Bonnie	River East	PC
NEVAKSHONOFF, Tom	Interlake	NDP
OSWALD, Theresa, Hon.	Seine River	NDP
PALLISTER, Brian	Fort Whyte	PC
PEDERSEN, Blaine	Midland	PC
PETTERSEN, Clarence	Flin Flon	NDP
REID, Daryl, Hon.	Transcona	NDP
ROBINSON, Eric, Hon.	Kewatinook	NDP
RONDEAU, Jim, Hon.	Assiniboia	NDP
ROWAT, Leanne	Riding Mountain	PC
SARAN, Mohinder	The Maples	NDP
SCHULER, Ron	St. Paul	PC
SELBY, Erin, Hon.	Southdale	NDP
SELINGER, Greg, Hon.	St. Boniface	NDP
SMOOK, Dennis	La Verendrye	PC
STEFANSON, Heather	Tuxedo	PC
STRUTHERS, Stan, Hon.	Dauphin	NDP
SWAN, Andrew, Hon.	Minto	NDP
WHITEHEAD, Frank	The Pas	NDP
WIEBE, Matt	Concordia	NDP
WIGHT, Melanie	Burrows	NDP
WISHART, Ian	Portage la Prairie	PC
<i>Vacant</i>	Morris	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 27, 2013

The House met at 1:30 p.m.

Mr. Speaker: Good afternoon, everyone. Please be seated.

ROUTINE PROCEEDINGS

PETITIONS

Municipal Amalgamations—Reversal

Mr. Ian Wishart (Portage la Prairie): I wish to present the following petition to the Legislative Assembly of Manitoba.

And this is the reason—the background for this petition is as follows:

The provincial government recently announced plans to amalgamate any municipalities with fewer than a thousand constituents.

The provincial government did not consult with or notify the affected municipalities of their decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvement or—in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reserve his decision to force—reverse his decision to force municipalities with fewer than a thousand constituents to amalgamate.

This petition is signed by V. Pedersen, I. Kames and R. Nychuk and many, many more fine Manitobans.

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

Provincial Sales Tax Increase—Referendum

Mr. Wayne Ewasko (Lac du Bonnet): I wish to present the following petition to the Legislative Assembly.

And these are the reasons for the petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by R. Hutlet, S. Hutlet, R. Onichlnski and many, many more fine Manitobans, Mr. Speaker.

Mrs. Leanne Rowat (Riding Mountain): *[interjection]* You've got your coaster attached.

Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for the petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legal, required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by C. Ireland, R. Cadieux, D. Sawchuk and many, many more Manitobans.

Municipal Amalgamations—Reversal

Mr. Blaine Pedersen (Midland): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

And this petition is signed by B. Bosswick, J. Bosswick, R.D. McIntyre and many more fine Manitobans.

Provincial Sales Tax Increase—Referendum

Mrs. Myrna Driedger (Charleswood): I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this is signed by L. Ganaille, E. Thompson and V. Zvomik and many others, Mr. Speaker.

Mr. Cliff Cullen (Spruce Woods): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by D. Elliott, K. Dowd, A. Moore and many other fine Manitobans.

Mr. Ralph Eichler (Lakeside): Good afternoon. I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is submitted on behalf of L. Farmer, S. Harris, P. Jenkyns and many other fine Manitobans.

Mrs. Heather Stefanson (Tuxedo): I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And, Mr. Speaker, this petition is signed by N. Derkach, J. Wright, J. Hamilton and many, many others.

Hydro Capital Development–NFAT Review

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

* (13:40)

(1) Manitoba Hydro was mandated by the provincial government to commence a \$21-billion capital development plan to service uncertain electricity export markets.

(2) In the last five years, competition from alternative energy sources is decreasing the price and demand for Manitoba's hydroelectricity and causing the financial viability of this capital plan to be questioned.

(3) The \$21-billion capital plan requires Manitoba Hydro to increase domestic electricity rates by up to 4 per cent annually for the next 20 years and possibly more if export opportunities fail to materialize.

We petition the Legislative Assembly of Manitoba as follows:

To urge that the Minister responsible for Manitoba Hydro create a complete and transparent needs-for-and-alternatives-to review of Manitoba Hydro's total capital development plan to ensure the financial viability of Manitoba Hydro.

And this petition is signed by R. Archer, V. Cummer, B. Cummer and many, many others, Mr. Speaker.

Mount Agassiz Ski Area–Recreation Facility

Mr. Stuart Briese (Agassiz): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

For several decades, the Mount Agassiz ski area, home to the highest vertical between Thunder Bay and the Rocky Mountains, was a popular skiing and snowboarding destination for Manitobans and visitors alike.

The operations of the Mount Agassiz ski area were very important to the local economy, not only creating jobs but also generating sales of goods and services at area businesses.

In addition, a thriving rural economy generates tax revenue that helps pay for core provincial

government services and infrastructure which benefits all Manitobans.

Although the ski facility closed in 2000, there remains strong interest in seeing it reopened, and Parks Canada is committed to conducting a feasibility study with respect to the Agassiz site and future opportunities in this area.

We petition the Legislative Assembly of Manitoba as follows:

(1) To request the appropriate 'memb'-ministers of the provincial government to consider outlining to Parks Canada the importance that a viable recreation facility in the Mount Agassiz area would play in the local and provincial economies.

(2) To request that the appropriate minister of the provincial government consider working with all stakeholders, including Parks Canada, to help develop a plan for a viable multiseason recreation facility in the Mount Agassiz area.

This petition is signed by L. Cobbe, S. Cobbe, E. Greenwood and many, many other fine Manitobans.

Municipal Amalgamations—Reversal

Mr. Reg Helwer (Brandon West): I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

Signed by K. McAuley, M. McAuley, R. Towler and many other Manitobans.

Mr. Ron Schuler (St. Paul): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

This is signed by J. McCallister, D. McCallister, B. McCallister and many, many other McCallisters.

Provincial Sales Tax Increase—Referendum

Mr. Dennis Smook (La Verendrye): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government not to raise the PST without holding a provincial referendum.

This petition is signed by V. Stamler, J. Bruyère and L. Nelmor and many more fine Manitobans.

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

And these are the reasons for the petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this petition is signed by J. Wiens, K. Wiebe, L. Wiebe and many, many others.

Municipal Amalgamations–Reversal

Mr. Cliff Graydon (Emerson): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And the background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of their decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvement in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

* (13:50)

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

And this petition has been signed by G. Aloro, A. Champion, Y. Derkach and many, many more fine Manitobans.

Provincial Sales Tax Increase–Referendum

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

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase of the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And, Mr. Speaker, this petition is signed by C. Briem, O. Brum, J. Froese and many, many other Manitobans.

TABLING OF REPORTS

Hon. Stan Struthers (Minister of Finance): Mr. Speaker, I am pleased to table the 2012 Annual Report for the Civil Service Superannuation Board.

And I'm pleased to table also the Province of Manitoba Report of Amounts Paid or Payable to Members of the Assembly for the fiscal year ended March 31, 2013.

Mr. Speaker: Any further tabling of reports? Seeing none—

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 today 15 Red Hat ladies under the direction of Irene Schmidtke. This group is located in the constituency of the honourable member for Steinbach (Mr. Goertzen). On behalf of honourable members, we welcome you here this afternoon.

Also—order, please. Also seated in the public gallery, we have with us today Dick Derrett and Stewart Clark representing the Phoenix Football Club. These folks are the guests of the honourable member for Rossmere (Ms. Braun).

Also in the public gallery, we have Sandra Rogan, director of Horizons Children's Centre, and Ron Blatz, director of Discovery Children's Centre, who are the guests of the honourable member for St. James (Ms. Crothers).

And also in the public gallery, we have Bev Betz, Stephanie Wallis, Jane Cory and Kevin Reid, all from the Collège Saint-Norbert, who are the guests of the honourable member for St. Norbert (Mr. Gaudreau).

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

ORAL QUESTIONS

PST Increase Communications Strategy

Mr. Brian Pallister (Leader of the Official Opposition): Let me begin, Mr. Speaker, by just wishing you and all members of this Chamber, their families and everyone who works here with us and all Manitobans a wonderful Canada Day weekend. And one of the things that we should reflect on, of course, on this—in this coming weekend, and always, is the qualities that make Canada so great: the respectful right to equality that we so—all support, the right to vote, the freedoms that we enjoy that we should never take for granted. One of those is freedom of the press. So I want to ask the Premier about that.

Imagine this, Mr. Speaker: an experienced journalist calls a taxation office of the provincial government last Friday, speaks to an official and learns that the Finance—the tax department wanted to send a PST hike notice out a month ago, but politicians said no and interfered with that. He runs the story at 3 o'clock, and he receives a phone call minutes later from the Premier's communications staff claiming the story is false, demanding it be pulled and that a retraction and correction be broadcast.

I have to ask the Premier: What right does the Premier have to engage his staff in attempts to muzzle the media in this province?

Hon. Greg Selinger (Premier): Mr. Speaker, the narrative the member has put on the record is actually quite inaccurate.

First and foremost, the day the budget was delivered in the Legislature was the day that online all the tax changes, taxes being reduced, including taxes on bicycle helmets, including sales tax on children's clothing, which members put on, all the taxes being reduced, all the taxes being increased, were put on the record on the 16th.

Over and above that, the Minister of Finance (Mr. Struthers) took a measure not done before in Manitoba. He put an additional bulletin out this spring above the normal requirements, above all the notice that had been provided. And that was what was done to ensure all Manitobans knew those tax changes which become into effect on the day of the budget, in the case of tobacco tax on May 1st, in the case of the bicycle helmet tax reduction, and on

July 1st for other measures, both up and down in the tax code, Mr. Speaker.

Mr. Pallister: Mr. Speaker, the Premier's spinners are out of control, and he's got to take control of them, because the fact of the matter is the Premier's spinner told the radio official that the person he talked to was not a Finance official, which is pretty comical considering the reporter actually dialed the phone, talked to the official for 25 minutes. That's disrespectful to the reporter.

Now, the official also said—the communications official also said it's probably a case of, quote, gotcha journalism, somebody claiming to be a private citizen, which clearly implies that civil servants in this province wouldn't be truthful with the media they called. Now, that's an insult to all civil servants as well.

Now, the spinner said, and I quote: It's completely factually inaccurate and fraudulent. And they demanded that it not be aired again and that a correction be broadcast, which is way out of line. That is an insult to all Manitobans who value the freedoms we should be celebrating this coming weekend. Manitobans do not deserve a state-controlled media.

When did the Premier stop respecting freedom of the press?

Mr. Selinger: Mr. Speaker, the—I will table for the Legislature the copies of the bulletin that were put out in June. I've already informed the House that the budget was posted online in terms of any tax changes the day the budget was introduced in the Legislature, April 16th.

And I will say to the member opposite, freedom of the press is a very important and necessary freedom in a democracy. And, when somebody sees that they have been quoted in a story as having talked to a reporter and they do not believe they have talked to a reporter, we have a responsibility to verify what actually happened. If somebody talks to an official in one of our departments and they do not disclose that they are from the media and they do not indicate that they have recorded something, that is unfortunate, Mr. Speaker.

Once everything was clarified and the full story was made clear that, in fact, that is—was somebody from a radio station, then, of course, all the information was dealt with within a period of two hours.

Freedom of speech was—

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

Referendum Request

Mr. Pallister: The Premier puts false information on the record. This is not radio Moscow we're talking about. This is Manitoba, okay? And it turns out that the Premier is just repeating tired old talking points from his \$12-million communications shop, which is out of control.

Now, the Premier spent the last several weeks making us the boogeyman as best he can. But fear is what is omnipresent in his conduct, fear. He is afraid of honest reporters asking honest questions. He's afraid of honest civil servants giving honest answers.

And, most of all, Mr. Speaker, he is afraid of Manitobans. He tries to make Manitobans afraid. But the fact is it's the Premier who's afraid. He's afraid to ask Manitobans for their views. He's afraid to listen to their views.

And if he's—if I'm wrong and he's not afraid, then why doesn't he call a referendum on the PST?

Mr. Selinger: Mr. Speaker, because we're talking about freedom of the press, I would like to give some quotes from an editorial that was done about this very unfortunate incident.

The PCs started the day by accusing the NDP of media tampering—seems to be *[inaudible]*

Some Honourable Members: Oh, oh.

* (14:00)

Mr. Speaker: Order, please.

I'm having increasing difficulty hearing both the questions and the answers. If there was a breach of the rules, I'm sure honourable members would want me to make a ruling on that, so I'm asking for co-operation of all honourable members. Please allow me to hear both the questions and the answers posed.

The honourable First Minister, to continue.

Mr. Selinger: And the editorial goes on to say this is a highly serious allegation in the media world, so we followed up on it—and that's one of our local newspapers, they followed up on it. And they say it takes a lot of guts to do that, because if you're wrong, you risk making everything else you say afterwards suspect. Cough, cough, Rob Ford, cough.

Anyway, so media tampering: we read the Progressive Conservative's press release and ask some questions. We listen to the tape. We start making phone calls, and it's just not adding up. We track down the reporter from the Swan River radio station who fully admits that (1) he's a businessman that owns the radio station and fell into reporting; (2) that he didn't identify himself as a reporter to the Finance guy; (3) he quoted the Finance guy anyway; and (4) he doesn't like how the NDP run everything through—

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

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. We're—order, please. We've already wasted about a minute of question-period time, which I'm sure all honourable members know is very precious time.

PST Increase Request to Delay

Mrs. Myrna Driedger (Charleswood): In a PST debate this morning in this very Chamber, an NDP MLA finally admitted what we all know, and he said, and I quote: Yes, we like to spend money. End quote. Mr. Speaker, truer words have never been spoken, and all of that spending has led to this PST hike. Tonight, public hearings on Bill 20 start, and there are over 200 speakers lined up to speak to these presentations.

I'd like to ask the Premier (Mr. Selinger) if he will show respect for the process and for the speakers and delay implementation of the PST hike until he has shown that proper respect.

Hon. Jennifer Howard (Acting Premier): I think it's interesting in this House that we're talking about—that we would ask a question like this about respect when everybody on that side of the House just stood and applauded a practice of taping somebody without their consent. That's the kind—that—audio recording somebody without their consent, that is the kind of world that the members opposite applaud. That is exactly the kind of situation that we're seeing right now under debate in the United States, where people's phone calls are taped without their consent, and that, as we go into Canada Day, that's the kind of democracy they applaud.

Mr. Speaker: Order, please.

Point of Order

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

Mr. Brian Pallister (Leader of the Official Opposition): Point of order, Sir. On a point of order.

Yesterday in the scrum I was taped by nine NDP communications staffers out there—I think it was around nine—without any permission being given. I've been taped repeatedly by NDP communications staffers without giving any permission.

If the members opposite want to make the point that people need to get permission to do tapings, let them start making sure that their 192 communications staff get permission from everyone they tape before they tape them. When they've taken that action, they will be standing on noble ground. Until they take that action, let them think and reflect on the illogic of the assertion just made by the member opposite.

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

Ms. Howard: Well, Mr. Speaker, my point was that that tape was made without the awareness of the person being taped, and certainly if the member opposite can count the number of people, I assume he's aware that they're holding microphones.

But you know what? If I had said some of the things that he has said recently, I would be worried about who's listening too. If I had gone on the radio and said, you know what, two-tier health care is a system we need in Manitoba, I would be worried that somebody would record that. If I had gone out and said, you know what Manitobans need? Some tough love. You know what we need? We need a return to the '90s when I was around the Cabinet table and we were firing nurses and teachers. That's the way to go.

If I had those opinions, Mr. Speaker, I'd be worried about who was listening also.

Some Honourable Members: Oh, oh.

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

On the point of order raised by the Official Opposition House Leader—and I thank all honourable members for their advice on the point of order—I didn't hear which rule had been breached that would allow me to make a ruling on this matter. So I must respectfully indicate to the House that there is no

point of order since that there was no rule referenced with respect to having been broken.

* * *

Mr. Speaker: The honourable member for Charleswood, I believe, has the floor.

Referendum Request

Mrs. Driedger: Mr. Speaker, this NDP government lied to Manitobans in the last election. So they have no credibility standing up here and making any comments like the minister just did.

Mr. Speaker, today, the Manitoba Chambers of Commerce called on the NDP to respect the legislative process and delay implementation of the PST hike until Bill 20 is passed. They also said that they needed more time for the implementation. So the best way to resolve all of that would be for the NDP to obey the law and call a referendum.

I'd like to ask the Premier (Mr. Selinger) today: Will he do that?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, in prebudget consultations that I can—that I had with the chamber, they said to us there's an infrastructure gap that needs to be addressed. They encouraged us to assign 1 per cent of the PST towards that. They said to us we should be bold in our approach.

We have put in place a measure that will provide the revenue that'll invest in hospitals and schools and roads and bridges, Mr. Speaker, will invest in daycares. These are the priorities of the people of Manitoba, as opposed to members opposite who have been very clear that they would do across-the-board, indiscriminate cuts to every department of government, including Health, including Education, including Infrastructure and Transportation. I think our vision of the future of Manitoba is way more progressive than theirs.

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

PST Increase Referendum Request

Mr. Cliff Graydon (Emerson): The member for Dauphin promised business owners of Roblin no new taxes. Gerald Stuart, the owner of Home Hardware in Roblin, is one of those business owners. His business will be unable to grow with fewer customers and the town will have a hard time retaining people with lower taxes just a few kilometres away.

Mr. Speaker, it's not too late. Will the member for Dauphin (Mr. Struthers) today listen to the Roblin chamber of commerce and abide by the law and call a referendum?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, Gerald is a very good business person. He's a very fine citizen of the very good community of Roblin, Manitoba. There's no doubt about that. That community as well as other communities in Manitoba benefit year after year after year because we are the most—one of the most affordable provinces in this country in which to live. Not just Gerald Stuart at his place of business, but all the citizens who live in Roblin and other communities in Manitoba benefit greatly because we have the lowest hydro rates, because we have the lowest home heating, because we have the lowest bundle of hydro and home heating and Autopac. That's a real advantage that the citizens of Roblin and Mr. Stuart—

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

Mr. Graydon: Mr. Speaker, this member campaigned aggressively on no new taxes in Roblin. The Roblin chamber of commerce was not consulted in—on the PST increase. They were promised in 2011 that there would be no new taxes. Gerald Stuart was promised no new taxes. His business will be unable to grow. His customers are leaving for Saskatchewan each and every day. It's not too late for this minister.

Will the member for Dauphin listen to Gerald and call a referendum?

Mr. Struthers: Mr. Speaker, I campaigned aggressively to protect health care for Manitobans, and that's what we're doing. I campaigned aggressively to protect education and to fund at the rate of the growth of the economy, and that's what we're doing. I campaigned aggressively in Roblin to protect infrastructure, to invest in infrastructure, to invest in roads and to invest in bridges.

And it's absolutely clear in Budget 2013, as in every other budget we've presented, that we're doing that too.

*(14:10)

PST Increase Referendum Request

Mr. Blaine Pedersen (Midland): Municipalities across the province are forced to pay the PST on their purchases. Last year, with the expansion of the PST to insurance premiums and other items,

the Manitoba municipalities paid in excess of \$20 million. This year, with a 14 per cent rise in the PST, the spenDP government will now penalize local ratepayers even more.

Why is this spenDP government so desperate for cash, for their vote tax and other items, that they have to tax another level of government? It's not too late—call a referendum.

Hon. Ron Lemieux (Minister of Local Government): I'm pleased to receive a question from the member opposite. This gives me an opportunity to once again restate the 8.5 per cent increase we gave municipalities in Manitoba—\$30-million increase overall, Mr. Speaker, one of the most generous contributions to municipalities in all of Canada. We work closely with municipalities, have listened to municipalities, certainly, for at least the last decade about better hospitals in their communities, better roads in their communities, better personal care homes in their communities. Every minister on this side has a request from many municipalities throughout the province, and each of these ministers have worked closely with municipalities to deliver on their requests.

Mr. Pedersen: Mr. Speaker, the federal government understood this double taxation and the municipalities are exempt from the GST. This NDP government is so desperate for cash, they not only forced local governments to pay the PST on their purchases, they increased the products that municipalities have to pay and now they're going to increase that by another 14 per cent on the municipalities.

When will the spenDP realize the burden they're imposing on local governments and, ultimately, local ratepayers? It's not too late—call that referendum.

Mr. Lemieux: Well, without repeating myself, Mr. Speaker, 8.5 per cent increased revenue.

Other provinces across the country have cut municipalities' funding or have kept them flat. You know, Mr. Speaker, we're pleased to be a province that invests in municipalities.

And, Mr. Speaker, let me be clear, I'm glad he raised the federal government, because the federal government provides gas tax. Now we have many municipalities that cannot even have their—and don't have their audited financial statements done. They're leaving millions upon millions of dollars on the table because they have not provided and not—have—measured up to what the federal government's

criteria is with regard to receiving those gas tax. Millions upon millions of dollars are sitting there on the table until they can get their audits done. They don't have the capacity to do them; that's a huge challenge for small municipalities.

Mr. Speaker: Order, please. We have a—visitors in the gallery, some, perhaps, as I've said before, for the first time. We want to leave a good impression with them. We have folks that are watching us through the cameras here today, and our level is starting to go up again a little bit.

So I'm asking for the co-operation of all honourable members, please keep the level down so I can hear both the questions and the answers posed, and also give our folks that are watching us here, as our democracy works, to be able to understand what's happening in the Chamber here. I'm asking for that co-operation, please.

PST Increase Referendum Request

Mr. Ralph Eichler (Lakeside): Since April 16th, this NDP government has 80 days to do the right thing and call a referendum on the 14 per cent PST hike.

Mr. Speaker: Can the member from Gimli tell the Lakeview Resort in downtown Gimli why he won't listen to their concerns and call a referendum?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, businesses such as the Lakeview Resort in Gimli [*inaudible*] those businesses rely on this government to make good decisions to invest money into things like roads and bridges. They depend on this government to protect health care for the people that work in their businesses. They depend on this government to come through with schools capital and making sure that we have a decent school system there for our children and for our families. Those are the things that we're investing in; those are the things that we're going to protect—we're going to protect from the member from Fort Whyte, who has been very clear that those are the exact things that he would cut if he ever had his chance.

Mr. Eichler: This is a Minister of Finance who went door to door in the last election and made it very clear they would not raise the PST. Shame on them.

Mr. Speaker, the public has known about the PST increase for 80 days. RMs and businesses in the town of Gimli have known and they want a referendum.

Will the MLA for Gimli stand up and tell his government to stop lying about the PST increase and call a referendum?

Let the people in Gimli decide. Let all Manitobans have a call on a referendum.

Mr. Struthers: Let all constituents in Lakeside and Gimli and the Interlake live with the benefits—let them live with the benefits of a channel coming out through Lake Manitoba, through Lake St. Martin. Let them live with those benefits, his own constituents who depend on regulation of the Lake Manitoba. Let those people that him and I met with on the Shoal lakes tell us that infrastructure is important and we need to invest in flood infrastructure.

That's what we're doing; that's what he voted against.

