



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

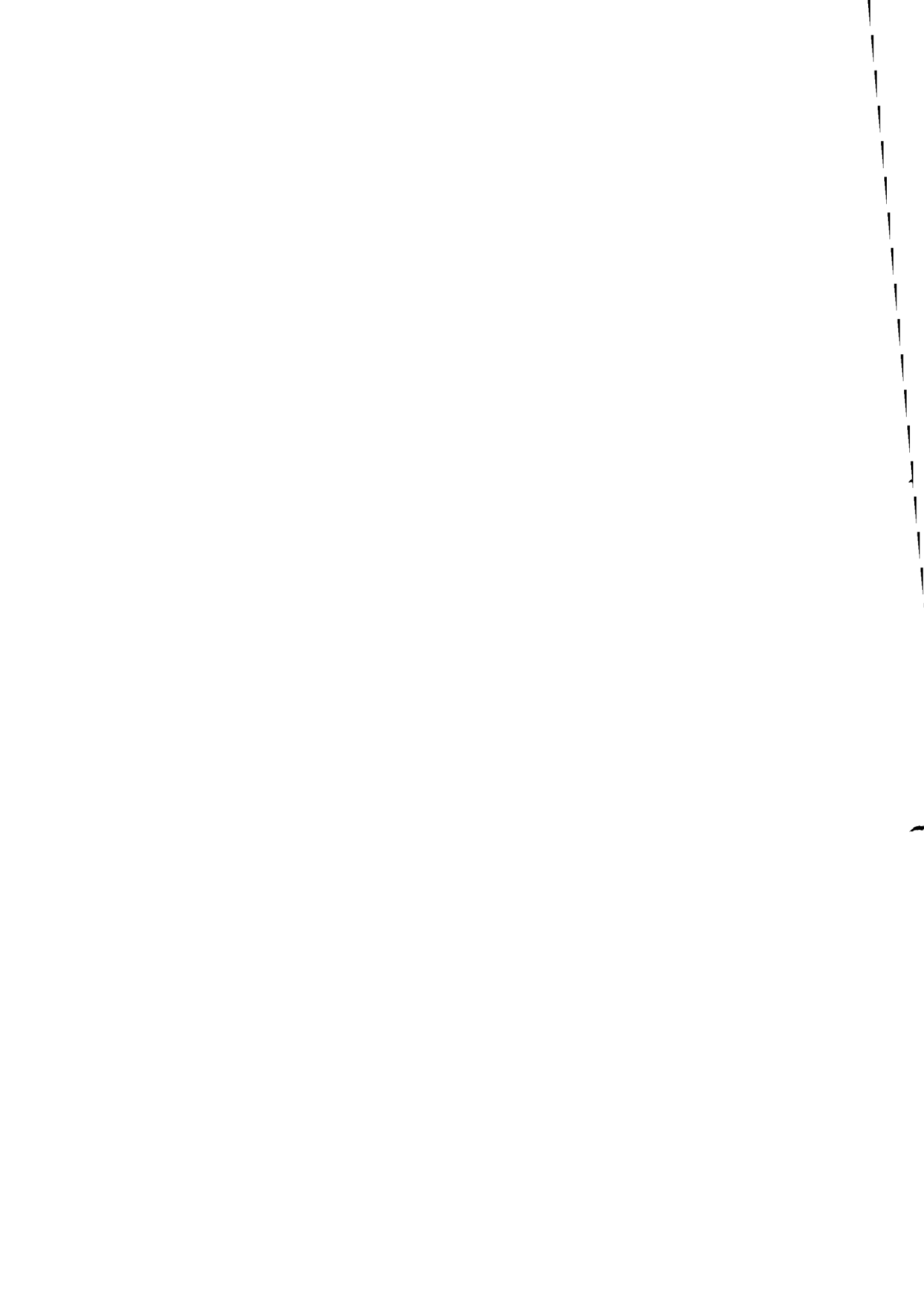
**DEBATES
and
PROCEEDINGS**

(Hansard)

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLVI No. 35B - 9 a.m., Thursday, May 16, 1996



LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 16, 1996

The House met at 9 a.m.

ORDERS OF THE DAY (continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

ENERGY AND MINES

Mr. Chairperson (Jack Penner): The Committee of Supply will please come to order.

This section of the Committee of Supply will be considering the Estimates of the Department of Energy and Mines. Does the honourable Minister of Energy and Mines have an opening statement?

Hon. Darren Praznik (Minister of Energy and Mines): Yes, thank you, Mr. Chair. I understand, as well, just for clarification, that the Estimates of the French Language Services Secretariat are also included with the department, so I gather they will be dealt with at the same time today. I just ask the Chair for clarification.

Mr. Chairperson: Yes, Minister, we will deal with that at the same time.

Mr. Praznik: Just so my critic is aware in case she or her colleagues have any questions. If that poses some problem, I am sure we can work something out.

Mr. Chair, I am pleased to present the 1996-97 Expenditure Estimates for the Department of Energy and Mines, as well as the French Language Services Secretariat.

French Language Services continues to report directly to me. However, for budgetary purposes they are included in the printed Estimates for Energy and Mines as appropriation No. 1.(d), as a point of clarification. The role of the French Language Services Secretariat is to advise government on the development of government services in French and matters relating to French Language Services policy. Mr. Chair, the French Language Services policy is being implemented in a

gradual fashion, and as we move forward, improvement in both the quantity and quality of the French language services in the designated areas is anticipated.

Mr. Chair, the role and mission of the Department of Energy and Mines is to foster wealth and job generation through the sustainable development of our energy, mineral and petroleum resources and to promote the efficient use of energy. The department has two divisions, Administration and Finance and Energy and Mineral Resources. The Administration and Finance division has two branches, Executive branch and Administrative Services branch. The Executive branch, my office and that of my deputy minister, provides policy direction and overall program management. The Administrative Services branch provides centralized services including finance, personnel, computer services and administrative policy.

The Energy and Mineral Resources division is made up of the program delivery branches. The department is also responsible for a number of mineral industry support programs, the Mineral Exploration Assistance Program, the Petroleum Exploration Assistance Program, the Manitoba Potash Project and the Acid Rain Abatement Program in Flin Flon.

Mr. Chair, with respect to the Marketing branch, this is responsible for promoting the development of Manitoba's mineral resources through consistent promotion of Manitoba's new competitive business climate in accordance with the principles of sustainable development. The branch has a new director since we last met to review the Estimates. Under her supervision, a great many activities have been undertaken, and much has been accomplished.

An eight-point mineral strategy was developed and officially launched at the Manitoba Mining and Minerals Convention in November of last year. The strategy is designed to make Manitoba the best place in Canada to invest in mining. The elements of the strategy are to identify target areas for exploration, make Manitoba's mining taxation structure competitive with other jurisdictions, develop a simple, transparent permitting process, increase the geological database in target areas,

establish Manitoba as a jurisdiction with a low cost of doing business, revise exploration incentive programs, resolve land use and land tenure issues and make legislation and procedures the best in Canada for mining and exploration.

Mr. Chair, two new producing mines in Manitoba can be credited in part to the changes to the provincial mining tax structure pioneered by this branch under the direction of my colleague the Honourable Jim Downey when he was minister, as well as the Honourable Don Orchard. Also dealing with taxes, significant changes in The Retail Sales Tax Act, The Corporation Capital Tax Act and The Motive Fuel Tax Act were recommended for consideration in the 1996-97 fiscal year and adopted in this year's budget. The intent of these changes is to improve Manitoba's competitive position.

An important part of our new investment strategy is the Mineral Exploration Assistance Program. Under the program, \$10 million is available over three years for eligible grassroots expenditures. The program pays out 25 percent or 35 percent of the total exploration expenditures to a maximum of \$400,000 per company per year. Since October of 1995, the program has generated \$2.6 million in new exploration activity and attracted five new companies to conduct exploration work. These are five companies that have not been in the field to date. The October 1995 and January 1996 offerings of MEAP resulted in more exploration work than we experienced under the previous program, the Mineral Exploration Incentive Program, and I am optimistic that this will result in more discoveries and more mine openings. We expect MEAP incentives to total \$3.7 million by the end of this fiscal year, generating grassroots exploration in excess of \$15 million.

In the Petroleum and Energy Branch, Mr. Chair, as part of our refocusing of priorities, we have reduced energy monitoring and planning activities and amalgamated the energy and petroleum functions into a new Petroleum and Energy Branch. The mandate of the Petroleum and Energy Branch is to foster and facilitate the sustainable development of Manitoba's oil and gas resources and promote the conservation and efficient use of energy and to encourage greater use of economic alternate energy sources.

We see signs of continued growth in the petroleum industry. Our goal is to increase the level of oil production by 20 percent over 1993 levels by the year 2000. Total industry expenditures in 1995 are estimated at \$73 million, about the same as 1994.

Increased Crown oil and gas lease sale revenue and increased levels of geophysical exploration highlighted 1995. Crown oil and gas lease sale revenue was \$2.7 million, up from \$1.3 million in 1994. Geophysical exploration was almost double, at \$1.6 million, compared to \$.9 million in 1994. These are early signs suggesting increased levels of exploratory drilling in 1996 and beyond. Indeed, the winter drilling season has been one of the busiest in years in spite of extreme weather conditions.

I am pleased to tell you about the Petroleum Exploration Assistance Program, or PEAP, that we have designed and implemented. Under the program, assistance of up to 20 percent of the cost of certain exploratory expenditures is available on application. PEAP is designed to provide a maximum of \$1 million in assistance for three years.

In response to the initial offering under the program, 37 proposals, totalling \$6.3 million, requesting \$1.2 million in assistance, were received. Projects were ranked in accordance with published selection criteria, and 30 projects involving \$5.4 million of exploration and \$1 million of assistance were approved. Twenty-six of the approved projects involved the drilling of new field wildcat wells versus the previous annual average of six.

On the energy side, Mr. Chair, our specific goals for the year 2000 are as follows: to improve the efficiency and energy use in Manitoba by 5 percent and decrease the proportion of imported refined petroleum products used in Manitoba by 5 percent. Achieving these goals will result in real savings to Manitobans. An added benefit is the improved environment that will result from the reducing of the use of fossil fuel.

Our energy conservation programs, such as the R2000 and Pro-Trucker, will, we believe, contribute substantially to the achievement of our goal.

Mr. Chair, I know time is somewhat of the essence here in the period, so I will just try to be brief in my closing remarks.

In the Mines Branch side, Mr. Chair, we have made a number of changes. We have worked very hard administering the legislation governing the disposition of mineral rights, exploration and development and production of nonfuel mineral resources, as well as the rehabilitation of mines and quarries. We are sensitive to the role of the prospector and mineral industry in Manitoba. In the last three and a half years, the Prospectors Assistance Program has approved 102 projects. To date, 80 have been completed at a total cost of \$359,477. The program allows up to \$7,500 per prospector for approved projects.

* (0910)

In terms of gold, Mr. Chair, we continue to have significant good news. Lynn Lake, having gone through a difficult time over the past several years because of the former mine shutdown, has breathed new life with the continuing Granduc mining operation. Employing 108 people on site, this open-pit mine produced 28,812 ounces of gold in 1995 and is expected to produce 40,000 ounces of gold in '96, with beginning production of the new Farley open pit. Exploration incentive grants and conferral of a new mine tax holiday status for the Lynn Lake gold project has been instrumental in this development.

Snow Lake has received a significant boost with the opening of the TVX New Britannia Mine, currently employing 217 people onsite. The mine is forecasting production at 100,000 ounces of gold in 1996.

In Bissett, Rea Gold is pursuing a major underground development and preproduction program, currently employing 140 people onsite. The mine will stockpile 40,000 tons of ore in 1996 in anticipation of a mill start-up in March 1997, producing 80,000 ounces of gold per year.

Pioneer Metals are continuing to look at the feasibility of reopening the Puffy Lake gold operation near Sherridon.

The base metal portion of the mining industry continues to be strong with one new mine, the copper-zinc-gold Photo Lake property at HBM&S, beginning production in 1995. Located in the Snow Lake area, the mine currently employs 81 people.

Elsewhere, Inco Limited and HBM&S continue to have strong base metal mining representation in the Thompson, Flin Flon, Ruttan and Snow Lake areas. Inco Limited continues their program of delineation drilling at the newly discovered Pipe Deep deposit south of Thompson throughout 1995. Drilling of this structure at depth is expected to be completed in 1996.

Mr. Chair, the geophysical branch has been very, very busy over the last year, and this particular year their budget should show a pretty significant increase. This was part of our redirection and reprioritization within the department. Quite frankly, the reductions in the Energy Management side were by and large used to fund the increase in this particular branch and is part of our goal of increasing work in the northern Superior Province and attracting new grassroots exploration. The need to continue to build our geological base was felt paramount and a high priority within our department, and that is why this particular branch will show a fairly significant increase in their funding for the coming year.

Mr. Chair, in conclusion, I would like to take this opportunity to express my appreciation to the staff of Energy and Mines, as well as the French Language Services Secretariat. They are to be credited for their hard work and dedication in delivering our programs.

I welcome, Mr. Chair, the opportunity to discuss these Estimates and our programs with my honourable colleagues.

Mr. Chairperson: I thank the Minister of Energy and Mines for those comments. Does the official opposition critic, the honourable member for St. James, have any opening remarks?

Ms. MaryAnn Mihychuk (St. James): I thank the minister for those comments and ask if he would table those. I would appreciate having an opportunity to review them in more detail.

Mr. Praznik: I will not table them. They are on the record, but I will provide the member with a copy of my remarks.

Ms. Mihychuk: Energy and Mines is a particularly important portfolio, and we have seen significant improvement in the mining sector. Today I will be concentrating on some of the decisions by the ministry to reduce significantly the energy management component of the department. I will be reviewing some of the projects that are going on in the new Superior project, some of the additional resources that are being provided, if any, to the additional regulation and monitoring of the operations.

In addition, I would just like to say that, although we are in a period of recovery, which is primarily, as the minister knows, based on commodity prices, and we are all subject to the cyclical nature of the market, and in a much larger global economy, any single province or jurisdiction can make minor adjustments.

In fact, if we look at our record, we saw the boom years of the past being in 1988 and 1989, when we saw the value of production exceed \$1.7 billion. We are now projecting some \$700 million to \$800 million annually. This is a significant drop from those levels that we saw in '88.

In 1989, over 4,600 people worked in the industry, and today we see approximately 3,300.

Over that time, we have seen a job loss, over a thousand jobs lost, primarily in the North. These are jobs that are well paying, sustaining our economy, that were very important to Manitoba in a lot of different aspects, not only in mining revenues and taxes, but also in the economic benefits of having a strong northern economy, strong northern communities.

We have seen different strategies by the two administrations. Our government, through the NDP, had the Manitoba Mineral Resources working with industry. This government chooses to use grants and mining subsidies or exploration subsidies. We will see what the record shows. As I have said, we saw boom years in the late '80s, and I will agree that much of it is based on the market.

When we look at the overall situation of mining in Canada, across the board, we see the amounts of reserves that have been identified drastically being reduced. Overall, the amount of reserves are significantly less than even a decade ago. That means that Canada, in general, must put much more emphasis on exploration to ensure that we have a sustained development of our mineral commodity. This is all information provided in *Keep Mining in Canada* publication, which is a federal document.

There are other trends that are very significant. The number of jobs created when we open a mine is significantly less than it used to be, and there is not much we can do about it, Mr. Chairman. There is technology in a global market that is saying that we can now operate, for example, trucks using technology that do not require drivers.

So many of the jobs that we relied on, that families relied on, are no longer there. So the challenge is indeed formidable. The department's mandate is to foster wealth and create jobs. Probably the greatest challenge is to regain those thousand jobs and expand it.

In terms of energy, a component that we have seen this government consistently reduce, the emphasis is clearly on exploration, on the short term, on looking at increasing revenues and production. The concept of sustainability and energy management is particularly significant to our government, to our administration, and extremely important to the people of Manitoba.

I will be asking questions in terms of the government's decision to look at extracting or promoting the extraction of a nonrenewable resource in the form of gas and oil when, at the same time, they pontificate that they understand sustainability and those principles. It seems, to me, a clear conflict with promoting the extraction of a nonrenewable resource, which is very limited in Manitoba, and at the same time saying that we are looking to diversify and use alternative energy sources.

Obviously, the decision for that strategy is based on the short term, looking at quick goals and meeting the minister's mandate, which, he has often said, is to make Manitoba the No. 1 place to do mining, and I would say, in the short term, that may get the minister bonus points, but in the long term it may have a negative effect and,

particularly in the oil and gas reserves and amounts that we have in Manitoba, may impact negatively in the long term. We will run out of our reserves even quicker with an amount of promotion of extraction.

There is a significant difference between the reserves that we have in oil and gas and the reserves that we have in our mineral potential. With our mineral potential, for example, there are vast areas that have had virtually no exploration. We know that they are significant target areas, and I must congratulate the minister on the new initiative in this Superior Province. We are looking at areas that require exploration, and I do believe it is the mandate of the department to go out and provide that base information and encourage that type of exploration, and there is, I think, potential in a lot of Manitoba for significant discoveries of mineral resources.

The difference with oil and gas is that we have a fairly defined field. You can have some more development, but I think the difference is significant. We have large amounts of resources that have been unexplored for the mineral sector and a fairly small puddle of petroleum resources in Manitoba, unfortunately, unless the minister has some other indications that Manitoba is indeed going to find another oil field.

* (0920)

The other areas that I am going to be asking on are the areas of some technical questions on mapping and Linnet, whether the department has chosen to use Linnet, what the relationship is between Linnet and the Department of Energy and Mines, what the status is of our base map collection, and what the areas are that require improvement in that area.

In addition to that, we will be going through, looking at the overall priorities; and, as I say, the department is moving along fairly well, and I expect discussions to be over by approximately 11 a.m. Thank you.

Mr. Chairperson: Thank you very much. Under the Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer the consideration of this item and now proceed to the consideration of the next line. Before we do that, we invite the minister's staff to join us at the table.

We ask that the minister introduce his staff. Please come forward. After the introduction, we will then proceed to the line-by-line consideration of the Estimates.

Mr. Praznik: Mr. Chair, if I may this morning, I would like to introduce my deputy minister, who, I do not think, is a stranger to members of this committee, Mr. Michael Fine, who joins me at the front; Mr. Gary Barnes is our Executive Director, Administrative Services; Mr. Craig Halwachs is our Manager of Financial Services; Edmond Labossiere is our senior advisor on French Language Services Secretariat, the tall gentleman against the wall; Ms. Kate Thomas is Director of the Marketing branch; Mr. Grant McVicar is the Manager, Energy Efficiency and Alternate Energy of the Petroleum and Energy Branch; Mr. Art Ball, who, I know, is no stranger to the member for St. James, the Director of the Mines Branch, nor is Mr. Dave McRitchie, who is the Director of the Geological Services branch, who joins us as well this morning.

Mr. Chairperson: Good morning and welcome. We will now proceed to the line 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits Employees and Benefits \$273,300.

Mr. Praznik: I ask my critic and members of the committee how she would like to proceed. We sort of have an hour and a half or so to go. Would the member like to have a more free-ranging discussion and then move through all the items, or would she prefer to keep it to a structure of the Estimates book for her questions, her specific questions?

Ms. Mihychuk: I think, in terms of organization, it would be just as easy for me to go through the book. I have prepared my comments in that way and it would just I think expedite matters.

Mr. Chairperson: Okay, we will then proceed line by line.

1.(b)(1) Salaries and Employee Benefits \$273,300.

Ms. Mihychuk: I am looking at the Administration and Finance appropriation. Is that the appropriate section?

Mr. Chairperson: Page 19.

Mr. Praznik: Are we all operating on the same?

* (0930)

Mr. Chairperson: Yes, page 19, first line.

Mr. Praznik: Salaries and Employee Benefits, Executive Support?

Mr. Chairperson: Right.

Ms. Mihychuk: Mr. Chairman, I would like to ask the minister to perhaps explain why we see a fairly significant increase in the Salaries and Employee Benefits for the managerial and the managerial position here in his office.

Mr. Praznik: Mr. Chairman, I am advised that the reason that there is the increase is that this would represent, I am told, the salary of a full-time deputy minister, as opposed to the previous deputy who was in a part-time capacity. I think that resulted in an acting capacity, not a part-time, pardon me, but an acting capacity until a full deputy was appointed.

Ms. Mihychuk: And can the minister explain why the administrative support line has dropped?

Mr. Praznik: Mr. Chairman, we are only talking several thousands of dollars, and I am advised that that is a reflection of the accurate salary levels. You have to remember last year we had two departments merging together. We had quite a discussion about this in an assignment of costs between Northern and Native Affairs, and Energy and Mines and all the classifications in which people came into their jobs. So there was a lot more estimating as things worked themselves through. This is more a reflection of the accurate requirements; they are several thousand dollars less.

Ms. Mihychuk: The decision to have one minister for Energy and Mines, and Northern Affairs was a change from past practice. Does the minister feel, given the significance of both the rapid expansion, new programs in the mining sector, the challenges in energy and the significant work that needs to be done in Northern Affairs, how, given a year's reflection, does the minister feel that appropriate, I guess importance is given to these two departments? Does he feel that he has sufficient resources to manage both areas?

Mr. Praznik: Mr. Chairman, as the member is well aware in our system, our parliamentary system, the First Minister is the individual who makes those decisions as to the workloads of his cabinet and ministerial responsibilities. The Premier of our province felt fit to place his confidence in me to take on both those particular portfolios and I was very honoured to have been asked, and we are attempting to do our best as we always do in achieving the tasks assigned to us.

This is not the first time that this combination of departments has existed in the life of this government. I understand that my predecessor, Mr. Downey, the member for Arthur-Virden, at one time was both Minister of Northern and Native Affairs and then for a period was also Minister of Energy and Mines. So I, like him, had Northern and Native and gained Energy and Mines.

I at one time also had Northern and Native Affairs with the Department of Labour, and other than the Mines Inspections Branch, which was housed in the Department of Labour and had a lot of activity in the North, quite frankly, the marriage of these two departments under one minister has been very advantageous from a strategic point of view.

As I pointed out, our strategy in developing mines in the province, there are a number of particular factors, one of which is land tenure issues, the settlement of land tenure issues, and having both departments, and particularly adopting this mine strategy, gave a whole new impetus quite frankly to settlement of northern land claims, whether they be under Northern Flood or under treaty land entitlement.

The other interesting point I make, and I appreciate this question from the member because it is a pretty significant workload and both departments demand a fair bit of travel, both in and outside of the province, either in promoting mines or touring the North. But with the Energy and Mines portfolio, usually in government has also come Manitoba Hydro, and I must tell the member that it has been absolutely advantageous to this minister, in attempting to deal with treaty land entitlement and Northern Flood agreements, to be the minister not only responsible for Northern and Native Affairs but also Manitoba Hydro, and have the Mines Branch in the cadre

of portfolios. The only piece that is highly relevant and not in this is the natural resources area. So really between two ministers now we are able to manage a lot more of these issues more effectively, and I would credit some of the success that we have had in making some very large strides in settling treaty land entitlement, which is very close, I believe, to the conclusion of the document on settlement, to the fact that Manitoba Hydro has had to answer to the Minister of Northern and Native Affairs, and that has only happened because of the departments coming together. So it has been a very good marriage for the purposes of the issues that are there now. It is a very significant workload, but I tell you, it probably pales in comparison to the workload of my colleagues in Health or Education or Family Services, given the array of issues that are there.

Ms. Mihychuk: At one time, I remember that the Department of Energy, perhaps just the Mines section, was with Natural Resources. What is the relationship between Natural Resources and the minister in terms of northern treaty entitlement and that relationship? Is there a working group that is dealing with that?

Mr. Praznik: Yes, Mr. Chair. Although to an outsider this may seem to not be a line of questioning that one would pursue in Energy and Mines, it is highly relevant, because so much of what we are doing in advancing our mining industry, one of the key issues with which the mining industry is concerned is security of land tenure. So it is in everyone's interest to see land tenure issues settled as expeditiously as possible. Unlike British Columbia, where over 100 percent of the province is subject to land claims, in Manitoba it is approximately one percent, so we are dealing with a different issue, but the settlement of them becomes important.

To deal specifically with the member for St. James' (Ms. Mihychuk) question, we have a growing and developing relationship with the Department of Natural Resources. My deputy and the deputy minister speak regularly, because there has been a, I do not know how to describe it, Mr. Chair, a phenomenal momentum in land claim settlements over the last year.

The stars have crossed for everyone in a good way, and I think we are all trying to take advantage of that to conclude arrangements and get into processes that settle these issues. I am hoping very shortly, in fact the

member may have read some of the news coverage on treaty land entitlement, and that coverage was very, very accurate, I would think, what has come out in the Winnipeg Free Press. We are very close to concluding an arrangement.

Once we have an arrangement in principle, there will be a lengthy process of actual selection of lands. In Northern Flood, that is virtually complete. We have settled three now. Two are very close to being settled, and the specific land selections there are part of what is going on currently.

In treaty land entitlement, we are currently trying to set up a process we are working through internally. When we do have an agreement, how we will move into negotiating the specific settlements, I can assure the member that the Department of Natural Resources will be very much involved at our negotiating tables, as will Manitoba Hydro, as will municipalities and others.

The reason why it is so important is that we work specific problems, specific land issues, rather than work theory, my experience has been, as we debate the theories of where land should be selected, we bog down in argument. As we deal with specific selections, we tend to get agreement and are able to work through problems. So it is going to be an exciting area over the next few years that I think is going to be very fruitful.

The last point I make that I think is very critical to where we are moving is, my instruction from cabinet has been to move land, whether it be into a trust or some other mechanism, as we get agreement to settlement, rather than wait until everything is selected to move through about a two-year process in Indian Affairs to become a reserve, and that has been a key point in being able to move land with use permits, what have you, to communities so they can get on to it as we reach agreements.

So it is going to be a very dynamic process. There are always going to be some conflicts. There are always going to be brick walls to get over, in essence, but at least we will be working the problem, as opposed to working the theory. So it has been a good marriage.

Natural resources, the member is quite correct, was once part of the same department as the Mines Branch.

was one ministry. Mr. Driedger and I have a good working relationship as to our deputies, and it is a growing relationship and developing as the needs are there. So it is going to be something to manage, but I think it will work very well over the next few years.

Ms. Mihychuk: One final question, the objectives of the Executive Support, it states, is, advise the minister on energy and mineral matters. I know that, for instance, the minister has personnel with minerals experience. In the energy sector, who in your Executive Support provides that expertise?