PST Increase Government Priorities

Mr. Brian Pallister (Leader of the Official Opposition): The government wants to change the channel, Mr. Speaker. That's the problem.

But let's give the Premier a chance to improve his score on the integrity quiz. We've got another little integrity quiz for a Premier who's had a tough week, and this one is the lowest degree of difficulty yet, so he should be able to get a couple of these right.

Now, we know this week that—we clearly established this week that the Premier's ribbon-cutting tour takes precedence over the democratic rights of the people of the riding of Morris to vote in a by-election. That we know.

So here's the first question for the Premier, he should get this one, I think: Ribbon-cutting tour this week to sell the PST hike, did an announcement in Charleswood, was it (a) for a new oil mine for the Minister of Energy (Mr. Chomiak), (b) for an autographed jersey for the Premier's favourite hockey player, Mark Keane, or was it for a splash pad in Charleswood? A, B, or C, which was it?

Hon. Greg Selinger (Premier): Mr. Speaker, I want to table for the Leader of the Opposition, the member from Fort Whyte, the constituency boundaries for the community of Morris. Seemed to be somewhat geographically challenged earlier on this week when he didn't recognize that Headingley, St. François Xavier, all those communities along Highway No. 1 are part of that constituency. Didn't seem to realize

that he put the well-being and the safety of those communities at risk when he agreed to have his MLAs in the channel blocking the possibility of diverting water from protecting those communities.

If the member from Fort Whyte wants to show some real respect, whether it's A, B, C or D, you start by protecting communities. You start by keeping them safe. You don't put them at risk, so you can play politics.

Mr. Pallister: So I give the Premier a chance to restore his integrity, he takes another shot at himself.

Mr. Speaker, 12 years of ignoring dike preparations—12 years of ignoring dike preparations along the Assiniboine, total investment less than a fifth of 1 per cent, and he stands up and says, I'm a threat to my friends and family downstream on the dike, along the dike he has ignored for 13 solid years. Unbelievable. The poor man.

One wrong.

Now, I know the Premier has a problem with numbers and I know he does have a problem with numbers, but this is a numbers question, but it's pretty easy.

The PST hike—and this is for the member who has a degree from the London School of Economics, but it's not, I know, in economics. The PST hike which will help the Premier cut more ribbons means how much less for Manitobans? And to help his self-esteem, if he can get this right within a \$100 million, I'll give him his first mark on the integrity quiz.

How much money less in the pockets of Manitoba taxpayers with the Premier's PST hike? How much?

Mr. Selinger: Mr. Speaker, the member from Fort Whyte, the Leader of the Opposition, is correct. He is the biggest threat to the people in St. François Xavier.

* (14:20)

He was the one, when we were building the floodway, when we were protecting the communities in southern Manitoba with ring dikes, he said, stop building the floodway. He was the one that said that. He has not been willing to put money into Lake Manitoba. He has not been willing to put money into the Assiniboine River valley. He doesn't want to build anything, Mr. Speaker.

He'll put those communities at risk to play politics. That's not leadership.

Referendum

Mr. Pallister: Still zero and sinking like a stone. It's too bad we can't give negative marks, Mr. Speaker. He's eroding his own diminished credibility with each answer. It's unbelievable.

Here's how low his credibility is. After he alleges that this party is a threat to the people of central Manitoba, how many responses do we get from concerned citizens who believe him? How many Manitobans in total believe that man? *[interjection]* That's not the third question; it's too easy to get that one right. Zero, not a soul. Not a soul believes him, and that's a problem, and he needs to address it.

Now, breaking the law on Canada Day, this is a simple question. The Premier may get his first mark.

Who does he have to consult with in a referendum? Which group? Which group? And this is pretty simple: CUPE, 192 communication staff, or all Manitobans. Which of the three?

Mr. Selinger: Mr. Speaker, I—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. Boy, I'm going to have to check what's in the water.

The honourable First Minister, to continue with his answer.

Mr. Selinger: Mr. Speaker, I know the member opposite thinks it's a game. It is not a game when it comes to protecting Manitobans. It's not a game at all, and I can only remind him of one of his more lucid moments in 1995 when he talked about balanced budget legislation. He said: I believe the legislation can be, by any subsequent legislature, withdrawn or repealed. So I do not believe the hands-being-tied argument is one that has any validity at all. He knows, in his more lucid moments, that what we are doing is following his advice, changing the law to protect Manitobans, to protect them from floods, to build schools, to build personal care homes, to build streets and roads.

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

The honourable member for River Heights has the floor.

Performance Deliverable Agreement Regional Health Authorities

Hon. Jon Gerrard (River Heights): Mr. Speaker, government should be about accountability, democracy and caring. For starters, this government has a problem with accountability. While this government's own document Achieving Health System Accountability says there must be explicit performance expectations in place, I table a FIPPA response which shows that today not one, not a single one of the regional health authorities currently has a performance deliverable agreement in place, a cornerstone of health-care planning and accountability.

I ask the Premier: Will he hold his Minister of Health (Ms. Oswald) accountable for failing to ensure all regional health authorities have a performance deliverable agreement?

Hon. Greg Selinger (Premier): The health care—thank you for the note, Mr. Speaker—the health-care system measures many deliverables on behalf of Manitobans: wait lists for cardiac surgery, wait times for infection and how fast it's treated, wait times for how rapidly they get access to radiation therapy for cancer care, and all of these metrics are very important to show that the money we're investing in health care makes a difference.

The member knows full well we've taken 13 regional health authorities bequeathed upon us by the Leader of the Opposition when he was in office; we've shrunk it down to five. We've taken \$10 million out of administration and we've delivered it back to cancer-care patients in the form of free drugs. We measure every day how many cancer-care patients get those free drugs, and I can tell you it makes a life-or-death difference, Mr. Speaker.

PST Increase Referendum Request

Hon. Jon Gerrard (River Heights): So the Premier is saying that his government talks and writes about performance but does not deliver on performance.

Mr. Speaker, this government also has a problem with democracy. In the last election, the Premier himself mocked the suggestion that he would raise taxes after driving Manitoba into a deficit, and now he's raising the PST. As the Free Press reports today, the Premier's self-serving government is too costly and untrustworthy. To top it off, the Premier is being antidemocratic, refusing to let Manitobans have their

say in a legally required referendum about raising the PST.

I ask the Premier: When will he recognize that Manitobans matter in this province and hold a referendum which is legally required?

Hon. Greg Selinger (Premier): Thank you for the question. The speaker—I put on the record several times the right of a government to change legislation when it has a public policy purpose. We got a bill for a billion dollars for flood improvements, and we have always put a priority on protecting communities when they have experienced unprecedented flooding. We did it in the Red River Valley; we did it for the city of Winnipeg; we spent a billion dollars to keep those communities safe. Now we're going to spend up to a billion dollars to keep the communities in the Assiniboine valley safe, to keep the communities in Lake Manitoba safe and to keep the communities in Lake St. Martin safe. That is a legitimate public policy purpose for which we are putting the resources in place to do it. That is good government. That is responsible government. That is government that listens to the people of Manitoba that says, we want to live in safe homes and safe communities. And in Manitoba we will deliver on that [*inaudible*]

Kim Edwards Government Meeting

Hon. Jon Gerrard (River Heights): Mr. Speaker, this is a government which is not accountable. This is a government which is not democratic, and this is a government which has stopped caring about people. For 35 days Kim Edwards has been on a hunger strike to send a message to this government that there are major problems in Manitoba which need to be addressed in relationship to Child and Family Services. And in 35 days the Premier has not even sat down with Kim Edwards to understand her point of view, even though she's right on the doorsteps of this Legislature.

I ask the Premier: When will he start caring again and actually talk—

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

Hon. Greg Selinger (Premier): That's why we called the Hughes inquiry, to get to the bottom of concerns arising out of the child welfare system. And not only did we put immediate resources in place for prevention of child welfare issues to strengthen families and to strengthen communities, not only have we doubled the resources in the child welfare

system and done that in partnership with First Nations communities, but we believe the Hughes inquiry will examine every issue related to the tragic death of Phoenix Sinclair, and we will take those recommendations very seriously. And we will ensure that the recommendations are implemented in such a way that we do protect children in Manitoba.

Members opposite voted against money for the child welfare system. They voted against increased social protection in the child welfare system. They voted against increased training for child welfare workers, and when the member opposite was in Parliament, he slashed funding for all First Nations people in Manitoba.

We care about Aboriginal people, which is why we've increased funding for them and will continue to do so, taking guidance from the Hughes inquiry, Mr. Speaker.

Habitat for Humanity Provincial Funding

Mr. Dave Gaudreau (St. Norbert): Today the Minister of Housing—

Mr. Speaker: Order. Order. Order. I regret to interrupt. I understand, and I regret to interrupt the honourable member for St. Norbert, but I had not recognized him yet because there was a fair amount of volume in the Chamber here this afternoon, and it may have been difficult for him to hear me. So I'm asking for the co-operation of all honourable members. Please keep the level down so that all members in the Chamber can hear the instructions that the Speaker is giving to the House.

The honourable member for St. Norbert has the floor.

Mr. Gaudreau: Mr. Speaker, I'm glad that maybe now the House can hear this great question.

Mr. Speaker, earlier today the Minister of Housing and Community Development made an important announcement alongside of Habitat for Humanity. I know many members on this side of the House, including myself, had been at these builds and will be at them again this year.

* (14:30)

Can the minister please tell us about this announcement and how our work with Habitat for Humanity shows on our side of the House that we actually care for people and not do cheap grandstanding like the Leader of the Opposition?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. The clock's a-ticking.

Hon. Kerri Irvin-Ross (Minister of Housing and Community Development): Mr. Speaker, around the province of Manitoba, we have the privilege of working with hundreds of non-profit organizations that are building affordable housing for Manitobans. Thousands of volunteers are coming together.

Today, I was able to be joined by Sandy Hopkins, executive director of Habitat for Humanity, where we announced our commitment for over \$800,000. That \$800,000 equals 16 new homes and a home ownership program for Manitobans. That is also—that shows our commitment of \$5.5 million in total, which equals 116 homes across this province.

We're working with non-profit organizations and we're building Manitoba—

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

PST Increase Request to Withdraw

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, Tektite Manufacturing is located in the business corridor between Morden and Winkler in the RM of Stanley, and they manufacture horsepower tractor cabs along with rollover protections systems for the golf and turf industry. It's owned by Abe Neufeld. It has 12 employees, and they had plans to expand their employee complement by twice that size, but that was before the PST increase.

Mr. Speaker, Abe Neufeld contacted me and he said he was very disappointed that the PST would be going up. He said it's hard enough with the amount of red tape that small businesses have to go through to try to grow their business, and then this happens.

Mr. Speaker, it's not too late. My question for the Minister of Finance (Mr. Struthers): Will he pull back from this inconceived plan to increase the PST and stop hurting businesses like Tektite?

Hon. Andrew Swan (Acting Minister of Entrepreneurship, Training and Trade): Mr. Speaker, I think, again, the members on the other side need a little bit of perspective about just how well things are going in the province of Manitoba.

StatsCan has reported just today that average weekly earnings in Manitoba have grown faster than the national average. Manitoba families have the

fourth highest market 'intome' in—income in Canada, giving them more opportunity to buy consumer goods across this province.

You'll know that RBC's latest provincial outlook indicates that Manitoba is maintaining its cruising speed and forecasts sustained, real GDP growth of 2.7 per cent in 2013, matching the growth in 2012. And the Royal Bank of Canada—not many New Democrats in that organization—would note that Manitoba is one of only four provinces to grow faster than the national average in 2013.

In my next answer, Mr. Speaker, I'll get onto some other positive news, but the member from Morden-Winkler, who represents a tremendous growing part of the province, should just use a little perspective once in a while.

Mr. Friesen: Mr. Speaker, this government keeps trying to sell it, but Manitobans are not buying what he's selling.

Mr. Speaker, Abe Neufeld told me that the Bill 20 and the PST increase is driving business away. It's prompting him to start looking at contingency plans. And he says he's considering moving his business across the border to North Dakota, just to keep going. He said it's the last resort of that company because they have to do something in order to grow.

Today, on the day that be—committee hearings begin on Bill 20, will this Finance Minister do the right thing, admit that his PST hike is bad for business, bad for business growth, bad for companies like Tektite. Will he abide by the law and stop—

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

Mr. Swan: Mr. Speaker, now, more than ever, businesses in Manitoba have contingency plans which include—

Some Honourable Members: Oh, oh.

Mr. Speaker: The honourable Minister of Justice (Mr. Swan) has the floor.

Mr. Swan: Thank you, Mr. Speaker, and as I was trying to say over the din across the way, is that, for many companies in Manitoba, that contingency plan is expanding their businesses because of the great economic conditions here in Manitoba.

And the latest report from the Conference Board of Canada, which came out just two weeks ago, Mr. Speaker, projects Manitoba's economic growth to be

the fourth strongest in the country this year, with real GDP growth of 2.2 per cent this year, outpaced the national average.

You know, the only person that actually wants to export things to North Dakota is the Leader of the Opposition. He wants to send health care there, Mr. Speaker.

PST Increase Referendum Request

Mr. Ian Wishart (Portage la Prairie): Mr. Speaker, the July 1st increase in the PST will have an impact on everyone's disposable income. It'll be particularly noticed by those on income assistance or fixed-pension incomes. This segment of the population cannot afford even a modest increase in costs as many cannot make ends meet now and depend food banks.

Mr. Speaker, it's not too late. Will this government call a referendum on the PST increase today?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, this is the government that every year that we've been in power have increased minimum wage for people. I would think that the member for Portage la Prairie would understand that that is a real benefit for real Manitobans in this province. I would think that he would understand that.

Mr. Speaker, we have in Manitoba some very good indications that our economy is moving forward despite the economic uncertainty around the world. What Manitobans depend on more than anything is a government that will invest in hospitals and invest in schools and invest in roads and bridges, not cut them like the member for Fort-

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

Official opposition leader, on House business?

House Business

Mr. Kelvin Goertzen (Official Opposition House Leader): On House business, Mr. Speaker.

In accordance with rule 31(9), I'd like to announce that the private members' resolution that'll be considered next Thursday is the resolution on support for Manitoba families with autism, brought forward by the honourable member for River East (Mrs. Mitchelson).

Mr. Speaker: It has been announced that in accordance with rule 31(9), that the private members' resolution that will be considered next Thursday is the resolution on support for Manitoba families with autism, brought forward by the honourable member for River East.

Mr. Speaker: Now-

MEMBERS' STATEMENTS

Phoenix Soccer Cup

Ms. Erna Braun (Rossmere): Mr. Speaker, the 5th annual Phoenix Slurpee Cup was held this past week from June 20th to 24th. The Slurpee Cup is a five-day soccer tournament hosted by the Phoenix Football Club with sponsorship from 7-Eleven—hence the name—along with Umbro Canada and Home Run Sports.

The soccer tournament is for boys and girls from ages 9 to 16. Over time, the tournament has grown from 80 to 180 teams. This year was the biggest year yet, with 185 teams, 325 games, 19 categories, over 100 volunteers and 2,200 players. The tournament included teams from Winnipeg, as well as Flin Flon, Regina, Saskatoon, Dryden, Kenora and Portage la Prairie.

It is quite a task to organize such a large tournament as the Slurpee Cup. My compliments to the hard-working organizing committee: Stewart Clark, tournament chair; committee members, Colette Stallard, Frank Consiglio, Sarah Strauman. I would also like to acknowledge the huge contribution of Dick Derrett, who is—as Phoenix staff, keeps everything on track and for whom this was his last Slurpee Cup as he announced his retirement. Thank you, Dick, we wish you well.

I had the opportunity to attend the tournament on Saturday, June 22nd. It was a phenomenal event. The kids had fun, parents were cheering and the coaches were excited to see their teams do their very best. There were many other activities for the kids, and overall the weekend became more than soccer. It was a community success.

I would like to congratulate the Phoenix Football Club for their hard work and success with the Slurpee tournament. Soccer is more than a game. It teaches teamwork, co-operation, grace in winning and losing, strategy and most importantly, camaraderie. It is no surprise at how many kids gave up their weekend to partake in this event and even

less surprising the dedication of volunteers who understand the virtue of sport.

I ask my colleagues to join me today in congratulating the Phoenix FC and all the players for an exciting weekend. You were all winners.

Thank you, Mr. Speaker.

Veselka Ukrainian Festival

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I am honoured to stand here today to congratulate the Veselka Ukrainian Festival in celebrating their 25th anniversary, truly an important milestone achievement.

Since the Veselka festival started in 1989, many thousands of young Ukrainian dancers have waited anxiously for the opportunity to experience this amazing festival. The festival has featured amateur dance competition, folk arts, crafts and a means to promote Ukrainian culture, music, dance and food, and has since grown to be a festival of competitors coming from all over to dance.

* (14:40)

This year's event took place on May the 25th and 26th at the Teulon-Rockwood Arena in Teulon, complete with live entertainment such as Sloohai and fantastic Ukrainian hot lunch. As for a Ukrainian dancer in Manitoba, to be able to compete in such a festival is to compete in the most important competitions of your dance career. The incredible joy and exhilaration felt by dancers is not only matched by the pride of their families and all who attend the festival.

And, unfortunately, the festival, like all good things, must come to an end. Earlier this year, the committee made a difficult decision—declared this year as their final one. So it goes just without saying, this year's festival was celebrated with the same grandeur and class for which it has become famous. We have provided—we have been provided with a more than adequate and rich history of celebration of our Ukrainian culture through the art of Ukrainian dance. So I'd ask all honourable members to join me in showing their appreciation for organizers, volunteers of the festival who, over the years, have made this event possible.

Thank you, Mr. Speaker.

Horizons and Discovery Child Care

Ms. Deanne Crothers (St. James): Mr. Speaker, any working parent will attest that it is essential to

know that qualified, dedicated and caring staff are watching our children in our absence, people who appreciate our little ones for who they are and who are helping them learn and grow. In St. James, we are fortunate to have multiple quality child-care centres that draw people from other parts of the city, and today I rise to commend an amazing child-care facility in our area.

Horizons and Discovery children's centres are two non-profit organizations that stair-share a stand-alone facility and a philosophy to provide care that helps foster children's physical, emotional, social and intellectual development. Directors Sandra Rogan of Horizons and Ron Blatz of Discovery, with their professional team of early childhood educators and child-care assistants, work with children and parents to provide developmentally appropriate creative programming so that children can get the most out of their early years. Their programs encourage exploration in the outdoors and as many encounters with the natural world as possible.

There's also a significant focus on achieving gender balance in the centre to highlight the importance of the roles played by both men and women in the development of our children. Furthermore, Discovery Children's Centre is one of the only daycares in the city that has a program to accommodate parents in shift work to ensure that families have the options they need to balance work and home life.

The Minister of Family Services and Labour (Ms. Howard) and I recently had the pleasure of visiting Discovery for an announcement. The minister is expanding the workforce-based early childhood education diploma program. This accelerated program will train child-care professionals to be ECEs while working in the field, studying two days a week and learning on the job the other three.

And I was there again at the Horizons Discovery annual family fun daycare-day with my own children. Mr. Speaker, It was a very well-attended, multi-generational event that had a wide variety of creative activities and entertainment for the children that clearly reflected the family philosophy that these two centres promote.

The experiences that children have in their early years shape their futures. I would like to acknowledge and thank the Horizons and Discovery children's centres, their dedicated directors and child-care professionals everywhere for their hard

work in ensuring that our children grow up healthy and happy.

Thank you very much.

Stanley Business Centre

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, today I rise in the Assembly to speak about the official opening of the Stanley Business Centre on Wednesday, June the 17th. This new \$10-million business park is located off Highway 14 in the commercial corridor between the cities of Morden and Winkler in the RM of Stanley.

The Stanley Business Centre is home to the administrative offices for the Rural Municipality of Stanley. A second facility is the new location for BDO Canada and Access Credit Union corporate headquarters, as well as Credential Financial Strategies. These establishments have been in the business park for just about a year and provide employment to nearly 100 people, and each office serves a large geographic area and building in the corridor, allows them to serve those clients and constituents more efficiently from a central location.

I had the honour of participating in the ribbon-cutting ceremony, alongside Larry Davey, CEO and president of Access Credit Union; Ron Westfall, BDO partner and representative; and Art Petkau, reeve for the Stanley municipality.

The buildings encompass 35,000 square feet of office space and feature unique architectural and design elements as well as innovative technology. The heating and cooling system is powered by geothermal, but what's new is that the Stanley Business Centre is the first project in Manitoba where the central system is used to heat and cool more than one building at a time, resulting in operating costs that are half of what they would be if each building had its own geothermal system.

I congratulate BDO Canada, the RM of Stanley and Access Credit Union on their vision for this project, the incredible co-operation and collaboration that such a project demands, and on their successful completion of such a unique and exceptional business centre. At the same time, I congratulate WBS Construction, the Winkler general contracting company, and the many subtrades who made it all come together. I extend best wishes as these businesses serve the community and their clients in their new location in the Stanley Business Centre.

Collège Saint-Norbert Collegiate Musical—The Sound of Music

Mr. Dave Gaudreau (St. Norbert): Mr. Speaker, dating back to the 1950s, Collège Saint-Norbert Collegiate has a rich heritage within the community of St. Norbert. This grade 9 to 12 school is a dual-track institution. It offers French immersion program and an English program in addition to an apprenticeship program.

The collegiate student population is drawn from school partners within the Seine River School Division, LaSalle School, École Saint-Norbert Immersion, La Barrière Crossings and École St. Adolphe School. Among the most incredible things that happen at Saint-Norbert Collegiate, I rise today to highlight a wonderful achievement that brought students, staff and families together.

Earlier this year, the Saint-Norbert Collegiate put on a classical musical, *The Sound of Music*. My fiancée, Michelle, and I attended together and absolutely loved it. It was clear that the students had rehearsed hours countless to pull off a flawless performance on this beloved stage show.

Mr. Speaker, there are two main reasons this event was particularly special for Michelle and me. *The Sound of Music* is one of those classics that everyone has loved and seen. I have fond memories of watching Julie Andrews's version as a child with my family. Who doesn't know all the words to *Do-Re-Mi*? Mix in this childhood sentimentality with seeing young people in the community come together and succeed, and you really do have the perfect community event.

Thank you to everyone who supported these young people in becoming local stars. All the families of the community and community members who attended and helped in many other ways, are irreplaceable. You are helping the next generation achieve their goals and build their self-confidence. To all the actors, singers, dancers, stage managers, wardrobe attendants, producers, hair-make-up artists, technical crew and everyone else involved in a variety of capacities, congratulations on a job well done. You are talented, energetic and entertaining, and you certainly know how to put on a great show.

Thank you very much, Mr. Speaker.

Mr. Speaker: Grievances? No grievances.

ORDERS OF THE DAY*(Continued)***GOVERNMENT BUSINESS****House Business**

Hon. Jennifer Howard (Government House Leader): I would ask you to resolve us into Committee of Supply, and just a few notes for the information of the House. The 'chaim'—the section meeting in the Chamber will sit until 6 p.m. as previously agreed. The sections of Supply sitting in room 254 and 255 will sit until 5 to allow time for those rooms to be prepared for the committee meeting tonight. And also as previously agreed, the Supply will not sit tomorrow.