Mr. Praznik: Is the member asking in terms of our immediate executive staff?

Ms. Mihychuk: That is correct. It indicates in the Estimates book here that the objective is to advise the minister on energy and mineral matters, and I am asking what type of expertise the minister relies on. What is the expertise of his staff in matters on energy?

Mr. Praznik: Yes, I believe the member is referring to Mr. Bill Hood, who is my special assistant, as an individual. Mr. Hood was my previous executive assistant when I was in the Ministry of Labour, and his intimate knowledge in the mining industry has been very useful and has made him very well qualified for the special assistant role in my office. He is very invaluable because of his contacts in the industry and his knowledge of the field, particularly in exploration, which used to be his source of livelihood.

In terms of the energy side, as in all departments, you cannot always have a full cadre of assistants who have expertise in every area, so on many of the energy issues we rely on our senior managers of those particular branches and the expertise we have in the department. It is a small department. Those people are always available to the minister.

In my deputy side, we have on secondment now as his executive assistant an individual, Mr. Brian Ketcheson, from Manitoba Hydro, who has been seconded into the executive assistant position to the deputy minister. Mr. Ketcheson is a wealth of knowledge and information on the operation of Manitoba Hydro. As the member can appreciate, in terms of energy issues at the current time, electricity and deregulation in the U.S. and the operation

of Hydro are probably the biggest issues facing us on a day-to-day basis. So he provides some very direct information and expertise to me, that allows me to bounce things off him from time to time, in essence, to see if I am on the right track in the information I am getting, because it is such a—and he certainly is very good at providing me with technical information on the operation of the utility. So that would be rounding off the energy side in our executive branch.

Ms. Mihychuk: I have no more questions.

Mr. Chairperson: 1.(b) Executive Support (1) Salaries and Employee Benefits \$273,300—pass; (2) Other Expenditures \$75,500—pass.

1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$619,200.

Ms. Mihychuk: In the area of Financial and Administrative services, there have been no changes, but I do see a slight reduction in the salaries for professional and technical. Would the minister kindly enlighten us as to why there is that change?

Mr. Praznik: Yes, Mr. Chairman, I believe the \$8,000 less is the reflection of filling a computer programmer position, I am advised, at a lesser salary than had been anticipated, at a lesser classification. So there was a saving there for this fiscal year.

Ms. Mihychuk: In terms of the new incentive programs, do the Financial and Administrative Services provide supports for those programs?

Mr. Praznik: Yes, Mr. Chairman, two contributions, one is on the selection panel. This particular branch is represented for both the MEAP and the PEAP program to offer advice on the finances of a project, their financial information. As well, they provide accounting support in the administration of the program.

* (0940)

Ms. Mihychuk: Given that we see fairly significant initiatives in those two areas, I see there has not been an adjustment in the number of staffing. Is there a significant amount of administration to these projects?

How is the department managing these new programs without additional staff?

Mr. Praznik: Yes, Mr. Chairman, specifically with those programs, we are probably down the equivalent of a half position in the administration of those, of the MEAP program. We went from a—I cannot remember the classification of the gentleman who is on contract to deal with the old program, and that was backfilled with, or replaced with, really, a clerk position to administer them, subject to the review committee.

The reason why, quite frankly, is an interesting one: the old program was a much more complicated program to administer. It involved flow-through shares and flow-through financing and a host of other technical requirements. This is a much more simplified program, which is what industry was looking for. There had also been some changes in federal tax law, on which the old program had been based, that resulted in that complexity. So, by simplifying the program, quite frankly, it is a lot easier to administer and requires less staff time to do. I believe there is a \$10,000 saving.

Mr. Chairperson: Item 1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$619,200—pass; (2) Other Expenditures \$150,600—pass.

1.(d) French Language Services Secretariat (1) Salaries and Employee Benefits.

Ms. Mihychuk: Can the minister, given that the French Language Services Secretariat is within our supplementary information here, perhaps go through how the funding is allocated? Is it a joint funding? What is the federal contribution?

Mr. Praznik: Mr. Chairman, we have the Canada-Manitoba Agreement on the Promotion of Official Languages, which is an agreement that was just renewed a year or so ago and carries on for another four years to go. The program is a five-year agreement. It is the second one we have entered into. Under that agreement, eligible expenditures for activities, the federal government, we recover half of those costs, and we have managed, including part of our secretariat, including the

administrative assistant to Monsieur Labossiere—part of that salary is also recovered under that agreement.

So it has been a very good program, from a cost basis, for the people of Manitoba because of the federal contribution to it, and I know the member for St. Boniface (Mr. Gaudry) joins us in the committee this morning. Given that he represents a sizeable Francophone community, I know he is well aware of many of the projects that we have taken on that have been very useful.

One area I just promote where we have used this has been in the health services sector in the development of our active offer policy to ensure that we are providing French language services in many of our health institutions. That has been a big push in the last few years. We also used some money under, I think, the end of the previous agreement and part of this year's, in the expansion of books, quite frankly, French language books in our library service program, and we did that with the Francophone municipalities. So we have managed to do a lot of things.

I know sometimes, from time to time, there is a view in the non-Francophone public that some of these dollars are significantly used for cultural activities or festivals or things. The reality is, a very sizeable portion of the lion's share is going to things like health promotion or languages in developing health services, libraries and other things that are very critical I think to maintaining a Francophone language presence, significant presence in Manitoba, which, by the way, has become a very important promotional tool for Manitoba in competing in the telecommunications industry to have a bilingual labour force. So this has been a very good initiative, I think, for the people of Manitoba and for our Francophone community, and it is starting to pay some significant dividends.

The CN call centre, about 400 jobs, I think was largely the result, or a big contributing factor to landing it here, in essence, was our bilingual workforce.

Mr. Chairperson: 1. Administration and Finance (d) French Language Services Secretariat (1) Salaries and Employee Benefits \$174,100—pass; (2) Other Expenditures \$21,800—pass.

2. Energy and Mineral Resources (a) Marketing (1) Salaries and Employee Benefits \$787,000.

Ms. Mihychuk: Mr. Chairman, I am going to, this is the area of marketing, and the minister has undertaken a fairly substantial initiative in terms of promoting our resources. Can the minister explain why he feels it is a wiser investment to put money into brochures and developing relationships and basically producing glossy brochures rather than investing the money in the practical sense in terms of putting out more geologists to provide the base maps that industry needs to find a new mine?

Mr. Praznik: I appreciate the member's question, because that is one that I think we in the expenditure of public money must answer. I would point out that we have increased significantly our expenditure levels in the geological services area, which we will get to, for exactly that, developing the base data. We have also worked in agreement with the geological services of Canada, where we have greater input in their efforts in the province, again, to support that. So that part of the equation is being, I think, significantly enhanced from where it has been because the geological base is very important.

The member's question underlines the basic problem that the Province of Manitoba and all jurisdictions face. Thirty years ago in the mining industry there were probably seven, 10, 15 places in the world that had significant mining industry, significant mining industries. Canada was one of them. Most Canadian mining companies and, by the way, if you look at Canadian mining companies and where they operate, you will find that Canadians have become really the miners to the world. Canadian miners and mining companies operate in virtually every country in the world in which any mining takes place, over 90 countries.

Canadian mine finance, particularly in exploration, Toronto Stock Exchange remains one of the principal sources of equity for mineral exploration in the world. Even when one visits a financial centre like London, many of the placements for mine exploration are done through the TSE. Vancouver is also a very significant centre as well.

So what we have seen over 20-30 years, although Canadians are miners to the world, one of the most active mining countries, one of the places for raising equity for

mineral exploration and mine development, the fact is, the market in which they can operate mining exploration companies and mining companies are all over the world. There are probably 70 to 100 countries today in the marketplace, and we are competing in that marketplace.

* (0950)

The initiative that the Mining Association of Canada has taken on, Keep Mining in Canada, and the member I know has seen some of their promotional materials, has largely been a result of the fact that Canadian mining companies and exploration companies have not been doing business in Canada. The member has talked about the depleting ore reserves across Canada as a nation. That is happening because Canadian exploration companies and mining companies have been going elsewhere.

So you have to ask the question, why has that been happening? Quite frankly, right across Canada for the last 20 to 30 years it has not been the lack of geological information. It has been the competitiveness of our nation that we have not been a competitive place in which to be in the mining business, compared to new opportunities elsewhere. That is particularly the case in mineral exploration, and if you are going to look for orebodies, you want to look for them in places where you know you can bring a mine into production in a very economical way.

There are lots of undeveloped orebodies in the world that are not developed, not because of the lack of quality of the ore, it is because of the political climate, the taxation level, the ease of regulatory authority that have prohibited those bodies from being developed, quite frankly. So when we looked at Canada, one has to appreciate that in Canada most of the jurisdiction that affects mining is at the provincial level. There are only a couple of particular issues that are federal issues. One of them of course is federal taxation and how it affects mining. The other one is environmental licensing and how provincial and federal regulatory schemes apply to one another, and that is another issue the member may want to discuss at a little later point, but virtually all of the other elements of developing an exploration activity in your jurisdiction rests at the provincial level.

When the New Democratic Party government, and I do not want to get into a partisan discussion today, but when the current government of British Columbia made its decision on Windy Craggy, where they halted a major development, and they have taken some other positions, rightly or wrongly that is one example of the signal that was sent, you know, right throughout the mining community—this is not a place to waste your money on exploration because it is too hard to get a mine in development.

When the government of the Northwest Territories, and at our Mines ministers' meeting last year this point was made, has taken over two years to provide an operating licence to a diamond mine which they expect maybe to have licensed within the next year, that is another signal that this is not a competitive place to do business. When the government of Manitoba in the 1970s brought in back-in legislation, that if you find a mine the government owns 50 percent of it, that is a very clear signal not to do business.

What happens when these things happen is that you send a signal, it is not a place to be, you cannot be economical here, and so those investment dollars and activity go to other places where they can be. Even when you change your policies, even when you change your legislation, even when you do all the things that should attract the mining exploration business, those people are somewhere else, and they do not even know or they do not care anymore. They are where they have to be. So you have to get out and talk to them and convince them that it is worth coming back, quite frankly.

Last fall I was in Toronto and I met with a small exploration company on one of my tours. I was meeting with a number of companies. This gentleman was one of my appointments. His company had some significant holdings in Manitoba in the 1970s, and when the then Schreyer government brought in their back-in legislation and brought in, I think it was a 10-cents-an-acre tax where there was some tax on lands to be held, which his company could not afford, which was designed deliberately, I believe, to end up expropriating and taking back mineral rights, this gentleman had to give up his claims in Manitoba, and his company in 25 years has done no work in this province. As I was sitting in his office, he went to his filing cabinet, and he pulled out his letter to Sid Green in 1971, or '72 or '73, whenever it

was, and he showed me a copy of his letter. It said: If you do what you are doing, you are going to kill basically your small exploration companies in this province for decades to come.

He was right. It happened. Now, his company, I understand, did come to our show and now is looking for property. So why we are spending the time we are in going to the industry is we really have to go and say to them, forget the Windy Craggys in British Columbia, forget these other things. This is what Manitoba is doing. Here is what we are doing, and, quite frankly, I have been very actively involved in that. I have personally been in the offices of almost, or over 60 companies since assuming the ministry, and between myself and my deputy and my Marketing branch, we have personally visited now 110 mining companies, exploration companies, of a variety of sizes.

One of the reasons I go is because in many companies the president will see a minister. They will not see a business development officer. So we use me in the office of minister to get in the door, and one of the first meetings we did was with Barrick Gold, for example, in Toronto, and we sort of tested our pitch and how we were going to handle this, and we have been doing some of this on the fly, I must admit, and learning as we go along, but because I met with Mr. Smith who is the president of Barrick, which is one of the largest gold producers in the world, 20 minutes, we invited his company to come back to our show in November, our conference in November. Barrick was represented, discovered they had some properties here that they had kind of forgot about, and I look to my director of marketing. I think now they are looking at an exploration program. Now they are developing property that they held in Manitoba and had totally excluded from their planning.

So like any sales job, it is not just having the product, it is going out on the road. I have to say to the member for St. James (Ms. Mihychuk) I want to thank her personally and members of the Liberal Party who came to our convention in November, and their support for the initiatives that they have offered in the House also demonstrate kind of a united front to those companies that were making that effort. So we all have a role to play in marketing, and until we get enough activity to fill our order book, in essence, as much as we can handle, it is my intention and that of our department to continue to

be out on the road talking to mining companies, getting them interested, getting them here to our convention in November, our one-stop convention. To be blunt, my problem today is we need to get more of the properties that are available in Manitoba onto the market for the next level of development.

So we are doing a lot of this as we go along, but it is important that it be well-managed and the effort be there, and we have a lot of promotional work to do. A Voisey Bay on the other hand, I might just add, also has the same effect because it attracts all those investment dollars to Newfoundland. So we have to look after our customers. We have to find our customers, look after them, work with them, continue to be a good place. So whether you have a Windy Craggy in B.C. that says, we do not want mining, or a Voisey Bay in Labrador that says this is the next, you know, gold rush kind of thing, in that case nickel, we still want to be able to have a good solid customer base here that we continue, that people will say, ah, we are always going to be in Manitoba because it is a good place to be.

So that is what we are really having to rebuild, and it is not just a political issue in Manitoba. I think virtually every province in Canada to some degree faces the same kind of 20 or 30 years of uncompetitiveness in our mining sector, and that goes through all political parties who have been in office.

Ms. Mihychuk: Well, I know that the minister has been very busy meeting with various sectors including a lot of mining companies, and, as he says, he is probably the most effective marketer for Manitoba in terms of mining, and I agree with him. He has done an admirable job travelling across Canada and into the States, I understand, promoting Manitoba.

My question is, then, given that basically it is the minister and cabinet that decide on policies, taxes, regulations, making Manitoba a friendlier place, and since the minister is the No. 1 marketing agent, why are we expending such large amounts in a branch called Marketing?

Mr. Praznik: Well, Mr. Chairman, let us examine this. I get in the door in some places that our department could not, and the pitch we were using, quite frankly, last year and we will be taking up again this fall is, come to our

program, our show in November, our one-stop show. We had a very well-developed, some call it a core shack, others call it a property showcase, but the idea being people who have properties to sell so we want to get people there.

One of the key parts of our selling strategy has been one-stop shopping. We can offer, and what we like to be able to offer to any mining exploration company or mining development that is very serious to the point where they are serious about doing something in Manitoba, we want to be able to assign an officer out of our Marketing branch who becomes their one window into the government of Manitoba. That individual assigned to that mining company has the responsibility of working with that company to make application for any environmental licences, licences with the Departments of Natural Resources, Industry, Trade, whomever, so that the mining company has one-window shopping into the government of Manitoba, in essence.

* (1000)

So we have our cadre of Marketing officers in the department. In fact when I have travelled to meet with mining cases, on most instances Michael and I, my deputy and I have had Marketing officers with us. We do the introduction and that Marketing officer has the follow-up in essence of working with the technical people. So a fair portion of our expenditure in this area in terms of the people costs is those Marketing people.

We also need to leave some material. Any good salesperson knows that when you get in to deal with someone you want to attract, you have to leave them something that is attractive. So we spent some effort putting into our guide book on developing in Manitoba, I think our total was about \$100,000 on our one-window brochures we spent in developing them. If you notice we picked up on the tourism initiative of the map. We wanted to have an attractive piece of material. We also wanted to be well developed, and one of the things that we have done—I will provide a copy, I think, to my critic, if she wishes, of our material.

One of the things we did in developing this was put all of our regulatory forms on a computer disk, and this has been an absolutely wonderful sales technique because when we go in to meet these companies we can present

our information, our book, and there is a disk with every regulation—and it has taken a lot to develop this—that a mining company will have to fill out to do anything, from exploration to bring a mine in production, in any department. It allows them with that disk to put it in their computer and their staff to work on those applications without having to come to Manitoba or call or have to track down the forms themselves. So it is very effective. In fact we presented it at the prospectors and developers convention in Toronto this year to a number of key exploration companies. I think Placer Dome was one of them that I had the chance to meet with, which is the largest gold producer in North America if not the world, and they thought this was just a tremendously innovative thing on the part of government.

So part of the dollars, the nonsalary dollars we have been using is to develop the kind of, I would not want to call it promotional tools, which include this disk, et cetera, that we can have the one-stop shopping, easy access to regulation and streamlined processing, and this becomes very important. If you have \$100 million sitting in escrow to develop a mine and it takes you three years to get your approvals in place, that is a lot of money that you have tied up for a long period of time, and the faster we can move people through our process in one window in terms of regulation and all of the other things that one has to do, the less financial hardship for the investors in that company and the more attractive you are. It is a key part of competitiveness.

One other comment I just make, the member may be interested, we have worked with other government departments. That has also been a key part of putting this together, to get commitments of them on timing for processing applications. Our Environment department, for example, said to us they can provide a turnaround on an environmental licence to build a mine, a standard mine, nothing particularly unique in its function or problem—you know, if there is a unique problem that arises, that has to be dealt with—but a standard-case technology mine, the turnaround in licensing is between three and six months. Most of them to date have been closer to three months. I am told in the industry that that is one of the fastest turnaround times of anywhere in the world. So these are the kind of competitive edges that we have been trying to develop.

By the way, our standards are as high if not higher than many places in the world and certainly the same as what takes place in the rest of the country. The point is we are fast in processing. The mining industry has said to us over and over again, it is not the issue of standards. It is in their interests to have good solid, sound standards. It is how long to get through the process and is the process transparent, like, here is what you have to meet and if I meet it, I get my licence. It is an environmental process. If you meet the environmental standards, then you should be able to get your licence and that should be done in an efficient manner.

So from receipt of baseline data—I want to qualify—it is from receipt of baseline data, the time to issue a license has been three to six months, closer to three months. So that is a tool that we are using, in essence, in promoting, is a transparent, timely licensing process, and the same is true in Natural Resources and other areas where permits have to be dealt with.

Ms. Mihychuk: The minister has brought on a new director of Marketing. The last time we were in Estimates there was an acting director. Can the minister provide me with some type of background? The director of Marketing, what is the mineral background that this individual brings, given the significance the minister places on this branch and the technical and complex fashion of the mineral industry? Clearly, this is a job that is challenging, to say the least. You are working with people who have a business economy background and other staff members who are geologists, quite frankly, and so I am very interested to hear what the director of Marketing has in terms of experience with the mineral sector.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

Mr. Praznik: Well, before I get into the specific background of Ms. Thomas, I want to say that, when we were looking to fill this position, one of the great problems we faced was, what do we need in the Director of Marketing for this branch? The member flagged some issues, knowledge of the industry, knowledge of geology. Well, Dr. McRitchie, she knows well, is very well versed in geology. We have the expertise in our department in geology.

In terms of knowledge of the industry, well, there are lots of people with knowledge of the industry and how it works and very few that we have found have any knowledge of marketing. In fact, we ran this competition nationally twice, I believe—once provincially and a second time nationally. In both cases it was amazing, we had a lot of people who had background in the mining industry but had no qualifications or work history, with success, in marketing.

So I know the hours that we agonized, my deputy and I, last summer on the kind of person you need in this job, and we thought because we have in our business development officers, people who have geological backgrounds—one of our individuals actually a graduate lawyer as well, which has proven to be useful on some of our regulatory issues—and we have a whole amount of experience. What we were lacking is really marketing. How do you package all of that expertise and knowledge into a package that you can take out? How do you make the approaches? How do you service the clients? Those were the issues that became very important to us.

Just as a bit of an aside, since the member's colleague, the member for Osborne (Ms. McGifford), continually accuses my colleagues of everything we do that might involve women as being sexist. I just want to point out that, on the other side of the coin, this is the first female Director of the Marketing branch, I think, in Canada. So I thought I would take that bit of credit because I know her colleague, the member for Osborne, would never give us credit on something and I think it is worthy of mentioning. [interjection] I agree with the member for Selkirk (Mr. Dewar), it is a shame that the member for Osborne would say that.

Mr. Chair, Ms. Thomas brings to this department, specifically, 10 years of experience as an advertising, marketing and public relations generalist. She has held senior marketing communications positions with the Winnipeg Economic Development Corporation and the Canada 125 Corporation, and has recently completed a one-year term with the Women's Television Network as director of corporate sponsorship. Other achievements include marketing and communications consulting for the Institute for Sustainable Development, the Toronto Humane Society, and significant contribution to Manitoba's education reform and its economic development strategy. Kate was also a member of the

1991 Winnipeg Grey Cup communications committee, and was also the producer of the Innovators program for CKY Television, which, I know, was a very large success. Kate received a number of awards, including the Industrial Developers Association of Canada Marketing Canada award and the best of class Multimedia Gold Leaf award, to name but a couple.

* (1010)

So that is just sort of an overview of her qualifications. She came into this with the marketing knowledge which we have merged with the technical knowledge we have had, and the contributions—I must admit, as we have gone through this we have learned a lot as we have progressed.

Just one quick, very short, little comment is that last August, as we had all of this together, we thought there was no better way than try what we had to do but by test marketing our marketing plan. So my deputy and I and two business development officers went to Toronto, and we had a number of meetings with senior companies, including Barrick. In the space of the couple of days we were doing this, we learned and fine-tuned what we were doing, and it has been a growing process as we have gone along. One of the things we discovered on that was the information we had to leave was very, very inadequate, and that is why we needed to develop better information. We learned how to set these things up.

Actually, I think we got pretty good at it over a two-day period in Vancouver. I think I personally visited 17 companies, and I think my deputy added another 10 or 13. So, between the two of us, with our business development people, in two days in Vancouver we visited nearly 30 companies. Several of whom—I think in total we have had over 25 in the province now actively looking for properties to develop. Some have found, some are still looking. So, you know, you have to go out there and cast a wide net, and you need somebody who can help on that marketing side who has that expertise in marketing. That is why Ms. Thomas was hired for that position.

Ms. Mihychuk: Well, the minister mentions some of the challenges, and being somewhat familiar with the department and the challenges in Manitoba, I can sympathize. You have a double mandate: a new concept of one-stop shopping, which requires a new approach, a new way of dealing with industry; and a whole new

initiative of marketing. So we look forward to the development of this branch, and wish you all the best of luck.

Mr. Praznik: Mr. Chair, I very much appreciate the comments of the member for St. James and, I know, the members of the Liberal Party who have been supportive of the initiatives we have taken, and I again extend invitations to them tonight to be at the mining event, celebrating Mining Week, and for our convention in November, because I think it is important to industry to know that we as Manitobans have a united view on this industry, as much as one can in a partisan political realm, and that again builds, I think, the kind of confidence to be in the province. So I very much appreciate her comments.

Ms. Mihychuk: Just on an aside, the reception today at the Art Gallery, which I understand is being catered by Amici, seems to be so different from the world of mining and industry that I am familiar with, which is more likely to be a cold sandwich on a rock outcrop, so we are looking at a vastly different world. It seems appropriate in marketing when we are talking about glossy brochures and the reality of trucking through a swamp is clear when we go to this reception at the Art Gallery, and I will be there and many of my colleagues will be there tonight.

Mr. Praznik: Mr. Chair, I did not note the member for St. James (Ms. Mihychuk) saying she still would not eat any of the food from Amici. So let us say we will all enjoy this evening's fare. But the member does make a point that I want to comment that is worth noting. As part of this strategy, we recognize that if you want to have mines you have to have ore deposits. If you have ore deposits you have to have exploration, and a key to exploration is grassroots exploration. That is why we have the Prospectors' Incentive Program. We have also developed work with Cross Lake Band and Split Lake Band where we are doing a prospector training program, and we have also targeted, in our number of companies, a lot of very junior exploration companies.

I have been in offices where I can tell you it was more like a McDonald's Arch Burger, or whatever the thing is now, than Amici. Because, again, those grassroots companies whose strength is being out in the bush on the rock outcrops doing the work is where the new discoveries come from. So our strategy has been really a

blended one to go after the full range in the mining sector, not just obviously the large, very successful mining companies. So I appreciate the opportunity to make that comment.

The Acting Chairperson (Mr. McAlpine) : 23.2. Energy and Mineral Resources (a) Marketing (1) Salaries and Employee Benefits \$787,000—pass; (2) Other Expenditures \$437,200—pass.

2.(b) Petroleum and Energy.

Ms. Mihychuk: In this sector, I am going to be asking several questions. We see a change in the structure of the department. We now have what looks like an amalgamation between petroleum and energy. Can the minister provide us with some elaboration of the administration of those two very diverse sectors?

Mr. Praznik: Mr. Chair, a very good question, given the very dramatic change we made in our Energy Branch. Every minister who comes into a department, and particularly in times when money is always difficult to obtain out of Treasury Boards, has to prioritize what the department is going to take on and be successful at. Departments I have seen that have tried to be all possible things to every issue that possibly can be there tend to do everything poorly and nothing well. We, in going to our Treasury Board over the last year, to seek the support for the Mineral Exploration Incentive Program, additional dollars for geology—by the way, the MEIP is significantly funded out of the mining reserve fund. We have been challenged by Treasury Board to re-evaluate our own priorities within the department.

As a minister, in the first six months of my tenure, you know, you have an opportunity to test staff. You have an opportunity to test areas of the department and, you know, are they fulfilling a role that needs to be filled? My deputy and I, in reviewing the department, came to the conclusion, quite frankly, in reprioritizing that our Energy branch, which was about 10 or 12 people in total, that their mandate to a large degree had arisen and they were a creature, to some degree, of the oil shortage of the 1970s and the whole push in energy conservation of the '70s, early '80s, and that many of the things, in essence, that were going on there, it was time for review and some more focusing. There were also a variety of energy sector

positions in there which we were to advise the minister on certain sectors of energy where we had analysts.

In the case of electricity, for example, that is so much under discussion between myself as minister and Manitoba Hydro. The department itself was virtually out of that loop in terms of the discussion. I do not say that to take away from the staff who did the work. It was just simply that so many of the regulatory issues that we are now having to follow and figure out where we are going to fit in as we see massive deregulation around us in Ontario and United States, these were being dealt with by a whole cadre of people we have at Hydro who study these things through the board and president and myself, the Crown Corporations Council. One lonely analyst in the Department of Energy and Mines quite frankly was virtually impossible to get into that loop, let alone keep up with everything and have access to the information. So it was not fulfilling really a function anymore. The same is true in some of the other particular positions.

* (1020)

So we thought that given the fact that the priority really in our department has been pushing this mine development that this was very important to get this industry going, that the province needed the economic development. I see in yesterday's Free Press the story of Manitoba doing very well in the nation, our growth to exceed the nation's average, one of the contributions manufacturing, construction and the mining sector being a part of that, that we needed to put resources in there. Quite frankly, we knew we needed more geological resources. Dr. McRitchie needed more money due to the programs we were asking of him, and that money we felt was better spent there.

We went through, then, the development of options on how to still maintain sort of the core energy programs, the key, high priority areas that we wanted to keep—the R2000 was obviously part of that, which has a working relationship with the Department of Labour, who does the building codes, the new home workshops which are important in what we are doing, our energy advisory services, the ventilation indoor air quality program, home energy savers workshops, renovation contractor training, publications reviews, our government building initiative, school bus driver training with the reduction of fuel costs, our own participation in TransPlan, Plan Winnipeg,

capital region, promotion of ethanol as a new fuel source in the province, which is very important for diversification of agriculture as well.

These types of things, and responding to the public industry initiatives for ground source heat pumps, photovoltaics, wind biomass, these kind of things, we thought that we could reduce our staff who manage these. I think we got down to six or seven, basically—eight. Well, for eight people we did not need a director to manage eight people, so we thought administratively we could combine those eight and those functions under the director of the Petroleum branch because in terms of our cadre of administration, that individual could probably absorb those people as an administrator. So that is the logic of combining those particular branches, although Petroleum and Energy are loosely related, but it was an administrative decision because of the time availability.

What we did cut out was the national air issues co-ordinating committee activities. Environment will now take the lead on that. We were sort of doing that with Environment. The western electrical utility co-operation, quite frankly, this department had in practical terms little to do with that. That is Hydro's purview, and Hydro is managing that. Monitoring activities, we no longer look after propane gas pricing or Public Utilities Board or any B activities. Those are all done by Consumer and Corporate Affairs anyway, so it was not a function we really needed. Gasoline standard development, again, Consumer and Corporate Affairs, this was appropriately housed in their department.

The Sustainable Development energy strategy, we are still working on it but with a little different resource allocation, and the energy code and regulations, quite frankly, was not an initiative that we wanted really to be in. That was better dealt with through the regular building code. I do not think, as a government, we wanted to enter into a complete new energy code on top of the building code, but wanted some incorporation.

There were also problems, quite frankly, with the energy code as the Northern Affairs minister and just practical application in northern Manitoba with a host of issues. We thought that was an area that was not of high priority to us and could be dealt with more appropriately, administratively, elsewhere, i.e., with the building code process and Department of Labour.

So that is what we eliminated, those particular functions, as well as some of the monitoring and advisory ones that I have indicated and put under one administrator.

Ms. Mihychuk: There was basically the elimination of the energy management component of the Energy Division, as I understand it. My major concern is, who was advising the minister on energy policy? Who was advising the minister on the aspect of sustainability of energy resources? These are important broad-spectered issues that require expertise. If we rely on the industries themselves to basically provide advice to the minister, I would caution, as Hydro regulating or developing a hydro policy or, for example, would Centra Gas develop a natural gas policy?

Clearly that is not in the benefit of Manitobans as the whole, and government needs to define who it is, who is being responsible, and who is going to lead in terms of energy and sustainability policy.

Mr. Praznik: First of all, the department still does have some expertise on the energy side that it has to offer. Certainly, from time to time, as issues have arisen, we have some very capable staff that we have put onto those issues. Mr. McVicar was here today, was working on the ACL issue for a period of time when he needed work, so we do have some ability to move onto specific issues as they develop.

On the energy side, our two prime sources of energy consumption in the province are obviously petroleum products and electricity. With respect to petroleum products, I know, in her opening remarks, the member for St. James (Ms. Mihychuk) talked somewhat about the sustainability, and one could argue whether the same should apply to minerals or not. There are differences.

The reality of it is, Manitoba's oil supply produces only the equivalent of about 25 percent of what we consume. It is a very small resource. I would be hard pressed to think that any Manitoban actually burns an ounce of gasoline in their vehicle that comes from a Manitoba oil field, unless they visited Chicago.

The reality of it is, our oil patch is not significant enough to even support a refinery. So, quite frankly, all of that crude is put into the pipeline system which is moving oil from Alberta into Montreal and to Chicago and other places where it is refined, so it gets into the batch. In fact, it has even been suggested to me that if we did not have the pipeline going through Manitoba, most of our oil patch would be hard-pressed to be economical at all.

In terms of preserving that for another day, quite frankly, just on the standards of production that is very unlikely to happen. It is not a significant enough oil deposit that would be of long-term benefit to the energy needs of the province. We are, whether we like it or not, firmly connected to the whole North American energy situation, and ultimately even if one did have a significant shortage, the federal government's power about how that would be distributed would kick in and we would be governed by that anyway. So it is not really a strategic reserve for Manitobans from that point of view.

With respect to electricity, that is where the greatest amount of work is now taking place; 25 percent of our revenue now, 25 to 27 percent of our billion dollars worth of revenue is derived from sales into the United States. We also are a significant purchaser of power from the United States which we—it gets into very complicated things that I am only beginning to understand that we do. We have to, as I said in the House before to the member and her colleagues, be very cognizant of the deregulation program that is going on in the United States right now to ensure we have the ability to still sell into that market, that it is not lost. If we lost it, quite frankly, we would either be bankrupt or you would be paying a significant increase in hydroelectric rates.

We also see opportunities opening up for us in Ontario and Saskatchewan as deregulation takes place. Our biggest challenge is going to be, as a government and as a utility, how do we adjust our own regulatory framework over the next few years to ensure reciprocity and our ability to have access to what is in essence a changing North American market? That is good management of our utility. The real good news in this is this is not an opportunity to protect ourselves from competition that will beat us down. We are the ones who will do the

beating down of others given the opportunity; it is, how do we get access to get into other people's markets?

The member may be interested to know that Manitoba Hydro was approached by a major electrical user in Saskatchewan recently to sell them power directly and wheel it through SaskPower's lines. We had an interest in doing that if it was a wheeling relationship, and we would sell directly rather than through a utility. I suspect the person who was talking to us was more interested in getting a price from us with which to negotiate with SaskPower, but it just underlines how competitive we are.

So I appreciate her question about advice. The comment I make to her about it is, it is such an evolving area right now, the majority of U.S. states do not even have legislation in their houses. Ontario has not decided what it is going to do or how it is putting it together. This is one that we are having to watch regularly. The Crown corporation's counsel, Mr. Doug Sherwood, one of their senior people, is onto this in a very significant way. He and I meet regularly to discuss this, we are plugged into a number of monitoring agencies in terms of companies that do this are providing us information freely as part of their information sourcing.

* (1030)

We also have accessed some briefings from the national conference of state legislators in the U.S. I have had an individual here some months ago who brought me up to date on their regulatory situation, so this is something that is also maybe going to have to be dealt with at the highest levels within government. We are watching it, we want to get a lay of the land before we decide what we have to do, but one or two analysts in our department are not necessarily going to solve that.

Ms. Mihychuk: Can the minister tell us if he expects to see any more changes in the energy part of the department?

Mr. Praznik: At the current time, and I do not say that just to say the current time is today, no, I do not envision any significant changes. That is not to say that as we develop new working relationships, there will not be

some need to move a bit of resources here or there within the department next year's budget, but I would think nothing is significant as we have seen this year.

The Acting Chairperson (Mr. McAlpine): Item 2.(b) Petroleum and Energy (1) Salaries and Employee Benefits \$1,319,800—pass; (2) Other Expenditures \$532,000—pass.

2.(c) Mines (1) Salaries and Employee Benefits.

Ms. Mihychuk: We are moving along into the regulatory components of the mineral operations of the department, and we see considerable challenges, more regulations, more programs, and we have a new rehabilitation program that, hopefully, is successful in moving along. There are certain inspections required, monitoring, identification, and presumably this department has something to do with the MEAPs and other programs that are going on. I do not see any change in staffing. I am wondering if the minister can explain if there has been a reorganization in the branch to handle these changes of duties. These new programs are being handled in what manner?

Mr. Praznik: As has just been pointed out to me, in about 1991-92, Treasury Board provided for an increase of one staff year in our Inspection branch, or inspection area, and the department filled that last year. They really quite were not in the need to do that to manage within their budgets, but that position has been filled so we now have four inspectors where we used to have three, so that is added.

As well, we are spending a fair bit of money, about \$190,000 over two years in our computerization program, and that provides us with a host of administrative efficiencies that allows our field staff to be more effective and better use their time. That is how we are handling some of this increased load.

Ms. Mihychuk: As the minister probably is aware, any massive computerization is labour intensive and also technical. Are there supports put in, in terms of getting the department on line, which I must say has been, in my opinion, long overdue?

(Mr. Chairperson in the Chair.)

Mr. Praznik: Her question is a good one. I understand part of that \$190,000 includes contract work—pardon me—in addition to that \$190,000, the department is doing some contract work for that short-term additional staff and labour that is required to get us up to where we have to be.

Ms. Mihychuk: This may be the appropriate time to ask, what is the relationship of this bringing the department on line and the Linnet system?

Mr. Praznik: Everything that we are doing, I am advised—a very important point—is designed to piggyback or overlay and the Linnet systems would be part of it, and this becomes very important to us, as you can appreciate, as we are going to be dealing with land claim settlements and specific land selections. One of the problems that we have encountered on some that we have taken on to date is that interests or uses are not always registered or are not registered and accessed when we are doing these things and we get into some difficulty. So the Linnet system is very critical to where we are heading on two policy fronts, so the work we are doing has to and will be dovetailed with it.

Ms. Mihychuk: How much of this—I understand that the minister indicated that there was contract work being given out to bring the department on-line. Are these contracts going to Linnet, and if not, why not?

Mr. Praznik: Yes, I am advised one has gone to Linnet. Generally speaking, the ones that are appropriate and work will, and if there are others that are more appropriate to do the work, they will. I must admit to the member the technical work and how we do this is not something that I am greatly familiar with. I have to rely on the work of Mr. Ball and his staff in putting this together and ensure that it is ultimately properly done, but Linnet, I have been advised, has met with all of our branches to indicate what they do and are capable of doing. Where it is appropriate that we use them, we will; and where there are others that it is more appropriate we use, we will as well. I want to make sure the work is done.

Ms. Mihychuk: It is my understanding that the department virtually uses none of the Linnet services and that there is a serious problem with compatibility. The

base map system for Linnet and some of the detailed information required for claims and other detailed geological mapping may not, at this time, be the most appropriate system. So I am asking the minister, is it that we are more efficient at using different systems? Does there need to be a re-evaluation as to how we are going to have an overall government computerized system? How much, if I misunderstand, does the department co-operate with Linnet or not? Is that system going to be viable for the mineral sector?

Mr. Praznik: As a virtual computer illiterate, I am going to try to answer the member's question. My staff's understanding of the Linnet system is it is a government-wide system that provides a general framework for government use and that the Mines Branch or the components that plug in will be compatible and fit within that and workable within that whether they are developed by Linnet or not. That is one of the criteria for development.

We have used Linnet—in which branches? They are currently working with us on the Mogwis Information System in the Petroleum branch. They just completed the work for the Mining Recording office, and they are being considered by our geological branch. With respect to maps specifically, the topographical maps that we are using are those supplied by Natural Resources Canada and are to be consistent across the country. Now, what relevance that has to your question I am not entirely sure, but my staff sort of insisted I point that out to you because it would have some significant meaning.

I must admit I feel like a translator on this issue at a technical meeting of physicists. Actually, I think what I should do at this point is, Mr. Chairman, the member for St. James, having worked in the branch at one time and having a very good understanding of some of these aspects and these details, I would like to extend an invitation to her and any members of this committee who have an interest to meet with some of my senior management and get a more complete detail and technical update of these issues.

The only caveat I put on it is that, if she asks me a question in the House about it, I will just have to take it as information.

* (1040)

Ms. Mihychuk: Well, it is a fairly complex topic, and generally I am looking for a policy directive here. Linnet is supposed to be providing this overall massive system that you will be able to push a key and get your information from. If I had a piece of property, I would be able to know if there are any mining claims. Are there any significant deposits on it? What are the sanding gravel resources? Is there a forestry permit? And all of this in this ideal world will one day be at your fingertip.

Now the practicality of that is that we are, I think, a long way from getting there, and the government is attempting to move in that way. It is an overall larger issue because of the difficulty of merging all of those different departments, and I would recommend to the minister at some time, if he has an hour, to get a briefing from Linnet. I did have an opportunity to see some of the programs that they have done, and, as I say, it is something that I think government needs to perhaps re-evaluate, to determine if this is the best procedure, the best way for us as a province to proceed.

We can look at other jurisdictions who have tried to have a massive central system. Some have tried and some have given up, and it may be appropriate to review where we stand with that program. I have no further questions in this area.

Mr. Chairperson: We are at 2.(c) Mines (1) Salaries and Employees Benefits \$1,383,000—pass; (2) Other Expenditures \$495,700—pass.

23.2.(d) Geological Services (1) Salaries and Employee Benefits.

Ms. Mihychuk: I have several questions on geological services. I am going to start with basically thanking Dave McRitchie for coming out. It is a very busy time of the year as we are probably getting crews prepared to go out. It is unfortunate we actually did not have many more hours. We are not at the same priority as Education obviously.

My question concerning the crews going out, every year the department has brought on temporary staff, usually university students who are taken out into the field, and this is a practical way of getting training. I am interested in knowing what type of safety courses and training are provided to the staff members. I will go into a little bit of the reason for why I am asking that. Because you are

a geology student does not necessary mean that you know how to operate, perhaps, a firearm, how to save someone's life, how to operate an outboard motor, how to construct a temporary shelter. All of these things are suddenly within your purview, and you may need to do it tomorrow if the senior geologist suddenly becomes unconscious or something. Sometimes, unfortunately, we have to rely on those skills.

In the past there have been circumstances where a field crew has gone out with virtually no training, so I am asking if there has been some changes to the policy in the department. Do students get, do all staff members have a current first-aid training, do they have wilderness training and survival courses, and do they get training on basic equipment, operation and maintenance, including boat safety?

Mr. Praznik: I feel somewhat caught between a former geology student who probably was out in the bush and forced to build her own shelter.

Ms. Mihychuk: No, carry a gun.

Mr. Praznik: Carry a gun.

Ms. Mihychuk: Just thank God we never had to use it.

Mr. Praznik: That is right, in this post Allan Rock Canada, though, we use clubs now and we have to register them.

Ms. Mihychuk: Shove your tooth up there, that is one strategy.

Mr. Praznik: That is right. I feel so caught between someone who has been in that experience and the person who has been responsible for that job. The rules of this committee require that I reply to these questions, and I do admit that I feel somewhat awkward in doing so. Mr. Chair, because of this relationship and situation, but I will endeavour. I will endeavour.

Mr. Chairperson: Is the minister suggesting I might bend the rules just slightly for this one time? I might consider that.

Mr. Praznik: Mr. Chair, I would ask the committee's indulgence, perhaps, to have Dr. McRitchie answer that

question directly because we are dealing with an issue that I think is important. Last year under my first tenure as minister we lost no students in the bush. This has not been flagged as an issue with me, but I think given the member for St. James' intimate knowledge of this issue and Dr. McRitchie's, if the committee would indulge us, I would like Dr. McRitchie to answer directly.

Mr. Chairperson: I will allow it.

Mr. Praznik: Thank you, Mr. Chair.

Mr. Chairperson: For the committee, on the record, we will allow the Director of Geological Services Branch to answer.

Dr. W.D. McRitchie (Director of Geological Services): Dave McRitchie. In addition to the fact of not losing any students during the tenure of our present minister, I would say that our track record has been good over the last 20 to 30 years that we have been with the department. The department has a safety committee which you may be familiar with, and the safety committee has focused a large portion of its attention on the field activities. There are a series of guidelines on working in isolation. Those guidelines have been updated and are made available to all of the students that we employ.

In addition to that, each student that joins us gets a copy of a camp and field guide, which is a guide that deals with all of the conditions, extraordinary conditions, that students might encounter when they are with us during the summertime. That camp and field guide has existed for the last 10 or 15 years, and we have undertaken at the request of the safety committee to revise and update that guide more recently to include descriptions of the use of such new safety devices as pepper sprays, bear repellent pepper sprays, including very explicit instructions not to use it on fellow students.

During the initial week of involvement in the field, the party chiefs pay specific attention to training the students and giving them a good idea on what sort of actions or safety concerns they should practise once they are in the field.

There have been some complications introduced in the context of using firearms, and these are complications that I think have been introduced by the federal

government more recently. We, in the past, required that each student take a short course and get a firearms safety certificate, and we also provided a St. John's Ambulance training course for the students.

I could not tell you what we have done this year, but those courses and that training have been provided in all previous years.

Ms. Mihychuk: I will ask the minister to perhaps consider providing a bit more resources in this area. It is one thing to have a small booklet outlining the guidelines, and another one to actually attempt to start a 40 horsepower outboard motor and hop into an inflatable boat and then haul sheets of plywood, and God knows what else, to wherever your base camp may be.

* (1050)

It does provide for many, many stories, and, hopefully, the minister will have an opportunity to share with the staff some of those stories, but on a more serious side you are sending a group of individuals, some with no field experience, into wilderness environments. I would suggest strongly that, in terms of safety for these young people and the geologists, that significant hands-on safety training be provided before the students and the staff are put out into the field.

This year we are looking at a major initiative into areas that are basically unexplored, and many times we have been very fortunate not to see more serious accidents occur. I am grateful for the opportunity to talk briefly about safety as it is an important issue to me and, I know, to the director and the minister.

Mr. Praznik: I appreciate the experience and advice of the member for St. James, and I will undertake, with my deputy minister and Dr. McRitchie, to review what we are doing on the safety side. I know that field work in the bush can be a very dangerous issue. I do not think Mr. Rock fully appreciated that with his current legislation. I know my special assistant, Mr. Hood, out cutting field lines, was almost one time consumed by a bear and spent several hours up a tree wondering if he had provided sufficiently in his will for all his family members. That is a true story in which he was almost killed, so we know these things and we all do.

All I can, in conclusion, say to the member, on a more humorous note, is that her experience in toting boats and motors and all of those things, I am sure, have prepared her well for experience in the Legislature of all the difficulties, and I just hope she never shot herself in the foot with her sidearm.

Ms. Mihychuk: I am going to invite the minister to perhaps join a field crew this summer. I know the minister is fairly daring, and he is Minister of Northern Affairs. I know that the crews would be thrilled if the minister would take the time to actually come out and see what exploration is all about. I would probably invite the director of Marketing, for example, who has not had hands-on experience, to come out and see what mining is all about.

I challenge the senior administration of the department to take that step, hopefully in the boat or on dry land, and go out this summer and see what your staff are doing as they are trying to promote the mineral exploration of Manitoba.

Mr. Praznik: If there is one lesson in this for my senior staff, it is, be nice to all your students, you do not know which ones will get elected to the Legislature and get to question at committee.

I understand I am going to be up around in June in the Gods Lake area. We may have an opportunity to drop by and, if not, later on in the summer. I almost detected, Mr. Chair, the member for St. James and some of her colleagues asking for an invitation to join us on that as well and perhaps bring along a fishing rod. I just almost detected that and, perhaps, I know the member for Point Douglas (Mr. Hickes) who is here, whose home is in northern Manitoba.

I say that in the larger sense of heart and home and background and experience out on Hudson Bay, and I have had the opportunity to be hosted by his son, who is a member of the fire service in Churchill, on occasion, and I am sure if perhaps there might be a reason for all of us to assemble in the North and check out those field crews. I know the member for Point Douglas would want to be part of that, as well as my colleague from Sturgeon Creek (Mr. McAlpine), who, I think, is looking on with some envy to this interest here today.

Ms. Mihychuk: I want to now go on a more serious note—[interjection] It was serious, I always take mosquito repellent. The branch's decision to spread its resources to traditional exploration areas, for example, Flin Flon, the Thompson area, and do the new initiative was one, I presume, that was based on historical and perhaps the need to find more resources in those areas.

However, I would like to share that, having met with the administration of Hudson Bay Mining, he was very supportive of the new initiative, urging government to take those steps, to provide the basic mapping programs and basically suggesting that with some changes to tax law allowing for geophysical work to be done more effectively, that that area would be covered by them. So in those large areas like the Flin Flon belt and Thompson, we still see a component of the department based there.

My question to the minister is, why was the decision made to remain in those traditional areas? Why did we not look at a massive new program?

Mr. Praznik: Mr. Chair, the short answer to this question is the work that we are doing in the more well-established areas of probably northwestern Manitoba have to do with depth, that a lot of our efforts in those areas have been to provide the database, as best we can in our purview, for areas that are deeper, far deeper than we had before. Part of the issue there, of course, is that there are a fair number of deposits, good geology, that suggest that there may be more mineral resources at greater depth, so that is why we still have some involvement in that area.

As well, one should appreciate that to date 95 percent of exploration undertaken by the private sector in the province has gone on in those traditional areas. We have been wanting to move that into the northern Superior, and that is why that has become the high priority for our work in developing the database, but you cannot abandon one area when there is still some need to be done there to get into another one. As the member I know appreciates, her colleague the member for Flin Flon (Mr. Jennissen), it is in his interests and in the interests of other northern MLAs to ensure that there are sufficient and adequate ore reserves to extend the life of those mines.

I know discussions we have had with Hudson's Bay Mining and Smelting and others, that there is still some

work to be done there, that we want to make sure, and there is a balance. There is a balance.

As well, and my deputy makes the comment to me, there are still a fair number of our smaller operators, exploration companies, individual prospectors, who are doing a fair bit of work in those traditional areas and have properties there to develop, so it is not just Hudson's Bay Mining and Smelting. If you look at the three drill rigs that are operating now in the city of Flin Flon, I think one is Hud Bay—two are Hud Bay and the other is Consolidated Callinan, and then there are a lot of other smaller companies that are still in that area, so we have a larger clientele than just Hud Bay in that area looking for projects.

In our coming year with our approvals under our program, 47 percent of the work is being done in the northern Superior Province, and 21 percent is being done in the southeast section of Manitoba which is the Tanco Bemis Lake up to Bissett and northward area. Nineteen percent is being done in the Flin Flon-Snow Lake region and about 14 percent in the Thompson region, so you can see the lion's share of our efforts are being spent in the northern Superior and in the southeast which, in essence, had a whole new life with Rea Gold and some of the additional work that Tanco has been doing with Cabot resources, their new parent.

Ms. Mihychuk: How many field crews are going into the Superior Province this year?

Mr. Praznik: I assume the question is with respect to our own database field crews. We have four, I am told, going into northern Superior.

Ms. Mihychuk: How many field crews are in southeast Manitoba and in the Flin Flon-Thompson area?

* (1100)

Mr. Praznik: Two are going into the southeast, of our own crews, and I understand we have six going into that Flin Flon-Lynn Lake area, and their efforts are by and large to complete work that has been undertaken in the past, to finish them off. So we will see the real push. We have seen the shift this year into southeast and northern Superior, and next year we will see that in even greater numbers.

Ms. Mihychuk: Does the six include the Thompson belt, as well?

Mr. Praznik: Mr. Chair, I am advised there is only one crew completing mapping in the Thompson area this year. The major effort there has to do with compiling the information that has already been gathered from past exploration.

Ms. Mihychuk: One of the goals is to, of course, do the mapping and then produce both the preliminary information that is released at the meeting with industry that the minister was at in November, as well as the final report.

Can the minister tell us what is the turnover rate? How long does it take to produce the final report from the time of initial fieldwork to production of the report?

Mr. Praznik: I am advised that we have made some very significant improvements in the last few years that now we can produce preliminary coloured maps within the same year as the field work is undertaken. With respect to final maps, I am advised that it depends on the size of the project and all the usual reasons I am sure the member for St. James remembers.

Ms. Mihychuk: I am not going to dwell on this area too much. I have two more questions, fairly simple. I understand here under Activity Identification, the branch provides assays for claim holders. How much work is involved with that and how much staff time is included in that?

Mr. Praznik: We do about 2,000 commercial assays a year at our lab for the private sector.

Ms. Mihychuk: Has there been a change in the number of assays over the years? Is that relatively stable, or going up?

Mr. Praznik: I am told it has been relatively stable.

Ms. Mihychuk: Overall, the department not only provides the grants for exploration but basically the supports for additional field exploration near Flin Flon and Thompson, even in the southeast, can sometimes be interpreted as a form of aid or subsidy to industry. I think that we need to recognize the value of the department and

the amount of effort and information that it generates. It seems to me that we often ignore or at the minimum not recognize the efforts put out by civil servants to promote the mineral resources of Manitoba. I just want to indicate that with those types of supports we are indeed helping industry to develop our resources.

In terms of the branch as a whole and exploration more generally—and the minister was being fairly liberal with his ability to ask questions—[interjection] Liberal, well, we have been wondering—in this area of exploration, projections indicated that there would be approximately \$40 million of exploration this year. The minister in his opening comments suggested there may be \$50 million. The question here is, do we have an actual number? Do we expect to see significant increases in the amount of exploration? With these new programs, hopefully the investment is wise and will see a significant increase.

Mr. Praznik: Mr. Chair, in terms of gathering the information, what we are able to do of course is through our own program we know how much work we have generated through our MEAP program. It gives us an idea we can document. Second, we canvas the existing industries, obviously the big players, to get a sense of their expenditures and programs that are going on. The permitting process gives us information from which we can canvas. So our numbers are not an accurate-to-the-penny recording. They are a best-guessed estimate based on what we gather and are told. At the end of the day, we will have a better idea at the close of the year. We base our estimates on what we have been told by companies. Obviously, as they go through their year things can change for them. Weather plays a role in it. Fires can cause a significant decrease in exploration dollars if they make it impossible to get into areas. There is a host of factors.

We do know that there is a greater increase, greater willingness, greater interest. In looking, we estimate \$45 million, \$50 million we are hopeful this year we will see happen in exploration in our province.

The key for us in our view is that we have at least five new companies which this year will be active in exploration which traditionally have not been in Manitoba. Those I think are largely the result of the kind of efforts we have made in attracting them and convincing them. We have others which are looking for properties

which have not been able to work out arrangements yet. So it is an incremental growth, and we continue to build on it.

Ms. Mihychuk: Recently the minister and I were both reported in the papers as supporting the initiatives for the exploration program. My support will be dependent on how effective this program is. If we do not see companies, the traditional as well, expanding their exploration programs, I will be very disappointed and would ask the minister to review that program.

We do not give away very scarce public money without seeing significant improvement. So I would ask the minister to monitor and ensure that we see expanded exploration even with the large mining companies in Manitoba.