Mr. Speaker: So, for the understanding of the House, we're going to, in a moment, resolve into the Committee of Supply with the understanding that the Chamber will sit in Committee of Supply until 6 p.m. and that the committee rooms 254 and 255 will sit in Committee of Supply until 5 p.m. to allow the rooms to be set up for this evening's Standing Committee on Social and Economic Development.

So we'll now resolve—and there will be no Committee of Supply tomorrow, for Friday. So we'll now resolve into the Committee of Supply as listed in today's Order Paper, with the understanding that I've indicated, and, Mr. Deputy Speaker, please take the Chair.

**COMMITTEE OF SUPPLY
(Concurrent Sections)****JUSTICE**

* (14:50)

Mr. Chairperson (Mohinder Saran): Order. 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 Justice.

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

Hon. Andrew Swan (Minister of Justice and Attorney General): Yes, well, I think yesterday afternoon the member for Brandon West (Mr. Helwer) finished with a question about federal support or lack of federal support for what we consider justice functions in First Nations communities, and the specific question was about

probation services, but also asked about band constables and policing on First Nations.

So I can confirm that the federal government does not contribute towards the cost of probation services on First Nations whether or not there is one of these community partnership agreements in place. I can honestly say that, in the time I've been minister, that no province or territory that I'm aware of has raised this. It's been a responsibility that provinces and territories have simply shouldered.

I know that the member also raised the question of band constables. Band constables are a federal program. It's a program that's been in place since, we think about 1969 or so. Band constables play a very important role in providing additional support, especially in remote communities where RCMP cannot be expected to be in the community at all times. Band constables can be a very, very useful way of maintaining public order in communities. The band constables are trained to a standard set out by Public Safety Canada. Manitoba doesn't deliver the training. We don't—we have a very small involvement simply in designating those band constables. Once there is a band constable that is then employed by a community, in many situations in Manitoba there's a memorandum of understanding between the RCMP and that First Nation community to allow the use of lockups in those communities, which was the case I believe the member for Brandon West was thinking of in Lac Brochet First Nation where the evidence came out that there were no band constables that were prepared and ready to act. So it is a federal program and we think it's a very useful program, and we're certainly expecting the federal government will continue its support.

On the policing side, there is a First Nations policing program in certain provinces, thankfully, including Manitoba. The First Nations policing program is a way to have detachments located right in First Nations or to otherwise have a First Nations policing program. One of the most successful examples that I'm sure the member is aware of in his drives to and from Winnipeg is Dakota Ojibway Police Service. That's a First Nations police service that's really a collaboration of several First Nations in partnership with the federal government and the provincial government.

We think that First Nations policing arrangements are a good way to go. We've asked several times, first of all, to support some provinces that don't have First Nations policing agreements that

they should have that and for those that do to keep expanding. For the past several years, the expansion of many of those programs have been put on hold. The federal funding for those programs has been frozen. There was a study that was undertaken a number of years ago. We were given an interim report by the Public Safety Minister that suggested that First Nations policing was doing what everybody expected it to do, that it was positive. I've never seen a full copy of the report, and, unfortunately, we have not yet seen any increase in support for those First Nation communities.

So, certainly, there are some areas that we've shouldered on our own. There's some areas the federal government shoulders on their own and must continue to do so. There's others where there are partnerships. We'd like to keep expanding that partnership and find the best way to maintain law and order in First Nations communities.

Mr. Reg Helwer (Brandon West): Thank you to the minister for that answer, and, indeed, I am familiar with the DOC policing program. They were located on the same street in Brandon as one of our operations there, and we had quite a bit of trouble getting broken into until they actually located there, and even though there was no one in the DOTC centre at night, the mere presence of those police cars on the street seemed to drive the individuals that were breaking into our compound and stealing tools to another location. So, just—made the crime go away at that point.

So that's not a question, just an observation. But I would like to have some discussions about recidivism, and my understanding is that in the past few years—and I'm sure the minister can update me on the numbers—that we have had as high as 90 per cent recidivism rate in terms of youth that were in custody and 71 per cent in adult, so I'm interested to know if those numbers are still similar, and, if they have changed, what the minister feels would be the implications or what would be the driving force to change that.

Mr. Swan: Well, some time ago, we decided that it made sense simply to put the recidivism rates up on the Justice website. That's been done and it has been updated. I can put on the record the most recent recidivism rates as of March 31, 2013, and it breaks down the numbers into seven different categories. So that's three categories of adults and four categories of youth.

Adults who receive a conditional sentence, the recidivism rate is at 10 per cent. For adults who receive probation as their consequence have a 14 per cent recidivism rate. Adults who actually spend time in provincial custody, their recidivism rate is 31 per cent. For youth who receive probation their recidivism rate is 22 per cent. For youth who have deferred custody, which would be, without putting too fine a point on it, it's similar to a conditional sentence where, as long as they keep the peace, that they're unlikely to have to spend time in a correctional institution, 38 per cent. Youth who are in open custody, 43 per cent, and youth who are in secure custody, 29 per cent.

Mr. Helwer: Thank you for the answer, Mr. Minister. I'm interested to know what the Justice Department's perspective is on reducing recidivism. Obviously, programs that are in custody would have a big part of that, and, you know, you can't do much about how the people got there or their past history but in changing their perspectives and the chances that they may reoffend.

Can you comment on programs that the department has put in place recently or over the past five years to deal with that issue?

*(15:00)

Mr. Swan: I'll give just a couple of examples, I guess, that I hope will be helpful on the youth side as we talked about the other day. School in the Manitoba Youth Centre and the Agassiz Youth Centre is a 12 year—or 12-month proposition, classes continue during the summer. We have actually—our government has invested more money in teachers and other resources to try to put individuals who are in the Youth Centre in a better footing. I think we can all agree that youth who find themselves in a correctional centre likely have educational outcomes that would not be as positive as the great majority of youth outside of the system. In many cases, there are issues of literacy, there's issues of mental health at any given time, which is why on the youth side we've also added resources to assist with mental health to try and stabilize youth, to put them on a—at least on a platform to be able to normalize in a classroom, the hope being that when they returned to their community at the end of their sentence, they'll be more likely to attend school and remain on the positive side of things. I know the question was about new programs, so there's some new investments there.

On the adult side, there was a 48-bed unit that opened at the Headingley Correctional Centre last fiscal year and that's—those new beds are an addictions drug treatment program, it's called the Winding River Therapeutic Community, and it's a community-living based environment which encourages appropriate behaviour by inmates through reinforcement and accountability. And I'm told the program's based on—while it focuses on treating the drug and alcohol addiction, criminality, and also criminal thinking errors to try and get people to look ahead to what the consequences may be. In some cases, it may be dealing with some of their impulse control issues, it may deal with helping people to learn life skills to try and stay out of trouble and to move forward.

I should just clarify, although 48 beds were added, the actual capacity of this particular program is 156. So that's—we think in advance, it's—we think, supported by best evidence of how we try to make changes in people's lives, if we can make a difference within the correctional system that is part of it. In many cases, especially on the youth side, our youth counsellors, who work in those—those juvenile counsellors who work with youth will tell you sometimes that they can make progress while the youth is in the institution; obviously, they have very little control over what the conditions are when the child goes home.

So we can't be—we can't possibly solve every issue within the corrections system, but there exists a chance to have a better platform. If everything else is equal, if we're providing better services to inmates, and youth who are incarcerated, that should result in better results. In some cases that may mean individuals not offending at all. In some cases, frankly, it may simply be deferring, people becoming involved in activity again and, in some cases, it may result in individuals, even if they're not making good choices, they're making better ones than they did before and perhaps if they're going to be re-involved with the law, doing something less serious or less violent or less destructive than what they were doing before.

There's other programs to assist with substance abuse across the system that I can talk about in more detail if that's helpful for the member for Brandon West.

Mr. Helwer: No, I think we've covered off quite a bit there.

And I'd like to move to the sheriff services side of the world here, if we can. And with the changes to the circuit court system, it has changed, I think, the way that they operate a little bit. You know, we see more people travelling now for the circuit courts as opposed to a few and those dynamics have changed quite a bit.

The budget for transportation for sheriff services is up quite a bit. And, when we look at Estimates last year, obviously, we don't have the final numbers for the actuals, but you could probably look back to the previous years in terms of the Estimates and what the actual was there.

Is it—does it—is it tend to be an area that is over budget or are you able to manage that budget within the parameters that you're set out in Estimates here?

Mr. Swan: Just with some of the cost pressures we talked about yesterday within Corrections, and more individuals in Corrections often means more challenges on a number of things. Sheriff services are certainly affected by that because sheriff services are responsible for transporting inmates from correctional centres into courts for court appearances.

So I don't want to offend any member on the other side by going in too much detail again, but, as you're aware the video conferencing program, I think, is already showing some positive returns by reducing the number of transports that are necessary. If there are fewer transports necessary we save sheriff's time. We certainly save sheriff's overtime and by doing that we can release some of the cost pressures that we acknowledge the sheriff's office has over time.

Mr. Helwer: So, in terms of hitting budget for the past several years for transportation costs, let's say, look at the first three that you may have available. Have you been able to meet budget or have you exceeded it?

* (15:10)

Mr. Swan: Yes, I would agree with the member for Brandon West that the spending on transportation by sheriffs has been over budget the last several years. That's why I think it's fair to say there was a great deal of enthusiasm within the department to find ways that Corrections and sheriffs who work within the Courts division could work together to come up with some better ways to do things.

So I will acknowledge that it's a budget item that has needed attention and, frankly, I'm pleased that there's been interest within the justice system to work on that.

Mr. Helwer: Yes, Mr. Chair, when I look up to the salaries and employee benefits area, and, of course, we've discussed the substantial increases in the past, this here—I'm wondering if this is mainly overtime that we're looking at, or is this salary increases and what might be contained in the indirect salary costs? I assume the pension would be in the employee benefits or—but stand to be corrected.

Mr. Swan: Just before I answer—

An Honourable Member: Oh, sorry. Page 91.

Mr. Swan: Yes, what I'm going to do is undertake to prime—provide a more complete breakdown. I can put on the record that a chunk—likely a substantial chunk of these indirect salary costs are overtime as a result of some of the pressures that we had talked about. But that's not a full answer, so I will try to get a better answer out to the member for Brandon West.

Mr. Helwer: Yes, Mr. Chair, and while you're putting that information together, I am interested—I can either FIPPA for the information, if that's necessary, or perhaps you could provide the last three actuals for transportation in terms of other expenditures. So we can look at it that way or, if you wish, I can FIPPA for it. But I would appreciate if that were made available as well, and also, as there have been several requests of this nature, when that would become available—if we can have a date attached to some of it.

Mr. Swan: Okay, the question is about the transportation costs within the sheriff's department over the last three years—so fiscal year 2010-2011, 2011-2012, 2012-2013—and we'll do our best to provide some information on that.

Mr. Helwer: And in terms of timelines for when we might look for some of this information to be available?

Mr. Swan: Well, you know, we'll give it some priority. I suppose a lot of it depends on how many undertakings the same number of people have to work on. So we'll be reasonable in working ahead on this.

Mr. Helwer: Mr. Chair, so flipping over the page to page 92, we see Costs Related to Capital Assets, and I see there's a line item there providing for the amortization of the cost of government aircraft based

on usage and government air services. There is an amount there, and would it be possible for us to find out who used the government aircraft, for what purpose and which aircraft?

* (15:20)

Mr. Swan: For the use of government air services, primarily, that is used for fly-in circuit courts across the north. So, when it's court day in Little Grand Rapids, the court party will fly in and then fly out at the end of the day. It may also be used to transport prisoners. In some communities, the—well, in most communities, if somebody is remanded in a correctional centre, obviously, they're not in the community. They also have to be brought into the community for certain court proceedings. There'd be an expense on that. And, in certain cases, there may be the transport of prisoners to and from remote communities for other reasons. So, that's primarily where the use of government air services would occur. In most cases, it's cost-effective to use government air services as opposed to having a chart—to charter a—to charter privately.

Mr. Helwer: So, has the minister made any use of government air services, or how does he travel around to the various areas?

Mr. Swan: To the best of my recollection, in the last fiscal year, I did not fly on government air services. What I will do is I will ask the department to confirm that, and if I'm misstating that, I'll let you know. But I'm pretty sure that I didn't use Government Air Services.

Mr. Wayne Ewasko (Lac du Bonnet): I'm just asking: Has the minister had the chance to get any information for me on the prepaid funeral services case?

Mr. Swan: I understand that the case remains under investigation.

Mr. Ewasko: I was just reading in Hansard yesterday that the minister had answered a question that was misdirected; I did not ask a question. So, just for clarification, I did not ask a question for the cost of Bill C-10, so I wanted to clarify to make sure that there was no confusion as to which questions I did ask, and that's why I asked again if there was some information in regards to the prepaid funeral services case.

But I just want to ask the minister, since the case is under investigation, I understand that the lead investigating officer had submitted a case package to

the Crown in May 2010, but to date there has been no opinion from the Crown on the case, pro or con, as I mentioned yesterday. Just wondering why is something—why is this taking so long, three years?

Mr. Swan: Okay, and I'm sorry I misspoke myself on who had asked the question. It was, indeed, the member for Portage la Prairie (Mr. Wishart).

I understand that there have been more interactions between the police investigating the case and prosecutions. It is a complex case and I can confirm that it remains under investigation.

Mr. Ewasko: Thank you, Minister.

There has been some speculation that—over the last three years, there's been four to seven Crown attorneys on this case, and we're wondering if maybe the reason for the delay in either a pro or con on this case is the fact that maybe some of these Crown attorneys have to be then brought up to speed and maybe that's the reason for the major delay.

Mr. Swan: That would only be speculation.

Mr. Ewasko: And what worries me a little bit is the old saying, justice delayed is justice denied.

And when I know that some—the senior Crown attorney, Mr. Sean Brennan, during the duration of the investigation was involved, and it has been reported recently that Mr. Brennan has recently been dismissed from his office. And I'm just wondering if there's some sort of correlation between the two, because this case is, again—we're over three years in development.

So if—I'd like to know if the minister can make a comment, then, on the senior Crown attorney.

Mr. Swan: Yes, I can't speak about a personnel matter involving an individual Crown.

Mr. Ewasko: Okay, then, just so for some additional information for the minister, on the website just the other day Mr. Brennan's name was still involved there. So maybe he is still involved. Maybe I have some misinformation that he has been dismissed, but it's just very interesting that the two situations are, you know, seem to me, could be overlapped. But, again, that's speculation and I'm certain that the minister will—would be saying something along those lines.

* (15:30)

It is interesting, though, that I read in yesterday's Hansard that the minister had recognized, and the

fact that he trusts the police service to prioritize and—with individuals, and that they're hoping to be given more attention to and as far as the tools go. So I'm interested to hear from the minister that, you know, when the police, whether it's RCMP or the city police, are putting that much time in investigating a certain case, why, then, would the Crown attorneys be sort of dragging their heels on a certain situation? And, again, to me it seems like three years is quite the time, or are we just waiting for some of these families to sort of drop the case and sort of throw their hands up in the air and say, well, you know what, it's our bad for trusting in the system?

Mr. Swan: Well, like, generally speaking, and not talking about any case in particular, of course, it is usual practice of the police, then, to submit evidence to the Crown attorney's office for a Crown opinion. Sometimes the evidence presented is complete, and it allows the Crown to move quickly to make a determination. In some cases, the evidence is perhaps not so clear. In some cases, the Crown attorney may review a case and return to the investigating police agency and ask more questions or perhaps ask for more information to come forward. In complex cases, whether it's a financially complex case or it's a—it could be a violent or serious case where there's questions about the nature of the evidence, it's not unusual for some further work to go on between the Crown's office and the police agency to make sure the Crown giving the opinion to the police is as full and complete as can be in the circumstances.

Of course, there's never any guarantee. A Crown opinion authorizing the police to lay a charge is not a guarantee that there will ultimately be a conviction. Crowns are always bound by too many principles. Mr. Chair, No. 1, for a charge to go ahead there must be a reasonable likelihood of successful prosecution. The second is that it should be in the public interest. So the work of the Crown's office—just to summarize—it's not a matter in many cases of police simply providing a package and nothing further happens. In many cases, there's an ongoing dialogue between the Crowns and the police to make sure that the best possible opinion is given.

Mr. Ewasko: Okay, I do understand that the packages or whatever is submitted and then the Crown does take a look and there is that dialogue back and forth. But I know that the minister cannot necessarily speak to this as of right now, but just so that he's aware going forward that possibly the delay and the amount of information back and forth could've been lost or misinterpreted because of the

alleged or speculated four to seven different attorneys on this particular case.

So I look forward to, hopefully, in the near future getting some information from the minister and I would appreciate that as quickly as possible because there are families that are concerned.

Mr. Swan: Look, I appreciate it's an issue of some concern to some constituents for the member for Lac du Bonnet and perhaps others, and I appreciate the member has made his point.

Mr. Ian Wishart (Portage la Prairie): I want to cover some of the ground around the police helicopter as was donated with—funded with so much fanfare a year and a half ago, I believe it was. What was the total cost to the Province for this police helicopter that the City used?

Mr. Swan: Yes, Justice doesn't contribute towards those costs. I believe that those costs come from the Department of Local Government.

Mr. Wishart: Well, I appreciate that information, as they're currently in Estimates as well. I'll have to run over there and ask that question. But any of the operation also funded from Justice, or is everything from Local Government?

Mr. Swan: Yes, none of it is from Justice. I understand that—just to confirm, none of the funding comes from Justice. I understand that—I understand all the funding for the police helicopter and its operation comes through Local Government.

Mr. Wishart: I thank the minister. I guess I'll continue on a slightly different vein, then.

Looking at the Agassiz Youth Centre, you mentioned that education is provided to them as part of their services there when people are incarcerated there. Could you cover some of the other services that are available to them there and what quantities?

Mr. Swan: Well, I'll try and answer the question. In addition to the school that operates there, there's also a carpentry program at Agassiz Youth Centre. There is a meat-cutting program that operates at the centre. There's a garden where, obviously, in season, youth who are at the Agassiz Youth Centre are involved in the growing and the processing of the food. There's also animals at Agassiz Youth Centre, so the youth there learn something about animal husbandry and looking after the animals. And, of course, although it's already programming, obviously, we're responsible for looking after all of the health and mental health issues for the youth there.

As well, there's opportunities for youth to do what's called trustee work, which is working, for example, in laundry and food services, and through that work, hopefully, get some experience and also, frankly, gain some discipline at what we hope they'll be doing when they're not in a correctional centre.

Mr. Wishart: I thank the minister for those answers.

Could you expand a bit on what mental health services are available and how much of it there is, because I certainly heard that they could use more than they're getting?

* (15:40)

Mr. Swan: Yes, well, in terms of the mental health service, the first thing I can say is that new juvenile counsellors that are coming on board to work at AYC now receive enhanced training to be better aware of how mental health issues may present themselves with the population they work with. We've enhanced the availability of a mental health nurse at AYC, who will then play a major role in determining whether further and additional mental health services are required.

MATC, here in Winnipeg, provides service both for youth at Manitoba Youth Centre and also at Agassiz Youth Centre. As well, there are a small number of very, very high-maintenance or high-needs youth that have a special kind of sentence called IRCS, I-R-C-S. It's an intensive high-needs program to augment the regular services that are available to youth, and that IRCS sentence is delivered in partnership with the federal government.

Mr. Wishart: I thank the minister for the answer. So there's no regularly scheduled visits from either psychiatrists or psychologists to the facility?

Mr. Swan: The mental health nurse position I spoke about—and that person is in many ways the gatekeeper—decide whether some more intensive mental health intervention is warranted. Again, we agree that providing some better information as early as possible is useful, which is why the screening assessment tools, when somebody first comes into a correctional centre, have been enhanced. Again, especially with youth, we do rely on the juvenile counsellors to be made aware of some of the situations. The mental health nurse, though, is really the key in terms of determining whether other intervention is needed. And, again, MATC does attend at the Agassiz Youth Centre, as well as at the Manitoba Youth Centre.

Mr. Helwer: I guess, moving and carrying on a little bit from that one, forensic psychologists have been in the news a little bit over the past few months, and I understand it's a challenge for the department and to retain the services of these individuals.

Can the minister speak about what has occurred there to challenge those psychologists to, I guess, withdraw their services, and how their services are being—those needs are being filled?

Mr. Swan: I think the best way to express this is that justice is really a—we're a consumer of the services of forensic psychiatrists. Justice doesn't have forensic psychiatrists on staff. It would be the regional health authorities that would do that.

The key concern for courts and for justice generally has been the needs of courts need to be met on a timely basis. And I understand there were some challenges for a while because certain individuals who had done that work had retired or had left hospital practice. I am advised that work was done by the head of forensic psychology and there have been some advances, and I am told that as of today the needs of the courts are being met on a timely and appropriate basis.

Mr. Helwer: Okay. Well, moving on to another subject then, electronic monitoring program, and when I look back into minutes—into the Hansard from previous Estimates there's reference to the electronic monitoring program being a pilot project until March 31st, 2012, under one date here.

Can the minister comment on whether this is still a pilot project or is it a permanent project?

Mr. Swan: Yes, I think the member knows we've been using electronic monitoring, and the first target, if you will, for the use of electronic monitoring has been youth auto thieves. And we've continuously maintained the program since 2008 and it has been a part of the success we've had in reducing auto theft in Manitoba and particularly in the city of Winnipeg.

Of course, the youth who have been stealing automobiles have been a very challenging group to work with. I think it was the right group to pilot this with because they are also the ones who are, frankly, most likely to be back in our communities despite the best efforts of our Crown attorneys and concern of the community given some of the provisions of the Youth Criminal Justice Act.

It remains a pilot. I suppose it's—obviously, it's a long-running pilot. It's been a continuous program since it was—since its inception in Manitoba in 2008.

* (15:50)

In the last election we promised we'd be expanding the use of the technology to others, and we will be moving ahead on that. It's important at the outset to note that we do not believe that electronic monitoring is a substitute for somebody who poses a sufficient danger that they should be in a correctional institution, and I don't know where the—what the member thinks about that. But we are looking at how we're going to meet that commitment and how we can expand the use of electronic monitoring, again on a pilot basis, to some other areas.

And one area that I think has some real—some merit attached to it would be to use it for—to try and get enhanced compliance and enhanced monitoring of domestic violence offenders. Again, it's not a substitute if somebody poses enough of a danger that they should be in a correctional institution, but if we can use it to assist in managing those people in the community, that's a positive thing.

Mr. Helwer: Does the Province own the technology for the bracelets and the monitoring, or is it a contract, a lease? Who is the provider of this technology?

Mr. Swan: The electronic monitoring bracelets are leased under a contract.

Mr. Helwer: And who is the contractor for that? And has it been tendered or is it a sole source?

Mr. Swan: It's a company called Jemtec, J-e-m-t-e-c.

Mr. Helwer: And was that contract tendered or is it a sole-source contract?

Mr. Swan: Yes, back in 2008 we actually piggybacked, if you will, on the work that Nova Scotia had done. Just for a matter of interest, it was a different government in Nova Scotia at that time, and I know Minister Chomiak and myself had worked closely with Murray Scott, who was the Progressive Conservative attorney general. There was a report that came out of an absolutely horrific incident that had happened in the province of Nova Scotia. Nova Scotia led the way a little bit, and so when we followed along, we didn't do our own RFP or tender. It was sole sourced with this company.

Mr. Helwer: So, as the Province has renewed this as a pilot project seemingly annually, is that contract, then, renewed annually or is it reviewed or is there ever—is there a date where it expires and would have to be retendered—or tendered, I guess, since it was not tendered in the first point—first place?

Mr. Swan: That contract is renewed annually.

Mr. Helwer: Police officers is something that this government has funded for various departments over the last number of years, and it seems to be, when we look at the numbers, somewhere around the \$80,000 range per officer. Would that be an accurate number?

Mr. Swan: Just to clarify, there are two main ways that support for police is given in Manitoba. The first is the supply of funds to municipal police forces for their services, such as Winnipeg or Brandon, and that funding is provided by Local Government. On the other hand, there's the RCMP complement across the province which is funded by Justice.

So our—if we're—if you want to talk about the RCMP complement, then we can do that. If it's a question about the cost of individual officers for municipalities, it would be Local Government that foots the bill.

Mr. Helwer: Mr. Chair, I will take that question to Local Government then.

Just—I'm interested in the task force on murdered and missing women and the minister's perspective on that and the plans for it moving forward.

Mr. Swan: Yes, well, back in September 2009, the Province announced the formation of the Manitoba Action Group on Exploited and Vulnerable Women, and the purpose of that group was to give advice to the Province to develop new policies to address what I think we agree is a crisis of abused and exploited women in Manitoba. And some of the partners in that action group include the Native Women's Transition Centre, the Metis Women of Manitoba and the Assembly of Manitoba Chiefs. And under that initiative, Manitoba's hosted a national Aboriginal women's summit and also has worked with federal government to become more engaged with the plight of missing and murdered women in Manitoba and elsewhere. And we were pleased, actually, the federal government in their 2010 budget pledged \$25 million in funding over a period of five years to try and address this problem.

In terms of the police, it was also at the same time that the Province, the RCMP and the Winnipeg

Police Service created a taskforce to review cases involving missing and murdered women. That taskforce is charged with the review and investigation of unsolved homicides involving female victims, the review of missing person files involving female victims where foul play is suspected and also analyzing those files to determine what, if any, links exist between them. And I understand that unit has had successes in dealing with some of these cases which I think is a positive thing.

As you know, we introduced The Missing Persons Act which was intended to give law enforcement agencies the ability on a timely basis to have the tools to try and find missing women. One of the frustrations for police is that when someone is reported missing, that doesn't necessarily give the police the ability to get any information about that person if there's no evidence that a crime has been committed. The Missing Persons Act, which Alberta and Manitoba now have, gives some ability to police to try and gather information—could be cellphone records, could be ATM records that are all going to be useful. So we think those are really good things.

In October 2009 we announced StreetReach which is a further component of Tracia's Trust, which is Manitoba's annual sexual exploitation strategy. Although not every woman who goes missing and not everyone who's murdered is sexually exploited, if we were to look at that cohort of the population, you would find that, unfortunately, that is a very dangerous line of work to be involved in. And StreetReach brings together social agencies and law enforcement to identify and connect with children and youth in need of protection from sexual exploitation. The team's attempting to reduce and eliminate exploitation by working with individual children, and StreetReach has returned more than 150 children to their homes and carried out more than 1,300 visits to homes in search of children.

* (16:00)

Of course, there are bigger issues. Some of the women who go missing and are murdered are also victims of human trafficking. I know we talked about human trafficking on an international basis. I think there's a greater awareness of human trafficking also taking place within Canada's borders and sometimes within Manitoba's borders, as young women and, in some cases men, are being are being exploited, which also puts them at great risk.

As you know, there's also been legislation to complement the Criminal Code. I know there have been advancements in the Criminal Code, and I give Manitoba MP Joy Smith credit for her work on this file. We have tried to do what we can as a Province, using our legislative capacity to try to improve the situation, as well.

So it's a big question. I know the police have done good work on this and they've been able to start moving along with some of the cold cases, if you will. A big part of it though, is stopping women from going missing and being murdered in the first place.

Mr. Helwer: I believe we're about ready to move into the appropriations. I would like to thank the staff for their endeavours to answer my sometimes wandering questions as they came up and back. So I certainly do appreciate their time here. I know it's not the normal course of your day, but we—I really do appreciate the effort you've put into answering questions here. So, thank you. So, we are, Mr. Chair, ready to move into the appropriations.

Mr. Chairperson: Hearing no other questions, we will now proceed to the consideration of the resolutions relevant to this department.

I will now call resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$177,984,000 for Justice, Criminal Justice, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$37,617,000 for Justice, Civil Justice, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$222,229,000 for Justice, Corrections, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$59,345,000 for Justice, Courts, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$4,004,000 for Justice, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 4.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,326,000 for Justice, Capital Assets, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

The last item to be considered for the Estimates of the department is item 4.1.(a) the minister's salary, contained in resolution 4.1.

At this point, the minister's staff already have left. The floor is open for questions.

Mr. Helwer: I move,

THAT line item 4.1.(a) the minister's salary re—be reduced to \$1.08.

The minister, certainly, is challenged in his—*[interjection]* Sorry? Oh, sorry. Go ahead.

Mr. Chairperson: The member from Brandon West brought the—it has been moved by the honourable member for Brandon West (Mr. Helwer)

THAT line item 4.1.(a) the minister's salary be reduced to \$1.08.

The motion is in order. Are there any questions or comments on the motion?

Mr. Helwer: While going through the last several hours, it certainly appeared to me that the minister is challenged in the management ability of his department and does not quite seem to be up to the task. I point to a certain lack of understanding of what is contained in the particular budget lines. If you don't know what's in those budget lines, you certainly can't measure and you can't hit the targets and it's impossible, then, to operate within a budget. So it's really no wonder that this government can't maintain its budgets and constantly goes over.

Hon. Jennifer Howard (Minister of Family Services and Labour): I'm happy to be here in this section of Supply to talk a little bit about some of the work that's being done by the Minister of Justice (Mr. Swan), speak to the resolution that my friend from Brandon West has put forward.

And it's interesting in his comments it seems to be the chief rationale for his resolution is his objection to the fact that we're spending money in Justice. And I understand that, and we've certainly

heard a lot of objections from the members opposite to any spending of any money to do anything. But I want him to be aware of what the choices are in departments like Justice and departments like mine, and I am interested in what choices he would make.

I take it from his rationale that really what he's advocating is that, instead of finding the money to meet the needs of correction workers and jail guards to make sure that you have the people on staff in the jails to make sure that they're able to work safely in those environments, that what he would recommend is instead that you make cutbacks in those areas, that that is a better way to manage the budget. And, certainly, we saw some of the results of that kind of management the last time his party was involved in government. I think we all remember how dangerous the jail system became because of some of the policies of denying the ability of correction workers to do their job.

And, you know, I remember in particular the riot at the Headingley jail that occurred, and I can't remember everything that was in the report about that. The Minister of Justice (Mr. Swan) may have more information, but I know that, if you return to a system of government like the members opposite have advocated where your interest is in cutting expenditures so close to the bone that you, in fact, begin to affect the health and safety of the people that you ask to do these jobs, then sometimes catastrophic situations can occur. And so everybody, of course, and I think all ministers and deputy ministers work very hard to maintain the budget. But you also do that in an environment knowing that, as a government, you have certain legislative responsibilities.

And I can talk a little bit about my own department. We have a legislated responsibility to protect children who are at risk. We have a legislated responsibility when children are being abused, when children are being neglected, to protect those children. We have a legislated responsibility to look after vulnerable adults to make sure that we provide services for adults with disabilities.

Now, in my department, in common with the Department of Justice, we are the two departments that have overexpenditure issues to manage. That's absolutely true. In my department, the two areas where that overexpenditure happens most frequently is either in the area of money to provide support for children who are in the care of Child and Family Services, or in the area of providing support,

providing dollars to adults who are reliant upon services provided by community living agencies.

* (16:10)

Now, I understand the importance of managing the money that Manitobans entrust us with, and we work very hard in my department, and I know the Department of Justice works very hard as they go forward to manage the budget and to ask themselves questions about, is this the most efficient and effective use of these dollars?

But we're also very aware that at the core of our mandate—and the core of the mandate of the Justice Department is to protect Manitobans, and sometimes that means that you go overbudget. That's a reality. And if what the members are advocating—that—or what the members are saying, I think, with this resolution, that their view of a more responsible minister would be to bring in the budget exactly as it's forecast, but in so doing to sacrifice the safety of Manitobans. That's a view that we reject. We think there are many things that we can do, both within Justice and within other parts of the government to make sure that we're delivering the services that Manitobans count on as effectively as possible.

And, certainly, as the Department of Justice is looking for those efficiencies, other departments are. You look, for example, at the Department of Health which has managed to reduce over and over again the number of regional health authorities. I think when we came into government there were 13 regional health authorities, as I recall. There were two alone in the city of Winnipeg, if you can believe that. There was one in the city of Winnipeg that was responsible for hospitals; there was one in the city of Winnipeg that was responsible for long-term and community care: two regional health authorities alone for Winnipeg.

In our time in government we've been able to reduce the administrative costs in the health-care budget by reducing the number of RHAs. I think, first, we went—well, the first thing we did was get—get rid of the two in Winnipeg and have one. And then we made a further reduction, and then in the most recent—last year we made a reduction down to five regional health authorities and if you look at the kind of savings that that has generated, it's generated, as I understand, around 10 or 11 million dollars in savings.

And then if you look at some of the expenditures that we're able to do in health care, one of them, of

course, is being able to provide cancer-care drugs free of charge to people who decide to live in their home, to stay at home, to be in the community as they struggle with the fight to beat cancer. That's worth about \$11 million. It's very clear to me that when you can reduce administrative costs you're able to be more on the front lines.

And the same kinds of initiatives are true, of course, in the Department of Justice. Right now, in front of the Legislature, we have bills that are designed to help the provincial court system manage more efficiently, provide better service to Manitobans and do so in a more efficient way, and I know we've—I think we've had some debate on some of those bills. One may even be passed through second reading and someday soon will go to a committee.

But it's those kinds of initiatives that are far more visionary than the sort of strategy that members opposite advocate, the strategy of across-the-board, indiscriminate cuts, the strategy of tough love that we've heard espoused by the Leader of the Opposition who's a good practitioner of tough love; he's got lots of practice, lots of history doing that. Certainly, myself, and I know, the Minister of Justice (Mr. Swan), many of my colleagues were active in community organizations and non-profit organizations when the Leader of the Opposition was last sitting around the Cabinet table. We experienced first-hand some of that tough love, and many of the people that worked we with. I know the Minister of Justice—and I don't know if at that time he was practising family law or if he was just getting ready to do so, but I'm sure he'd saw as I saw, the impact on families who were struggling with family breakdown, who were struggling with divorce and the impact on women in those relationships.

I, of course, in my past life, worked very directly with women, many women who were coming out of violent and abusive relationships and who were looking to rebuild their lives. I got the opportunity to work with those women, both when I worked on literacy programs for women. One of the things that I was able to do was to work on literacy programs for women who are in second-stage housing, who had come out of abusive situations, were in second-stage housing and were moving forward with their lives. And one of the struggles that many of them faced was how to rebuild their lives and have some kind of income security in the process. For many of them, issues of maintenance enforcement took a long time to resolve. If you're coming out of a domestic

violence situation, there isn't usually a lot of mediation or conciliation that's available to you with your ex-spouse. So it's not usually a situation—sometimes the ex—you know, part of the abuse is financial abuse and they will withhold payments—they'll withhold payments and child support payments, and so for those women, they are very much looking for income support.

When I was working with those women, one of the things that was key for them was how do they find a way to support their families. Many of those women, at the time, were relying on income assistance. And I remember, and this was of course under the former Filmon government, some of the policies that were put in place were very punitive towards people who were on social assistance.

I remember, in particular, one woman that I worked with who had—and, you know, all of these women had very challenging stories. I remember this woman, in particular, she had left high school, she had gone on to marry and at a young age had a child, found herself in an abusive relationship. So abusive, in fact, that the fact that she was enrolled in a literacy class actually gave her partner—that was one of the things that he used to punish her, the fact that she was trying get an education. He was so threatened by that because I think maybe in his mind he knew that her getting an education was a step towards her leaving. He was so threatened by that, he would do things like make sure that she didn't have the bus fare to get out of the house and come to class during the day. He would do things like try to humiliate and embarrass her when she came home about her taking this kind of upgrading.

But I remember when this woman, in particular—there was a policy change that was instituted with regards to what kind of education programs Employment and Income Assistance would support. And that policy change—and it may have been a policy change from the Legislature, from the minister's office; it may have just been a policy change from an individual Employment and Income Assistance—

Mr. Chairperson: Honourable Minister, the time is over.

Hon. Jim Rondeau (Minister of Healthy Living, Seniors and Consumer Affairs): I've had the pleasure of sitting in the committee room for a few days and listening to the Estimates of the Minister of Justice (Mr. Swan) and the Justice Department, and I have to say that I'm surprised by the opposition,

because all I've heard so far in the last few days was programs that we're talking about changing the pattern of violence and we were talking about programs that were dealing with mental health and addictions in the prisons, and from my past life, I know that we had lots of issues that were addictions and mental health that would lead people astray and down the wrong path. And I'm very, very pleased that we are now investing in prevention programs.

And one of the prevention programs that I'm pleased to have heard about was the whole thing on Turnabout, which was dealing with kids who had the first chance or encounter with the legal system. Kids were guided and supported by people in the justice system and family services system and others. And what they were doing, is they would provide a guidance—guidance to the family and the child, and change the whole trajectory from one that led to jail and crime, to one that actually provided a positive future. I looked at some of the other programs that have worked out quite well, and part of them are the whole tree—teaching of a trade and skill and work skills while in jail, and the education program.

Now, in—when I was working for Frontier School Division, we spent a lot of time on literacy and education. We found that a lot of the people who were contacted with the justice system didn't have the education, didn't have the training or skills to be successful. So I would actually like to commend the Department of Justice, this minister, for their innovations and moving that whole agenda forward to allow people a second chance.

*(16:20)

And I look at the investments; I look at more jail guards, more Crown attorneys, more investments in Probation and a lot more youth services. And why I like that is what we're trying to do is address the problems out there and do it in a responsible manner.

Now, I know that I have some constituents who were involved in the Headingly riot. They were jail guards at the time and they were injured. They're still injured. They're still on workers' compensation. And they have talked to me about what the conditions were like when the money was the biggest issue—not workers' safety, not that. And those people are still on workers' compensation.

And it's sad, because I think that when you're dealing with human beings, you want to create an environment where they work, where they have some safety, where their safety is taken as a

consideration. Not just the all-mighty dollar, where you cut and cut and cut, and then you put people at risk. I believe that you need to have workplace health and safety. I think that you need to have appropriate levels of support.

And I also think that it's interesting because the Conservative Party has often talked about making fiscal good decisions. But they also talk about crime and having appropriate support for crime and making sure that there's consequences. I believe that we have good consequences out there. We have increased the amount of police officers out on the street. We've increased the amount of jail guards and support. And then, I don't understand how a party could say, oh, we want to cut the funding to these services but we want more services out there. It's passing strange how you can make those two things coincide.

And it's also interesting to note that we believe that there's a balance, and there's a balance between prevention and intervention and criminal deterrence. So, I think that we've done a good job as far as having supports. But more importantly, I was able to listen to the Minister of Justice who's provided good answers, strong answers on what they're doing.

Now one of those things that I was shocked at was the whole area of auto theft. Now, I listened yesterday to the detailed discussion on prevention, that we have the immobilizer program through MPI, we have a small team of Justice officials who are dealing with high-risk offenders, and that we've moved to an 80 per cent decrease in auto theft. It's a huge decrease. And it was a concerted effort of criminal interventions, plus the prevention and all sorts of groups working together. And I listened to the description, and I listened to an 80 per cent decrease in that offence. And so, I'm shocked that when you get results like an 80 per cent decrease, that people are not pleased with (a) the minister, nor the civil service, who are working on that.

The other thing that I find interesting is that there seems to be a ruthlessness where you slash and burn; you tough love, you just cut, and don't have care about the consequences. Personally, I believe in interventions and early prevention. I think that's good.

I know that when the Conservatives were in power the last year, 1998, they actually cut addiction services. They cut them by about \$900,000—funding to AFM. But then when you look at addiction services, that has a direct correlation to the amount

of criminal behaviour or people who are locked up or issues.

I'm proud to be a part of a government that believes in funding addiction services. And what's interesting about it is that we have never cut addictions services while we've been in government. We've continued to support those services, and we look at the \$900,000 that was removed in the budget from 1998, that the Leader of the Opposition voted for and supported. I look at that \$900,000 of removed services, and then I look at the consequences of that. And the consequences are, more people get in touch with the criminal justice system.

So I think that's interesting that we want to continue to invest in the addiction services. And for people's information, I think it's good that we, in Healthy Living and Addictions, are working with the Justice Department to say, how can we have a more streamlined addiction services between the two ministries.

I also am pleased to say that we're trying to work on the mental health issue, where we have more community mental health services out in the community, where people have a chance to go, people can be referred to, and we're trying to normalize mental health issues. And we think that that will also help with the justice system.

And, again, those are systems that are trying to work together to work—to facilitate better co-ordination for individuals, better access for individuals. And like addiction, what we want is a whole host of programs. So now we have about 39,000 people who are doing intervention programs. Prevention programs, we have a total of about 60,000 people who are supported. But those are the types of things that you want to do, you want to prevent issues that come about in the future, you want to make sure you have support both in the justice system and outside the justice system.

And I think that our Justice Minister has shown leadership not only in Manitoba, but on the national level. In the national level he's pushed for certain crimes that are now on the books and, finally, he's also shown leadership inside our own government by moving forward on a lot of innovate programs that other provinces are now integrated into their government system.

Mr. Swan: I want to thank the Minister of Family Services and Labour (Ms. Howard) and the Minister

of Healthy Living (Mr. Rondeau) for putting some comments on the record.

And I know I've had a chance in the House and elsewhere to talk a little bit about perspective and about balance, and we know that building stronger communities, it's about cracking down on crime, but it's also about making sure that families in Manitoba feel safe in their homes and in their communities and we know that we do that by having the right laws in place. We do that by supporting police and, of course, we do that by preventing crime from happening in the first place with the other departments that I—that the Justice works with carefully.

And I opened up my comments when we started Committee of Supply on Justice by talking about the ways that we're making the court system more effective. And in the course of our Estimates, the member for Brandon West (Mr. Helwer) and his colleagues and I had a good discussion about problem-solving courts that now exist in Manitoba that didn't exist back in 1999, including the mental health court and the Winnipeg Drug Treatment Court which are intended to take some complicated cases out of the regular system, but, more importantly, also make changes in people. So when they return to the community or can stay in the community they're less likely to get involved in offending behaviour again.

And we know that while we're getting tough with criminals we're also taking steps as a government to prevent crime from happening in the first place. We invest in our children to make sure they have opportunities and they stay out of gangs.

And, you know, we asked some questions about—the member for Brandon West asked one question about policing, and I broke down that the difference between the way that municipal police are funded and the way that the RCMP are funded. The member for Brandon West didn't want to ask any other questions about the RCMP. I can point out that back in 1999 there were fewer than 600 RCMP officers in complement to cover Manitoba. I'm pleased, and I'm actually proud that now we have more than 700 RCMP officers across the province providing better support and better protection for our communities.

I also know that—I guess I didn't—I have a single question about the complement of Crown attorneys, we've continued to invest in our Crown attorneys and staff which we think is very, very important.

And thanks to investments of our government we've got new prosecution units, the Criminal Organization and High Risk Offender Unit. Of course, we have—

Mr. Chairperson: Order, please.

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

If the bells continue past 5 p.m., this section of the Committee of Supply will be considered to have risen for the day.

AGRICULTURE, FOOD AND RURAL INITIATIVES

* (14:50)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to some semblance of order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Agriculture, Food and Rural Initiatives. As previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

Hon. Jon Gerrard (River Heights): My question is to have you complete your answer for the last one, and it dealt with what's on page 13. The figures for capital grants, which were a little over \$14 million in 2012-2013 and just under \$9 million in 2013-2014, and the question that I had asked was to what extent those \$14 million and the \$9 million are entirely provincial derived dollars or to what extent some of them are federal dollars which are just flowed through the department.

Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Initiatives): Yes, in reference to the dollar amount of \$8.9 million, which is a total of budgets for 2013-14, the 2.1 million is that—is the federal contribution amount of the 8.9.

Mr. Gerrard: Okay. Thank you. And just to clarification on the nature of the manure management infrastructure, is that, you know, lagoons, or is that barns or is that—you know, just what was involved?

Mr. Kostyshyn: The program is designed—the purpose of the program is designed to provide financial assistance to a—small pig producers for increased manure storage and to all sizes of pig

operations for manure storage repairs or treatment systems.

Mr. Gerrard: So a lagoon or an expansion of a 'gloon'—lagoon or above-ground storage location or—would fit under that program. Is that what you're saying?

Mr. Kostyshyn: Well, I'll be very specific based on the program eligibility, and the eligibility activities under the program includes the engineering and construction of a manure storage structure for a small operation, which is less than 300 animal units that currently winter application of manure. The other component is repair of existing manure storage systems and, thirdly, manure treatment system's solid-liquid separation for the operations that do not have the adequate land to apply to the manure based on phosphorus level.

Mr. Gerrard: Okay. Thank you. That's all the questions I had. I'll pass it back to the MLA for Lakeside.

Mr. Ralph Eichler (Lakeside): Yesterday you were talking about the Manitoba livestock loan guarantee program. I understand now there is a feeder-breeder association fee of a thousand dollars that's going to go to administration. Could the department confer whether or not that information is correct or not, Mr. Chair?

* (15:00)

Mr. Kostyshyn: The MASC loan guarantees are to—or not to generate revenue. Guarantees are provided as a means to ensure that rural Manitoba businesses and farms have access to credit and reasonable terms. The thousand dollars you're referring to is to reduce the ongoing costs of the guarantee programs through MASC proposals to generate some revenue by charging participant lenders a minimum application fee. And I'll give you some examples.

Through the livestock association and loan guarantees, as I indicated yesterday in the questions that were brought forward—some of the questions—there is presently nine stocker loans organizations, and the total dollar amount lent out is \$21 million. And basically, there is no administration cost recovery through our lending institute, so we've asked for the thousand dollars per nine applicants to get some cost recovery of in-house cost. Okay?

Mr. Eichler: The thousand-dollar administration fee, then, how many of the loans that's been made through your department, then, will no longer be able

to afford to accept that administration cost and therefore will not be able to be provided the loan as a result of the extra thousand-dollar fee?