Mr. Praznik: Mr. Chair, her concern is a very, very valid one. That is why this program is a three-year program, and we monitor it as we go through it and we will make decisions as we move along. I know one of the reporters who covered the story—and I appreciated the member's comments—was talking to someone who indicated at one of the companies that, well, we would do our exploration programs with or without the money. In the case of the larger companies, we have had a mix of who has got money because we are trying to develop a nice, broader strategy of exploration.

When we talk to those people, I know the criticism is, some of these companies are very significant, have significant profit levels, et cetera. The reality of it is they make decisions where they are going to spend their money on exploration, and if this stretches their dollars or if this makes a difference in them doing exploration here as opposed to Ontario or Quebec or Chile or somewhere else, then it is added to our exploration base.

Her caution is very valid. It is one that I very much want to keep on top of because pumping money into something without results, which to some degree was Manitoba Mineral Resources—and we did not get a mine out of it. We may have some philosophical disagreements about that purpose, but the results are there and I expect to be judged by the same thing here. If we do not ultimately get results, then this program should not continue, and I think that is the way all government support programs should be.

So I am sure next year we will have this conversation again. In the interim, it is achieving the results we want. It has spurred on some additional exploration incentive. Quite frankly, it is the hook to get some of these companies back into Manitoba and interested in being here, and if they are finding the geology that works for them, we will not need this program in the future.

* (1110)

Ms. Mihychuk: Just to wrap up, I would ask the minister if it is possible to provide a report on the success of the rehabilitation program for sand and quarry sites, the amounts expended, which locations have been done, who got the contract in which municipality. Secondly, if possible, how is the MEAP or whatever it is called now—I am sorry, it was so close to the first one—[interjection] Yes, the industry support program. Which companies are picking it up to what amount? I would appreciate that.

I have no further questions so we can move right through the department. Thank you.

Mr. Chairperson: Thank you very much. Would the minister want to make a comment?

Mr. Praznik: Yes, Mr. Chair, I will undertake to have my staff provide the member with that information and thank her for this opportunity to have a good exchange.

Mr. Chairperson: Thank you very much. Item 2.(d) Geological Services (1) Salaries and Employee Benefits \$2,702,700—pass; (2) Other Expenditures \$1,017,400—pass.

Resolution 23.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,674,800 for Energy and Mines, Energy and Mineral Resources, for the fiscal year ending the 31st day of March, 1997.

Item 3. Industry Support Programs (a) Mineral Exploration Assistance Program \$3,000,000—pass; (b) Petroleum Exploration Assistance Program \$1,000,000—pass; (c) Manitoba Potash Project \$304,900—pass; (d) Acid Rain Abatement Program - Flin Flon 0—pass.

Resolution 23.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,304,900 for Energy and Mines, Industry Support Programs, for the fiscal year ending the 31st day of March, 1997.

Then, consideration of the minister's salary—

An Honourable Member: They are all gone.

Mr. Chairperson: They are all gone. The last item to be considered for the Estimates of the Department of Energy and Mines is item 1.(a) Minister's Salary \$12,600—pass.

Resolution 23.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,327,100 for Energy and Mines, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This completes the Estimates for the Department of Energy and Mines.

The next set of Estimates to be considered in this section of the Committee of Supply is the Department of Culture, Heritage and Citizenship. Should we briefly recess for a few minutes? We will be back in five minutes.

The committee recessed at 11:14 a.m.

After Recess

The committee resumed at 11:20 a.m.

* (1120)

CULTURE, HERITAGE AND CITIZENSHIP

Mr. Chairperson (Jack Penner): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Culture, Heritage and Citizenship. Does the Minister of Culture, Heritage, and Citizenship have an opening statement?

Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship): Yes, I do, Mr. Chairman.

Mr. Chairperson: Maybe before we proceed with your statement, we should establish how we are going to deal with this. I understand that we want to deal with Multiculturalism and Citizenship first, and then move to the balance of the Estimates. Is that agreeable?

An Honourable Member: That is agreeable.

Mr. Chairperson: Thank you very much. We will proceed in that manner then.

Mr. Gilleshammer: Mr. Chairman, I appreciate the opportunity to make a few opening remarks at the beginning of the Estimates process. As my honourable colleagues are aware, we do not often get an opportunity in the House to discuss the many wonderful things that are happening in this province that relate to my department, so I would like to take this opportunity to put a few of those things on the record this morning.

With the introduction of the 1996-97 Estimates for the Department of Culture, Heritage and Citizenship, I would again like to emphasize the important role this department plays in the health and well-being of Manitobans, and we expect to place significant emphasis on this vision.

The services, programs and initiatives which fall under the auspices of my department have both direct and indirect impacts on the artistic growth, economic success and long-term health of Manitobans. In the process of meeting the needs of Manitobans, my department has developed strong and productive partnerships with communities and community oriented groups. These partnerships, program services, initiatives and staff are important components in Culture, Heritage and Citizenship's endeavours to meet the needs of Manitobans. Combined, they help us continue to make Manitoba an exciting, dynamic and prosperous community in which we are proud to live and raise our families.

Within the mandate of my department's Culture, Heritage and Recreation Programs division, we seek to

support, create and deliver a broad range of arts, cultural industries, library, heritage and recreation programs, services and funds to the citizens and communities of Manitoba. Through these services we support a vast number of individuals, organizations, agencies and institutions which significantly contribute to the outstanding quality of life in Manitoba.

Mr. Chairman, 1995 was, as you know, Manitoba's 125th anniversary in Confederation. The programs division in my department was heavily involved in providing funding, guidance and administrative support to the celebrate Manitoba 125th program which was guided by a 21-member Premier's volunteer committee. Major activities and events of our anniversary year included a promotional campaign designed to increase the public's awareness of the event, the production and marketing of commemorative merchandise, the commissioning of a special song and many, many other activities.

My Historic Resources branch distributed information packages highlighting the anniversary and the history of Manitoba to schools, museums, heritage organizations, as well as historical, geological and archeological societies.

The Arts Branch in my department published the Buyers Guide to arts and crafts in Manitoba which was available to Manitobans and tourists during the anniversary celebrations.

Mr. Chairman, 1995 was truly a year to remember, thanks to the combined efforts of all involved and the warm response of the citizens of Manitoba.

In reference to the arts, as well as heritage, I am pleased to announce that despite tough economic times, funding and consultation assistance levels have remained stable. I would like to highlight the January 27, 1996, Globe and Mail article entitled, Winnipeg arts scene gets standing ovation. I know that members of the opposition have armed themselves with this article and are well aware of the many good things that are happening in Manitoba. That article, of course, names Winnipeg as the arts and culture capital of Canada. The by-line reads, struggling for survival, the status quo for many creative organizations is not such a familiar condition in Manitoba's capital where loyal audiences and supportive government helps artists grow and experiment.

In support of that well-deserved reputation, my department has continued to provide sustained operating support to our major extradepartmental arts and heritage agencies which include the Manitoba Centennial Centre, the Manitoba Museum of Man and Nature, the CCFM, the Winnipeg Art Gallery and the Western Manitoba Centennial Auditorium.

Last year, capital grants were provided to the Concert Hall to upgrade the fire alarm system, to the Winnipeg Art Gallery for repair to the exterior cladding as a result of water damage over the years, and to the Brandon auditorium for repair of cladding, roofing and replacement of windows. Capital assistance was also provided for the further development of the Jewish Community Campus of Winnipeg. The campus is a \$20-million multipurpose cultural, educational, recreational complex designed to serve the Jewish community as well as the broader community. Campus amalgamates numerous existing services and agencies while providing new and exciting uses for heritage buildings on the Fort Osborne Barracks site.

In further support of two of our major extradepartmental agencies, I am introducing in the current session The Museum of Man and Nature Amendment Act which will seek to give the museum a new gender-neutral corporate name, the Manitoba Museum and to formally establish its independent corporation, the Manitoba Museum Foundation Incorporated. The museum has engaged in a search for a new identity or a popular name.

Under cultural industries, we are working on The Manitoba Film and Sound Recording Development Corporation Act which will establish this arm's length agency as a corporation better structured and accountable for its crucial support to Manitoba's film and sound industries. This legislative initiative was undertaken after extensive consultation with the cultural industries community. To sustain funding to the arts, the financial support to Manitoba Film and Sound remained at just over \$2 million and the Manitoba Arts Council over \$7.5 million. My department continues to promote the production, marketing, viability and growth of the cultural industries in Manitoba through its support for film, film locations, video and sound recording programs administered by Manitoba Film and Sound and through direct programs for book publishers.

The Manitoba film industry has grown dramatically over the past decade from just under \$1 million in production activity in 1983-84 to approximately \$20 million in 1995-96. According to Statistics Canada, between 1989 and 1994 local Manitoba production increased by 44 percent. Employment during this period grew by 285 percent, and there are numerous examples of works that have been completed or works that are underway which fall under the auspices of CIDO. Certainly, the program *My Life as a Dog* which was filmed in Gimli is enjoying popular support, and I would like to mention some of the films that have attracted some attention.

For the Moment, a film written, directed, co-produced by Manitoban Aaron Kim Johnson with equity investment by Manitoba Film and Sound recently opened in Los Angeles, Chicago and New York to rave reviews just prior to distribution by Fox Video. Hardly a day goes by that we do not receive another report from one of those three cities that this film is truly gaining some acclaim in the American market. The Arrow, the story of the Avro Arrow airplane, a four-hour miniseries for CBC, will be produced by John Aaron Productions starring Dan Ackroyd and is set to begin production in June. We look forward with optimism to that particular film endeavour.

This year's Gemini nominations recognized a number of Manitoba film productions such as the Hands of Ida, Trial at Fortitude Bay and others. Manitoba film and sound supports the video and sound recording industry which has enjoyed tremendous growth in the last couple of years. A number of local entertainers have been recognized at these national awards.

In 1995-96, my Arts Branch Publishing Support Programs provided support to 11 Manitoba book publishers to expand marketing, make company improvements and develop new product lines. Support was also provided to joint marketing activities such as Prairie Books NOW, a book news tabloid developed by Alberta, Saskatchewan and Manitoba and distributed to 40,000 readers, librarians and booksellers on a quarterly basis.

Accessibility to the arts for all Manitobans is a goal of my department. To that end, the Arts Branch supported over 600 performances and exhibitions by Manitoba artists in rural and northern Manitoba and over 750,000

hours of community-based arts instruction for Manitobans in all regions of the province.

* (1130)

Next, I would like to say a word about our libraries. The Public Library Services branch located in Brandon is continuing to respond to the recommendations of the 1994 Public Libraries Advisory Board report. Recommendations in this report called for increased funding for rural and northern public libraries, the automation of all public libraries and increased resource sharing among libraries to improve library services to Manitobans.

As of the 1994-95 fiscal year, operating grants to rural and northern public libraries were increased by 50 percent or \$1 million. Of this amount, \$750,000 was given directly to rural libraries, and \$250,000 was allocated for materials for the central Provincial Library collection. This increase in funding has enabled rural and northern public libraries to improve services in many ways. Longer hours, increased book collections, increased programming and greater information access for clients have helped libraries reinforce their role within the community.

I note with satisfaction that in some municipalities, the library levy has been increased to match the maximum provincial grant of \$7.50 per capita, further strengthening the local library system. Just yesterday, in meeting with a number of interested librarians and other citizens interested in libraries, we were again able to take great pride in the fact that \$1 million was put into the system two years ago and have the assurance that it is being well received in the library community.

In this fiscal year, our commitment to libraries will continue with the 48 rural and northern library systems expected to receive a total of more than \$2.3 million in operating grants. We have also seen our library system expand, and I think I will just skip some of the detail of that. Suffice to say that there are a number of rural communities that are upgrading and improving their libraries. Not too many months ago, I was in Stonewall for the opening of a new library which is a tremendous addition to that community, and this Friday there will be an opening of a new library in Neepawa, and it is tremendous to see the communities in rural Manitoba, the

municipal corporations take an interest in the library systems and put additional resources into those libraries.

Of course not all of our funds for library operations are dedicated to rural and northern facilities. The province also funds 11 percent of the operating costs of the Winnipeg public library system. In 1995-96 Manitoba provided nearly \$2 million to the city for this purpose. We might say that the Winnipeg library system ranks in the midrange in terms of provincial funding on a per capita basis for large, urban libraries in Canada.

Our co-operative drive towards automation and the development of an integrated resource-sharing provincial system is proceeding well. The public library services office and library have been automated. The acquisition, cataloguing, circulation, on-line and CD-ROM functions are all operational. Of the 48 regional libraries, 44 have received computers and started automating their operations. Rural library automations will eventually see every regional and municipal public library equipped with the necessary computer hardware and software to tie into Manitoba's information network and to communicate with each other and with the public.

On May 8 of this year, my department hosted the Prix Manitoba awards for heritage and recreation. I was pleased to see a number of my colleagues and attendants at that event. We had an overflow crowd in Room 200 here, friends of the recipients and people generally interested in heritage and recreation. The Prix Manitoba award program was designed to recognize individuals and organizations who have enriched the lives of Manitobans through their contributions and volunteer efforts in the areas of heritage, recreation, culture and multiculturalism. The ceremony held here in the Legislative Building was well attended and for many quite moving. It underscored the importance of volunteers who make our lives more enjoyable and fulfilling and the necessity of recognizing their efforts. Again it underscores the quality of life initiative that our department is responsible for.

At the Prix ceremony I made note of the 50th anniversary of the creation of the Historic Sites Advisory Board of Manitoba or, as we know it today, the Manitoba Heritage Council. It was established in 1946 under The Historic Sites Preservation Act to identify and preserve historically significant sites for future generations. In

1986 the board became the Manitoba Heritage Council after the proclamation of The Heritage Resources Act. Today the council's role is to make recommendations to me which help to identify, protect, preserve, commemorate and interpret historically important people, events, sites and buildings across Manitoba.

In the five decades since the council was established, we have seen 11 historic sites and over 70 buildings designated. This is in addition to more than 150 commemorative plaques erected in the province. Since the mid-1980s, designations have ranged from the ruins of a former glass factory in Beausejour and the Darlingford memorial and park to the Legislative Buildings to Brandon College Building and the Clark Hall building and most recently some of the buildings within the Fort Osborne complex.

The Manitoba Heritage Council and its predecessor the Historic Sites Advisory Board of Manitoba have made and continue to make valuable contributions to Manitoba's heritage community. This year is the 10th anniversary of The Heritage Resources Act of 1986, and an appropriate time I believe for my department to review that piece of legislation and indeed our general approach to heritage preservation awareness.

To that end my department will, during the upcoming year, initiate a heritage review, the main component of which will be public consultation around the challenges and opportunities inherent in the areas of stewardship and management of heritage resources in Manitoba today.

In recent years significant public discussion has involved the need to reduce the costs of providing health care and social services. To date, most containment strategies have focused on restructuring the delivery system, the supply of services. However, research has demonstrated that significant cost savings can result if we reduce the need or manage the demand for services. This can be accomplished in part through programs that focus on prevention strategies and empower individuals to take greater responsibility for their own health and well-being.

Wellness provides us preventative foundation focusing on physical, psychological, spiritual and social well-being with a key principle centred on the individual's responsibility for maintaining their health.

To support a preventive, proactive wellness approach and to position the department to better serve the public in this regard, the Fitness Directorate has moved into my department and joined the new Recreation and Wellness Promotion branch with an expanded mandate focused on the goal of supporting healthy, responsible lifestyles and individual and community wellness.

The Regional Services branch of the Programs division in my department supports rural, remote and northern communities in initiating growth and change towards community and regional sustainability and wellness. Regional staff provide regional delivery of the programs in my department and assist in the delivery of a further 19 grant programs in 11 provincial government agencies and departments.

The Information Resources division provides a centralized communication service to government departments and agencies. Staff of the division work with government departments to develop, purchase and deliver communications material for the public and various targeted audiences. Work ranges from fact sheets and news releases on new programs to multimedia campaigns to promote Manitoba as a tourist destination.

In addition to central communication support, the division also provides direct service to the public through two areas, Citizens' Inquiry Service and Statutory Publications. Citizens' Inquiry provides the public with a bilingual, toll-free telephone enquiry and referral service for all federal and provincial programs. Over 120,000 calls are received annually.

Statutory Publications makes the laws of Manitoba available to the public and special interest groups such as the legal, financial and educational communities. They have recently automated their point of purchase system to provide more efficient service to the public.

Many of my department staff work in the rapidly developing area of information management. New computer and telecommunications technologies are changing the ways in which people throughout the world access, use and share information.

To that end I announced earlier today that the government intends to proceed this year with the development of new legislation to strengthen provisions

balancing the right to access information and the right to privacy for Manitobans.

* (1140)

The Freedom of Information Act gives Manitobans the right to access records and information held by the provincial government. It also prevents personal information from being disclosed to third parties and allows Manitobans to access and correct inaccurate information about themselves.

However, during the past few years, the growth of electronic information has opened up a vast range of information to a growing number of people. At the same time, many Manitobans have concerns about the sheer volume of information that can potentially be accessed. They are uncertain about what happens to the personal information they entrust to others in both government and the private sector. Our government will address this concern by taking steps to ensure that the personal data in its custody will be managed according to modern, fair information practices.

We are today embarking on a consultation process, over the next several months, with key organizations and interested individuals to ask Manitobans for their ideas and suggestions about access to information and protection of personal privacy. We have prepared a discussion paper which provides an overview of this rapidly evolving area, a summary of the practices of other governments and issues for consideration. This discussion paper will be available from the Provincial Archives, through public libraries and through regional offices in my department. We look forward to receiving both written and oral submissions from Manitobans. We plan to introduce new legislation in the House in the spring of 1997.

A few words about the archives. In other years in the House, I have spoken about the valuable collections of the Hudson's Bay Company Archives and the funding that now comes to Manitoba through the Hudson's Bay History Foundation to support these unique resources. This year we will be proceeding with construction of a new vault for the Hudson's Bay Company Archives to ensure that we have enough secure and climate-controlled storage space to continue to preserve these records. Work on this \$2.2-million project will begin in the next

few months. All the money that will be spent on this construction is fully recoverable from the foundation as a result of the 1993 donation of the company's archives to Manitoba. Apart from providing for the long-term preservation of this invaluable material, the construction project itself will result in nearly \$4.9 million in total input to the province's economy, including about 42 person years of jobs.

I want to add that we in Manitoba are not alone in our appreciation of the Hudson's Bay Company Archives and the innovative new partnership arrangement for its continued funding. Last year, the Provincial Archives, the Manitoba Museum of Man and Nature and the Hudson's Bay Company received the Parks Canada award from the Prime Minister in recognition of exceptional contribution to Canada's national heritage. This is the country's highest award in the heritage field and was given for the donation of the Hudson's Bay Company Archives and museum collection to Manitoba institutions.

I might also add, in the recent royal visit here, this was of tremendous interest to the member of the royal family as he viewed the Hudson's Bay collection and, in particular, the Royal Charter of 1670.

In another important area, the Provincial Archives is working closely with the community representatives in St. Boniface to build an archival facility for French language records in the province. The project has been developed as a partnership, and I am pleased that the federal government has been able to join us in supporting the construction of that new facility.

I would like to now move to the Citizenship Division. The Citizenship Division, through its provincial leadership role in immigration and settlement matters, has been working towards making Manitoba a place where people are accepted and have opportunities for full participation in the social, economic and demographic growth and development of the province.

Manitoba has been in negotiations for a Canada-Manitoba immigration agreement since a Memorandum of Understanding was signed in October of 1994, and those negotiations are ongoing. At times, we feel we are close to reaching a settlement, an agreement, and at other times, as the federal government has a change of mind on

certain issues, those negotiations become more difficult. At any rate, this agreement is intended to give Manitoba more control over its immigration activities. It will allow us to set immigration levels in composition, and by signing it, the federal government will be agreeing to assist Manitoba in pursuing those goals.

However, in the meantime, we have entered into several significant agreements with the federal government on immigration matters. The Canada-Manitoba project for sewing machine operators is a first in Canada and will allow Manitoba to recruit 200 sewing machine operators. This project was initiated by my department in direct response to the Manitoba fashion industry's needs for trained workers. These workers are needed for the industry to continue to seize the opportunities for growth. To ensure that there was a wide distribution of information about this movement, notices were sent to ethnic organizations and were placed in the ethnic press; briefings were held in Winnipeg and in a number of rural areas.

The first step in this recruitment project is to have family or industry sponsors approved in Manitoba. Once this has been done, the actual skill testing of the potential immigrant will be carried out by the Manitoba Fashion Institute. This testing will establish the candidate's ability to operate a sewing machine at the skill level required by the Manitoba apparel industry. As well, the testing will be to establish the candidate's ability to speak, read and write English at a standard required by the industry. This immigration movement is basically a family reunification one, and, to date, we have issued 700 sponsorship packages which have identified 850 potential candidates abroad from 32 countries. Although sites for final testing will be determined by the Manitoba Fashion Institute, we believe that there will be sufficient volume to test in several parts of the world, and arrangements are underway so that testing will be able to be facilitated in other areas as well.

It is important to remember that this agreement was struck only after extensive effort to recruit domestically both within Manitoba and in other provinces. As well, an Education and Training initiative has been established in recognition that this is a short-term solution and a long-term solution has to be to find workers for the industry from within Manitoba.

As is reflected in this movement, Manitoba remains committed to family reunification, and brings concerns such as those about the right-of-landing fee forward to the federal government in a variety of ways. I have met with both Minister Marchi and Minister Robillard, bringing forward Manitoba's concerns. I believe that the present climate is one which is more conducive to better progress than has been possible not too many months ago.

Through federal-provincial working groups, my department has been instrumental in developing alternatives to the proposed federal sponsorship bond. This bond, had it been implemented as proposed, would have been a significant inhibition of family movement to Manitoba. Our primary goal in both our negotiations for an immigration agreement and our promotional activities has centred on our concern to maintain Manitoba's proportional share of immigration to Canada.

I am pleased to report that although our overall numbers remain of concern, we have had a 36 percent increase in the area of our primary promotion, recruitment of skilled immigrants. Promotion activities that were undertaken included exploratory tours and promotional seminars in the United Kingdom, Ireland, Ukraine, Philippines and Argentina, attracting over 1,500 prospective immigrants.

The launching of the community-to-community approach in Argentina worked to forge links with Manitoba ethnocultural community groups to promote and retain immigrants. Extensive work has taken place with the Philippines, Ukraine, Jewish, Francophone, Chinese, Indo-Canadian and Korean communities.

An international advertisement campaign and Internet bulletins, the development of the Manitoba home page on the Internet, the arrangement of 22 exploratory visits for prospective immigrants, the development of the Welcome to Manitoba kit, a 24-hour Winnipeg-based call centre, these activities have positioned Manitoba as an international immigration destination. International media have profiled Manitoba's unique approach to promotion, recruitment and its usage of the Internet. This has gained media coverage of the campaign on CNN international, CBC national news, CBC's Newsworld, CTV national news and a number of Canadian newspapers.

Since activation of the promotion and recruitment campaign, there have been 53,000-plus visitors to the home page, and Manitoba Advantage information kits have been distributed to 5,000 people in 40 countries around the world. I have some more detail on that if either of the parties are interested in gaining some more detail on that.

The Citizenship Support Services Branch has the lead responsibility for the government of Manitoba's antiracism initiative and the implementation of the Respectful Workplace program. This program, offered as a corporate service by the Manitoba Civil Service Commission, involved the participation of five government departments. The code for Respectful Workplace has been completed and is in effect in the Department of Culture, Heritage and Citizenship.

In co-operation with Citizenship and Immigration Canada, two citizenship courts were hosted in the Legislative Building in the last year; 175 new Canadians received certificates of Welcome to Manitoba. A special court was held in honour of Manitoba's 125th anniversary. The Manitoba Day celebration welcomed 125 new Canadians in a ceremony held for the first time in Manitoba's history in the Legislative Chamber.

Public consultations were held throughout Manitoba to determine stakeholders' reactions to Phase 1 of the federal settlement renewal process. These were carried out with federal Department of Citizenship and Immigration Canada. The Institute of Urban Studies facilitated the consultation and compiled a report of the Manitoba recommendations and concerns about federal changes to the delivery of immigrant settlement services and funding.

The Settlement and Adult Language Training Branch co-ordinated the draft adult ESL national benchmarks document, reviewed and pilot-tested it throughout Manitoba. As a result, extensive changes were made, and the final document was released to the teachers of English as a Second Language conference held last weekend in Winnipeg.

In 1995-96, language training was provided to full- and part-time students in institutional, community-based training classes and workplace language programs. A variety of these programs are continuing, and perhaps we can get into some of the detail of that later on.

As well, the division remained active in initiatives for immigrant youth and prevention of family violence, jointly co-ordinating multicultural programming for male offenders and multilingual resources for domestic abuse intervention and prevention.

Culture, Heritage and Citizenship is responsive to a very diverse array of programs, services and initiatives. Members opposite should be cognizant of the benefits which fall to our Justice, Family Services and Health budgets and our economic attractiveness when all Manitobans achieve a sense of pride and well-being and an enhanced quality of life within their communities.

Manitoba Culture, Heritage and Citizenship is very proud of its role in working with Manitobans to build a better community today, as well as for the generations of tomorrow. The information contained in the Estimates before you reflects our commitment to meeting this great responsibility through the effective and efficient use of our fiscal resources.

With those few words, it is always a pleasure to join in these Estimates and give opposition members an opportunity to better understand our department and see the tremendous work that is being done throughout Manitoba. Thank you, Mr. Chairman.

Mr. Chairperson: Thank you, Mr. Minister. Does the honourable member for Point Douglas have opening remarks?

* (1150)

Mr. George Hickes (Point Douglas): Yes, I do.

First of all, I would like to start off by some comments that were made by politicians. I personally was very offended by those comments, but I could imagine the horror of the people who came from another country, people of colour, and I think it is uncalled for in 1996. That might have been the old way, but, hopefully, the old way is past, and we will never see a repeat of that.

What I am referring to is the comments made by Bob Ringma and David Chatters of the Reform Party. I think that was totally appalling, and it was not called for, and it had to be an insult to people who came from another country to make Canada their new home.

I hope that our minister in Manitoba took action and at least sent a letter to Bob Ringma and David Chatters and to Preston Manning of the Reform Party stating, hopefully, his disagreements with those comments and that we in Manitoba do not agree with that because I received many calls when those statements became public.