Mr. Kostyshyn: I guess the reality of the discussion piece that we're having today is that the feeder associations have the benefit to access to \$21 million of funding, which is—which are loans approved today. And I think there has to be some understanding that it's a small amount per organization to have the opportunity to access that volume of dollars. So that's why we've taken the choice to consider the thousand-dollars application fee.

Mr. Eichler: It seems almost like a banking world to me. I used to be in the banking business, and I can tell you that we levied a fee at that time on loans that were—seemed to be a higher risk. It seems like a fee that—is it a fee that does not necessarily have to be charged? Is this a mandatory fee? You said, in your comments, there, that it may be charged. Is this an open negotiation for those organizations or is it carved in stone, the thousand dollars?

Mr. Kostyshyn: The—I guess, for the record, that is a thousand-dollar application fee is in the budgetary and it will be expected from the feeder association.

Mr. Eichler: So, how many producers are paying the thousand-dollar fee at this point?

Mr. Kostyshyn: My apologies if I wasn't clear in the thousand dollars. It's a thousand dollars per feeder association, so there's a total of nine feeder associations that have access to \$21 million. So, I guess, simple math would be a breakdown of the thousand-dollar fee for—per client or per clients that use the feeder association.

Mr. Eichler: Out of the \$21 million, how much is loaned out?

*(15:10)

Mr. Kostyshyn: I guess it's just like any one of us that's done any serious amount of time and done some farming, you'd rely on an operating loan. So the \$21 million is 'baseesee' kind of a line of credit that tends to fluctuate through the feeder association. But I'll just—I'll give you some commentary on the—your question, somewhat, member opposite.

Individual livestock associations are limited to a maximum guarantee of \$1.25 million, which results in a maximum loan of \$5 million. As of March 31st, 2013, there was nine associations with 107 active association members, and they, at that

point in time, had the opportunity for approval up to \$21 million. That's not saying it's at \$21 million, but it's a—gives you that flexibility. It's—as staff has alluded to me, it kind of changes on a daily basis, based on the volume amount animals sold and the amount of dollars paid back when the animals are sold off in appropriate manner.

Mr. Eichler: Typically, in the business world, risk—'ininterest' on risk is usually determined by how much risk is being charged on the interest rate. What is the interest rate currently being charged to those associations?

Mr. Kostyshyn: Basically, what—how they—the lending component is lent out, each feeder association deals with the various charter banks or credit unions to get the appropriate loan in place. Because MASC, as we're talking about this feeder loan program, guarantees the dollar amount of 25 per cent on the individual loans—so with MASC guaranteeing 25 per cent of—regardless what the dollar amount is, then it makes it more attractive for the credit unions or the charter banks to offer a lesser interest rate than traditional in—without a guarantee.

So I think it is somewhat difficult for me to give you an exact percentage or interest rate that they're charging on a daily basis. We can maybe give you some examples, but I do know that it's—tends to be less than—a less interest rate than normally if it wasn't 25 per cent guaranteed amount, which is done through MASC loaning—lending.

Mr. Eichler: So the 25 per cent then—loan that's being guaranteed through this—through the association, the thousand dollars is the only fee that is being charged to the producer, is that correct? There's no interest charge other than what the bank or the financial institution would charge them, is that correct?

Mr. Kostyshyn: As far as any additional fees, no, there is no additional fee. So let me be clear again. They—the thousand dollars is a charge per a feeder association. So it's not per client; per feeder association that's charged a thousand dollars. So, if the feeder association has 25 clientele, I guess, they would be somewhat subject to the thousand dollars recovery if they choose to do it that way.

But, no—and I do want to add this for the record, is that we do have a staff individual that provides information, provides when they have meetings—the feeder associations have meetings. We do have an individual staff in the government that partakes in

the discussion in assisting in some financial suggestions or his presence. So there is no additional charges other than the thousand dollars from MASC lending institute to the feeder association. This is the one and only.

Mr. Eichler: The thousand-dollar administration fee, when was that established and what groups were consulted on that?

Mr. Kostyshyn: This is the—2013 is the first year of the administration fee and the associants have been notified that there will be an administration of a thousand dollars per feeder association.

Mr. Eichler: So just on clear—it was a notice not a negotiated process that was something that came from the department straight to the feeder association. There was no consultation other words.

Mr. Kostyshyn: The suggestion come forward from MASC, M-A-C-C or M-S-S-C, with the recommendations and that was the extent of the discussion.

Mr. Eichler: Decisions in regards to change in coverage, with an example, in 2010 there was change to add a 15 per cent deductible for farmers who did not manage to harvest their corn or soybean. How was this change come about? Was it through consultation with the corn growers or was it another recommendation from MASC?

* (15:20)

Mr. Kostyshyn: I want to assure members opposite that staff from MASC had conversations with the cone—Corn Growers Association regarding the 15 per cent deductible. And, in fact, twice they were contacted to—made aware of the 15 per cent deductible, and I think the—I feel very confident that our staff have done the appropriate notification communication of providing the circumstances of the regulation that has been brought forward.

Mr. Eichler: Would the same consultation be done in regards to the coverage areas, because I understand those as well had been changed either in 2000—or '10, or since 2010?

Mr. Kostyshyn: You know, I think the question that's posed here is, has there been any consultation, and I want to assure you that Crop Insurance staff had had consultation with the majority of the various organizations and had indicated that the possibility of expansion of—if I can refer to the corn or the soybeans of the province.

And I think members opposite are quite familiar with the fact that we have expanded the corn area and also the soybeans, and I think that shows leadership in the province of Manitoba. We're changing genetics of the corns, and I think you may have recently read in the newspapers where Monsanto is spending—I believe it's well over a million dollars in research to expand corn genetics. And so—and I think that the Province of Manitoba, the government of Manitoba, is what we're encouraging, we're trying to work with producers and producer groups and we're being very transparent with the organizations, whether it's corn growers or pulse growers, that we want to provide more flexibility for the grain producers out there; that there's an opportunity to have an opportunity to have an opt-in to have alternative revenue sources rather than trying to limit it to geographical areas in the province. And I think that's all attributed to the fact that the Province in Growing Forward 2, and when we talk about the research and innovation benefits, that's a prime example right there of what we're doing in agriculture.

So we don't want a limit to geographical areas in the province. We want to provide wherever appropriate geographically to grow crops for the betterment of additional revenue source for the grain producers. And I know that maybe the coverage level wasn't extremely to the desire, but we did bring it up to 80 per cent of max of a hundred per cent coverage, but it was—and traditionally a lot of the producers in other areas were growing it for a number of years and seem—had to be very successful.

So I think that the question posed by the member opposite is that we and with—in partnership with the government of Manitoba and Crop Insurance felt there was a need.

And I think the other thing that's really starting to be somewhat troublesome in the agriculture industry—because of the high value of the commodity, such as the canolas of the world—we were seeing that there was a lot of repetitious growth in the continuous growth of canola, and we were jeopardizing disease components that may have some adverse effects to the agriculture industry.

So when you start hearing clubroot may exist or could have existed in the province of Manitoba, that was a concern to us in the agriculture industry. So I think, thinking positively, we wanted to provide the producers an opportunity to grow alternative cash crops such as corn or soy beans for the betterment of

the industry and have some safeguards so we don't have situations such as clubroot.

Mr. Eichler: I would encourage the department to continue to work with those organizations, of course.

The other major problem that is facing some of the growers is the seeding dates haven't been changed to go in line with the coverage, with the increased coverage, so when you take those into account, some of those can be problematic. So we certainly encourage the department to work on those.

I do need to move on in order to get through as much as I can in the short time that's left.

I want to ask very quickly about the wildlife predator claims and how that compares this year to last year.

Mr. Kostyshyn: Obviously, you know, the Wildlife Damage Compensation program is a very key important program that MASC and the government of Manitoba feel that needs to be sustained at the level that historically has been. And obviously the claims, you know, seem to be challenging at all times. And I guess, you know, whether we work with natural resource officers or some means of providing some—depending on the wildlife compensation component—but obviously we've worked with the producers groups and we've heard loud and clear.

And just for the record, Mr. Chair, and members opposite, livestock 'predation' number of claims in 2011-2012 was 1,881. And in 2012-2013 it had an increase up to 2,089. So there obviously is a situation that we need to stay very vigilant in addressing the issues. And there's a wide range of wildlife claims, as you can imagine.

But I also want to have on the record, we maintain the program at 90 per cent of producers' loss of production.

* (15:30)

Mr. Eichler: Thank you, Mr. Minister, for that. In regards to the working between the two departments, and I know, you know, I'm going to hear the answer that we work very well with the Department of Conservation, but when we see an increase like that, what is the process for working with Conservation to protect that expensive part of MASC? I mean, obviously, this is a major cost for us. What is the process in order to cut down on predators, in particular—by the number of increasing claims here is substantial. It's almost a 10 per cent increase.

Mr. Kostyshyn: Yes. You know, without a doubt, it is pretty evident the numbers have increased, and I want to ensure you that our staff do contact—and we encourage the local livestock producer, for an example, to be in contact with the Conservation officers.

We file every wildlife claim and report it, but there's also a predator removal program through the Department of Conservation that assists in [inaudible] And in—I know personally in the geographical area in my area that we do work with licensed trappers, example being whether it's timber wolves or the coyote scenario that there's been, you know, some moving forward.

And I guess the other one that sometimes is very hard to track, and depending on every season, is the black bear or the bear. And I know the apiary producers, the bee producers in the province have had their challenges and they've come forward with electrical fences and whatever else. And I think the reality is the bear appetite depending upon what type of growing season it is, and so it may vary. Hopefully, next year our numbers might be down, but it tends to fluctuate not only on what it's there, but Mother Nature has a lot to do with predator population being an issue of that as well.

Mr. Eichler: I have another question in regards to the freight assistance program. What's the update on that in discussions with the federal government and the possibility of still—I know it's getting late in the season, hay season's among us, but we still have a number of producers that are brewing an awful lot of hurt through the flood, through different actions of weather and so on, and certainly a lot of hurt out there.

If the department give us an update on the freight assistance program.

Mr. Kostyshyn: I just want to follow up on a very similar question, I guess, from yesterday or the day before, and I've had numerous conversations with Minister Ritz regarding the issue of the Lake Manitoba and the freight assistance, and I'm sure a number of his MPs kind of stressed the importance of the scenario that we have in Lake Manitoba for freight assistance. And, you know, we've had numerous conversations; unfortunately, we haven't come to any kind of a, I guess, a consent, so to speak. But we are—we do have staff that are working with producers providing opportunities. I'm assuming that, you know, the hay situation, pasture [inaudible] is appropriate. If there isn't, then

localize—or other areas are available through the MAFRI offices for alternative pasture locations, if need be.

But I do want to assure you that our staff are very diligent and very conscientious of working with the producers to get through these troubling times, and we are still continuing to talk to the federal departments of maybe finding some alternative assistance by enhancing the re-establishment of areas that have been affected by the flood.

So they're ongoing discussions. I want to put it on the record that our staff are very diligent and some—very persistent of working with the federal department, how can we accelerate the regrowth in the areas that were inundated by the flood of 2011.

Mr. Eichler: I do—I'm very conscious of staff, as you're very much aware, and I just want to ask for clarification, the balance of my roughly hour and a half has to do with cattle enhancement, Growing Forward 2, the chief veterinarian office and, I believe, the rest is just political stuff that I may or may not even get to. But I think that's it for MASC unless something there—something falls under Growing Forward 2.

Otherwise, I want to take this opportunity to thank the MASC staff and, of course, those that's been involved with helping us through this Estimates process. I certainly appreciate that very much, and unless there's something that falls under those categories, I'm more than happy to let those staff go on to whatever they need to be doing. So that's your call, Mr. Chair, through to the minister.

Mr. Kostyshyn: Thank you for the appreciation and letting my staff know from MASC that they could depart. So thank you to the staff that was here from MASC.

Mr. Eichler: I would like to move into the chief veterinarian office now, if we could, Mr. Chair. I am very concerned about a couple of things in regards to there and I'm sure the department is as well.

First of all, I'm very concerned that the budget has been decreased, and I'd like to know what areas have been cut as a result of the decrease in that particular department.

*(15:40)

Mr. Kostyshyn: Just for a point of clarification, are you referring to a certain page in the Treasury book or the summary book, 4B.

Mr. Eichler: No, I don't need the book.

No, just in general, the—I'm not going to refer to a particular page in the operating budget, but when you look at the overall numbers, they're down. And, of course, that concerns me. And we have a number of issues, and I'll get to those in my follow-up questions. But, I mean, you look at overall budget, I am really concerned about the decrease overall as a result of that, and if there is going to be cuts to that department, what are they going to be, because we have a number of issues that I'm going to get to in just a minute.

Mr. Kostyshyn: I'd like to introduce, and I'm sure you're quite familiar with Dr. Wayne Lees, chief veterinarian officer for the Province of Manitoba. I'd like to acknowledge him at the table.

So, just referring to the question brought forward by members opposite, I guess, for the record, actually, the budget is increasing, not decreasing at—the budget is increasing, as it has indicated in the book, from \$2.9 million, it's going up to \$3.7 million. And part of, or a good portion of that is, you may be aware, is that with the CFIA change of rules and regulations, we have now been inundated to take on meat inspection in the province of Manitoba. So there's definitely additional cost to the department, and we've had to do some realignment to have things in place because, as of the end of this year, it becomes the responsibility of the Province of Manitoba, where traditionally, it was somewhat financially supported by the federal government.

Mr. Eichler: That'll lead me right into where I want to go on the Manitoba Premises ID system. You know, I'm working in conjunction with, of course, the CCIA. What's the time frame to have this completed?

Mr. Kostyshyn: The Premises ID is complete as far as the template and the form. Presently, we're fairly confident to say that hundred per cent of the poultry locations are identified. A hundred per cent of the dairy industry is identified, as far as Premises ID. A hundred per cent of the pork industry is identified. We are presently working with the beef industry and with the sheep and goat industry, and probably a few other small organizations.

And, you know, if I may have a minute or two just to echo my comments of the importance of the Premises ID. And talking to the chair of CDIA, we value of the importance of it, and I know that the

Manitoba Beef Producers are definitely in agreement of the importance of Premises ID.

But I think something that's really shot in reality, is when we had to do the Hoop and Holler scenario where the dikes had to be opened up to prevent any further additional damage. We were able to identify, in a matter of two to three hours, of the livestock locations or animal locations in that designated area, and within three hours, we were able to access suitable transportation to move the animals out of the designated locations without causing any additional hardship and traumatic experiences for the livestock that were in place.

So we definitely value the Premises ID, and I know the CIA is—and the Manitoba Beef Producers are in full agreement. It's a matter of producers getting on board and moving forward with it. And I do want to say that as we move forward in marketing of our products and whether we classify it as a traceability Premises ID for food safety, those are quite evident when we move into the new marketing techniques as far as Premises ID. So with—that I felt was very key, in compliment to the chief veterinarian officer and his staff, to implement a template and a program that is so valuable for years to come for the betterment for all industry in the province of Manitoba in the livestock industry.

Mr. Eichler: How many producers have the Manitoba Premises ID?

Mr. Kostyshyn: To get right to the—answering the question, we have—there are 5,431 premises IDs in Manitoba, and 100 per cent of the commercial premises, as I indicated earlier, are dairy, egg, chicken, turkey, pig and elk. And MAFRI has used premises identification information 28 times for animal disease and as well for the 2011 flood and wildfires.

Mr. Eichler: Staying along those same lines, I think it's important that we have the discussion around the tuberculosis that was recently found in North Dakota. What—could we get an update on where we're at? I know that, you know, we're paranoid about having another case show up here. Could we get an update on that particular department?

* (15:50)

Mr. Kostyshyn: Obviously, we have a great individual that's been appointed on the TB task force team and I think members opposite are quite familiar with Dr. Allan Preston, who is—had been appointed

to head up the task force team to continue the surveillance and observation and keep things intact.

So I do want to make this for the record—make a notation of this on the record: MAFRI participation in the TB task group, which is in consultive—information sharing in bovine TB management group, which includes the CFIA, Parks Canada, Manitoba Conservation, Water Stewardship, Manitoba Agriculture and Agri-Food Canada and Manitoba Wildlife Federation. And so we're definitely keeping on top of it.

We're very astute that—as member opposite indicated, we definitely don't need to have a reoccurrence and jeopardize the beef industry and the TB. And, yes, we will stay on top of it. And it's ongoing discussions with the Manitoba Beef Producers association, as well, that we stay on top.

Mr. Eichler: My concern is that the—it appears to me, certainly, and I don't have near the staff—there's just myself and my good colleagues that give me a lot of good advice, but I am concerned that the North Dakota Game and Fish Department is not planning any special testing. It's a major concern to our livestock industry who's been hit terribly hard over the last seven to 10 years, in particular, you know, going back to BSE, so we certainly can't afford another one. And I would like to know what steps the government's taking—the Province of Manitoba, to ensure that none of those—about what we can do to ensure that the TB testing be promoted in North Dakota in order to ensure protection of our herds here in Manitoba. And if that means a ban on any cattle coming from North Dakota, then, certainly, we need to have that discussion as well.

Mr. Kostyshyn: Just to reinforce commentary brought forward in—much appreciated—of trying to minimize the risk of migration, obviously, of whether it's livestock from the Dakotas coming into Canada or purchase of animals being used in—from the Dakotas if there are cases of concern. But I do want to share this information with members opposite, it's the Canadian Food Inspection Agency that controls the importation of cattle from the US. There is, obviously, record keeping of animals brought into Canada and border controls, and each state does its own evaluation respecting of the TB outbreak, as I'm sure the member opposite's quite familiar with that.

And, so, you know, with the blessing of the Canadian Food Inspection Agency, you know, we have our—we have—do have—of surveillance of

inspection, and I do want to ensure you that our staff, whenever possible, do communicate with CFIA to minimize the risk.

Mr. Eichler: Certainly prepared to work with the government to ensure that we keep Manitoba TB free, of course, and we're going to do everything we can to assist in that.

Also I want to also talk about chronic waste disease, and, of course, we know that is an issue that we need to make sure we're staying on top of as well, and I'd like an update on that far as the department's concerned.

Mr. Kostyshyn: Presently, Manitoba is free of CWD and we've been very fortunate. And I think through our good efforts of testing of animals on a regular basis that we've been able to maintain the status of being free and clear of it. And I'm sure the members opposite were—are quite familiar the province of Saskatchewan had some cases identified a number of years ago. So we've—we continue to test for it, CWD, and an example being when we do the testing for TB, we also take the appropriate testing at that time being see—for TB but also for CWB, and we were doing it in designated locations such as the Riding Mountain area close to Saskatchewan border. And we also prevent the game industry—small game industry to not allow importation of live animal 'cervicts' from other provinces as well, okay.

Mr. Eichler: I know the Alberta government, you know—and I know the minister's talking to his colleagues out there as well, and I know they've thrown in some money in regards to wildlife testing. Is this something the department's looking at, or 'ithe' they partnering up with any other groups or departments in order to do more testing on wildlife?

Mr. Kostyshyn: We are really focused on and testing in designated areas where it's felt that higher risk areas are in jeopardy, particularly Riding Mountain, in migrations. So for the records that—we generally test about 300 animals a year, and what's a comfortable number? I guess, who's to predict that? But I want to assure that 300 animals and that—as I said earlier in my commentary, that is done when we do the TB testing, we also do the CWD testing, as well.

Mr. Eichler: Certainly would encourage the department to keep a good handle on it. I know that, you know, a number of the producers are concerned, of course, we are, too, and we'll do whatever we can to assist the department.

We've had a number of issues in the last year in regards to animal abuse and, of course, the animal welfare advocates. Could we give us an update on regards to where the department's at and how they're addressing the concerns brought forward by the animal welfare advocates?

* (16:00)

Mr. Kostyshyn: And I'm glad to share some of the information that's been provided to me, and obviously, the animal welfare scenarios is definitely a concern for us, and we have very capable staff to address the issues. And it's definitely on an increase but there are some rationale possibly for the increase. So I'll just—some comparison for members opposite.

In 2008 we were at 337 cases. In 2009, 323; 2010 was 371. In 2011, it was 450 and 2012, we were at 444. And that tends to vary on the species of animals, and I'll stick to the 2012 report. We had 297 dogs, 110 horses, 55 cattle, 88 cats, and we've got 13 pigs, 16 sheep, one bison. So we've got a multitude of species that have been reported on.

The reality is is that since 2005—as I indicated, was 444 cases—extreme weather conditions really kind of mixed that—tend to accelerate as far as the numbers that are being somewhat not looked after in welfare cases. But strangely enough, the number of cases reported—and it's not strange; it's actually a great thing for that to be done—is approximately 40 per cent of those cases were reports but there was no justification for an animal welfare case. So sometimes the people are very conscientious, which is a good thing. You know, deal with the issue before the animal is in the severe starvation state so

So I think we're very proud that our system is working quite adequately to address the issue before it gets to the state where the animal is on its deathbed, so to speak, so we're very proud of that. Thank you.

Mr. Eichler: How many cases actually went to litigation?

Mr. Kostyshyn: I'd like to share some of the statistics in comparison to the previous question.

So I'll refer to 2008 where there was 337 cases. On that particular year, charges prosecuted or tickets issued, there was nine; 323 in 2009, there was four tickets issued; 2010, there was 371 cases, there was five; 2'11 was 450, there was four charges issued—or tickets issued; in 2012, there was four out of 444.

But, when we talk about charges, there's a number of other columns that fall into moving forward, so I'd like to share some of that information with members opposite. There is the—an order in place when it comes to dealing with the animals, so—and in seizure or custody of the animals and surrendering or 'correcative' or dismissed. So I'd like to share that information with members opposite.

So, when we talk about the cases that were—in 2008, 13 were ordered, five were seized—in another column—16 were surrendered, 88 were corrective charges and 213 were dismissed, so it's a fairly large indication. So when we talk about 2009, zero were ordered, nine were seized or custody in 2009, 10 were surrendered and 89 were 'correcative' and 187 were dismissed; 2010, zero ordered, 12 were seized or in custody, 27 were surrendered, 110 in corrective and 190 were dismissed; 2011, one was ordered, 16 were seized in—or in custody, 36 were surrendered and 196 were corrective and 188 were dismissed; in 2012, out of the 444 cases, as I said earlier, charges—tickets issued were four, five were ordered, 14 were seized or in custody, 49 were surrendered, 193 were corrective and 171 were dismissed.

Mr. Eichler: How many of these were repeat offenders?

*(16:10)

Mr. Kostyshyn: Staff does not have that information as far as the repeat offenders, you know, continuous repeat offenders. But it would take a little bit of research for staff to dig into the information. If members opposite choose to have that, we can provide it. It may take a little while on repeat offenders.

But I do want to reinforce the fact that, obviously, the reoffenders is a very serious concern and staff are definitely paying closer attention to the repeat offenders, and we'll deal with them in harsher conditions and harsher institutions if they have to.

Mr. Eichler: I can tell you that, you know, as a livestock grower and as a farmer and as a producer, I can tell you that I see very little of it, but whenever I do, it just makes my blood boil, and I think everybody in this room is of the same opinion. And I can't stress enough how important it is for us to make sure that all animals are safe. And I know the department is doing the best job they possibly can, because we know a few bad apples—obviously, there's three to four hundred of them in the province,

and I'm sure that number—I hope it continues to decrease rather than increase, and I think that whenever we're talking about animal safety of, whether it be a home pet or, you know, a cow or a bull or a horse, you know, we take those animals as special things in our lives and we do everything we can to protect their safety. It's like a child to us, as we all know, we're going to do whatever we can to make sure they're safe. So, certainly, I'm encouraged about that.

I do want to thank the Chief Veterinary Officer. That's all the questions I have for him, and I want to thank him for coming and taking part in this Estimate process.

I do want to go to a local issue that is very important to the province, of course, not just to my particular area. It's on the fish farming that was established through the federal-provincial government, which is now in, you know, case of risk. And I'd like to find out what the update is in regards to the fish farming in the province of Manitoba.

Mr. Kostyshyn: Somewhat familiar with the project in the aquaculture model farming update, and the Canadian model aqua farm initiative was designed to generate information on the operational performance of the commercial land-based freshwater fish farm in Manitoba.

As you know, the provincial government, along with the federal government, had partnered with the individuals, including the international provincial partnership for sustainable freshwater aquaculture development and the owners of the property, which are the owners of the fish farm we're referring to. And I'm going to withhold the names as for 'operative' purposes.

I do want to share this with the members opposite, that MAFRI's involvement ended March 31st, which was an agreement how to—by that anniversary date of March 31st, 2013. In total, the Manitoba government had provided over \$500,000 in support on this project and as well as a farm manager for three years to bring this to reality.

And I do appreciate the intensity by the people that were involved in this and I think really felt that this was a—you know, a great industry to get into.

And obviously there were some hiccups and—in this scenario. But we still do provide whenever need be, there are professionals or specialists available—aquaculture specialists and farm management specialists available to the owners of the business if

they so choose to move forward with some assistance in advisement capacity.

Mr. Eichler: So in that particular scenario then, will there be any ongoing funding other than just administrative staff then?

Mr. Kostyshyn: I'm sure as members opposite know of—we, in the province of Manitoba, you know, are always innovative or want to be innovative to work with the industry. And I think there's the probability or the potential when we talk about expansion of an existing industry that has potential to move forward in—whether it's the agriculture, 'agwoculture' specialist or farm management specialist, are able to develop some entrepreneur ideas or suggestions.

You know, as members opposite are quite familiar with the Food Development Centre, is there an opportunity to develop something very unique based on the—on this freshwater fish farm?

* (16:20)

And the other possibility, we have Growing Forward 2, which does have, you know, certain components, and I think it would be quite naive for us to say that there's no probability; there always is. But there definitely has to be a—I can't think—appropriate program in place or a business plan in place to move forward. I would be very naive to think that we're not prepared to sit down, by all means, department staff are always willing to work with entrepreneurs such as the people that are involved in this business, and so I would definitely encourage it if there's any interest and viability, by all means, look forward to their application.

Mr. Eichler: With that, Mr. Chair, I am prepared to go line by line. I'd like to take this opportunity to thank the staff. I have a lot more questions that we'll probably get to at another time, maybe later on in the year or something, but certainly want to thank the staff for their openness and we're prepared now to move line by line and go through the end of the Estimate process.

Mr. Chairperson: We thank the honourable member for those sentiments. Certainly add my thanks, as well, to everyone involved in consideration of these Estimates and we'll now move to resolutions.

Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,058,000 for Agriculture, Food and Rural

Initiatives, Policy and Agri-Innovation, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$139,571,000 for Agriculture, Food and Rural Initiatives, Risk Management, Credit and Income Support Programs, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 3.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,469,000 for Agriculture, Food and Rural Initiatives, Agri-Industry Development and Advancement, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 3.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$41,991,000 for Agriculture, Food and Rural Initiatives, Agri-Food and Rural Economic Development, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 3.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$518,000 for Agriculture, Food and Rural Initiatives, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

Resolution 3.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$250,000 for Agriculture, Food and Rural Initiatives, Capital Assets, for the fiscal year ending March 31st, 2014.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 3.1.(a), the minister's salary, contained in resolution 3.1.

The floor is open for questions.

Mr. Eichler: I move

THAT line 3.1, the minister's salary, be reduced to \$1.08.

Mr. Chairperson: It has been moved by the honourable member for Lakeside

THAT line item 3.1.(a), the minister's salary be reduced to \$1.08.

The motion is in order. Are there any questions or comments on the motion?

Seeing none, is the committee ready for the question?

An Honourable Member: Question.

Mr. Chairperson: Shall the motion pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: In the opinion of the Chair, the Nays have it.

Recorded Vote

Mr. Eichler: A recorded vote.

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

And just for the record, if the bells ring past 5 o'clock, this section will be considered to have gone into recess for the day—will have risen for the day, sorry. Thank you.

LOCAL GOVERNMENT

*(14:50)

Mr. Chairperson (Tom Nevakshonoff): Order. Good afternoon. This section of the Committee of Supply has been dealing with the Estimates of the Department of Local Government. Would the minister's staff and opposition staff please enter the Chamber.

We're on page 148 of the main Estimates book. As previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

Mr. Blaine Pedersen (Midland): Yesterday, we were talking about the Taxicab Board, and I was asking about who does the inspections on the cabs.

Hon. Ron Lemieux (Minister of Local Government): Yes, the board itself doesn't complete the inspections, nor do they participate in that at all, as far as I've been informed. But they do have a chief inspector with, I believe, three inspectors that have experience in vehicle safety, and they're the ones who conduct the actual inspections. Thank you.

Mr. Pedersen: So can the minister provide the names of the inspectors and/or the companies that are involved in that, so that I know who it is that's actually doing the physical inspections?

Mr. Lemieux: Yes.

Mr. Pedersen: The—when the cabs and/or limos are inspected and they don't pass inspection by these—this inspection team, if I can call them that, what is the process, then, for appeals for the owners of the cab or the limos?

Mr. Lemieux: Well, I'm sure the member opposite, my critic, can appreciate that safety is paramount, and that any time a cab company or an individual is driving a cab and an inspector should find something that's faulty, whether it be, it can be, maybe as simple—if someone may think as simple—as a brake light or tail light, that it's important that they get that repaired immediately. And often those drivers will just take it upon themselves to make sure they get it done, because often a vehicle may be taken off the road for a tail light, then it's discovered there's far more problems than just a tail light with a particular taxi—taxi and/or limo, I guess, for that matter—any vehicle that's being hired to carry people and to move people around.

So my understanding is that the inspectors—and I would think if an inspector inspected the vehicle and then for the follow-up needed maybe the chief inspector would actually get involved as well to that point and—but often the repairs are taken care of immediately.

Mr. Pedersen: I am very familiar with vehicle inspections, both in light vehicles and heavy commercial vehicles, and I'm not talking about—what I'm talking about is appeals when there is something other than mechanical. Mechanical is obvious; if it doesn't pass a mechanical inspection, it needs to be repaired in order to be a safety—in order to get your safety sticker on there. What I'm talking about is whether it's service agreement or whatever it is, whatever the case may be other than mechanical, what is the procedure to appeal when a licence is either revoked or not issued in the first place?

Mr. Lemieux: Yes, I'll endeavour to find out what the exact appeal process is through staff. Thank you.

Mr. Pedersen: Okay, just a couple more questions on this. When I looked at page 27 of the Estimates book, and it's the Taxicab Board, under full-time employees last year it was eight persons, and this is the taxicab—not the board, but the staff involved in

there. There was eight for \$637,000. This year there's seven—for the coming year there's seven employees for \$653,000. It seems like a fairly large increase. If you just take the eight, it's at \$79,000 and change last year. You're dropping one employee, you've upped the salaries, and you're up to over \$93,000. Can the minister explain that?

Mr. Lemieux: The member's correct that there's one less staff person, but the dollars have stayed with the Taxicab Board and still remains there.

Mr. Pedersen: Perhaps the minister—what I was asking is why so much of an increase with one less staff member. If the salaries obviously have jumped, if I just use averages here, why the increase with one less staff member?

Mr. Lemieux: There also is the general salary increase across for everyone, and that one salary position was not—it's not a salary position that was chopped up into pieces and divided amongst whoever was left. It's—that salary position, those dollars, were left there and that's the reason why the amount may—it's the same, even though there's one less person currently.

Mr. Pedersen: So, correct me if my mathematics is wrong, but that's a 17 per cent raise for existing employees.

Mr. Lemieux: Right. I won't get cheeky and start talking about remedial math the Minister of Education said the people should take in Manitoba. But I will say this, is that the monies that were left there because of the one salary position was not split amongst everyone. Now maybe if you split that salary amongst everyone that remains, it might be a 17 per cent increase, but that didn't happen. Those dollars were left in there in their budget and really it's that staff position that hasn't been filled or is currently vacant, but the dollars have remained with the Taxicab Board. That salary was not split up amongst the remaining people.

Mr. Pedersen: All right. I'll leave that one for now then. I may come back there yet.

You're ready to move on to Water Services Board? Okay, then—

Mr. Lemieux: Yes. I certainly appreciate any questions from the member opposite on any topic he wishes to choose, anything at all.

* (15:00)

Mr. Pedersen: Okay, Manitoba Water Services Board: Who is—as of—when the municipal officials directory was published, Dave Shwaluk was acting general manager. Has that position been filled permanently?

Mr. Lemieux: Yes, thank you very much, Mr. Chairperson, I—and thank you for the question. And the Manitoba Water Services Board, as every rural Manitoban, and I know the member for Agassiz and others, member for Springfield know how important that the Water Services Board is. It provides a tremendous service to—*[interjection]* Oh, sorry—for St. Paul. My mistake, I'm so used to calling the member from Springfield. But we've been in this building a long time, but my apologies, member from St. Paul.

Water Services Board is an important—very important board. Rural Manitoba depends on the staffing there, and to get specifically to the question, Dave Shwaluk is still in the acting position as a general manager and is doing a tremendous job, but currently is there in—still in that particular capacity.

And I could add that there are a number of other staff and I'm not sure if the member for Agassiz or others would like to know—Midland—would like to know the other staff there, but we're very, very fortunate to have many senior project engineers and managers there that I can go into more detail if they wish.

Mr. Pedersen: I would be most interested in going through the list of directors or board—the working members in here—civil servants.

Mr. Lemieux: Well, thank you. We have Linda Pogue, I believe, is admin assistant; I'm not sure if that's how you pronounce her name. My apologies, Linda, if I've mispronounced your name. Charol Roy and Sheila Crouse are clerks. Travis Parsons is chief engineer. Cheryl Brigden is a chief financial officer and Les Ciapala, Nathan Wittmeier, Robin Lytle, Kim Davey, Bradley DeGraeve, Clifford Kamila *[phonetic]*, Angela Meier are all staff: some of them are senior design engineers, contract managers and Kim Davey's a clerk. But also we have Ferdinand Buot—B-u-o-t, Jaimee Schmidt who are also project engineers and Allan Clayton, Dolores Genaille *[phonetic]*, Wade Boyce, Violet Netz, Bonnie Snezyk, Rob Sykes, Rodney White, Cornelius Peters *[phonetic]*, Maurice Lavallee, William Richardson *[phonetic]*. And my apologies to any of those individuals that I've mispronounced their name.

And, but I know that a number have been there for a while; some are new. But they provide such a great service for rural Manitoba and many of them are also pleased to be there and stay there. Thank you.

Mr. Pedersen: And as the—Mr. Shwaluk is acting general manager. When will that be permanent? When will that position be filled permanently?

Mr. Lemieux: Well, Mr. Shwaluk is a valued employee of the provincial government, and it's no reflection on his position or his ability in an acting capacity at all, and we work with Dave—Mr. Shwaluk closely, and he's a valued employee, and it's in consultation with him that the acting status remains as a general manager. The acting status is a title only. He acts in a manner with professionalism as would be expected as a general manager, and he's also viewed upon as a general manager of Water Services Board. So there's not, I mean, people, when they talk to him about whatever project may be or whatever their challenges are, he's the man. And people look at him as the general manager, as they should, and with all the responsibilities that come with that.

Mr. Pedersen: I can appreciate that information. I'm just asking, does it take—does it mean a different classification, or if he has the qualifications, if he's doing a good job, why has he not become manager, and why is the term acting remain on his title?

Mr. Lemieux: And maybe I should've pointed this out earlier is that sometimes the acting status means that you get lesser pay. In this case, he is being paid at the full amount that a general manager should, according to his years of service and so on.

Mr. Pedersen: So there's not a change in classification?

Mr. Lemieux: No.

Mr. Pedersen: Can the minister list for me who is on the board of the Water Services Board, the public members on the board?

Mr. Lemieux: Yes, thank you very much, Mr. Chairperson. My apologies. I thought I was ready to go a little earlier than I was.

But the chairperson is my deputy minister of Local Government, and we have members who—is the vice-chair—is the deputy minister of Infrastructure and Transportation, and we have two individuals that are from the public. Doug Dobrowolski is the president of AMM, and Joe Masi is the executive director of AMM, and they're also on—they're on the

board with the two deputy ministers, and they make up the Manitoba Water Services Board.

Mr. Pedersen: Is this board smaller than it used to be, or is there—used to be more members on there from the public?

Mr. Lemieux: This board has been approximately the same size all along. The composition has changed slightly over the last, let's say, five years. Now we have deputy ministers as well as two deputy ministers and two private citizens. And, again, it's—if I might point out, this is another great example of AMM working very closely with the Department of Local Government, and we consult closely with them on many issues, and this is another good example of the role AMM plays and the value we place in their counsel and their advice. And you've got two individuals from AMM that sit with two deputy ministers on the board.

Mr. Pedersen: So what is the role of the directors, then, on this organization?

* (15:10)

Mr. Lemieux: Well, other than dealing with policy of government, the chair and the members deal with many different projects that may come to the board, and they certainly review these projects and take a look at the kind of projects that have been put forward by many communities and requests by many communities to do different types of work related to Water Services Board, and that's where Mr. Shwaluk and others play a valuable role working closely with municipalities.

And also, Mr. Dobrowolski and Mr. Masi, they have been long-standing individuals who have been with AMM for a long period of time. And they also pass along advice on what they're hearing on the ground with regard to water services and what's necessary in Manitoba. And the board itself, as you can see, the composition of the board—we have the deputy minister of Local Government who deals with municipalities on a daily—if not daily, certainly weekly or monthly basis, and closely with Doug McNeil, who is infrastructure—deputy minister—and transportation.

These are all issues that are really specific to AMM and AMM members. I mean, if you talk about infrastructure and you talk about water and you talk about issues related to transportation, these issues, if they're not at the top of the list of what I hear, certainly, on a weekly basis, from AMM members, they're certainly close to the top, because—and that's

why we have those deputy ministers on this board. And, of course, and that's why we have AMM members on the board, because of issues related closely to them, and we appreciate their advice.

Mr. Pedersen: All right. Let's start back then. A municipality has a water project; let's say a water treatment plant. Municipality then approaches Manitoba Water Services Board. Walk me through the steps that are involved in getting this project towards completion, from the start. Whether it's—there's a concept out there, or a need identified by a local municipality—and I'm going to use a water treatment plant as an example. What is the process that the municipality goes through?

Mr. Lemieux: I'm just wanting to make sure that I'm clear on exactly what does happen.

A municipality, if they have a water project, a water treatment plant, or whatever it may be, they go to—often they will go straight to Mr. Shwaluk, or to the civil servants—to the Water Services Board staff. They will give them their proposal and sometimes it is more detailed than others. Some municipalities come with a very, very detailed specific plan that they've had engineered—they've paid for engineering done. And they bring that to, for example, Mr. Shwaluk. Mr. Shwaluk then would review it with staff. They'd take a look at it. Mr. Shwaluk then, if he has any questions, would get back to the municipality, talk to the municipality. If there's any questions related to the project itself, try to get some clarity as to what they're trying to accomplish. It could be also a joint project with another municipality. It could be a regional project. So his job is really to work closely with that municipality or municipalities, and to get some clarification, because, then Mr. Shwaluk, then would submit that to the board, and submit that to the two deputy ministers and to Mr. Dobrowolski and Mr. Masi, to review the application.

And they would review that application based on taking a look at what the five-year capital plan would be, the kind of dollars that are there, what is happening in the region and then, while that's happening, maybe in concert at the same time, or separately, Mr. Shwaluk would then be also in discussion with other departments, whether it's the water services people, people dealing with—well, other departments generally to find out what is happening with regard to not only that particular municipality but the region, because many other

government departments may have a role to play as well.

So it's just receiving clarity and to be clear on exactly what's going on, what the project is, and then a decision would be made on their application and then, of course, it would go to government. Government ultimately would decide whether or not that would—it fits on where the government is going and then some direction is given back to the Water Services Board. But, obviously, the advice coming from the Water Services Board and having gone through the people that are there, recommendations are taken a look at closely because the advice that we're getting are from people who have real experience in this area and obviously government, including myself, would certainly put a lot of weight to the recommendation that's coming forward. Thank you.

Mr. Pedersen: Who pays for the engineering?

Mr. Lemieux: Yes, as I mentioned when I prefaced my comments on the process, sometimes a municipality will pay for the engineering. They do that because possibly that the project has been around for a while, they want to expedite it by—well, a couple of reasons, maybe they have the capacity; maybe they're a larger municipality that has the financial wherewithal, the tax-base to do so. Maybe they are a smaller municipality. They don't have that tax-base; maybe they don't have the capacity to actually do what's necessary. And they will come to the water services staff and look for 50-50 cost sharing, possibly, to have it done because the engineering often is a big cost. Whether you're talking about the Building Canada Fund or whether there is a program in place, the engineering often is an important and expensive piece of the puzzle before a project actually moves forward, so it can be either they'd solely pay for it themselves or it could be jointly funded by the Water Services Board providing funding in concert with the municipality.

Mr. Pedersen: So you do have a group of senior engineers on staff here? A municipality hires engineers to bring it to Manitoba Water Services Board. It's been—they've had the engineering studies—are those, and perhaps it's on a case by case basis, but if it is engineered, stamped by an engineer other than a Manitoba Water Services Board, is that good enough for Manitoba Water Services Board, or do they have to also put their stamp on it such as your chief engineer, Travis Parsons.

Mr. Lemieux: As been—has been pointed out to me, that it really depends on the municipality itself. There are municipalities that have the financial wherewithal and the capacity to do it and pay for their engineer. Even though an engineer has stamped it and the municipality has paid for it, it doesn't mean that it's an automatic slam-dunk that the project is accepted. It still has to go through the process just like any other municipality would even if it's cost shared with the Province, it would still have to go through the process of having it—the project reviewed. But, having said that, I mentioned before that there are municipalities with the financial wherewithal and they want to expedite the project, so they will have an engineer do it and they will pass it on to the department and the Water Services Board will do it. But, having said that, the Province of Manitoba has a responsibility—I'm not sure if I should use the term social responsibility—but we have a responsibility to provide projects throughout the province, not just the ones that can come to the table and put cash on the table and say we want this project done.

*(15:20)

Same application can be done for roads. There are many municipalities that could equally come to the Province tomorrow and say: Look it: We have half the amount of money for a \$10-million road. Here it is. We want it.

Well, sorry. That's not exactly how it's done, because there are many roads and many priorities throughout the province that need to be addressed. So it's not just because someone has the financial wherewithal or the cash that the project just automatically gets slam-dunked and accepted.

So it's a—it's—and yet the need is there. The need may be great all over the province of Manitoba, including the people who have had the engineers—engineering work done. But it does go through our engineers at Water Services and they certainly review the application and the engineer document that's been stamped. And then it goes through the process. Then it would move on to the Water Services Board, the two deputies, Mr. Dobrowolski and Mr. Masi, and they would review the project.

But it is—there's no doubt about it. It's extremely helpful to expedite a process if a municipality takes it upon themselves to do the engineering. There's no doubt about it. In fact, that's why we have a—and announced recently in Neepawa, when the water treatment plant was open there, that we announced a

\$12-million pot of money to be accessible by municipalities to get them ready for the Building Canada Fund that is starting April 1st, 2014, to assist them to try to do the engineering up front. It doesn't mean that this pot of money will pay for all the engineering; no, far from it. But it will cost-share with municipalities to get their engineering work done, to be ready for the new Building Canada Fund program that has been announced recently by Minister Flaherty, approximately \$54 billion across Canada for 10 years.

So that's a recommendation that came from the department to me, to government, to help municipalities get ready for the new Building Canada Fund. So some can afford to do it on their own; some cannot. But it does help expedite the process. No doubt about it. That's why we want municipalities to get ready for the new Building Canada Fund depending on what their projects are related to sewer and water.

Thank you.

Mr. Pedersen: So can a project be—have engineering—can a municipality do the engineering studies on a particular project prior to getting funding approval for it?

Mr. Lemieux: We can—thank you very much, Mr. Chairperson. We can go around in circles all day. I mean, if the member would give me a specific example, I mean, I would try to deal with it specifically, if you don't mind, because, I mean, if there is one out there that there is some problem with or concern, I'd really like to know about it and hear about it.

You know—I mean, I know the member opposite's not involved in this I gotcha politics. He wants to try to get down to the basics and try to get answers, so I really appreciate that. So, if you could give me a specific example, I would try to address it as forthrightly as I can.

Mr. Pedersen: Well, the minister's right: I'm not into gotcha politics on this. So, in speaking with the town of Treherne, they have sewer and water pipes needing replacement. They told me that they would—were not—there was two elements involved. First of all, until they had financing they could not do—they were told they could not do the engineering for it until they had financing secured. And, secondly, they were not able to hire their own engineer. It had—the engineer had to be specified through Manitoba Water Services Board.

Mr. Lemieux: My apologies to my critic. I'm sorry. I was just talking to my deputy minister. So could you repeat the last part of the question? I got the beginning, the first part of it, dealing with the financial piece. There were two parts to it.

Mr. Pedersen: The first part is that the municipality was told that they cannot do engineering studies until they get financing approved for a sewer and water project.

The second part of it was they could not hire—they could only hire an engineer approved by Manitoba Water Services Board. In other words, they could not go out and sole source an engineer.

Mr. Lemieux: Thank you, thank you, Mr. Chairperson. I thank my critic for the specific question because that's very helpful.

The Water Services Board staff, the engineers within the Water Services Board staff have a lot of experience. They work and have worked with specific companies and people with that expertise. It's not every engineering company that can do this kind of work related to sewer and water.

And maybe I'm saying something that members opposite already know, but I just want to make sure I state that because the Water Services Board staff have worked with specific companies that have the expertise and have often given recommendations to municipalities as to the ones that they should use.

But I'm sure everyone appreciates that if someone comes to the Water Services Board staff, Mr. Shwaluk, for example, and says this is the kind of project we're looking at; I wouldn't say he'd be able to pin down that project to the exact nickel on what it would cost, of course not. But, because of the experience the Water Services Board staff have, they've got a pretty good idea on approximately the kind of money it's going to take. So that's where the funding piece comes into it, I would see anyway. I mean, I can be stand corrected by staff.