I wrote a letter because that was the least I could do, because I think a lot of people were very offended. It is not acceptable behaviour for any politician because whether you are in Manitoba, Alberta, Newfoundland, Saskatchewan, especially if you are a member of Canada's Parliament, those statements reflect all Canadians and reflect all people who would consider making Canada their new home whether if they choose Manitoba, Saskatchewan, Alberta, wherever. If I was in another country and I heard those comments, I would have to reconsider if that is the kind of country I want to live in.

I think those comments should be addressed. I hope the government addressed those and I said I hope they—the minimum—wrote a letter to Preston Manning and to Bob Ringma and David Chatters, because those are totally, totally uncalled for. They are very inappropriate. I feel it gives all politicians a bad name. It is tough enough the way it is, because you know that Canada was built on immigration the way we know it is today. We can go back to the history of the first peoples, the Inuit and on and on and on, but a lot of what we see today were the great contributions of immigrants from all various parts of the world, not only the Philippines—or Chinese. You have Ukrainian, you have Polish and all over the world. [interjection] Mennonites, yes, because they contribute tremendously, tremendously to our province and to our country, but we have to give recognition to the people who came here and sweated and toiled and made our country what it is today.

Also, on that same plateau or same vein, we have to look at politicians and parties because when we look at some of the programs, great programs, that we had and we see the decreases of funding to these programs, to me that sends a message that those programs are not as important as others. When I look at multiculturalism, the distribution of expenditures by the operating division of Culture, Heritage and Citizenship is 0.8 percent. It is not even 1 percent of the total budget. It is 0.8 and when you

look at the pie of Culture and Heritage, that tells me something. You look at some of the cuts where you look at the staffing levels where it is almost 50 percent of cuts that were made, and I will get into that later.

The other thing we look at is we talk about bringing in people from other countries. That is fine, but we also have to look at bringing in people of colour because when we talk about cutting back on English second language programs, your government today, the Progressive Conservative government in Manitoba, has cut English as a Second Language by \$141,000. The federal Liberal government has cut the English second language by \$215,000. So what that tells me is that the demand for English second language must be decreasing to warrant those kinds of cuts. If that is the case, then where are our new immigrants to Canada coming from? Obviously, they must be coming from English-speaking countries because if you continued recruiting, as we have in the past, there is no way in the world that the new citizens coming here would not require English second language training. So where are the new immigrants that are being recruited by Canada, and especially Manitoba, being brought in from? Obviously, they must be English speaking or there has to be a very, very high priority, and if that is a high priority, what happens to Croatians, the Filipinos, the Chinese, and what happens to the family members of people who are here now?

I have heard many, many times—and I strongly believe it—that family is very important and we all like to be close to our family. I have family in the Northwest Territories; I live in Manitoba. I miss them greatly, but it is not that difficult for me to go to the Northwest Territories or for them to come to Manitoba.

Mr. Chairperson: I will interject here and we will complete the opening statements of this committee on Thursday afternoon.

The hour now being 12 noon, committee will rise. Thank you.

EDUCATION AND TRAINING

Mr. Deputy Chairperson (Ben Sveinson): Good morning. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Education and

Training. When the committee recessed yesterday afternoon, it had been considering item 5. Support to Schools (a) Schools Finance (1) Salaries and Employee Benefits on page 40.

5.(a)(1) \$824,300—pass; (2) Other Expenditures \$155,900—pass.

5.(b) Education Administration Services (1) Salaries and Employee Benefits \$1,077,800.

Ms. Jean Friesen (Wolseley): Mr. Chairman, I am interested in asking some questions on this line about the accumulative spending on the record management system— no, not the record management system but the school information system. Could the minister's staff give us some idea of the amount of money that has been spent on the school information system over the last five years?

Hon. Linda McIntosh (Minister of Education and Training): That information is coming forward in just a moment. We call this EIS, and I think the member, if I recall from our conversation last year on this topic, has a good sense of what we are expecting to achieve with that, basically a historical database of information on students, teachers, school divisions, courses, exams and now Senior years' marks. It will also incorporate access to other information sources such as StatsCanada and FRAME. We hope with this to provide a long-term basis for research and evaluation of educational programming. For example, accurate statistics can be derived to measure student mobility, student dropouts, graduation rates and other standard measurements that are currently unavailable or inaccurate. The four-year cost for EIS has been authorized for \$3,927,700, and we will, as I say, have the five-year cost available for you in a few moments. [interjection]

Mr. Deputy Chairperson: Order, please. It is a nice morning, I know, and we are all energetic and ready to say a few words.

Ms. Friesen: Mr. Chairman, I thought we were waiting for the minister. She said that she was going to provide the fifth year.

Mrs. McIntosh: I do have the five-year figure here now. The figure I read out for the four years was the expected amount and in effect we expect that we will be able to, over the five years, come in at that amount or even less if we are as good as we think we can be on some of the cost efficiencies here. So just to give a breakdown there for '93-94, we now have, for year one we started off at \$738,000 for the operating; and year two was \$921,000; year three was \$966,000; and year four was \$948,000. Year five we expect we will see being able to stay or remain at that \$3.65 million.

Ms. Friesen: Mr. Chairman, does this include the pilot project that was run at about the cost of a million dollars?

Mrs. McIntosh: Mr. Chairman, I think the member may be referring to a pilot project that took place in 1988, and this series of five years which ends with the '97-98 year is a different series of achievements. The 1988 pilot was internal to government. There was no external or other cost to it, but it was not a pilot for these five years that we are just coming to the end of.

Ms. Friesen: Mr. Chairman, could the minister tell us what happened between 1988 and 1993 on the department's plans and provisions for developing a school and educational information system?

Mrs. McIntosh: This information is going back some six years, et cetera, so I have information here that I think will help, but I do not have personal recollection or full understanding of some of the details surrounding that long ago, but my understanding is this, and that is that between those years of 1989 and 1993 the department staff under the ADM, which was then Mr. Sale, set up a province-wide purchasing agreement with a group called Trevlac. Mr. Sale was promoting Trevlac to divisions. The software was supplied to divisions; Trevlac supplied software to divisions for administrative purposes.

Unfortunately, it was not used by most divisions since many of them preferred a different system. I think it still is there as an offering for school divisions, but school divisions are allowed to choose others if they wish, and you will find a great many are choosing a different system.

Also in those years the department purchased a computer and software for the library at 1181 Portage

Avenue for internal data storage for the department, and I understand that that has been replaced as of about three years ago. Last year I remember the member for Crescentwood (Mr. Sale) asking us for this year's Estimates to table a work plan for EIS, and we have that here because we took note of it to bring it forward for Estimates this year.

We have this EIS plan. It outlines our vision, plans, actions and deliverables. I think that school divisions will find that it is much more to their liking. It has been widely circulated, and I have three copies here for tabling as required and a copy for me.

Ms. Friesen: Perhaps the minister could just tell me when Mr. Sale was required to leave this department's employ? I think it was 1990, was it?—1991?

The minister is discussing all actions between 1988 and 1993 as the responsibility of one particular assistant deputy minister in this area.

Mrs. McIntosh: No.

Ms. Friesen: The question I asked was, what happened between 1988 and 1993? I got an answer based upon Mr. Sale's activities. I am just inquiring when he actually was required to leave this department, perhaps we could pin down some of this more precisely.

* (0920)

Mrs. McIntosh: No. I distinctly, clearly said that in 1989, in 1993, in those years that the ADM had set up a province-wide purchasing agreement. I subsequently then said that the department purchased a computer. I also indicated that the ADM had been set up with Trevlac for the province and that is correct. I am not sure if it was '89 or '90, but I then went on to indicate that the department had purchased a computer and the member—I think it is all known that Mr. Sale went on to other activities at some point in the early '90s, but it was he who did set up the original province-wide purchasing agreement with Trevlac. I do not believe that I attributed the purchase of the computer and software for the library at 1181 Portage or those things to anybody but the department. I believe I was quite specific in saying “the department.”

I am not quite sure what year Mr. Sale's employment was terminated with the department, but we believe it was '89, '90, somewhere in there. He, in 1989, as I indicated, had instituted the Trevlac purchase and apparently, my deputy informs me, the library computer purchase as well.

After Mr. Sale had left, that was after Mr. Sale was no longer in the employment of government that we established a committee in 1992, which was some years later. We had been analyzing the Trevlac use, which was not as well received as the ADM had hoped it would be when I am sure he had hoped that it would be picked up.

The department did not want to impose Trevlac on people, but it is still available for them should they wish to use it. So we established a committee in 1992-93 to begin a revamp and a new EIS plan, which I have just shared with the member just now. So if I have indicated that, when I said that Mr. Sale had instituted the Trevlac purchase and was speaking to school divisions to let them know it was available to them, and I indicated that was done when he was ADM. I do know that he did leave the employ of government. I know that he is still not an ADM with government, but he was the one who instituted the Trevlac purchase. The member had asked what we had done between '89 and '93; that was one of the first things we did in those years. I perhaps should have said that the ADM subsequently left the employ of government, but I thought we all knew that he was no longer employed by government, he is not with government anymore. He did leave the government around the end of '89, '90, somewhere around there, after he had initiated these purchases which we have now modified.

The moves into computerized data gathering started in around that '88-89 period of time. Subsequent experience, as we became more familiar with what the needs were there and the people in the field became more familiar, showed that we needed to move further into a new direction, and that is what we have done and that is what we are doing, a more extensive and broadly integrated system. The work plan that I have tabled I believe will indicate to the member the overview, the one big concern that we had, and I think we talked about this last year when the member for Crescentwood (Mr. Sale) was interested to know where we had been moving with

this plan. The big thing for this minister and some of my colleagues on this side of the House was the privacy access and confidentiality concern. I recall us having a fairly lengthy discussion that because we had that concern we were moving very cautiously and very carefully to make sure we were not setting up a big brother kind of regime which I do not think that anybody around the table would like to see. So how do we maximize the benefit of having swift information flow and the ability to trace students to their benefit and ours and education's benefit and still keep that as a prime factor was something we had to ask.

But you will see in here it talks about the functional design, the technical design, the communication, develop school modifications, and all of those documentation and final testing, et cetera. There are two modules, the student module and the teacher module, and I think the member might find it interesting. As I say, it is out there in the field. We also have instituted a newsletter for EIS, and I will table that as well. It is called the EIS Update. This is the April '96 edition. It is called Automating the Grant Application Process. In this particular issue we talk about the new Manitoba student numbers, building awareness of the introduction of a provincial student number. We have the EIS contacts, names and numbers that can be contacted, and on the Internet as well. We have questions and answers that are commonly held and commonly asked. I think it is very easily read. There is something on page 2 about student numbers that the member may find useful in pursuing this topic. So I have three copies of this as well, Mr. Chairman, for the committee, and I hope the member finds this helpful.

* (0930)

Ms. Friesen: If I can reconstruct it then, in 1988, there was a pilot project. Between 1988 and 1990 or '91 there was some preparation around Trevlac for selling software to divisions for administrative purposes. Between 1990 and 1993 the department did some computerization of its own data storage and purchased some software for the computer for that. In 1989, or between 1993 and 1996-97, there has been \$3.5 million spent on an educational information system which has involved, I understand, the development of again another pilot project with four pilot schools. Am I missing something? Is that what we have got for \$3.5 million and six years?

Mrs. McIntosh: Just to correct some factual information the member has put on the record and also to correct a perception that she has somehow picked up that is not correct. The member keeps referring to a pilot project done in 1988. There was no pilot project done in 1988. What occurred was an internal project, would be a right word that you could use, internal to the department where the department tested on itself, so to speak, the capabilities of some of this computerization. It was not done in the field, it was not done in the schools, it was not done outside of government. Internally, within the department, they began to use these communication flows to see if they felt they were working, and they had discussions with the schools in the fields at that time.

But the offering up of Trevlac, which was instituted by Mr. Sale in '88-89, the member has just said '91-92 or something like that—I had indicated in the beginning that this project was done under the AD of Mr. Sale who initiated with Trevlac, a company that he felt was the one that should be the deliverer, I believe the sole deliverer at that point.

The member just indicated that Mr. Sale—she told me, I think, that Mr. Sale left the department in 1990. I do not know what date he left, but how could he then have instituted this a year later after he had left? So I just, you know, pose the timing. You have to just take a look at those things, too.

I am going to table the EIS deliverables time line because the member, even though I have indicated that in 1993-94 we began our work on the EIS, seems to think that there has been no activity. Let me tell the member exactly what we have been doing, and then I will gladly table this deliverables timetable.

After having done our internal project but not tested it in the field, we went out. We did talk to divisions. They were offered the Trevlac. Some of the them were willing to take that, others wanted to use ones they preferred better.

Since 1993, we have accomplished the following: We now have the administrative database online. We have the provincial exams online. We are tracing all home schools online. We have all the high school marks online. We have all the special needs students online.

These have all been used, by the way, since, like in 1993 when the administrative database went on. In Phase I, in 1993-94, we have Division No. 1, the largest in the province, Divisions No. 6, No. 9 and No. 48—50,000 students in Phase I are being tracked, and in Phase II we have added Division No. 10. We have, again, with student tracing, 70,000 students. We now have, at this point, in those two that I have indicated, the provincial exam specialties, high school marks and home schools all being tracked. The next phase, Phase I of the student implementation which is occurring this year, has 130,000 students on it and in 1997 is being geared up and ready to go for 200,000 students, and that will also include teacher tracking. I will table this so the member can take a look at it and understand that if she is thinking that we did not get a lot done, that we have a tremendous amount done with better and more relevant equipment geared for the long term and increasing with rapidity at an ever-increasing scale, like coming online faster and faster and faster and faster as time goes by.

The grant application system is automated. Student numbers will be assigned for almost 130,000 students by this fall, and that exceeded the target in our plans by 30,000 students, and that is not a small undertaking. We are on track and exceeding our time lines. The member may recall a matter raised by her party in the House expressing concern that the government was moving to use the health number for students, and we did not do that. If the member thinks about how these processes move, I know that she has not sat on this side of the table in government, but in order to devise a new number, we put together a committee of stakeholders and created our own student number system. We are progressively implementing it, and this takes time to do. We could have done it quickly. If the member is concerned that it took too long, we could have done it quickly. We could have just used the health number, but I believe from the questioning the member's party has put before that they did not want us to do that. So when we take the time to make sure that we have covered off concerns about privacy and confidentiality in consultation with other people, the member, I think, will be aware that that takes time to do properly.

When we move quickly, we are usually criticized for not having been thorough enough to consult. When we take the time to consult, we are usually criticized for not moving swiftly enough.

There was the comic who said that if we were able to walk on water we would be accused of not knowing how to swim, and I sometimes feel a little bit like that in the questioning that comes during the Estimates process. That is meant as a piece of humour, not as any criticism. It is, I think, something that people who have sat on this side of the table experience a lot, and it is very easy to say why would you not move faster? I think we have moved very rapidly. This is a lot more than simply adding or subtracting and changing equipment and software.

If the member thinks that to put this program in place is just a case of going down and saying, we will use this kind of software and this kind of equipment, and if we do not like it, we will just change it. If she thinks it is that simple, we could have available our computer experts and our systems planning and managers and so on to indicate to her that it is a lot more complex than that.

It is a matter of evolving a plan for resource acquisition and deployment, an integrated plan, consulting stakeholders, moving from awareness to plan to action. Those are usually the steps that should be followed if a project is to have long-range success. I believe this go round, with the work that had begun in 1993, that we will now have one that will be accepted in the field and used in the field with confidence that all of the sensitive factors have been looked at carefully when we begin to track students, and data, and teachers, and whatever else it is we need to make sure the system is a knowledgeable one with a good information flow.

The plan involves outside interests, school divisions, and internally, the department people. Internally, the department people would be Schools' Finance Branch, schools Administration & Professional Certification.

Ms. Friesen: Well, it is a complex issue, the minister is right, but it is not the first time that any jurisdiction on this planet has tried to put together an educational information system. There are educational information systems in other provinces, in other divisions, in other institutions. My concern has been for the time taken and the money, \$3.5 million over the last several years is a considerable amount of money for something which she is now tabling, and I notice and I thank the minister for tabling the newsletter, Volume 1, Issue 1, April 1996, the work plan that has been tabled here, the overview prepared April 4, 1996.

It is possible that this is now on track, but we have had three or four years and a million dollars a year approximately spent on this, and it is not clear what this system has delivered to the people of Manitoba over that period. It is possible that something may now come of it, and I look forward to that, but I think the minister's association of speed, or lack of speed, with a committee which delayed things I think is a little off base. The principle of taking health numbers and adding them to education numbers is against all principles of databases, and it seems to me that there should have been the expertise within government to understand that from the beginning.

* (0940)

The Canada Privacy Act dealt with that a number of years ago, and that was the question I raised in the House. One of the problems is that this government in general has been very slow off the mark with a minister for informational technology. I think we are about four years behind New Brunswick in establishing that or establishing an advisory committee for that, and this is the implication it has is the slowing down of these kinds of issues and these kinds of committees across the government.

The minister said that this system can now tell us, and I think it says in the material she tabled, that it can now tell us what programs are taught at schools. I wonder why, when I asked the minister earlier about the number of math courses that were taught in schools across Manitoba, she said that the system was not able to deliver that at the moment. Is that something that we should know next year? What I was asking, if she remembers last year, was how many different mathematics programs are offered at the Senior 1 and Senior 2 levels in schools across Manitoba. I was concerned that it might have been that only some schools could offer more than one Grade 9 or Grade 10 math program. Will the system be able to deliver that information next year? Can it deliver it now?

Mrs. McIntosh: Mr. Chairman, I indicate, first of all, that I am pleased that the member agrees with our final decisions on not using the health number. I believe that was discussed last year. If I am not mistaken, the member might be interested to check Hansard and see what her colleague had to say about the use of health

numbers last year. I think I recall some comments that she might find interesting in light of her comments this morning, but I do not recall it specifically enough to quote. So I encourage her, if she is interested, to check to make sure that there is consistency internally within her party.

We did look at all of the other suggestions that the member mentioned. We looked at other jurisdictions. We looked at other alternatives and rejected them. That took a little bit of time too. But if the member feels that we should have maybe just gone to British Columbia and just took theirs and used it exactly as was, I guess we could have done that. We did want a made-in-Manitoba solution. We did take a look, as I say, at those other alternatives and in the final analysis rejected them as not being exactly the right fit for Manitoba, and so we have developed our own. The member indicates that she is pleased with our final decisions, and I thank her for that.

Those decisions, when you are in opposition, it is easy to say do them tonight and have them ready tomorrow. When you are in government and you actually have to really do these things, you will find that they do take a bit of time to put together. But the member, obviously, does not want to acknowledge the progress that has taken place in the last three to four years because I indicated to her what we have been doing, and she says that you spent \$3 million for virtually nothing to speak of, and yet I indicate that in 1993 the administrative database of the provincial exams was delivered.

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

In 1994 the home schools and special needs were delivered, in '95 the high schools. We have given her the figures for the '96-97. We have indicated we are already 30,000 students over and above our expectations. I want to point out that the courses she was asking for will be available at the end of June. Senior 1-Senior 4 report on courses delivered on a school basis will be delivered at the end of June. The process that we will be seeing this year is that as the marks come in, so too will all the course information at that time. So that will be available on a school-by-school basis. I think that is what she was asking. That is from Senior 1 right through to Senior 4.

Ms. Friesen: Mr. Chairman, the material the minister tabled dated April 4, 1996, says the EIS system today has

the following components. It says, first of all, school information which contains details about grades and programs taught. I assume that what is meant by this is that the system has the capacity to contain what programs are taught, but it does not yet have those, may have them by June.

The minister also said that provincial exam marks, obviously, have been computerized. That is something one would normally do at this stage if you are going to have provincial exams. But it also says high school marks, S1 to S4. Now, are those marks for every course taught in every high school in the province, or is it only the ones, the core courses? Does it include student-initiated? Does it deal with apprenticeship programs? What is there now, what will be there by the end of June?

* (0950)

Mrs. McIntosh: Mr. Chairman, I just first have to indicate that the member is wrong in her opening commentary leading into her question. She indicated that there were no courses on, they would be showing up this June. The final marks for last year are all on. They are all there, so—[interjection] Yes.

Ms. Friesen: Mr. Chairman, maybe we could just stop there and get some clarification. The minister said the final marks for last June are all there, but the final marks for what? For example, is it for every course in every high school across Manitoba including the special projects, including apprenticeship programs, including those that take place off campus?

Mrs. McIntosh: I will read them. The member is—to each of those questions that she asked the answer is yes. So when she said there is nothing on, of course then she is clearly and obviously wrong because we have all of the second languages, social studies, the additional social studies, the additional sciences, the additional language arts, the additional mathematics.

(Mr. Deputy Chairperson in the Chair)

We have the practical arts, industrial arts, health, home economics, second languages, additional second languages, social studies, additional social studies, technology education, business education, the arts, physical education, skills for independent living. All of

those courses that are all credit courses, they are all on, and they are on for last year and they will be on for this year. So you will see from Senior 1 to Senior 4 the students have to complete 28 credits to graduate, and that includes 12 compulsory courses and four compulsory complementary courses and 12 supplementary courses, and they were all on, all delivered. So for the member to say we have done nothing is not correct. I suspect she will find as she continues to probe into the detail here that for each of those things—in her opening statement she said, so what do you have to show for the end of four years and \$3 million? I think she will find as she begins to probe, quite a bit.

I want to indicate that there is a difference between a course and a program. The course would be something like mathematics, and then the designations to whatever kind of math it was. The program, in the sense that she used it in her questioning, is not used that way in education in Manitoba. The program is one of four. Français, English, French Immersion, Technology are the four programs. They are outlined very clearly in Mr. Manness's blueprint, and in the Foundation for Excellence they are very clearly specified as the four programs, and they are the only things that are entitled to the use of the word "program." The courses, I think, is what she meant instead of programs, and those courses are all there and will continue to be there.

Ms. Friesen: Well, Mr. Chairman, then I come back to the question I asked earlier in Estimates, which was, how many high schools or which high schools are teaching more than one math course at the Grade 9 level? Which are teaching more than one math course at the Grade 10 level? The minister told me at that point—perhaps she did not have the right staff here—that she could not tell me that and that her school information system could not tell me that either. So what am I not understanding here?

Mrs. McIntosh: The member is correct. At that time she was asking questions that were not on the line we were discussing. We had indicated, and still continue to indicate, that if the member wishes to move around in the booklet and not pursue these in a congruent way, that is perfectly fine with us, that we will answer to the best of our ability. I believe we did indicate to her at the time that she asked that question—she asked it I believe when we were in programs—and we indicated that we did not have that information with us in the programming

division. We do now have the proper staff available for the line that we are on. That is the danger in hopping around in the book, that we do not always have the staff we require. That does not mean we will avoid answering the question, but the best rationale for staying on line is that we then can get the detail—[interjection] Pardon me, Mr. Martindale?

Mr. Doug Martindale (Burrows): It sounds like a lecture.

Mrs. McIntosh: No, it is information.

Mr. Deputy Chairperson: Order, please. If the honourable member for Burrows (Mr. Martindale) wishes the floor, I will recognize him after the member for Wolseley (Ms. Friesen).

Mrs. McIntosh: The member for Burrows has just said, oh, yes, but the minister did not hear me. [interjection] Well, they are concerned with keeping certain things off the record, getting certain things on, and I understand that. Anyhow, that little nuisance aside, I will indicate that there is a benefit in staying on line, and by way of sharing with the member how she can obtain the best information available and the best detail available. When ministers indicate from the Chair that it would be preferential to stay on a line, it is not because they do not wish to just really—I will catch Mr. Martindale's comments later, if he wants to talk to me, or if he wants to ask some questions after, maybe he would like to put them into the microphone, or maybe not.

Anyhow, as I continue to be interrupted here, Mr. Chairman, I will get back to trying to complete what I was saying as succinctly as possible. When you have the proper staff here, you can get the detail that you are seeking. We did give the answer we had under programming to the question asked at that time, which was really on this line, and we did not have that information there. Now with the proper staff we do, and this year's information will be available, as I indicated to her in my previous answer, with the arrival of the marks at the end of next month for the—[interjection] No, we have last June's. I thought you were wanting to know—[interjection] Pardon me. We can generate the list. We do not have the computers right here beside us, but we can generate that list, and we will generate that list for the member and bring it in to her. If she can tell

us specifically, exactly what she wants, we will provide it for her. [interjection] Well, she says we already know exactly what she wants. So, I am presuming then she wants all of the Grade what? What grade? What subjects?

* (1000)

Ms. Friesen: I think my question has been put quite precisely a number of times now. My concerns dealt with the number of math programs being taught in high schools across Manitoba at the Grade 9 and Grade 10 level. How many courses are there in math at each high school in Manitoba at the Grade 9 level and the Grade 10 level?

Mrs. McIntosh: The member now says that she would like the list of math, every math course at the end of Grade 9 and the end of Grade 12. [interjection] Grades 9 and 10 rather, at the end of Grade 9 and the end of Grade 10. So mathematics in Grade 9 for Senior 1 and Senior 2 is what the member is seeking, is that right?

Ms. Friesen: I have been asking for a number of times now for the number of math programs taught in high schools in Manitoba, each high school, at the Grade 9 and the Grade 10 level. The minister remembers this came from my concern with New Directions. It came because of the implications of the nature of the new Grades 9 and 10 math programs and the examinations.

Mrs. McIntosh: We will generate that list and provide it to the member. I should just indicate again, however, these are not math programs, these are math courses. We will certainly be able to do that for her, and if she would like any others perhaps she could tell us now so when we are generating the list we do not have to keep running back and forth. If she would like any other subjects known, this would be a good time to let us know to save the staff—they could do it all at once. So if you have any other lists, if you would let us know, we would be pleased to provide them as well.

Ms. Friesen: Mr. Chairman, I wanted to ask the minister about some other areas where the department is collecting information. What I am interested in is how the information is being used. It is two areas that interest me. One is the connection with the Youth Secretariat and the collection of information on special needs students

and the sharing it across departments. What kind of sharing of information is going on? Who requests it? Who delivers it? What is the nature of that information base? What kind of student numbers are being transferred across departments? Maybe I will just leave it at that and come to the next one later.

Mrs. McIntosh: Mr. Chairman, I should indicate that, as I indicated in my earlier answer, we do not share student numbers, period. We do not share them across departments, lines. We do not share them, period. We first of all dealt with the medically fragile student, and what we did then in the secretariat, I am talking about, was ask for information on categories, not students. We might say how many blind students or whatever the category was, so we compiled information in categories without names, and ultimately then we would come to a series of students who already crossed departmental boundaries, who would have information in say, Family Services and Health, or in Health and Justice, or maybe all four of the departments.

In those cases, when you found those people, then the names were used but kept internal to the secretariat. But where the student was only in Education, for example, that personal identity is not shared. The case description is shared, and we do not even transfer that data electronically. That information is just kept that tight. I do not know if that is answering your question or not.

Ms. Friesen: I am concerned about the interdepartmental committees and the use of information within them. So what I am understanding is that, for example, in the one that would concern this department perhaps the most, or at least is the most visible, the Youth Secretariat, there is no sharing of student numbers, there must be sharing of student names, but that will always have happened.

Mrs. McIntosh: Only for those who are already identified in other departments as well as Education.

Ms. Friesen: Mr. Chairman, the work plan that is established here says that the department is currently in the process of developing a policy regarding privacy access and confidentiality of education-related information. Could the minister tell us when that will be available, what principles or protocols the department is

working with now and has been working with since 1993, and could the department table those?

Mrs. McIntosh: I just want to emphasize again and make sure that I have clarified the type of student whose name may get shared internally. I have indicated, so I will not go through it again, that we do not share numbers, period, and, as a common rule, we do not share names either. We discuss common characteristics, like this is an emotionally disturbed child, or this is an adolescent mother, or whatever.

I had indicated to the member earlier that the only time that we would actually share names would be if the names are in all the departments or in more than one department of the secretariat, but even that does not necessarily mean a name gets revealed because there will be students—or we would see them as students because we are in the Education business, but they might be seen as victims by Family Services for abuse of some sort, or whatever. Even there, we may not share the name even if the person is known in each department, unless they are in a severely medically fragile kind of situation where they are like the only one in the province or of such a limited number or such an extremely high need that it is evident who it is you are discussing.

* (1010)

In answer to the member's question, we have an EIS steering committee. They met yesterday, so I am able to give you as current as I can get. They met yesterday to examine a draft plan on confidentiality that has been six to eight months in the making, and so the timing of the member's question is very good, very timely. They have gone through that draft plan. I do not know as yet what their feeling on it was. I do not imagine they would have a recommendation so quickly after reviewing it, but it has been six months in the making.

Just so the member is aware of who is on that EIS steering committee, there is Art Reimer whom she may know from the Manitoba Teachers' Society; Bruce Cairns from MASBO, the Manitoba Association of School Business Officials; Marinus Vanosh from the Manitoba Association of School Trustees—that is so the member for The Maples can feel, we do not discriminate here, Gary—Doug Edmond from the Manitoba Association of School Trustees; Todd Herron who is an analyst with

ITRO, the Information Technology Review Office with the government of Manitoba; Linda Horosko is the director of MIS for the Department of Finance; Dominique Bloy, also from the Department of Education—oh, pardon me, I am given to understand that the new Department of Education training rep is Elaine Black; Guy Roy from the Bureau de l' éducation française; Carolyn Loeppky whom many of you here know who is the Schools Program ADM; Lesley Sellman, the project manager for Management Information Services; Greg Baylis, director of Management Information Services; Jean Britton, Planning and Policy Co-ordination—this is Department of Education names that I am reading now—and John Didyk, the executive director of Planning and Policy Co-ordination, Department of Education, government of Manitoba.

Those are the people that have been working together on this draft plan on confidentiality and, as I say, they now have, as of yesterday, gone through the first draft of the plan.

Ms. Friesen: Mr. Chairman, the other part of my question dealt with what principles or protocols the department has been working with until now, or I assume at least until this one is accepted and in place.

Mrs. McIntosh: The member asked a good question. It has been part of the problem. There never has been a policy on this topic in government. It is why we have been working so hard to get one, and it is why we have been working so hard to make sure it is the right one. So what we have done until now, at least under this government, is we have basically worked to err on the side of caution with the “when in doubt, do not” kind of philosophy. We have basically just not shared any names or information that we felt would be violating someone's privacy or confidentiality, and we have sometimes been criticized for that.

I know sometimes we have had people, including the opposition members, attempting to receive or acquire information where I have said I cannot reveal that, that is third-party information, or a letter sent to me by a parent or a ratepayer that I would consider confidential. There is no law that tells me that I have to keep those things confidential, but I err on the side of caution. Somebody writes to me in confidence—I presume it is in confidence.

They write a letter to me, and they put: Dear Mrs. McIntosh, I have a personal concern I want to share with you.

I assume that person does not expect to see their letter handed over to strangers to whom they did not write to have political things done to it or to have it appear on the front page of the Winnipeg Sun or whatever. I do not want to make people afraid to write to the government for fear of that happening, because we need their views, their input, their feelings and their concerns known to us. So it has been a very tricky issue to wade our way through.

As I say, there has never been a policy. It is time we had one so we have clear rules that the public can be aware of as well. In the meantime, what we have been doing is basically saying, if you are not sure if this should be divulged, do not divulge it. Keep people's privacy and confidentiality more important than the needs of people who might be curious about something about them.

Ms. Friesen: There is, of course, a provincial act dealing with privacy access and confidentiality, and what I was really looking for was how the department had been working within that act in the collection of data and the manipulation of data. It is not just an issue of disclosure of names. That is probably the most common one that comes to mind, but the tricky part that the minister references—and it is a difficult line to tread and it is one that all departments and all governments have to be concerned about. There is so much to be learned from the manipulation and amalgamation and sorting of data that can be useful to the general public, to all Manitobans, as well as to any particular government, and it was the principles that the department had developed, the practices it had developed during the last three or four years when it has been spending \$3.5 million on the development of an educational information system. So those were my concerns. I can see the caution that the minister is using with names, but it does go much beyond that. I am wondering, as we look ahead to the development of this educational information system, how that is being handled. Has this committee looked at these kinds of issues? What databases can be related to others? What kind of questions is the government going to be asking?

For example, if we just look at those math courses that I was asking about, one of my questions was, is there a

certain level, a size of school beyond which it is becoming clear across Manitoba that you can only offer one math course at the Grade 9 or Grade 10 level? Is it an issue of size?

* (1020)

Are we going to be able to see differences, and does the minister choose to see differences? Does she choose to ask these questions about rural and urban Manitoba or about size of schools or about tax increases related to the level of programming—and I mean programming in this sense—in the department's context which can be offered, the amount of choices which can be offered, the manipulation? I do not mean it in any sinister way, I mean the manipulation of data to provide the answers to those kind of questions which cut across the categories and the criteria which the minister has established in the papers that she has tabled so far and which will enable us to ask a wide variety of questions, to provide—and here is what I am after—accountability across the educational system, means of comparison that goes beyond a high school mark and that enable us to judge some of the context of that mark, the economic and social context, the scale of programming and educational opportunities that we can offer in various parts of Manitoba.

Mrs. McIntosh: The member asks, has the minister asked herself these questions, and I respond by saying we always ask those questions. To me it is just so automatic, it is so understood that it is a surprising question to be asked. It is like asking does the minister stand up when she walks or does the minister breath in when she takes air to her lungs. Of course, we always ask those questions. It is axiomatic; it is just basic to how we survive. I am pleased that the member has been able to identify some questions that we take so for granted that we do not even see them as being something we should think about. It is automatic. It is like reflex that we are continually asking those kind of questions, so I just assure her that—I was surprised that she would ask if the minister asked herself those questions because—anyhow.

I guess it just shows we maybe have not done a very good job of communicating to the member what ministers do. All ministers do that, even the ministers who formed

government before us used to always ask themselves questions. It is part of the technique.

An Honourable Member: But did they answer themselves?

Mrs. McIntosh: They answered, but they answered them in their way. Having said that is a fundamental part of our job, I would then like to indicate to the member that we have databases that are to be used or integrated, FRAME, student marks, professional school personal, student information, demographics, school database. I believe we gave her a lot of this information under the program review, but those are the types of things I indicate again that we are looking at.

Some of the questions that we ask ourselves a lot, the one the member indicated, of course, but we also ask ourselves what our results in exams could be integrated. We will say we spend dollars on certain programs, what happens with those dollars, how effective are those dollars, what kind of outcomes have those dollars produced. If we say that we are putting money, for example, into ESL, are we able to come back then and through the collection of data be able to pinpoint students who were ESL students in particular areas and identify the degree to which they have been able to improve or progress in their learning?

That kind of information is extremely useful. If we find that we are providing some sort of service for special needs students, we can then analyze the data and say that before we had this consultant in or whatever the students were performing this way or that way. After we put the special needs consultant in, we can see from our data that in fact there has been improvement. Well, that is a good thing to know, and we then might wish to increase the consulting potential, or we might see that it has made no difference or in fact the students have regressed, in which case we would quickly be able to ascertain that it might have something to do with the service we had put in, modify it, change it, alter it or delete it if it is not achieving the purpose. So it can be used very much in those ways for research and evaluation of educational programming.

We can derive accurate statistics to measure student mobility, student dropouts, graduation rates and other

standard measurements that are currently unavailable or inaccurate.

I would almost rather see them be unavailable than inaccurate. The member knows how sometimes people can stand up and by giving anecdotal little stories or anecdotal evidences can leave an impression for direction that may be an anomaly. It may be a little anecdote that is actually an anomaly and not representative of the true picture.

That is what happens all the time here in the House. Anecdotes are put forward as if they were statistical data showing a long-range trend. I would rather see them be unavailable than inaccurate or misleading in that way, but we can get accurate statistics this way to measure these types of things.

We also can develop an ability to link varying types of information together in performing an analysis. For example, the student demographic, funding, sex, birthday, address and Statistics Canada household income, the number of single-parent families and so on, that data can be compared to student outcomes, a variety of student outcomes, and so we can then maybe be able to start checking. Is what everybody perceives to be true about various socioeconomic factors, are those perceptions that we have true when measured against the actual statistics and the actual outcomes for student achievement?

* (1030)

That would be very useful and helpful information for educators to have, because then they would either confirm that they are targeting their energies in the right direction or be able to modify their targets to better reflect the real needs. So the ability to track a student throughout their kindergarten to Senior 4 education, including the results of testing for standards, provincial exams and final grades, will be one of the benefits we see. A student transferring into a new school, even after an absence from the province, would have their academic history available to the receiving school, and the receiving school would have an accurate picture of the student's academic standing and history.

I could go on. I think it is clear that the educational databases provided by EIS will support the province's participation in national projects such as the CMEC

school achievement indicators project, SAIP as we call it here; the Pan-Canadian indicators project, the StatsCan student level data collection; the CMEC report on education in Canada and international initiatives conducted by the OECD, INES and CERI. The educational databases provided by EIS will provide important feedback to the department in measuring the impact of new programming and new funding, new curriculum and changes after they are introduced, so I think those are—I will maybe pause there.

There are such a wide variety of things that could be done and questions that are being asked and could be asked in the future. For example, would a survey of students or parents on satisfaction with schooling correlate in any way to other indicators such as the size and type of school, the age of the teachers, the location in the province, the type of course programming, et cetera? There is such an infinite list of variables that could be introduced there, and all of those might be useful—do young teachers do better in the North; do senior teachers do better in the North?—those kinds of things.

Ms. Friesen: Mr. Chairman, obviously with such a potentially large database, it is hard to, at the moment, see how extensive it is going to be, but it is going to be a large and interesting database.

My question to the minister was, in fact, what kind of analyses is she performing? What kinds of questions are being asked? So perhaps the best way of getting at this is to ask the minister what analyses of this database have been performed? What reports are there that have been done within the department over the past three years and the \$3.5 million that have been spent? What does the minister anticipate, what kind of analyses, what kind of correlations are going to be produced in the coming year?

Mr. Deputy Chairperson: Would the committee be receptive to a five-minute break? [agreed] We will take a five-minute break, but just five minutes.

The committee recessed at 10:35 a.m.

After Recess

The committee resumed at 10:43 a.m.

Mr. Deputy Chairperson: Order, please. Would the member for Wolseley mind just reviewing very quickly her last—

Mrs. McIntosh: Mr. Chairman, the deputy is searching out the information the member requested, and I wondered, just in the interests of time, if she would like to pose another question while we are waiting, and then when he returns I can provide her with the answer that she was seeking.

Oh, here he comes now. I do have the information now. I thank the deputy for obtaining it for me. This is an example of work in co-ordinating a project, and it is the education indicators. The project will be driven by questions, and asking the questions is a very standard way for us beginning a process of examination and co-ordination. This particular project in education indicators will be driven by questions that we hope will provide us with a better understanding of our students in schools. So we ask questions, some generic questions, such as, how can the needs of students be better addressed? How can the educational system be more effective and efficient? How can the public obtain better value for their educational dollars? Those kinds of generic questions.

Then we try to identify key indicators of importance, and we will look at key indicators of importance such as school effectiveness. School effectiveness would involve things such as the student flow through the learning experience, through grades, through programs, the school climate, the popular word I guess they use today is the “culture” of the school, the school planning, the accountability mechanisms the school has put in place, the student performance, their ability to acquire and apply knowledge, to build upon that knowledge in an evolutionary way through the academics in language arts, mathematics, science and social studies.

We look then at the key, sort of, Grades 3, 6, 9 and 12, or Senior 4. Student performance would also be revealed through behaviour formation in terms of attitudes, human relationships, citizenry and those kinds of things. Student performance would also involve the adaptability of the student, the problem-solving ability, the understanding and uses of technology, measurable outcomes that would prepare them for post-secondary education or the workforce.

We would look, as well, as a key indicator of importance at parental and community involvement, the quality of decision making in the schools, the extent to which people feel satisfaction or ownership in terms of they feel that the school is a place that is there for them, part of them and part of their important experience.

So after we had asked the questions, looked at what the key indicators of importance would be, then indicators will be developed for this—again, we are talking about education indicators as an example—developed through utilizing information from a variety of sources that are already available. Ones that we refer to fairly often around here are Stats Canada, Conference Board of Canada, HRD Canada, Canadian Education Association, post-secondary institutions, other provinces, EIS, student achievement tests, school personnel data, issue oriented surveys, enrollment, financial data, those kinds of sources.

Then we ask what will we use these indicators for once they are obtained. Well, indicators could be used for the following purposes: to develop an information framework to assist in evaluating and monitoring the progress of the processes and the effectiveness of our education and training systems; to examine system processes with outputs; to assist in making judgments about strengths and weaknesses that are identified in the system, to provide points of reference for comparability over time—I think that is a fairly significant one for monitoring progress or looking for degrees to which new initiatives might be successful—to facilitate accountability to the public to be able to give them a better understanding of what we are doing and how we are doing, and we feel it is paramount to gain a fuller understanding of the interrelatedness of factors affecting education and student success. Indicators then can serve as tools for system accountability and evaluation to determine if what we are doing in fact is having the desired effects.

Manitoba indicators could help and will help to address the CMEC and the CESC framework to develop national indicators, and this will facilitate continued participation in SAIP, in the Pan-Canadian indicators on student achievement, accessibility, student flows, school and work transition, satisfaction and citizenship, also the western and Pan-Canadian curriculum development and the international OECD/INES indicators.

* (1050)

We have some provincial involvement with CMEC and CESC and Stats Canada. Our deputy, for example, John Carlyle is co-chair of CESC, and we are a member of the program liaison committee through Mr. Carlyle, who also chaired the work team developing a statistical portrait of elementary and secondary education in Canada. He also represents Canada on the OECD/INES international education indicators network, the A network on student outcomes. He also co-ordinates department participation in all CMEC projects including statistics, student assessment, indicators, national report card, curriculum development, official languages, distance education and technology. That is one way we begin by asking questions and end up with the co-ordinating of a project.

We felt and feel that the K-S4 education system in Manitoba requires more and better tools to determine system accountability and evaluation. We need a sounder foundation of knowledge to support policy and program development. The need for education indicators has become a national concern. At the current time there are five recognized, important national indicator-related projects underway, and I believe I have mentioned them: SAIP, Pan-Canadian indicators project, statistical profiles right through from elementary to post-secondary, student level data collection, and the report on Education in Canada, to name those. There are also other international projects underway through OECD, INES and CERI.

Last year about this time, in May of 1995, a proposal for kindergarten to Senior-4 indicator development was prepared and approved, and its primary purpose was that indicator development was to be driven by questions rather than by administrative functions and/or availability of data. I just point that out to indicate the importance that we place on asking questions and how fundamental a role the asking of questions plays in the development of these types of projects. So I say that the indicator development was to be driven by questions, and the emphasis will be on systems outcomes, which will evaluate the thrusts in *New Directions*. I also say that the department is working closely with the other provinces and the Council of Ministers of Education Canada to establish reliable national indicators within which Manitoba will be able to compare itself to other jurisdictions. The goal of that project is to determine and

develop system indicators which will assist in department and program planning, policy development, and public accountability. As we progress with that work for kindergarten to Senior 4, linkages will be made with post-secondary indicators as well.

Ms. Friesen: Mr. Chairman, I think we must be talking at crossed purposes here, because I do not understand how the answer the minister gave referred in any way to the question that I asked. The question I asked was, what analyses have been performed in the department over the last three years or over this period of \$3.5 million on the database that the department is collecting? Is there a list of analytical projects that the department has done? What I am asking is, what questions have you been asking? How have you been linking this data, one to the other, and what do you propose to do for next year?

So I am not clear on how that answer, interesting as it was, really related, and I wonder if one way out of this is to ask the minister to enable her department officials to give, at least our opposition, a briefing on this. Would that simplify matters? Would that enable the discussions of this level of detail to take place in a more informal framework?

Mrs. McIntosh: I am surprised that the member does not recognize that when she asked for a list of analytical projects and I gave her, in some detail, the example of the education indicators, the way in which we are using it, and I had already indicated to her that the EIS is a database, not a policy-making body, but a database, and that the analyses are now beginning and that the draft paper, for example, on confidentiality was received by the committee yesterday, I have answered the question by indicating this work is in its infancy. There is not a list, in the sense that she has given, of analytical projects.

The EIS, if she wants more detail and intense briefing on that, we are prepared to do that here and now. We have all the time in the world. We are not in any hurry. We do not need to dash out of Estimates and set up a series of meetings in the minister's office. Estimates is a very appropriate time for her to ask those questions and provide the answers here for the record. I think Estimates is a very appropriate place for her to ask as much detail as she wants, and we will provide what she wants because I believe that her question was answered. Maybe

she just did not recognize the analytical work that is being done in the education indicators.

I do not see any need to sort of stop Education Estimates to go on to another branch to continue Estimates in another form in my office privately. I think we can complete Estimates here, and if she needs till the 7th of June to get her answers, I am quite happy to stay here prepared to deliver them the 6th of June, whenever the date is. So if she wants to ask some detailed questions on EIS, staff has indicated they are prepared to do that, and I have answered the question. I will invite her to ask more, and we are prepared to provide her with all of that information.

Ms. Friesen: Mr. Chairman, well, I think the answer is there are no lists, there have been no project analyses yet, and that there will be no briefing. The minister is not prepared to do that. But I am delighted to see that the minister now recognizes that questions by the opposition are not harassment—to use her word—of the department, that they do indeed have a purpose to try and find out in a more informal way some of the things which are not yet publicly available or on the record.

So if there have not been those analyses yet, which can be listed and discussed here, I want to ask the minister about some issues dealing with the changes in regulations of the department. We are on a line dealing with Education administration, and I have had some concerns addressed to me. I do not know if they have been addressed directly to the minister or not yet, but if I can read from the concerns I think that were addressed to me, I think the minister might recognize them. These are concerns dealing with the changes in the high school program, and what my correspondent wants to know is that he has a number of students who have started out at different times under the department's different regulations for high school graduations. He says, for example, on March 22, the Department of Education issued a release called Educational Change Update.

I do not think it was a release that I saw. So I am certainly looking for some ministerial comment on that. On page 4 of that letter, the first paragraph states that students who started Senior 1 in 1994-95 or earlier can use any of the three programs to meet graduation requirements. The problem, as my correspondent sees it,

is that students who started Senior 1 in 1992-93, 1993-94 or 1994-95 were never under the rules of the revised high school program, yet now they can use them. When these students came under either Answering the Challenge or New Directions, their Senior 1 year counted for credits, and many of them are compulsory for graduation. Some of them—and I think this is where the concern derives from—even repeated Senior 1 courses. Some changed timetables to meet Senior 1 requirements. Some went to summer school and some took independent study program courses to meet requirements they were told were necessary to graduate.

* (1100)

Now the government has changed the rules and in effect says to three groups of students, Senior 1 was not really required. So there are a number of questions, and I wonder if the department has received other concerns about this. The three questions that I wanted to leave with the minister are, why, as my correspondent says, was this change? That bulletin came out in March. Why was it incorporated at this time of the year? Why was it made retroactive to groups of students who were never under the revised high school program guidelines for graduation? Was the fact that students have repeated Senior 1 courses or taken summer school for Senior 1 courses or have paid for Senior 1 independent study courses taken into consideration?

So the problem is the changing regulations of the department and how they apply to students who began at an earlier time. Has the department received other concerns about this, and has there been some consideration of it and some reference back to anybody who might have written to the department on this?

Mrs. McIntosh: Mr. Chairman, the member began her remarks by saying that she then would conclude that there is no list of analytical data, and I am pleased to note that that was the conclusion she drew from my statement that there is no list of analytical data. I think it is a very obvious and clear conclusion, and I am glad that, when I said there is no list, she drew the conclusion that there was no list and she affirmed for me that she had understood what I said. I try to make it clear, and I guess in this case I made it clear enough that it actually was understood.

I also would like to correct her when she said the minister would not give a briefing. I will correct her. I said that we would give a briefing here in Estimates as detailed as she wants; I did not say we would not provide a briefing. I said, if the member wants information on this material, which is up for examination in Estimates, that Estimates is the appropriate time and place to ask those questions and receive that information. So we will give her that briefing here in the proper place, publicly, in front of an audience, to be put in Hansard where her questions will be known as well as our answers. I suspect what the member may be wanting to do is to be able to have Estimates here and Estimates someplace else, and I think that is not good protocol.

We are certainly pleased, as the member knows, because we have been providing her with as much information as we can obtain, to give detailed answers to questions here in Estimates, and I do not consider that staff harassment. If we know which staff we need to be here and an approximate time and date that they might be required here, that is part of their duty, and I do not consider saying, could you be here on Thursday at 9 a.m. to provide information to the critics on such and such a topic, to enter that category. I think the member may be misrepresenting the concern that I had earlier about the frantic scurrying around that staff has had to do on occasion between Estimates procedures to appease people who have been issuing requests that would take them away from their duties that might have time lines to meet, to compile information which, in some cases, could be compiled by the research staff in the member's caucus.

Sometimes there is a sense that the staff is not being utilized the way that the government intends them to be, but that example of having staff here to answer questions on a legitimate topic in Estimates is not harassment. So I just think that was very important to clarify those, and, as I say, that briefing is available here and now and the member need only ask.

The member continues to criticize the development of the EIS. We have taken careful time to develop EIS. We have had to get in place the equipment, the staff, the plans for data gathering, and then develop an indicators project to get to No. 2. To get to No. 2, you need to get No. 1 out of the way first. We have already outlined today how work has progressed on the first item, and that

we are now into work on the second, and I have read all of that into the record. As I indicate, we do not have analysis in the listing that she describes, although we certainly could table data if that is helpful. So, if she would like the data tabled, we could certainly make that available to her.

The member had asked, as well, for information on the other portion of her question. I will indicate that we have had correspondence, and we have dealt with each on a case-by-case basis and satisfactorily. The correspondent to whom she refers should be directed to staff for staff to sit down and talk to the individual about the issue. Our policy is and was, and I will read it, graduation requirements from the Action Plan, page 67: Those students who entered a senior years program of studies before September 1992, but who do not complete the 20 credits required in the revised high school program, will have until June 1998 to meet the pre-1995 requirements. Students will be required to take a Canadian history course at Senior 3 until the new curriculum is ready. All students who have entered a senior years program before September 1992 and September 1995, but who do not complete their program of studies by June 1998, may graduate by meeting the requirements of either Answering the Challenge or New Directions. All students who enter Senior 1 in September 1995 will be required to meet the graduation requirements outlined in appendix B. This group of students will graduate in 1999, provided, of course, that they successfully complete the minimum requirements for graduation in four successive years.

* (1110)

The update letter to which the member refers went to all schools and was used by the member from Radisson (Ms. Cerilli) to ask questions on physical education. The update did not reference a change. It was intended to clarify and hopefully expand understanding in the support of students. Program requirements are not in regulation; they are in policy, emanating from SPD, which is an area that has already been passed. But, as I indicate, we have dealt with each piece of correspondence on a case-by-case basis, and they have been satisfactorily resolved. If the member wishes to refer that correspondence to me, I will have my staff work with that correspondent, as they have with the others, to satisfactorily resolve that individual student's situation.

Ms. Friesen: Could the minister tell us whether there is included in this line, Education Administration Services, provision for the costs of expanding records managements for schools?

Mrs. McIntosh: No.

Mr. Gary Kowalski (The Maples): Going back to the topic of educational information, system database, looking at the work plan, one of the objectives is to effectively monitor student transfers, dropouts, graduation rates and employability. The employability part is what I am interested in in regard to information sharing and follow-ups.

For graduates, what postgraduate follow-up will be done so that employability could be effectively monitored? The proof of the pudding is in the tasting, and the proof of employability will be actual employment by students. So are there any plans to use this database, and is there some agreement with the federal government to use their databases using social insurance numbers or somehow study the employability of students leaving our educational system?

Mrs. McIntosh: The community colleges will have data on graduates and so on on their employability. The universities do not at this point, and we do not at this point, provincially, have data on those students who have gone through. We do have data on kindergarten to Senior 4 through EIS. We do not yet have data as to the employability of those coming out of Senior 4. As I say, we do have it from the community colleges. We do not yet have it from the universities. We are looking at expanding into that as the system evolves. Some individual school divisions have already begun to trace their graduates.

I again reference my own school division, which is the one with which I am most familiar because of my background. The St. James-Assiniboia School Division has for some years now traced its graduates and has a very detailed record of where they are in terms of where they are in the workforce, where they are in terms of post-secondary education, where they are in terms of the types of work that they are doing, and they do that as a massive survey every two years. They survey their grads to look at their success rates in various endeavours or lifestyles

or whatever they find themselves in upon graduation. That data they then use to see if they are in their kindergarten to Senior 4 training, providing what skills those students—they asked them, did the skills you acquire help you with this job, did you have to learn new ones? If you could have learned anything else in school, what else would you have learned, et cetera?