But you really have to be able to have your ducks in a row and your financing ready because if a water project or a waste-water project is going to cost you \$10 million and you don't have the financial wherewithal or you don't have the money or you don't have the borrowing capacity because you've already borrowed so much money on a previous project of some kind and you're going to have difficulty, then Mr. Shwaluk, I'm sure, would work closely with the municipality to try to address that.

And so I'm just getting some clarification on a number of those details. But I think intuitively, I think most people would say you know, you better make sure you've got the cash before you do your engineering. Like why pay for the engineering if you don't have the capacity to pay for it, if your engineers come back and say this project's going to cost you \$10 million and they don't have a hope of raising that kind of money or accessing that kind of money, cost-sharing it through a Building Canada Fund one third, one third, one third or other—excuse me, another program—it would be very difficult for them.

So I think that's the value of Mr. Shwaluk and the staff, they work closely with municipalities and municipalities respect their opinion and also the recommendation of which engineers to use because they have a long history of many who have that expertise in dealing with those type of projects.

Mr. Pedersen: So it still doesn't really answer my question though, because if—there's enough water and sewer projects around that both municipalities and the water—Manitoba Water Services Board have a pretty good idea on X number in—if we're using Treherne as an example, X number of blocks, it—so much a block to replace water and sewer.

So, again, I'm a little confused on this, do they have to have the funding in place? I know they have to have the capacity to borrow for approximately, but do they have to have the funding in place before the engineering of the actual project can begin?

*(15:30)

Mr. Lemieux: Well, I think, you know, when you're talking about the financial piece, is it absolutely a hundred per cent necessary that they have every single penny and that they've got the, you know, \$10 million in the bank, ready to go? No, no. But I think where Mr. Shwaluk and Manitoba Water Services Board staff play a valuable role is that, there's a couple pieces to this, is that, you know, realistically, is this project going to go ahead? Do you feel it can move ahead? And do you have the ability to pay for it?

And the other piece of this is that, you know, how much money that the Water Services Board have to put towards a project like this. There are many—it's always oversubscribed, the kind of budget that the Water Services Board has, is—I'm not sure what the odds are, whether it's 3 to 1 compared to the financing that's available through the Water Services Board to help fund some of the projects, but

what exactly that number is—but it's always oversubscribed, whether it's Community Places grants or whether that's the Building Canada Fund, it's always—there's always more requests than there is money, regrettably. And that's part of the challenge.

So is it absolutely necessary they have every penny in the bank ready to go? No. But I think that to be pragmatic about it, the Water Services Board staff play a real important role to try to lead people in a way, and guide them, that this is what you're talking about as far as costs, and do you have a—there is a real—realistic opportunity that this can happen? Because if you're going to go out and pay, you know, half a million dollars for an engineering firm to do your project for you, and you know, the opportunities to actually get it done are slim, then it's a real problem.

So, the specifics on Treherne, I'm attempting to get the specifics, because in every project, you know, in my humble opinion anyway, in the 14 years I've been in this building, the—approximately 14 years—that it's not always as it appears. There's always subtleties to every project that may be just slightly different. And that's why you have good staff. But it's not always so cut and dried; it's not always so black and white, when a project comes to the Water Services Board or to MIT or to Local Government or Building Canada Fund. There's always something that is unique to a project that makes it somewhat different than the one just down the road. And that's why it's best to get the specifics, maybe, on Treherne, so I'm attempting to do that. Thanks.

Mr. Pedersen: Under the—page 59 of your Estimates book, you have Sewer and Water Projects, \$10,813,000 and—of which you are calling Recoverable from Building Manitoba Fund. Is—am I, first of all, let's start, is that the budget for capital expenditures for this year?

Mr. Lemieux: Well, thank you very much for the question, and the member, my critic, is correct. It's just over \$10 million for capital. But we added, this year, in Budget 2013, an extra \$4 million to the Water Services Board, and two is for engineering—\$2 million was to be for engineering, and \$2 million for new capital projects.

Mr. Pedersen: So this is a similar—this \$10.8 million is similar to the Estimates for last—2012-2013. How much was spent on capital projects, actually spent on capital projects, in 2012-2013 out of the budget \$10.8 million?

Mr. Lemieux: Every dollar was spent on capital projects.

Mr. Pedersen: And could I have a—could you provide me with a list of those that were then spent in 2012-13? And also what I'm looking for is a list of—do you have a list of projects now that are approved to date for 2013-14?

Mr. Lemieux: I'll endeavour to try to find the list of projects that were done. As I mentioned, every dollar was spent, which is a good thing, and there are many, many valuable projects that took place throughout the province. I don't have them at my fingertips, but I'll endeavour to find them.

Mr. Pedersen: And then looking into the budget for 2013-14, you're saying now it's \$14.8 million. Do you have a list of approved projects to date? Or—I know it's always oversubscribed—has it been allocated for this year or what—where are you at in terms of the budget?

Mr. Lemieux: If I could go back maybe just to a previous question with regard to Treherne, I just received some information from staff and it was mentioned that—to me, that main water renewal project, it's—Treherne can do the engineering study without financials in place, and that's been clarified. And if Manitoba Water Services Board has funds, we'll certainly look at cost-sharing the engineering study, and Treherne can certainly choose their own engineer, whoever that maybe be. And because that's—it's very, very specific. There's a—you know, there's not that many that do the type of work that is being asked to be done around the province, and, well, certainly, Treherne can choose their own engineer, and financing has to be in place before construction begins. I think that's important because you don't want—you know, I mean, I think that makes a lot of sense probably to everyone.

And the question that was asked before about—*[interjection]* Oh, a list of projects—sorry. Yes, a list of projects. There hasn't been, to my understanding anyway, that there hasn't been an absolute confirmation on every project and every dollar allocated, but Mr. Shwaluck is going out and talking to many of these projects—communities that have the projects, just to reconfirm a few things and to look at the projects themselves, and then we'll be coming back again with some advice with regard to these projects.

Mr. Pedersen: I'll pass that information on to Treherne, then, because that was a concern of theirs.

So I'll pass that on to Treherne town, when I'm talking to them.

And so there are no projects currently approved for this fiscal year that are ready to go? They're all in the proposal stage, then, in 2013-14?

Mr. Lemieux: Yes, I've been advised by staff that the budget, that \$10.8 million, many of the projects have been looked at for that particular amount. Now, government, through the new—the Budget 2013, have allocated to the Water Services Board an additional \$4 million, as I mentioned—\$2 million for engineering and also \$2 million for new projects. So throughout—well, based on that \$14.8 million, the projects, as I mentioned, have not all been—none, quite frankly, have been all kind of nailed down, or my understanding that I've been advised that no letters have been sent out, no confirmation to all the projects, who's been accepted, who has not.

* (15:40)

But the Water Services Board has an idea of some projects that Mr. Shwaluk is working through and talking to some of these communities and have gone back to them. So I don't have that, so—but I know that this will continue and again the hope is to spend every dollar we have on projects because it's really oversubscribed.

Mr. Pedersen: These projects, then, do they have to be completed in this fiscal year? Or once they're approved—this—your portion of this, 14.8, let's use the 14.8 then, does it have to be spent in this fiscal year or is it—is the—once the project—and some projects are much larger than others—may not necessarily be completed by fiscal year-end—is there a requirement when they have to be finished then? Is it within the same fiscal year or is that part of the agreement that they can roll over into the next year?

Mr. Lemieux: The—it's a good question because some projects are larger than others and they do take a couple of years or over the span of a couple of fiscal years, not calendar years, and these projects are cash flowed and there is a capital plan, a five-year capital plan in Water Services, and—but he is correct, that there are projects that are larger that cannot be completed within that particular fiscal year.

That was the challenge actually with the shovel-in-the-ground stimulus program that the feds came up with and the municipalities and the Province. We worked very closely on this to get back to the feds, to explain to them that this was extremely difficult for

many projects to be completed because weather could cause a problem, there could be many delays, many reasons why projects are delayed or carried over, just taking longer. So the federal government in their wisdom, and they should be thanked for it, Minister Baird, Minister Cannon before him, also Minister Lebel, for listening to Federation of Canadian Municipalities, AMM, the provinces across Canada, including Manitoba, asking them to cut us some slack, essentially, with regard to projects like that and not cut us off, because the intent was if you didn't have your project done they were going to claw back their money, and then the municipality and the province essentially would be left on the hook to pick up the cash.

So I just want to take the opportunity to thank Mr. Lebel and Minister Baird before him for seeing the wisdom in allowing projects to have some extra time to make sure they were completed. Thank you.

Mr. Pedersen: So how is it fiscally—handled fiscally when you have, you know, use 14.8? You approve projects and the money then would not all be dispersed before the end of the fiscal year because you're running on March 31st fiscal years, how is that accounted for? Does that money go back into general revenue? Is it added on to next year when it's not spent or how is the money allocated on a capital project not completed—money not disbursed before the end of the fiscal year?

Mr. Lemieux: Mr. Chairperson, I think the best way I was—we were discussing on how to explain this—or trying to explain—is that there's a budget, \$14.8 million; there's also a five-year capital plan. Projects are approved, and it's a rolling capital plan. It's rolling projects out. Some projects will roll into another year. They will always have money. Some projects spend less than what maybe they've been initially approved. Others will spend more, but essentially these projects will be funded in a way that you're not going over your budget. You're—you've got a specific budget, but every dollar is spent. So, if you've got that five years—if you take a look at a five-year snapshot, you have projects that roll into the next year and it keeps rolling.

I know Saskatchewan—when I was MIT minister—they used a very similar rolling plan with regard to their highways projects and their projects rolled into next—into the next year. They—a lot of projects were not finished in a particular fiscal year, so they just kept rolling and they continued to do that. And, in fact, the Manitoba Heavy Construction

Association continues to ask for that, to having a rolling plan.

And—but this is what happens with regard to water projects under the Water Services Board. So the best way to describe it: It's a five-year capital plan that has rolling projects and projects roll into next fiscal year and are funded at the approved rate. Some are less; they don't spend as much as what the approval may have been. But some, for whatever reason, may cost more, and so that is addressed through this rolling projects and five-year plan.

Mr. Pedersen: So of this \$14.8 million out of your capital plan—and it's coming out of the Building Manitoba Fund—is this money, then, matched by municipalities? Is there federal money in this? I know there's Building Canada funds, but I'm—please specify whether that money is there yet.

This is Manitoba's portion—is the 14.8, so are municipalities matching dollar-for-dollar? Is it one third, one third, one third, or what is the funding arrangement right now?

Mr. Lemieux: Yes, Mr. Chairperson, I've been advised that majority of the projects are 50-50 where the Water Services Board—it's not the full amount that's being paid for by the Water Services Board. Often it's 50-50 with municipalities.

And some northern communities, it may be more because of their uniqueness in the sense that they may have not only harsher conditions geographically, but also weather-wise and so on. So it's—it may vary, but essentially it's 50-50. It doesn't always have to be, but that's how this—the budget from the Water Services Board capital plan is funded.

Mr. Pedersen: And, just for clarification, the Building Canada funds has not yet been approved. It's not been implemented yet. It's next year if—or you'll please clarify when it comes on stream.

Mr. Lemieux: Well, I'm pleased to talk about this a little bit, because it's (1) thank you, Prime Minister Harper, (2) thank you, Minister Lebel, (3) thank you, Minister Flaherty. Thank you to all provincial governments and territorial governments for all seeing—and FCM for that matter and municipal associations across Canada. Everyone came together saying we needed a better plan.

* (15:50)

And I want to say specifically a thank you to Minister Fletcher in Manitoba. We did a

consultation, regional consultation meetings in Manitoba but also western Canada and across Canada to find out what, not only how long should this program be, what kind of dollars are we talking about, well what kind of criteria and what kind of projects should fit into the new Building Canada Fund.

The current one we're in, all the dollars and projects have been really allocated. The projects have been dealt with. So this is not the case in all provinces across the country, but Manitoba essentially the current program everything has been allocated and everything's been taken care of.

So this year, this program ends next spring, March 31st, but the new program—thank you to the federal government, it's their program and they're bringing it forward on about, I think it's approximately \$52 billion across Canada. Each province has a per capita share essentially, and there's some specific they may allocate other dollars to out of that pot of money. But that starts April 1st, 2014.

I'm pleased to be the minister responsible for the Building Canada Fund, and we are going to be entering negotiations with the federal government because there's bilateral agreements that each province works out. There's essentially an agreement amongst provinces across Canada as to the focus and where the majority of the dollars should be spent, whether it's sewer, water, recreation, highways, bridges. And, essentially, there's an agreement across the country where the majority of the dollars go.

The—and I have to thank actually Minister Lebel and Minister Flaherty and the Prime Minister, they have agreed that there has to be flexibility by the provinces, because it's unique, whatever happens in Alberta compared to Saskatchewan to Manitoba to Nova Scotia, each province has to be allowed the flexibility to work in concert with their federal counterparts in that province to determine what it is specific to them or maybe unique to them or a huge need for them, and it's different across the country.

So, essentially in Manitoba, on the current program we're still cash flowing projects under the last Building Canada Fund and—but it comes to an end next spring and the new program will start. And many of them, again, I believe it was, I think Minister Fletcher stated that about 60 per cent of the projects on the current Building Canada Fund were spent on sewer and water projects. That was—that's—that was the big dollar. In fact probably two thirds,

around 66 per cent of the projects were sewer and water, and others with the highways, roads and other projects.

So many are anticipating—because it was oversubscribed, many are anticipating many people missed out on their sewer and water projects. And many are anticipating that it could be again as much as 60 per cent spent on sewer and water, on the new program over 10 years. It's a 10-year program. So maybe I'll just leave the answer at that.

But we sure look forward to that new Building Canada Fund project. Everyone asked for it; everyone wanted it. And, of course, each province has to have the ability to match it because they have not changed the formula, even though we asked them to change the formula. Smaller communities do not have the ability to tap into that Building Canada Fund.

And so we continue to ask them to look and be flexible on the funding formula. They said, no, it still has to be one third, one third, one third. So part of the PST increase for us was to be able to match that federal government program. We didn't want to leave money on the table; we certainly want to take advantage of that.

So we really look forward to that program starting, and the sooner we can get into the negotiations with the federal government and they're saying that it'll be sometime later this year that we'll start discussions.

Mr. Pedersen: Is the Manitoba Water Services Board overseeing the rural water pipelines?

Mr. Lemieux: Just I guess on the clarification, a point of clarification, I'm not sure what water pipelines. Is this—I'm sorry.

Mr. Pedersen: Rural water supply to rural—water—potable water supplies to rural residents in municipalities, and it—there has been a lot of it done. There is a lot more to be done. Is the Water Services Board—oversee any applications for rural water distribution to rural residences?

Mr. Lemieux: It's an important question because when the PFRA had water lines and paid for water lines, it was a separate federal program. A few years ago, the federal government—which is their discretion—they cut that program and they made a concerted effort to put and bundle some of that PFRA money into the Building Canada Fund at the time.

So Water Services Board does not have the financial ability to start running water lines all over. Their focus is really on waste-water treatment and water treatment plants. And that's where a lot of the monies are expended.

But, when a program like the Building Canada Fund comes along, some municipalities, I understand, have applied to try to get, whether it's a water co-op to extend those water lines from the treatment plants, but it is something that, when the PFRA program—and I have to say that, out of that PFRA program, it's supposed to be—this is supposed to be a program for the prairies, for Saskatchewan, Alberta and Manitoba, but Manitoba really took advantage of, I would say, more than half of that pot of money. So, when that pot of money was bundled into the new Building Canada Fund which is current—we're currently in, that really took quite a few dollars away from Manitoba to extend those lines. And now it's left up to the Building Canada Fund or another source just to run those lines. But the Water Services Board primarily is focused on funding—capital funding the treatment of waste and treatment of water.

Mr. Pedersen: So next year, under the Building Canada Fund, will rural municipalities be able to apply for rural water—either extensions or—in most cases it is extensions—filling in some holes, if I may call it—in terms of service in their municipalities. There's some municipalities who would like to get started on rural water projects. Under the Building Canada Fund, will that then—will those projects, rural water to rural residences, be eligible as a project for one third, one third, one third funding? And I mean, one third Building Canada, one third Manitoba Water Services' capital budget and one third residents.

Mr. Lemieux: Well, thank you for that.

That's part of the bilateral negotiations that we have to get into the federal government—with the federal government. We haven't got into that yet, to take a look at the specifics of the program. But we're going to later this year, hopefully before December, to talk about what kind of criteria are they talking about. Are they talking about water lines, sewage treatment? I would expect that all of the above will be part of what will be acceptable because it is a federal program. The federal government, even though they—well, they're consulting with us on what kind of programs each province want—it really is

their program and they will—they can be specific as to where they want the dollars spent.

So, having said that, you know, each province has expressed what their needs are to the federal government and what provinces are looking at. It varies; the Yukon varies compared to what maybe Saskatchewan wants. And provinces are different, that's why we're asking for the flexibility. But we don't get in—we're not going to be getting into those negotiations, really, probably, at least until December, at the end of the year, with Minister Lebel and the federal government and their officials.

Mr. Ted Marcelino, Acting Chairperson, in the Chair

* (16:00)

So we are consulting municipally with AMM and others, asking what they feel their needs are, and Doug Dobrowolski and the executive are passing on their advice to us, what they're hearing throughout Manitoba, and where they think the priorities should be when we—when I speak to Minister Lebel and we get into the bilateral negotiations.

So that's really where it stands right now. But I have to, again, commend the federal government for their program. It was truly needed, and we're certainly grateful that their program is going to cover a 10-year period, and, of course, that's a 10-year period where our PST is also matching that 10-year federal Building Canada Fund program.

Mr. Pedersen: So what is the Province's position on this? Is this a priority item? All infrastructure, water, sewer projects are priority, but is—does it include rural water distribution lines?

Mr. Lemieux: Well, as a Province of Manitoba, I mean, there are a lot of priorities that need to be addressed. I guess everything's a priority. But it really depends on where the federal government want to—and are really looking at putting their dollars, and this is something that we need to have further discussions, quite frankly, with AMM. And I have to say that the—we have worked closely with AMM on many files. And if people were to take a look at, for example, just amalgamations or the discussion of PST and the distribution of PST, and should AMM just get a cheque from the 1 per cent increase of PST, those kind of discussions, we may disagree on some things.

But fundamentally, there are many, many issues that we do agree on: reducing red tape on single-lot developments, reducing—taking a look, quite frankly,

at the Building Canada Fund, where we worked extremely closely with FCM, Karen Leibovici, who is the president, and also working with Doug Dobrowolski, the president here in Manitoba and his board, on trying to come up with where the priorities may be.

And I think that's the—I want to stress that point, because often when people read the newspaper or listen to the news, you would think that there was no disagreement, or there wasn't any agreement on anything related to the Association of Manitoba Municipalities and the Province, or the City of Winnipeg and the Province. That's totally not true.

There are many, many areas where we're working closely on, and we try to compartmentalize them and keep them separate to keep those discussions—yes, we may disagree on some things, and we continue to work on those, but there are many areas where we agree on and work closely, hand in hand, to really put, you know, to be really working closely with each other when we're approaching the federal government and trying to work with other provinces.

And I'm really proud of the fact that Manitoba's association, with the Manitoba association of municipalities, is really highly respected across the country, and at FCM in Vancouver, many people talked about our relationship and how closely we are working. It's not the same across the country with many provincial governments and their municipal associations, for a lot of reasons. I'm not passing judgment on anyone, but I'm just saying that we are proud of our relationship we have with the AMM, and that does not mean we agree on everything, that's for sure, but we do have a very respectful working, I guess, relationship overall.

Mr. Pedersen: Just one other question on here. Is Manitoba Water Services Board responsible for training water plant operators? Water treatment plant operators have to be certified. They have to be licensed. There's different levels of licensing. Is Manitoba Water Services Board—do they do that training, or where does that training happen?

Mr. Lemieux: Thank you for the question. Water Services Board does not give final approval or stamp of approval to people who are the—in charge of the water treatment plants.

Mr. Pedersen: So is it—do you know which department it is that does it? Is it Labour, or do you—

can you give me a heads up as to which department actually does the training and the certification?

Mr. Lemieux: It is done through Red River community—Red River College. It used to be Red River Community College. They're the ones who do the training, and I believe—I can find out. I have to take it as notice. I believe it's former—not sure if it's the Department of Labour or not or whether it's Water—Conservation, Water Stewardship, I think, may be the ones. But I'll have to clarify it. It's not—it's certainly not Local Government or any branch of Local Government.

Mr. Pedersen: Just to recap. When I asked you for the capital projects list approved for the 2012-2013, just to be a little more specific then, the specific projects and the cost breakdown in terms of Manitoba Water Services Board or any other department, municipal portion, private business if it happens to be in there—whatever the cost-sharing basis breakdown is of that, and both on finished and unfinished projects. In other words, that's the projects that were approved for 2012 and '13, and we know some of them may not be finished yet, but I would like to have that list of all those that were approved and again, both finished and unfinished in this fiscal year.

Mr. Lemieux: And I would be remiss if I didn't introduce the people at the table with me. I'm sorry for that.

Linda McFadyen, my deputy minister is here. Also, Laurie Davidson is assistant deputy minister responsible for infrastructure and municipal services. Brian Johnson [*phonetic*] is the director of financial administrative services and Karlene Debance, who's the director of the Canada-Manitoba agreements, which is the Building Canada Fund. And Karlene and—has done a lot of work with regard to the Building Canada Fund over the last number of years, working closely with the federal government and her counterparts across the country on the Building Canada Fund. And I'm certainly pleased, of course, to have Laurie Davidson and Brian here—Brian Johnson—they've worked and done a tremendous job with Local Government, and there has been changes over the last number of years in Local Government from Intergovernmental Affairs, and they've been able to do a great job for me personally, but also for the citizens of Manitoba.

Just wanted to address the question with regard to projects. I don't have them, but I will, you know, I'll certainly try to look for them and see if I can find

them and take a look at what was approved and—but, as was mentioned before, that all the capital money is spent, but it's the projects themselves that have the five-year capital plan and projects roll over—well, as the member from—my critic mentioned that he understands that it goes—they may not end in one year, in one fiscal year; the projects themselves will roll over into another year.

Mr. Pedersen: All right. Thank you very much for that. I look forward to getting that information in a timely manner.

Under a different board under—in your department, the Municipal Board, could—would the minister—could he list who the members of the Municipal Board are?

Mr. Lemieux: It's—I can provide you with a list of that if you—because I will take—it'll take—we're just looking up the list now, and it'll take some time to not only find it, but I certainly can provide you with the names and who the individuals are.

*(16:10)

Mr. Pedersen: Written copy is quite fine. You don't need to read them all in. Save you the embarrassment of mispronouncing names, which we all want to avoid.

So, all right. The—what is the qualifications and the terms that board members are appointed?

Mr. Lemieux: Mr. Chairperson, just to name a few on the board, let's use Gordon Daman for example. Gordon Daman, Red River appraisers—Gordon Daman is a former mayor and a strong leader and advocate in his own community in Niverville, is on that board, and I know the member for Steinbach (Mr. Goertzen) knows Mr. Gordon Daman personally and certainly would vouch that he has the expertise and the knowledge, and my critic probably knows him, too. And Gordon is an upstanding, outstanding leader in his own right and is a very good advocate for his own community but also has the knowledge to be a good board member on the Municipal Board.