So they not only have the picture of their employability or ability to get into post-secondary training, their income levels, et cetera, they also have the questions as to, could you give us some feedback on your training? Those types of questions are wonderful ones, and we are not into all of it yet. Colleges, as colleges have been in so many areas, are leading the way in terms of getting that kind of data, but we want to expand into it. The member's question is a good one. One indicator that we can identify as wanting for mobility and transition of graduates would be that we would include graduation rates, the destination after graduation, to college, to university, to employment, or to, hopefully not, unemployment, although maybe unemployment is by choice, to stay home and be a parent, for example, which I think we should call something else rather than unemployment, but many people make the choice to be at home to parent and are listed as unemployed.

But we can answer these questions right now indirectly by gathering data from places like colleges and universities, and we can compile some macro figures but nothing like we would be able to do once we have a full system that can probe the detail.

Mr. Kowalski: As the minister started out, qualitative study, talking to graduates and getting their feedback is different than the type of study that can be done with this database. I agree with that, but the potential of this database for studying exit results—another area would be in our Corrections, you know, how many dropouts, how many people that maybe we will find out later that had trouble in mathematics would have—who knows what correlations are out there?

That is why in the earlier discussion we talked about concern about sharing information, but there is also a great benefit, and I guess it is always to degrees. I will use an example from my past when I formed a youth justice committee in our area. We had a police officer on the justice committee. We had the vice-principal and a

teacher from the high school and junior high. We had community members.

Now each of us at first had our confidences which we were not to share, but slowly, as we got to be comfortable with each other, and we shared information about the youth before us that we were working with, the benefit to the youth was dramatic.

Well, in the same way with the information in this database, although there is a concern by the public about big brother watching, I think at the same time there is an assumption nowadays that if government has the information with all the computers, that people sometimes do not understand. Well, why did you not know about this; I told this other department.

As I said, especially in the Youth Secretariat, the greater the sharing of information, even getting down to individuals, if we could be proactive and identify that certain students who are always having trouble in a certain subject area and maybe through Corrections whose parents are on probation, and then with Family Services, we found that there is a trend, and it could benefit those people, and we could be proactive to identify those students—students or victims or offenders, whatever.

I think when developing the policy for confidentiality, I think we have to be careful not to be so strict that it completely ruins the potential for good to some of the people who are in that database.

So my question is, will the policy be so restricted regarding access and confidentiality that it will not be usable to be proactive across departmental lines in Corrections, in Justice, in Family Services and in Education, that there will be a sharing of information from that database that will be beneficial to the individuals.

* (1120)

Mrs. McIntosh: The member raises a point that, what I indicated before, the length of time we took over privacy provisions was one that we wrestled with long and hard. I believe, just for his comfort, I can indicate that in the secretariat we will share information without the name and so we can go through sort of case-by-case histories,

but we do not provide the number of the student. They do not provide the student number or the student's name unless that name is already one that is so obvious in other departments that it is obvious you are talking about the same youngster.

I think I know what he is indicating and that is that if we get a request or a call and say one comes into Justice, it is shared at the Youth Secretariat or someplace like that, do you actually have two people dealing with what they each think is a separate child, like two departments dealing with what they each think is a separate case when really it is just one case? Because it is one child that you do not want cut up into different body parts to be dealt with here, here and here. One child should be dealt with in a holistic fashion as much as possible.

We are not going to be strict in the sense that the member is discussing because one of our goals is to try to deal with a child in a holistic way and to try to develop procedures that could assist children based upon a knowledge of the data. The member mentioned one very, very interesting one, and it is not one we have talked about in Estimates to date. We have talked about the correlation between socioeconomic circumstances and the factors that even if it was a child in his learning or her learning, but in terms of the end result we have not yet talked about students who end up in the Corrections institutions.

We have not yet talked about what the education system should be doing, not just to help children to succeed but to prevent them from ending up in jails. I know it is one that trustees will talk about. I am sure the member, when he was a trustee and attended conventions and conferences or even board meetings, would have occasion to say, if we do not get a handle on helping this particular student, who would normally be the kind of student whose progress would be such that it would show up at the board level, he or she is going to end up in jail.

We do not want that to happen. What can we do? Those kind of discussions will go on with troubled students. Are there specific things that if not achieved in school leads statistically to higher numbers of incarcerations? That is a good question to ask. Those are the kind of questions I think we need to develop and ask our system to find out, and the information system would be an excellent place to do it.

I am sure a whole series of questions will be developed. The member with his policing background would probably have a better sense than this minister would of what kind of questions in that area need to be addressed. I would not mind getting some feedback from him. We will be getting stuff from Justice, of course, but frontline people, be they ordinary citizens or MLAs or critics, who have experience in the area, can generally give, from personal experience, an observation of what they have seen. They have noticed that students who tend to not have this in school end up in jail, that kind of thing. Personal observations give us a lot of hints.

The key in any indicator development, of course, would be agreement on what we want to know, what specifically is it we are looking to find out. In this case, in your question, a link between criminal behaviour and something that has happened in school or has not happened in school. One question might be, what is a dropout? Is it a number of grads and an age cohort compared to the same cohort 12 years earlier? Is it the number of students in Grade 12 who show up at university or show up as college students or show up having a job? What about a temporary dropout for five months, someone who stops school and then comes back? What about someone who has moved out of province?

So we have students who were in the system and suddenly are not in the system, and we say they are categorized as no longer there. Why are they no longer there? Have they moved to another province for some other reason? Have they chosen to go to another province to attend a different high school because the high school here is not meeting their needs?

But we do need to have a clear balance between what we need to know and what we want to know; and, through all of that, we will tend to be referring to cases, and some of them may be the only case of its kind in the province, in which case everyone would know who it was. We do try, because of confidentiality, to avoid using names or student numbers wherever we possibly can.

Mr. Kowalski: In this Education Information System database, what has been done to look at compatibility with other provinces, because we talked earlier in Estimates about mobility? You know, we have become a much more mobile society, and it is not unusual for a

student to move from one province to the other. Have mobility and compatibility with education information systems in other provinces been factors in the design of this system?

Mrs. McIntosh: Mr. Chairman, we have the Pan-Canadian Education indicators project that is going on. Again, so many of these things are in their infancy, but this is the initial Canadian sharing, or one of the early Canadian sharings. We are also asking ourselves what further things we want to know and how we will define those things for the evolution of this type of project so that we will see more and more. But right now that is one of the main ones we have got going. We work with CMEC and with Stats Canada, and we will be developing more projects of this nature as time goes on.

* (1130)

Mr. Kowalski: One last question I have, it is actually on the previous line, but I stepped out of the room before it was passed, so I could understand if the minister does not have the staff available. In regard to Schools Finance, one of the activities identified is preparing policy papers in regard to school finance, and I would like to know in that area, which is 16.5 (a), how many policy analysts are in that branch of the department?

Mrs. McIntosh: Two.

Mr. Kowalski: Is there any policy analysis being done on moving from a property tax-based education funding to less of an emphasis on a property tax base system, moving to other areas? Property tax sometimes is the most inequitable tax going, because it has no relation to ability to pay. Quite often seniors who own a great deal of property pay a tax for education when they do not have that much income coming in. You know, income tax is a more equitable tax, and to move from property tax-based education system to one funded from general revenues, is any analysis being done on that by this branch, by the policy analysts in this branch?

Mrs. McIntosh: Yes, this question comes up fairly frequently through various avenues where people will say: Well, why do you not get rid of the property tax and replace it with something else?. It is kind of like the question: Why do you not get rid of the GST and replace it with something else? I think the member may

appreciate that the people in Ottawa found that a little more difficult to do than—I say that tongue-in-cheek. I am teasing him, and that is not very nice. It is tongue-in-cheek and just a tease. Do not worry. But we will explore, as we do, from periodic, from time to time, the whole question of property tax.

I should indicate, first of all, that we do address equity for the rate-payers through the funding model, through the funding model we use to flow provincial money to schools, but to remove school funding from property is a very large problem. That property tax raises close to \$600 million a year. Where would we find \$600 million? Well, that is the interest in our debt, you know, and so if I am going to give one to you, I will give one to them. I mean, if we did not have to pay \$650 million a year in interest on the debt left to us by the NDP government, we would be able to wipe out the property tax, but we cannot because we do have to pay that interest. That is one of the reasons it is important that we pay down the debt.

Now, the official opposition does not want to see that happen necessarily because they keep saying, spend more, spend more. But, by spending more, spending more, we will never be able to get rid of that interest on the debt, and we will never be able to wipe out property tax, for example. But there are ways, internally, that we could eliminate the property tax, and here would be the effects of doing that. If we wiped out the property tax, we could then look at increasing the income tax, the sales tax, the corporate tax, the mining tax, any other kind of taxes, but, to raise the vast amount of money required, we would have to raise—in 1994, we would have had to raise the sales by 2.1 percent. We would have had to raise the personal income tax by 10.5 percent. Those kinds of problems, I think, would be seen as less preferable than the property tax.

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

In 1994, at the same time, there was \$310 million raised to the special levy. To raise that same amount, the retail sales tax would have had to increase 3.3 percent, and, to raise that same amount through the personal income tax, would have required an increase of 16.4 percent in the personal income tax rate. In total, to replace the revenues raised by both levies would have required an increase in the retail sales tax rate of 5.4 percent, up from 7 percent to 12.4 percent, or an increase

in the personal income tax rate of 26.9 percent, from 52 percent to 78 percent.

I just feel that most people, when they realize that if we went to an increase in sales tax or personal income tax, which is often proposed as the solution, when they realize that it means a 26 percent hike in personal income tax and a 5.4 percent hike in sales tax, quickly come back to saying, well, we do not like property tax, but maybe it is the lesser of all of the evils, and maybe it is the one, in the final analysis, that does suit us best.

Some people have said, well, why do you not just eliminate the \$250 resident homeowner advance, which is an offset to the two education levies? The cost to government of that was \$61.9 million in 1994. Eliminating this expenditure by replacing the two levies with other taxation sources would reduce the potential 12.4 percent projected total rate increase for retail sales tax, reduce it down only to 11.7 percent, and similarly would reduce only by 3 percent the 78.9 percent rate for personal income tax, which would be the end rate, if you increased it by the 26.9 percent required if the property tax were gone. So the disadvantages that keep popping up whenever the issue is examined is extremely large increase in retail sales, the end result there being 12.4 percent sales tax minus the GST—that is just the provincial—and personal income tax rates, the end result there being 78.9 percent or a 26.9 percent increase.

You would also see increased taxation on farm families because farm land and out buildings are presently exempt from the education support levy, so they would then see themselves starting to pay. Some farm incomes, as you know, are not necessarily going to appreciate that kind of increase in their income tax or retail sales. Increasing the retail sales tax would have meant the further use of a regressive tax. Ask any Albertan, when they visit Manitoba or Ontario or any of the other provinces in Canada, how they feel about a sales tax because Alberta traditionally has never had a sales tax. All they pay is the 7 percent GST. There is no PST there at all. It is a regressive tax. It lessens consumer purchasing.

* (1140)

The elimination of the special levy would be viewed by school divisions as a very serious encroachment on local autonomy. School trustees have always indicated that

while they would like a good-sized block grant from the government and they would like that to be around 80 percent more than it currently is, they still want to retain 10 to 20 percent of their own ability to raise the levy because then they could direct those monies to wherever they wished them to go. They have traditionally said, give us as much as you can, but always let us collect a little bit of our own, so we do not have you as a province telling us what to do with that discretionary money. Taxes would increase for homeowners with very low property taxes because we would be eliminating the \$250 property tax credit, and some homeowners do not pay \$250, so they would actually be experiencing a loss.

(Mr. Deputy Chairperson in the Chair)

Those are some of the reasons that whenever government goes to examine this, they generally come back and say, we have looked at it, but we really feel that no tax is ever going to be popular, and the alternatives to this would be less popular than this in the opinion of many decision makers.

It is always a question of philosophy in a way in that do you tax on what you own or do you tax on what you may have the ability to own through your income. It may be that someone who owns a piece of property that is modest has a lot of money or vice versa. It might mean that somebody who has a large property is really struggling. House poor, I think, is the expression, so it is hard to know but good questions raised a lot. We have not just said, oh, nuts, we will not even look at it. We have taken a look.

Mr. Deputy Chairperson: Item 5.(b) Education Administration Services (1) Salaries and Employee Benefits \$1,077,800—pass; (2) Other Expenditures \$451,400—pass.

Item 5.(c) Schools Information System (1) Salaries and Employee Benefits \$287,300—pass; (2) Other Expenditures \$660,900—pass.

Item 5.(d) Schools Grants (1) Operating Grants \$551,415,600—pass; (2) General Support Grants \$19,279,500—pass.

Item 5.(e) Other Grants \$1,848,000—pass.

Item 5.(f) Teachers' Retirement Allowances Fund \$54,288,900.

Mr. Kowalski: I just had a question in regard to the Teachers' Retirement Fund. The new provisions in maintenance enforcement allow for people to put seizures on the capital if there is a judgment. This is something new. Before, benefits would be split on a divorce, but never before was the capital able to be shared.

My question is, what effect, how many claims have there been on the TRAF fund from people under the new legislation that allows spouses to seize the capital in divorces, as opposed to the benefits?

Mrs. McIntosh: Mr. Chairman, the TRAF board is set up. We do not work directly with the TRAF board. We give them money. They will indicate how much they require, but they have their own group of people. There is Mr. Claude DeGagne at TRAF that I could refer the member to. The daily operations of that are run independently from government. As I say, the Department of Education and Training provides the funding for a portion of that pension money, but we do not have staff here that has that type of detail for the member. He might wish to try Mr. Claude DeGagne directly. There is, not through our department, a provincial overview of all of these kinds of issues, of pensions and superannuation, all of those things. This question could also be directed there as they take a look at that whole issue.

Mr. Kowalski: Just for clarification, is this a type of fund where the province is responsible for the unfunded liability, or is it a matching fund where the province matches the teachers' contribution? The reason I ask is, if there are seizures being made out of that fund for these divorce settlements, and therefore there is a large exit of capital, would that put a greater liability to the province, their unfunded liability in the pension fund? So I am just curious, is this a type of fund where we fund the unfunded liability?

Mrs. McIntosh: Mr. Chairman, we put in half the money. We have match the teachers' contribution dollar for dollar. The employer puts in no money, the province does. It is an unfunded liability, and the amount of money we put in is significant. This year we put in—I am just checking the figure—about \$54 million into teachers'

pensions as the province's share, and that is up from \$50 million last year. So you can see the increase in the amount. The unfunded liability over an eight-year period between December 31, 1985, and December 31, 1993, increased 240 percent from \$413 million to \$998 million which is a compound growth rate of 11.7 percent. The number of contributing teachers has declined, and this is posing a problem. The number of contributing teachers has declined from a 1990 peak of 14,560 to under 14,000 in 1994, and that is because you are now starting to see a large number of teachers retiring. So there are fewer contributors and more—fewer people putting in and more people drawing out, sort of like the Canada Pension Plan.

I do not know if that provides the member with the information he needs or if he requires further detail.

* (1150)

Mr. Deputy Chairperson: 5. Support to Schools (f) Teachers' Retirement Allowances Fund \$54,288,900—pass.

5.(g) Manitoba Education, Research and Learning Information Networks \$737,000—pass.

Resolution 16.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$631,026,600 for Education and Training, Support to Schools, for the fiscal year ending the 31st day of March, 1997.

6. Support to Post-Secondary Institutions (a) Universities (1) Universities Grants Commission (a) Salaries and Employee Benefits \$266,700—pass; 6.(a)(1)(b) Other Expenditures \$113,200—pass; 6.(a)(2) Grants \$208,703,100—pass; 6.(a)(3) Access Fund \$640,000—pass; 6.(a)(4) Faculty of Management \$889,000—pass.

6.(b) Community Colleges (1) Colleges Secretariat (a) Salaries and Employee Benefits \$325,500—pass; 6.(b)(1)(b) Other Expenditures \$48,600—pass; 6.(b)(2) Grants (a) Operating Grants \$47,487,700—pass; 6.(b)(2)(b) Inter-Universities North \$822,100—pass.

6.(c) Post-Secondary Strategic Initiatives Fund \$3,500,000—pass.

Resolution 16.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$262,795,900 for Education and Training, Support to Post-Secondary Institutions, for the fiscal year ending the 31st day of March, 1997.

7.(a) School Divisions \$27,553,500—pass; (b) Universities \$8,940,000—pass; (c) Community Colleges \$2,245,600—pass.

Resolution 16.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$38,739,100 for Education and Training, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Education and Training is item 1.(a) Minister's Salary. At this point, I request the minister's staff leave the table for the consideration of this item.

1.(a) Minister's Salary \$25,200. Shall the item pass?

Ms. Friesen: I want to speak on this for a minute or two because I do intend to vote against this. It is an unusual step. It is not something I believe that I did last year, the first year of the minister's incumbency. This is the second year of this particular Minister of Education, and it has been a very turbulent year in education. Some of that turbulence has its origin in times before this minister, but I believe that what has happened in the past year will lead me to make this particular decision.

Mr. Chairman, I think that there is much to celebrate in Manitoba education. There is much to celebrate on a daily basis of the education and the energy that is happening in our classrooms, of people who are working with fewer and fewer resources, and in many cases, with much more difficult children across the province than they have ever faced before. That is disturbing, I know, for both the Minister of Education and for the opposition, but I think what we have seen in the last year in education is a combination of division, of confrontation, which, I think, has led to a kind of atmosphere in education that we have not seen certainly in the times that I have known in Manitoba.

Many of the issues, I think, I have made reference to at the beginning when I spoke. The inaction on the Boundaries Review, I think, has created uncertainty and

instability which was not necessary. The Norrie commission reported in September after a very brief response period over the summer and since then there has been nothing from the government. That instability, I think, as boards now begin to make up their budgets for next year, is one of the fundamental issues.

The second fundamental issue is the continuing cuts to public education, and the prospect of a minister who has, if we look at it in one way, taken \$75 from every child in the public school system and has put it in the—approximately \$250 added to the amount for the private school, each child in the private school system. The cutting of public funding at the same time as the private schools are being increased to such an extent, I think, is leading to, again, greater instability and to a real sense of undermining of the public system, and I do not think that the minister has done what she could have done to deal with that issue in the public system in Manitoba.

We have not, unfortunately, in these Estimates had the time to talk about post-secondary education, but the long inactivity not only of this minister but of other ministers on the Roblin commission, is truly outstanding. This minister delayed and delayed in creating the interim transition committee. She delayed and finally avoided a fee policy, the two things that she had promised last year in post-secondary education, and so much of the direction of post-secondary education continues to be in limbo.

There have been constant changes and backtracking in New Directions. One of the examples that I read into these Estimates was of a guidance counsellor who had great difficulty in dealing with the constant changes in graduation requirements. The backtracking on Canadian history, for example; the backtracking on timetabling and other areas of program development in New Directions. I think those are, again, creating instability and a lack of confidence in many areas of the public system.

We are seeing school closures as a result of cuts to public funding, something for which the minister is not prepared to take responsibility in the House. We are seeing loss of home economics programs, and I think, again, that is a combination of the results of the constant changes in the New Directions program, as well as the cuts to public funding. We are seeing class sizes increase; we are seeing a special needs review, which has

been in process according to departmental records for at least two years and of which we have seen yet—

Mr. Deputy Chairperson: Order, please. I would just like to note that we have about a minute and a half left. If there is any interest in moving these Estimates, it is up to the member.

Ms. Friesen: I just want to close with mentioning the loss of the apprenticeship staff and with the wedge which has been driven between the various stakeholders in education through the Enhancing Accountability paper that emanated from this department.

Mr. Deputy Chairperson: Very quickly, the minister has a few documents she would like to table.

Mrs. McIntosh: Mr. Chairman, I will not take any time to talk about them. I will just indicate that this is additional material requested on the Workforce 2000 and Apprenticeship. I have copies for all the members. I also indicate, the member says, she does not have time to ask any more questions. I am available.

Mr. Deputy Chairperson: 1. Administration and Finance (a) Minister's Salary \$25,200—pass.

Ms. Friesen: I indicated that I was voting against this, and I would like to request a recorded vote.

Mr. Deputy Chairperson: A formal vote has been requested. I would ask all members to move into the Chamber for the formal vote.

The hour being twelve o'clock, committee rise.

* (0900)

LABOUR

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Labour. Does the honourable Minister of Labour have an opening statement?

Hon. Vic Toews (Minister of Labour): Good morning, Mr. Chairman. It is my privilege to present the expenditure Estimates of the Department of Labour for fiscal year 1996 to 1997. I would like to acknowledge the competent and dedicated staff of the department under the capable leadership of the deputy minister, Tom Farrell. It has been a pleasure to work with the employees of the department during the year. They have proven to be professional, loyal and hard-working public servants.

I intend, Mr. Chairman, on making an introductory statement at this time. For 1996 to 1997 the total budget request for the Department of Labour is \$12,959,400. [interjection]

Mr. Chairperson: Order, please. The honourable minister happens to be making his opening statements. Those who are not interested in hearing it, if they could do their conversations in the hall, we would appreciate it.

Mr. Toews: As I was saying, the number is \$12,959,400 representing a reduction of 22.9 percent from the amount provided through the Department of Labour appropriations in the prior year. This reduction largely reflects the fact that the Office of the Fire Commissioner has been set up as a special operating agency effective April 1, 1996, and that no funding is therefore provided for the Office of the Fire Commissioner in these Estimates of the Department of Labour. In 1995-1996 approximately \$3.3 million was included for the Office of the Fire Commissioner.

The department recovers a significant proportion of its annual expenditures through its various sources of revenue. For 1996-97 the department expects to recover about 58 percent of its total budget as revenue.

In terms of staffing resources, the department's allocation has been reduced by 43.5 staff years, almost entirely representing the removal of the Office of the Fire Commissioner special operating agency from the department's '96-97 request. Other than the 43 staff years of the Office of the Fire Commissioner, only one staff year has been reduced in the department, and no layoff resulted as the position was vacant.

In respect to the legislation administered by the department, I am planning to introduce a number of

amendments to labour legislation this session, including amendments to The Labour Relations Act, The Construction Industry Wages Act, The Remembrance Day Act, The Pension Benefits Act, The Payment of Wages Act.

The changes now being considered to The Labour Relations Act are aimed principally at enhancing the democratic rights of workers. The proposed change requiring unions to submit annual financial reports to the Manitoba Labour Board is intended to enhance the accountability of unions to bargaining unit employees.

It should be noted that a number of other jurisdictions in Canada have legislation in place requiring unions to file financial statements on an annual basis. Another proposed change will give employees in the bargaining unit the right to say whether or not they want their union dues to be used for political purposes. Proposed amendments requiring an expedient secret ballot vote on every certification application where the union demonstrates at least 40 percent support are intended to provide greater certainty that the outcome of a certification application reflects the wishes of the employees. A number of Canadian jurisdictions currently provide for such a vote.

As a part of this government's commitment to strengthen the economy and to support long-term growth and development of the construction industry in Manitoba, a number of legislative amendments to improve The Construction Industry Wages Act are being considered. Stakeholders in the construction industry, including representatives of employers and employees, have been consulted to provide advice prior to introducing the bill.

Amendments to The Remembrance Day Act are being developed which are based on unanimous recommendations of a review committee composed of representatives of veterans' organizations, employers and employees. Proposed amendments to The Pension Benefits Act will enable Manitoba to enter into a multilateral agreement with other Canadian jurisdictions respecting pension plan administration.

An amendment is also being considered to The Payment of Wages Act to allow for reciprocal enforcement of payment of wages orders with American

jurisdictions. Work is currently underway on an initiative respecting employment standards legislation which is designed to consolidate, streamline and generally update a number of related pieces of legislation.

In addition to the legislative proposals, the government has introduced a program of regulatory reform to streamline regulations, to make them more user friendly, to reduce paper burden and to minimize disincentives to economic growth and investment. A review of the department's regulations was conducted by the Regulatory Review Committee, and we expect to be implementing the recommendations of the committee in the coming year.

In 1995-1996, a number of regulatory amendments were made including to the pension benefits regulation to facilitate the garnishment of pension benefits for the purposes of enforcing family maintenance orders. The Pension Benefits Act was amended to provide for this garnishment process. Also to the pension benefits regulation changes were made allowing for the establishment of a simplified money purchase pension plan to promote the establishment of plans by small employers by reducing administrative complexities associated with pension plans; finally to the reciprocal enforcement regulation under The Payment of Wages Act providing for the enforcement of Nova Scotia orders in Manitoba and to allow for Manitoba payment of wages orders to be enforced in Nova Scotia.

It is important to acknowledge, Mr. Chairman, the significant contributions made by members of the department's external advisory committees. These people have contributed their valuable time and efforts to providing advice and assistance. Over the past few months, the Manitoba Labour Management Review Committee was asked to provide advice on the proposed amendments to The Labour Relations Act.

A committee chaired by His Honour, Judge John Enns, and composed of representatives of various veterans organizations, the Manitoba Federation of Labour, the Winnipeg and the Manitoba Chambers of Commerce, was asked to examine the closure requirements of The Remembrance Day Act in order to streamline the operation of the act while maintaining the sanctity of the day.

In addition, the Advisory Committee on Workplace Safety and Health provides a valuable forum for labour and management, as well as technical experts to regularly meet and advise the minister on safety and health matters of current concern. They are presently looking at a number of regulatory areas, one of which pertains to scaffolding safety.

The Department of Labour continues to be a pioneer in reform initiatives in the Manitoba government. Over the past five years the department has been committed to a strategy of change and improvement to ensure that services to the citizens of Manitoba were of the highest quality, responsive and effective. Our efforts were recognized with the awarding to the department of the first ever Manitoba Quality Award for government in 1993.

* (0910)

Our strategy is threefold. Number one, performance or program performance measurement. The department developed in 1995 the first program performance measurement and reporting framework in the Manitoba government. The framework requires that targets and service standards be established for all programs in the department. Our achievement of intended results is then reported against these pre-established targets. As well, benchmarking against best practices, client satisfaction assessment and continuous improvement plans are integrated into the ongoing reporting. The framework was reviewed by the Provincial Auditor and was well received by Treasury Board.

The framework is both an accountability strategy and a management tool. As an accountability strategy, the framework allows us to more adequately report on what we deliver, to whom, at what cost, and with what impact. As a management tool, it guides choices concerning improvement and possible re-engineering opportunities.

Secondly, continuous improvement is a strategy to position the department to grow as a learning organization, to be client focused, and to ensure that our programs and policies are consistent with and supportive of the economic and social well-being of the province. It involves a clear vision of reform, a set of values to guide choice, and the contribution of all staff in identifying and implementing improvement opportunities.

Measurement is an integral element. We need to know the extent to which changes are an improvement. As a result, we took the initiative to develop our program performance measurement framework.