You have, also—who else might be on here? You have Marie Elliott, who's on the board as well. Marie Elliott, former deputy minister of Intergovernmental Affairs, I believe it was called then, before it was changed to Local Government. All the expertise that she has coming forward, and she is another one who is—has great experience, a lot of experience in municipal affairs.

And there are other individuals, like, I believe, the former reeve of the RM of Morris, I believe, is another person who is on the board. And—so you have people who have experience in municipal affairs and people who have some knowledge in the kind of issues that come forward to the board. And we're very lucky, actually, very fortunate to have people with that kind of experience on the Municipal Board. They deal with a lot of issues that are really important to municipalities, and we're pleased to have them.

Mr. Pedersen: So, without dropping names and naming names, you can send me the written list, and that's quite fine with me.

What is the criteria for appointing a member—a person to the Municipal Board?

Mr. Lemieux: Yes, again, it's certainly based on their expertise, but also, you know, good citizens of Manitoba who are knowledgeable in, certainly, municipal affairs and issues related to the issues that come to the Municipal Board. But, again, it's agencies, boards and commissions who, you know, we'll certainly screen, look through their applications. And we get many applications from many people who wish to serve their province, and it might be an exaggeration to say that there's a—there are people lined up and the list is long, from here to Churchill, that people want to serve, but there are a lot of people that wish to serve on boards in Manitoba and this board is no different. I'm sure there's a lot of interest shown in this board, but agencies, boards and commissions take a look and certainly look at the applications and do the best they can to match up individuals who are applying for the particular board with their knowledge base and try to make that connection.

Mr. Pedersen: So, just to understand the process, does the minister forward names to the ABC?

Mr. Lemieux: Yes, they're order-in-council appointments. They go through Cabinet, and it's a Lieutenant Governor-in-Council—order-in-councils that approve them. On occasion, people will send me a letter saying that they would like to be on a board, and I'll forward that on; I'll pass that on, not necessarily with any recommendation, but just to make sure I pass it on. They may know me because they met me at some meeting and they talked to me about it and they're showing an interest to try to volunteer their services on many different boards, and I'm sure that probably happens with many other ministers.

But—and they will send letters to government, just government in general, saying that they would—they feel they have enough expertise to make a difference and they want to contribute some way. And so it happens by various means, but they were certainly looked at and discussions are taken and people approve and then it goes to Cabinet for final approval of whoever they may be. Again, it's—it can be a two-year, three-year period. It varies and I believe we talked about this yesterday. You don't want to get rid of a whole board all at once. You want some experience there. So it's staggered on the years that they're appointed or, I guess, appointed and dis-appointed and taken off the board.

Mr. Pedersen: But, again, two or three years is rather vague. Is there a set period of time? Is there a set amount of time that they can be on the board or a number of terms, whether it's a two-year or whether it's a three-year term? Is there a set time they can be there and then they have to step off, or what is the criteria for remaining on the board?

Mr. Lemieux: I believe under The Municipal Act it states that they're three years, but many start at—had started at different times, so, yes. So they're three-year appointments, and if they are not dis-appointed, they will just continue even past their date, you know. If they have the year 2014—that's the end date, and if they are not taken off the board, they will just continue until a replacement or—excuse me, until they're notified that they're no longer on the board.

And so, if you take a look at the 25 people or so that are on this board, there are enough people with different expertise that the chair can pick and choose depending on the situation or the issue before the board. There are plenty of people who are there that would have the expertise to deal with the particular issue.

There have been men made—in fact, many have made suggestions over the years of actually using possibly a system that's used in the United States. In the United States, they have—I'm trying to, I'm searching for the term—more permanent board members, and where you have a specific board that is really permanent in nature and they're compensated accordingly. But they're more permanent. It's not a board of made of 25 people where the chair would draw on these different 25 people.

They're a specific board where you would have, you know, eight people and those are the individuals

that would be a permanent, more permanent civil servants, if you would. And so people have been throwing those ideas around Canada, not just in Manitoba but throughout Canada because it's used in the United States, and where you have these quasi-judicial boards that have specific training, not necessarily legal training, but they have—the positions are more permanent. I guess that's probably the best way I can summarize it, and they are people who are appointed for a particular period of time, but they are permanent and as opposed to volunteers on the boards that we have.

Mr. Pedersen: So how often does board, the Municipal Board, meet, and does it have committees or—do they meet as a whole or are there committees that have specific duties?

Mr. Lemieux: To address the question of, you know, how are they selected or how often do they meet, it's really on a need basis, and depending on the issue itself it's up to the chair to select a panel. And the panel that would be selected by the chair would be, I would think, he would use the expertise of the people that, in this particular case, he has, and he would inform them and the panel would come together. So they could meet as often or as, you know, less as the issues come forward. Sometimes it's appeals on different issues. Sometimes there are more than less, but it's really up to the chairperson to select the panel and then be able to deal with the issue. And sometimes there are issues more complicated than others, and it would take longer to resolve that. But it's really up to the chairperson to pick the panel.

* (16:20)

Mr. Pedersen: We may come back to the Municipal Board. I'm sure we will later.

Is the—would the minister explain the financial audit process that municipalities have to go through, that municipal—municipalities complete, both in terms of budgets and final audited financial statements? Would he please explain the system?

Mr. Lemieux: Mr. Chairperson, maybe what I'll do is I'll start with the Public Sector Accounting Board and the standard that's used across the country. As of 2009, municipalities started using this accounting—I won't call it an accounting principle—it's accounting standard that federal government, the provincial governments have used it for years and years and just recently, as of 2009, municipalities have started using this particular standard. The onus on—is on the

municipality to select who does the audit for them and the onus is on them, it's up to them to have their annual statements or annual—to have an annual audit done, just like any other organization. You're audited annually and it's up to the municipality to have that audit done.

We've talked recently about how municipalities who have not had their audits completed on time have missed out on the federal gas tax dollars. I don't want to belabour the point but—and it varies from year to year. In fact, even the City of Brandon, for example, was late at one time, I believe. I stand to be corrected, but I believe, you know, at one occasion they were late. So it's not just necessarily population of 200, a municipality that is leaving gas tax dollars on the table; it can be larger communities. But this is a criteria, part of the 'grass' tax criteria that the federal government have and I've referred it on occasion to members in question period, that this is regrettable because the gas tax is sitting there and they haven't had their books audited.

And so, it varies from year to year. Some go back that haven't had their—they do not have audited—they have not been audited or have it—their audits completed for going back maybe three years even. And—but they are catching up and I believe that my Department of Local Government is working with AMM, and I know Doug Dobrowolski has commented on it to his membership, I believe. I'm—I believe it was even recently at their association, annual association meeting, really imploring municipalities to get this done.

Now my understanding is that it wasn't easy for municipalities to use the standard of—the Public Sector Accounting Board but, again, the onus is—it's the accounting community that wanted to use this standard. And so since it's up to the municipality to select who they want to do their audits, it's this process that they have to use.

So, maybe I could just conclude by saying that this is a standard now that's used across the country. Municipalities are very much aware of it. It's—came into effect in 2009 for municipalities. Many are trying hard to catch up if they're behind and they don't have their statements audited—or if the municipality has not been audited and they don't have that in. And I know that they're making best efforts.

The concern, for me, was when this was raised about how they're short of money, when I did the regional meetings a couple of years ago, it came to

my attention that many were leaving gas-tax money on the table, because that was a federal imperative or criteria that if they didn't have—if they were not audited, they would not be able to access the money.

Now, to be fair to those municipalities, in some cases, it may be \$50,000 for municipalities, but if you're a small municipality, \$50,000 is \$50,000. And yet, the concern is if you're a larger municipality, you're talking about gas tax that could be \$300,000 or \$500,000. If you don't have that audit done, you're missing out on that kind of money.

So, maybe I could just conclude by saying that it's a standard that the accounting community wanted and used. And the federal government, provincial government and municipalities now are all using it.

Mr. Pedersen: So let's just step back for a minute. Municipality has to submit a budget. What's the deadline for submitting a budget to the department? This is just submitting a proposed budget to the local government.

Mr. Lemieux: Yes, it's the month of March.

Mr. Pedersen: So a municipality out there—large, small, urban, rural—submits a budget—proposed budget in March to the department. What happens in the department to that?

Report

Mr. Rob Altemeyer (Chairperson of the section of the Committee of Supply meeting in room 255): In the section of the Committee of Supply meeting in room 255 considering the Estimates of the Department of Agriculture, Food and Rural Initiatives, the honourable member for Lakeside (Mr. Eichler) moved the following motion:

THAT line item 3.1.(a) the minister's salary be reduced to \$1.08.

Mr. Chairperson, the motion was subsequently defeated on a voice vote, and subsequent to that, two members requested that a counted vote be taken on this matter.

The Acting Chairperson (Ted Marcelino): A recorded vote has been requested. Call in the members.

All sections in Chamber for recorded vote.

Mr. Chairperson in the Chair

Recorded Vote

Mr. Chairperson: Order. The one hour allowed for the ringing of the division bells has elapsed, so I'm

directing that the bells be turned off and we proceed to the vote.

In the section of the Committee of Supply, meeting in Room 255, considering the Estimates of the Department of Agriculture, Food and Rural Initiatives, the honourable member for Lakeside (Mr. Eichler) moved the following motion:

THAT line 3.1.(a) the minister's salary be reduced to \$1.08.

This motion was defeated on a voice vote and, subsequently, two members requested a formal vote on this matter.

The question before the committee then, is the motion of the honourable member for Lakeside.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 17, Nays 28.

Mr. Chairperson: The motion is accordingly defeated.

* (17:30)

Mr. Chairperson: This section of the Committee of Supply will now continue with consideration of the departmental Estimates.

And will resume consideration of the Estimates of Local Government.

Would the minister's staff please enter the Chamber.

Mr. Dave Gaudreau, Acting Chairperson, in the Chair

The Acting Chairperson (Dave Gaudreau): Now calling Estimates back to order and the minister had a response.

Mr. Lemieux: Well, thank you very much, Mr. Chairperson.

Budgets by municipalities are due in May and it's a requirement that they do submit them to the department. It's not a matter of the department because it's a legal requirement, the department does not approve it as such, but it's just a requirement that they submit it to the department.

Thank you.

Mr. Pedersen: So, when that budget is submitted in for tentative approval—when the budget is submitted for tentative approval in—before the end of March how many—what staff looks at it? Or what is the

process within the department in terms of staffing requirements?

Mr. Lemieux: Mr. Chairperson, it's not a matter of tentative approval or approval at all. It's just a legal requirement just to submit it. There are MSOs that take a look at it; there's also financial people that look at the budget.

Primarily, what it is, is to ensure that people aren't running a deficit and that there's no glaring errors that jump out where there may have been a slight mistake or error in their submission.

Thank you.

Mr. Pedersen: So is it MSOs that look at it or is it staff within a department that looks at it other than MSOs?

Mr. Lemieux: Yes, MSOs are staff, like they are staff within the department and there's a financial person on top of that, that also looks at it, as well.

Mr. Pedersen: So what's the qualifications of the staff that look at it? Are they accountants or are they—what qualifications do they have to look at a financial statement?

Mr. Lemieux: Yes, there's—the qualification is by virtue of their experience of dealing with municipalities and having looked at many, many budgets before. They're able to do a comparison and there is a system they have at looking at budgets and taking a look and there's a—I understand, at least I've been advised that there's a standard to the way they're submitted and they're certainly, if there's any glaring errors or omissions or something that would jump out, that they would be certainly recognized or looked at.

Mr. Pedersen: And what is the turn-around time on those approvals? Of the budget.

Mr. Lemieux: Yes, these are staff that look at the budget. It's a budget, I guess their draft budget, or a budget certainly, it's not a financial statement, it's not an audited statement. I mean, that's something that the municipality has done and that's really the process.

And, sorry, just to conclude, there are people with financial expertise in that team that have the expertise then and have reviewed many, many of them. Thank you.

Mr. Pedersen: Well, what I'm looking for is how many people are on this team? How many people are

involved in reviewing budgets submitted by the end of March?

Mr. Lemieux: Yes, there's four MSOs, and a financial person and they can call in other people as need be, depending on what questions they may have, or what complications they may run into. But there are some key municipal dates that really should be noted, May 15th, financial plan is filed; and June 15th, Tax Levy Bylaw; August 31st, council appoints an auditor for audit of the 2013 financial statements, to use 2013 as an example; October 10th, the municipality provides name of auditor to the minister, no later than 40 days after that appointment; and March 15th, 2014, submits unaudited statements; June 30th, 2014, approval of 2013 prior year's deficits; and June 30th, 2014, auditor submits audited financial statements to council and minister, six months after the 2013th year, ending December 31st.

So financial statements and budgets, obviously two different things, but this is related to their financial plan filed and also throughout the year basically from May 15th to June 30th.

Mr. Pedersen: Just missed—May 15th financial plan is filed, what was the June 15th deadline? What was on that?

Mr. Lemieux: So June 15th is the bylaw with mill rates and that's what they have to—that's what the June 15th date is.

* (17:40)

Hon. Jon Gerrard (River Heights): Let me refer you to page 7 of the Estimates book, schedule 5. There's an item there which is expenditures on capital grants at \$291,306,000. So my first question is how much of that \$291 million would be an eligible expense for money which is raised through the increase in the PST from 7 per cent to 8 per cent.

Mr. Lemieux: Yes, the answer to that is all of it. All of it is PST.

Mr. Gerrard: Okay. Is any of that money, which comes—a fair amount is in the Building Manitoba Fund. Is any of that money flow-through money from the federal government, or is that all specifically provincial money?

Mr. Lemieux: Yes, it's all provincial, all provincial money. It's not federal.

Mr. Gerrard: Now, are there any other expenditures in the department which would be on infrastructure

and eligible for accounting through the—or funding through the money raised by increasing the PST?

Mr. Lemieux: The Department of Local Government—thank you for the question. The Department of Local Government provides monies to municipalities by virtue of grants and so on. There is no capital works program or capital program through Local Government. It's a funding source. We fund municipalities through grants and so on.

Mr. Gerrard: Yes, that's quite helpful. Thank you.

In the budget and the budget papers—I don't know if you have that book, but on page 7–17, rather—there is a list, which is of \$1.8 billion roughly to be spent on, I think, primarily—well, it's capital investments, and I'm just wondering whereabouts the \$291 million would appear in that list there, whether you know.

Mr. Lemieux: Yes, well, if you'll—if you bear with me for a second we'll try to find that and maybe if you have another question we'll look for this answer while—thank you.

Mr. Gerrard: Well, perhaps—yes, they're in the middle of discussing it, why don't I let them.

Go ahead, I'll wait for you to decide.

Mr. Lemieux: The document I have, just a point of clarification is the—and I'm just trying to find the page that the member is referring to, it's this one I have—I have is Budget–2013 Budget and budget papers.

An Honourable Member: Yes, that's the one.

Mr. Lemieux: On page? I'm sorry—

An Honourable Member: Page 17.

Mr. Lemieux: Mr. Chairperson, 17.

Okay, thank you, Mr. Chair, we're going to look at this just for a minute. Thank you.

Thank you very much, Mr. Chairperson.

I—we're going to have to take this of—as notice, just to review it, to make sure I'm going to be giving you an accurate answer, that's all.

So, but thank you for the question and we'll look at it and I'll certainly—we'll try to get back to you as soon as we can to—with the answer.

Mr. Gerrard: Yes, I'm wondering on the \$291 million of capital expenditures, is there a

breakdown in terms of how much is for highways, how much for bridges, how much for sewage, how much for buildings?

Mr. Lemieux: Just by virtue of time, we—I'll definitely get the information for the member as best we can but it's just not right here at our fingertips right now and—but we'll definitely try to get a breakdown for you if we can. Thank you.

Mr. Gerrard: Yes, just in terms of the total, the individual projects, do you have a list at the beginning of the year or do you—it varies during the year so you only end up with a list at the end of the year?

* (17:50)

Mr. Lemieux: Discussion with staff is of that \$290 million, I'll give an example that \$56 million, for example, is—and this is—a large portion of this money, I've been informed that it goes to municipalities and then they determine on their priorities, how it's spent.

An example that we were looking at, I was taking a look at maintenance of roads, municipal roads, and roads, there was an amount of \$56 million that we've got that we can find right now that looks like it's going to roads, but again it's municipalities that receive this funding from Local Government, the Department of Local Government, and then they determine the projects that the money is spent on.

So it's not like the Minister of Local Government has a list and then I say, well, this is how it has to be spent. The money is given as grants or monies to municipalities and then they determine out of that money, where it goes, and they 'priorize' that. But we've noticed in one note we have here that 50—almost \$60 million is spent on roads, maintenance and or refurbishing roads and so on.

Mr. Gerrard: Just out of interest, the money—there's been a number of announcements recently of government provincial expenditures on roads and streets in Winnipeg. Would they come out of this particular fund?

Mr. Lemieux: Yes, that may be a good example. That money that we're putting this year into Winnipeg's infrastructure on roads this summer comes out of this money.

Mr. Gerrard: Why don't you go ahead?

Mr. Lemieux: Thank you to the member for River Heights. We have some better numbers we hope that will answer your previous question.

So, out of general, there's a \$56 million, roads is approximately \$49 million—which, the \$14 million-plus for this summer to the City of Winnipeg comes out of that. Water and sewer is \$33 million, recreation's \$10 million. There's other capital projects that, again, the municipalities are—'prioritize' and determine that money. Transit's \$44 million this year, and there's federal agreements that we are also with the feds; it's about \$40 million.

Mr. Gerrard: Yes, now you said \$10 million for recreation. Is that arenas and things like that, or what would it be?

Mr. Lemieux: Yes, it's community recreation; that can be splash pads, for example, or fixing up hockey rinks or community club money.

Mr. Gerrard: So, just so I've got it clear, \$44 million transit, \$33 million sewer, recreation is \$10 million, so that gives us—we're getting up to \$90 million. You've got about \$200 million of which it sounded like \$56 million was roads and 60 and there's—you said a general amount of 60-some million?

Mr. Lemieux: The general category that the \$56 million that I first mentioned, that is where we give the money to municipalities and then they set the priorities with it. And then there's a roads at \$49 million, or almost \$50 million, that includes bridges as well. That is something that we give specifically, well, to specific projects and so there's that. The general and the roads are somewhat different, well they could be the same, but, I mean, the \$56 million is what municipalities determine through grants or monies that they receive. And—but the roads money, that almost \$50 million is for roads and bridges.

Mr. Gerrard: Yes, perhaps the minister could explain, sort of, the planning horizon. I mean, there's discussion, for example, of the southwest transit way going to the University of Manitoba and the numbers in the costs seem to be going up and up. In terms of provincial contribution, is that set aside on a year by year basis in terms of the estimated expense?

Mr. Lemieux: Yes, it's a very good question and maybe what I should do is go back one step and just to clarify, I guess, or to reiterate that the Province has always said that we're in for a third.

Now, you know, whether it's light rail, whether it's like the CTrain in Calgary, whether it's rapid transit or bus, the Province has always said that we're there for a third with the City. And it has caused some heartburn with many of the public, because the City, at one time, had monies budgeted for rapid transit. And then they ended up spending it and redirecting it to recreation. And then they rebudgeted once again.

So what we're doing is that we're committing to the City of Winnipeg that, you know, well, No. 1, what, really, does the City want? I mean, what are they really wanting? Are they wanting light rail, are they wanting bus, rapid transit? Or what exactly are they looking at because, I mean, I am confused over this because it seems to have changed over the last while, and this is something that, quite frankly, we need clarification on.

And I've tried to let the mayor know, and others, that I really believe that a meeting is needed to, you know sit—actually sit down face to face—instead of going through the Free Press or the Winnipeg Sun and my repeating all the time that, yes, we're there for a third. And the question then becomes a third of what?

And, then, this really needs to be nailed down, because I firmly believe we have to move ahead on this. Our commitment's to move ahead on it, but we really need to be able to sit down. I need to sit down with the mayor, I need to sit down with his designate, or someone, and have a conversation as to where we want to go.

Maybe I could just express a little bit of frustration because at one point the City wanted to go to the federal government, and say, well, we want to use the, you know triple P, or 3P, and use that approach. And have—tap in to the federal pot of money, which there's a substantial amount of money there. The problem is, is that the federal government, their criteria is that if you go P3, it can't be out of this pot of money, it can't be more than 25 per cent of the total project. And compared to, for example, the Building Canada Fund, which is one third, one third, one third. And if the City went with the Building Canada Fund, the federal government would be contributing 33 per cent, or 33.3 per cent, as opposed to 25 per cent cap that the feds put on it.

So, I've been trying to make the point with the City, why wouldn't you want to look at the Building Canada Fund, then, to get the third out of the feds, instead of the 25 per cent cap on a project—

The Acting Chairperson (Dave Gaudreau): The hour being 6 p.m., committee rise.

Call in the Speaker.

IN SESSION

Mr. Speaker: As previous-agreed, this House is adjourned and stands adjourned until 10 a.m. on Tuesday morning.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 27, 2013

CONTENTS

ROUTINE PROCEEDINGS		Oral Questions	
Petitions		PST Increase	
Municipal Amalgamations—Reversal		Pallister; Selinger	2864, 2869
Wishart	2859	Driedger; Howard	2866
Pedersen	2860	Driedger; Struthers	2867
Helwer	2862	Graydon; Struthers	2867
Schuler	2862	Pedersen; Lemieux	2867
Graydon	2863	Eichler; Struthers	2868
Provincial Sales Tax Increase—Referendum		Gerrard; Selinger	2870
Ewasko	2859	Friesen; Swan	2872
Rowat	2859	Wishart; Struthers	2873
Driedger	2860	Performance Deliverable Agreement	
Cullen	2860	Gerrard; Selinger	2870
Eichler	2861	Kim Edwards	
Stefanson	2861	Gerrard; Selinger	2871
Smook	2862	Habitat for Humanity	
Friesen	2863	Gaudreau; Irvin-Ross	2871
Goertzen	2863	Members' Statements	
Hydro Capital Development—NFAT Review		Phoenix Soccer Cup	
Maguire	2861	Braun	2873
Mount Agassiz Ski Area—Recreation Facility		Veselka Ukrainian Festival	
Briese	2861	Eichler	2874
Tabling of Reports		Horizons and Discovery Child Care	
Civil Service Superannuation Board, 2012 Annual Report		Crothers	2874
Struthers	2864	Stanley Business Centre	
Report of Amounts Paid or Payable to Members of the Assembly for the fiscal year ended March 31, 2013		Friesen	2875
Struthers	2864	Collège Saint-Norbert Collegiate Musical—The Sound of Music	
		Gaudreau	2875
		ORDERS OF THE DAY	
		<i>(Continued)</i>	
		GOVERNMENT BUSINESS	
		Committee of Supply	
		(Concurrent Sections)	
		Justice	2876
		Agriculture, Food and Rural Initiatives	2889
		Local Government	2898

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