Thirdly, one of the major system changes has been the delegation by Treasury Board over the past five years to the department of authorities beyond those accorded departments in the general manual of administration. Labour is the only Manitoba department to have these additional authorities. We have managed these delegations wisely as confirmed by the Provincial Auditor in 1994. These additional delegations have enabled my managers to more fully assume responsibility for the operations of the department.

As we show in our annual report to Treasury Board, these delegations have enabled the department to achieve efficiencies and improvement in the delivery of our services to the citizens of Manitoba. The leadership of the department in the area of government reform has been recognized with the involvement of several staff members in the government-wide strategies of Better Methods and Service First. My deputy minister, Tom Farrell, is chair of Better Methods, the goal of which is to change our processes and systems to enable us to deliver better services to Manitobans. As well, senior staff have been seconded from the department to develop Service First initiatives to transform the way government works in Manitoba.

I would now like to take this opportunity to briefly review each of the important programs delivered by the department. In the Labour Services Division, Conciliation and Mediation Services, the Conciliation and Mediation branch has continued to maintain its excellent record for resolving issues without a work stoppage. Over the past year the number of conciliation assignments increased from 147 in the previous year to 198 for the '95-96 fiscal year. The branch was able to resolve 97 percent of those assignments without a work stoppage. They continue to be active in grievance mediation, handling 266 assignments and successfully resolving 84 percent. They have also begun working in the area of mutual gains bargaining and preventative mediation handling 12 new cases.

The Manitoba Pension Commission, in co-operation with small business and representatives of the financial

industry, has created a new pension plan designed for small and medium-sized Manitoba businesses. This simplified pension plan is simpler to administer, less expensive and more flexible than existing pension plans, yet it offers the same level of legislative protection as the bigger plans.

Over the course of the next year the pension commission will be working in close co-operation with various providers to promote the simplified plan throughout Manitoba. Their goal is to expand by 10 percent annually the number of small employers offering pension plans to their employees.

As part of the Pension Commission strategy of using customer feedback to improve service, a series of focus groups have been held with local pension plan administrators to identify ways of improving communication. Responding to suggestions received, they have carried out a series of workshops explaining recent changes in legislation and distributed a publication list and order form. Currently, the commission is working on having their internal publications available via the Internet and hope to have this task completed by September 1996.

During the last several months, staff have completed the design and testing of a pension administration review program to be launched this spring. The program is an on-site administration compliance review and education program. The goal of the program is to identify areas of noncompliance and through the education of administrators improve compliance and administrative practices with respect to the legislative requirements of The Pension Benefits Act.

Regarding Mechanical and Engineering, in an effort to better serve its clients and at the same time reduce its cost, the Mechanical and Engineering branch is in the process of moving its boiler inspection database from an external provider to an internal computer system. By maintaining the database internally, they will be able to respond more quickly to requests from clients for information, provide up-to-date management information and eliminate the fees necessary at present to maintain the database.

In the last year the Canadian Standards Association developed a new maintenance standard for elevators. The

Mechanical and Engineering branch, recognizing the stringent requirements of the new standard would not be necessary for all elevators, established a committee made up of industry, building owners, labour and government to review the new provisions under the code. The branch responded to the needs of its clients, understanding that safety was paramount but acknowledging that not all elevators based on their usage would require those code specifications.

In respect of the Office of the Fire Commissioner, on April 1, 1996, the Office of the Fire Commissioner became a special operating agency. As a special operating agency, the Office of the Fire Commissioner is presented with the opportunity to be creative in service delivery and to go the extra mile in marketing its products and services to nontraditional clients, both in Manitoba and in other jurisdictions. Their objective of financial self-sufficiency provides incentives to better control costs and to ensure that the annual fires prevention levy continues to satisfy the funding needs to service their traditional clients. The greater control and accountability for the management and use of the Fires Prevention Fund monies will ensure more decision making occurs at the client service level and will allow the office greater influence over its own destiny.

Within the first two weeks of the Fire Commissioner's office becoming an SOA, they were able to respond to six new contract requests from outside the Manitoba fire service. These contracts included an oil company in Libya, the City of Moose Jaw, a nickel company operating in Cuba, the City of Swift Current, a native band in northern Saskatchewan, and a critical incidents stress debriefing course for outside agencies from across Canada. The sum total of these six contracts has a projected potential profit of \$105,000.

In addition, the highly successful Nero and Ashcan fire safety program will be marketed. The Office of the Fire Commissioner is currently negotiating with the International Fire Service Training Academy to be their international marketing association. A yearly profit goal of \$114,000 on these kits has been set with every staff member becoming a sales person.

I think especially in respect of this initiative, it is very important to note that the government is not getting into competition with private industry but, in fact, is

providing a service to many governments across Canada, to many people in Canada who would like to have training as firefighters. One of my concerns at the time right now is that we do not seem to have a co-operation with the City of Winnipeg, and that is something I would like to work out, that we utilize the offices of the Fire Commissioner, their training facilities, more closely with the training facilities that are presently being offered by the City of Winnipeg.

* (0920)

So I think that the Office of the Fire Commissioner has its task cut out for it in bringing about greater co-operation within Manitoba, a greater standardization of services and training across Canada, and I think it is making great strides in doing that. I think the public servants involved in that initiative have shown themselves up to that task.

In respect of the Employment Standards division, the division continues to develop tests and implement improvements in the delivery of our client service. The primary role of this branch is the promotion and enforcement of fair employment practices for the benefit of both employers and employees in the province. Through the process of complaints and audits, the branch investigates monetary and nonmonetary disputes to ensure the provision and maintenance of legislative benefits and working conditions.

I would like to point out in this respect, Mr. Chairman, that many people find the existing employment standards legislation very confusing given the number of acts that regulate the area, and it is certainly my desire that the department continue its standardization of the code so that people can, in fact, know exactly what the law is, whether they are employers, whether they are employees, whether they are unions.

The service that the branch offers, I think, is a very, very important one in terms of informational. Aside from all its legislative and regulatory authorities, the informational service is used very, very frequently by many companies, both large and small, and in addition to individual employees.

In the last year the branch responded to a 120,000 telephone calls and 8,000 walk-in inquiries.

Approximately 3,500 claims were filed with the branch. Through the continued use of various voluntary mechanisms to expedite the settlement of claims, such as mediation and alternative dispute resolution, the branch is able to resolve 50 percent of the claims within 60 days. An estimated 80 percent of claims will be resolved in a timely and nonadversarial manner and, I think, given the volume of claims, that is a credit to the people who work there.

I know, working as the lawyer for that department for a number of years back in the 1980s, it is an incredibly difficult and time-consuming, challenging area. I think the Legislature has got to look at this whole issue and try to assist these people in performing an even better job for the people of Manitoba by modernizing that legislation. Although that is not on my legislative agenda in this particular session, I hope it is the government's intent in the future to do that.

In 1995-1996 approximately one and a half million dollars in wage adjustments were recovered by the branch for workers and employers in Manitoba. The branch actively promotes public education and recognition that awareness and knowledge of rights and obligations is an effective method to ensure compliance with the legislation. A notable initiative is a video aimed at the youth of Manitoba who are about to enter the workforce. The video was produced in partnership with the students of West Kildonan Collegiate and Stonewall Collegiate and attracted positive interest in other jurisdictions.

The branch also provides services to groups of workers affected by job loss. In the previous year the branch worked with 34 companies to mitigate the negative impact of downsizing. Working co-operatively with labour and management, the branch's adjustment of workers affected by job loss has resulted in approximately 57 percent of the people finding employment, 20 percent receiving further training or education and 5 percent becoming self-employed.

From April to June of 1995, 14 adjustment committees were established using the traditional federal-provincial model. Subsequently to July 1995 the branch initiated 20 new activities under the new provincial model. This model has resulted in greater flexibility, quicker response time, less administration, compressed time frames and

increased cost-effectiveness in the branch's overall program and service delivery.

The Worker Advisor branch ensures that workers and their dependants receive the benefits to which they are entitled under The Workers Compensation Act, and it continues to measure the needs of its clients and to respond to those needs with operational improvements. The branch is committed to fast and reliable standards of service in managing over 1,000 active files and responding to over 1,200 phone calls in the year.

Following the assignment of a file to an advisor, first contact with the client occurs within four to six weeks. If required, a formal appeal to the WCB review office is made within 12 weeks in 75 percent of the claims. Claims at the review office level have been met with success rates in the range of 60 to 70 percent. Claims submitted to the Appeal Commission have success rates of 45 to 50 percent.

The Workplace Safety and Health division continues to work with employers and workers to strengthen the internal responsibilities system in workplaces to ensure that the parties in the workplace are undertaking their respective responsibilities in the most effective manner with regard to worker safety.

The Workplace Safety and Health Branch has been continuing a joint initiative in the logging sector, a traditionally dangerous industry sector where a two-prong process of training and inspections is being used. We are working with small business to improve communications and safety information flows in response to a need identified by our recently conducted client survey.

Our ergonomist has been working with a number of firms to reduce and eliminate situations of high risk to workers which have created a situation of ongoing high levels of time loss claim frequency. There have been a number of successful interventions resulting in significant reductions in worker injuries, which is gratifying.

Safety on the farm is an area of ongoing concern, and we have been working co-operatively with the Workers Compensation Board, the departments of Agriculture and Health to focus attention and develop co-operative efforts to address farm safety. Other industries where efforts have been increased in a co-operative manner with

employer associations and unions include the construction sector, garment industry, autobody repair and the restaurant and food industry.

In the Occupational Health Branch, the branch has been working on a joint project with Health to introduce an agricultural injury and illness surveillance program in selected farm communities in the province to improve farm accident illness and injury data. The project has been so successful it is being considered as a national model.

Hearing conservation surveillance is a continuing program by the branch to ensure that workers exposed to noise in their workplace are tested each year to identify any changes in their hearing efficiency.

Well, as you can see, Mr. Chair, there are just so many good things to be said about the Department of Labour. I have not yet done the Mines Inspection Branch, as well as the very, very important work being done by the Manitoba Labour Board, which is an independent quasi-judicial body which has a variety of administrative and adjudicative responsibilities. It in fact, as you know, considers matters referred to it under The Payment of Wages Act, The Employment Standards Act, The Vacations with Pay Act, The Construction Industry Wages Act and The Workplace Safety and Health Act.

Just some of those acts give you an indication of the type of responsibilities they have but, also, the very separated pieces of legislation which it must always adjudicate on in the context of any particular claim. I think in speaking to people from the Manitoba Labour Board, the chairperson, Mr. John Korpesho, there is clearly a need to clarify some of the legislation to assist the board in doing the very important work that it is doing.

* (0930)

I did not mean to skip over the Mines Inspection Branch as quickly, but, if I have a minute or so, this branch has worked with an external partner to develop an emergency oxygen and carbon dioxide absorption system for underground refuge stations in mine rescue. The branch has developed a mine incident and hazard alert reporting system. The division is participating in many national level co-operative efforts through the auspices of

the Canadian Association of Administrators of Labour Legislation. The division has established an Internet home page and also participates in a co-operative manner with a number of professional organizations and safety conferences.

I will leave that at this point, Mr. Chair, and await the response of the member opposite.

Mr. Chairperson: We thank the minister for those comments. Does the official opposition critic, the honourable member for Transcona (Mr. Reid), have an opening statement?

Mr. Daryl Reid (Transcona): I do, Mr. Chairperson. Thank you for the opportunity. I listened intently to the minister's comments once again where he referenced some of the things that his department is undertaking, and, of course, we will have, time permitting, numerous questions relating to those changes that the minister referenced. The areas that we will be looking at having some further questioning on, I will give the minister opportunity by way of referencing them now, where my interests will lie. We will deal with legislation and the policy that is attached to that. There are also questions that will be associated with the area of Workplace Safety and Health, which has come under significant amount of pressure within this province, looking at the number of workplace accidents and very serious incidents that have occurred in Manitoba over the course of the last 11 months since we had the last opportunity to debate with the minister in the Estimates process.

My other concerns which I will raise, Mr. Chairperson, will deal with mines and mine safety and the activities that the mine safety and inspection branch of the Department of Labour, and the efforts that they may or may not be undertaking to further the safe working environment for people that are employed in that particular industry.

I will also have questions dealing with the payment of wages and the decisions that the government has taken with respect to the elimination of the fund, and we will get into further debate on that as well. I will also be asking the minister questions relating to vacancies within his department, so I am giving him advance notice now that I will be seeking that information from him. I will also be looking from the minister any fee increases that

his department may be contemplating for various licences or other activities for which his department has control. We will also be looking at areas relating to pending legislation that the minister referenced in his comment relating to The Construction Industry Wages Act and the changes that his department, I believe, are contemplating at this time because there is some consultation taking place with the stakeholders that are affected by that particular act.

We have other questions that I will not reference now, but I am sure I will have the opportunity to ask those as we move along through the course of the Labour Estimates. I will not go into an extensive opening statement, Mr. Chairperson, so that I would have greater opportunity to ask the necessary questions as we move through the Labour Estimates. I will conclude my opening comments with that.

Mr. Chairperson: We thank the critic from the official opposition for those remarks. I would remind members of the committee that the debate on the Minister's Salary, item 1 (a), is deferred until all other items in the Estimates of the department are passed. At this time we invite the minister's staff to take their place in the Chamber.

Is the minister prepared to introduced his staff members present to the committee at this time?

Mr. Toews: My deputy minister is here, Mr. Tom Farrell; Mr. Jim Wood, who is the—I always get the title wrong here, but it is the Director of the Administrative Services; and Mr. Jim Nykoluk from the Policy Directorate, more or less.

Mr. Chairperson: I thank the minister. At this time the item before the committee is item 1. Labour Executive (b) Executive Support (1) Salaries and Employee Benefits \$361,100.

Mr. Reid: As I referenced earlier in my opening comments with respect to staffing and, since we are dealing with salaries and employee positions, I would like to ask the minister, are there any vacancies existing in this area of his department?

Mr. Toews: Yes, there are a number of vacancies in the Workplace Safety and Health division. There are two

vacancies. One is an officer from the inspection unit in Brandon and the other is a safety and health officer in Winnipeg. The vacant date for the Brandon position was in December of 1995, and there is a competition in progress there, whereas the safety and health officer out of Winnipeg was vacant in January of 1996, again, a competition in progress.

In respect to the Labour Services Division, there are three positions in mechanical and engineering. One is a welding examiner, the other two are technical officers, and all three positions are based in Winnipeg. The last two positions, the technical officer positions, occurred as a result of voluntary service incentive program vacancies, and they are being held at the present time.

Mr. Reid: I take it then that those are the only vacancies within the department. There are no other vacancies? If the minister has maybe a list of those, I would appreciate that, as he had supplied last year.

Mr. Toews: Yes, those are the only vacancies I have been advised of, and I understand those to be the only vacancies.

Mr. Reid: Can the minister inform me with reference to the allotment of overtime within the Executive Support, what was the overtime for, and why was it that executive support to the minister is working the overtime for him versus the staff department?

Mr. Toews: Yes, I am advised that is for vacation relief, and that is in respect of secretarial positions.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

Item 1.(b) Executive Support (2) Other expenditures \$69,700—pass.

We will now move on to Resolution 11.2 Labour Program (a) Management Services (1) Salaries and Employee Benefits \$1,101,200.

* (0940)

Mr. Reid: Mr. Chairperson, this section, I believe, provides policy for the minister's use, and also I believe provides some administrative support for the Labour

Management Review Committee. I have several questions in this area, considering that the minister has referenced it. He has undertaken and has already tabled in this Chamber pieces of legislation, and I believe he is going to table some further pieces of legislation perhaps today and maybe more next week.

Can the minister tell me, the changes that he referenced with respect to The Remembrance Day Act, The Employment Standards Act, The Payment of Wages Act—Employment Standards, of course, is obviously one, that has some potential to be quite controversial in its change. I want to ask the minister, what policy direction was provided to him by his staff through the Management Services division with respect to these various pieces of legislation?

Mr. Toews: I will answer that basically in respect of The Employment Standards Act and The Payment of Wages Act and essentially legislation governing workplace minimum standards. I believe that is essentially the question that member opposite is asking. If I am wrong in that, perhaps he can correct me during the course of my answering or with a new question.

I will let the member know that back in the 1980s when I was a lawyer for the Department of Labour, there was tremendous difficulty in understanding in fact what the law was. Many times Employment Standards officers, whom I provided legal advice with, would come to me and would say, what does this particular piece of legislation mean? I would look at it and I would give an opinion, and they would say, well, that is all well and good, but how does that fit then with this other piece of legislation? So I would look at this other piece of legislation and it would give conflicting signals, conflicting interpretations. So it was very difficult not only as a lawyer acting for the branch—I believe my view has been echoed by lawyers who continued in that position after I left—but by the Employment Standards officers who, while they are very well trained, very knowledgeable, very competent, are not lawyers for the most part, and also should not be expected to try to guess at what the law is.

Similarly, the same problems occur when employees and employers—and these are not just small employers that have trouble understanding the law in the area of employment standards in Manitoba, but very large

employers. I speak from some personal knowledge in that respect. Employment Standards division was very helpful to many, many employers, many unions, many employees in trying to provide that guiding advice.

It was clear that the legislation had been developed over a number of years without really much thought given to what had happened in the past, what legislation was in place in the past. Many times well-meaning governments amended legislation to deal with specific problems not realizing the problems that they created in respect of other legislation.

At that time already it was clearly recognized that some kind of a comprehensive code had to be established in order to eliminate some of these difficulties. I know the prior government, prior to 1988, had embarked upon a review of employment standards legislation. In my role as counsel to the department, I was familiar with many of the suggestions and changes that were being made in that piece of legislation.

When I assumed responsibility for this department, I clearly agreed with the prior government that the area of employment standards needs to be reformed. The question is, what type of reform? The policy direction that I have been giving my staff in dealing with this issue—and it is a very complicated issue. It is not an easy one. It is not just a matter of putting four or five acts together and hoping it comes out all right. It is a very complicated process. But essentially what I have said to my staff is, put a code into place that is substantially, in terms of its legal impact, neutral. That is, that it does not change the law as it exists but rather it clarifies, it rationalizes, it simplifies the existing legislative requirements. Once that framework has been established, I think then governments can look at it and say, what new policy initiatives do we want to move in in the area of employment standards, but I think the first step should be to get that consistent, solid base into place so that people can understand what the law is.

The law is more than just something in a textbook and something more than just for lawyers to play with. Good, solid, clear laws, even when those laws are not necessarily the laws we would like, if they are clear they send out a message, and that is that they clearly identify the environment in which people can work. That in and of itself will encourage businesses to come to Manitoba,

create jobs that pay the taxes that pay for our social programs. So I consider that piece of legislation, even if the substantive provisions are substantively neutral, will assist in creating a very positive environment for attracting more business to Manitoba.

So that is essentially the policy direction that I have given to my staff. It has taken somewhat longer than I had hoped but I am certainly not faulting the staff. The staff have been very, very diligent in working through the problems. I would like it right rather than to simply put a new code in and then realize that it has tremendous problems. So they are working on that now, Mr. Chair.

Mr. Reid: The information that I am seeking from the minister with respect to the policy is the advice that his staff would have provided to him with respect to the legislation that the minister has currently tabled before the House plus the legislation that we are expecting that he will table today. Also, can the minister provide for us a copy of the Labour Management Review Committee's recommendations on each of those areas of legislative change that the minister has currently tabled and will table in this House for this session?

Mr. Chairperson: I am going to be seeking some information pertaining to the line of questioning that we are just moving into at this time. The rules do give us some areas that we have concerns with and that is dealing with anything that is on the Notice Paper, so I have asked the Clerk to get me some information on that. So at this time I would ask the minister to be careful how he answers the question when he does answer it.

Mr. Reid: A point of clarification for both yourself and I believe the minister. I am dealing with policy, Mr. Chairperson, and I want to know, because the recommendations also deal with policy as well. That is why I am asking the question in this area because it does deal strictly with policy.

Mr. Chairperson: Just for the member's information, it is just that he was stating on legislation that was already tabled before the House, and that is what I am just going to clarify within the rules.

Mr. Toews: The issue raised by the member opposite relates to the advice that I have sought from the Labour Management Review Committee. I have not sought at

this time any advice from the Labour Management Review Committee in respect of the employment or proposed Employment Standards code. That is still in a process of being developed within the department, and, in fact, will be in due course sent to the Labour Management Review Committee, but it is clearly not in a position to be sent to that body at this time.

In respect of The Construction Industry Wages Act, it has been an extensive process of consultation that was commenced by my predecessor in this department. Many, many representations were heard from contractors, employees, unions and others, and that has been an ongoing process. It has been a very, very consultative process, and it is clearly an area of the law where there is no clear consensus on many things.

* (0950)

The proposals that the government had sent to all the stakeholders, where we thought that there was some consensus, was then placed in a document, sent to all the stakeholders, and that document was sent to the Labour Management Review Committee in order to inform them of, in fact, the proposals that were being developed as a result of that extensive consultation period.

I have not received any report from the Labour Management Review Committee in respect of that particular document, and the government's bill in that respect is not yet before the House. Clearly even from the proposals that the government felt that there was some consensus on, there is some re-examination of that issue, but I continue to receive documentation comments from trade unions, from employers and from individuals in respect of those issues. That consultation is still ongoing. If Labour Management Review has any comments to make in respect of the document that I sent them, they are certainly free to do so as a body, and I would welcome that, but I know that members on the Labour Management Review Committee have been sending me letters and comments about where we should be heading in terms of a policy.

The only area where I have received a formal report from the Labour Management Review Committee is in respect of the proposed amendments to The Labour Relations Act, and that I can certainly provide to the member.

Mr. Reid: So the minister is telling me then that he has not sought the LMRC recommendations on The Construction Industry Wages Act and he has only received or sought the recommendations of the LMRC on one piece of legislation that the minister referenced here a moment ago, which I think he said was the employment standards. Was that the minister's comments? Did I understand him correctly? Is that the only advice that he has received from the LMRC was The Employment Standards Act?

An Honourable Member: Labour relations.

Mr. Reid: Labour Relations Act changes. Okay. Is that the only piece of advice that the minister has sought and/or been supplied from LMRC?

Mr. Toews: As I have indicated, I sent the comments or the proposals to the Labour Management Review Committee in respect of The Labour Relations Act.

In respect to The Construction Industry Wages Act, the proposals that the government was suggesting in respect of possible legislation was sent to the LMRC, and they were invited to make comments in that respect. Now the LMRC has not yet provided any comments in that respect as a formal body, but certainly members of the LMRC have provided me with comments in that regard, and continue to do so. I continue to receive all types of representations in respect of The Construction Industry Wages Act.

One must understand the process that was involved in that particular case. This is not a situation where the government drafted certain proposals in an in-house basis and then put it into a bill, sent it to LMRC for their approval or even in terms of a policy statement. This is a process that was commenced I believe in 1992 or 1993. Literally hundreds of proposals were received in respect of possible amendments to The Construction Industry Wages Act, oral, written and otherwise.

In fact, in May of 1991, that review was initiated and he initiated, the minister at that time, a review by requesting the Labour Management Review Committee to conduct an assessment of the act. The review was undertaken in order to address the growing concerns that The Construction Industry Wages Act was no longer fulfilling its intended purposes and was becoming

increasingly more difficult to administer. So The Construction Industry Wages Act review committee under the chairmanship of Wally Fox-Decent held more than 50 meetings. And Mr. Fox-Decent, of course, is the same person who chairs LMRC, and he held more than 50 meetings on that act including several public meetings with labour and management to discuss problems with the act and to develop options to improve its administrative efficiency and effectiveness.

Now, the review committee's final report contained 54 recommendations for change, and these were submitted to the minister in June of 1993. The clearest message conveyed through the review process by both labour and management groups was that there was widespread support for retaining the act in some modified form. However, there were considerable differing viewpoints as to how this would be accomplished. There is recognition that the act needs to be modernized, needs to be streamlined and needs to respond to a very dynamic construction industry that changes.

As a result of the review committee's report and also a subcommittee's report which I believe contained somewhere in the vicinity of over 100 recommendations—I am not clear on that number, but a number of 124 or 128 comes to mind—under The Construction Industry Wages Act. So there was a subcommittee of the review committee that did that. As a result of all of these recommendations sitting around a recognition by everybody that the act needs to be amended, by everyone that the act needs to be changed and amended by some amount, there is a differing view as to what should be done.

* (1000)

But at that point in February of 1996, I initiated another consultation process with stakeholders in the construction industry regarding the proposed amendments. So we took The Labour Management Review Committee's proposals and then consulted with the construction industry for possible proposals. At that time, I provided the stakeholders with background information respecting a number of issues, and that was primarily exclusion of the housebuilding sector. This is a sector which has effectively gotten around the act. There are effectively no more employees in that industry, in the residential housebuilding industry. Everyone

subtrades everything. [interjection] Well, that is right. That is exactly it. It is a problem right across Canada with flat housing starts. So there is something clearly wrong in the housing industry right across Canada, and my colleague across the way can answer that issue before, but I have met with the Winnipeg Construction Association, I have met with the homebuilders. This is a phenomena right across Canada.

But at this time what happens is that somebody who builds a house does not employ employees anymore. They just hire subtrades. There is a feeling, and I think it is borne out by what is happening in the industry, that in fact this act is causing incredible damage to that industry in terms of being able to train people, bring people into employment situations, train them and then have qualified apprentices and journeymen. So we want to change that by ensuring that the journeyman process, the apprenticeship process is respected. But under the present system, what happens in many cases, especially because these are small employers, they will say, well, we will hire somebody as an apprentice and the fee will be a certain hourly wage, and they can afford that. Then they will say that as soon as the person becomes a journeyman they will lay that person off because they cannot afford to pay the wages.

Now it seems very troubling to me that we have an act that is supposed to set wages to protect employees when in fact what the act is doing is encouraging employers to lay off those employees because they cannot afford the wages, or in fact they move to subtrades which in my opinion does nothing to develop good quality mentoring of these people in their particular trades. So this is an area where I assume that there is not much opposition from anyone, including the unions themselves who have no union members in that sector because there are no more employees. The act is effectively destroying employment-employee relations in that area. So I think in order to encourage employers to hire employees, the house-building sector should be removed from that act.

Areas such as—

Mr. Chairperson: Order, please. This is where I have got my concern. This is a very gray area that we are dealing with at this time. The honourable minister is referring directly to an act that is on the Notice Paper at this time, and the rule of anticipation does not allow us

within this House to discuss matters that are on the Notice Paper before the House. So this is a very gray area. The minister is stepping a little bit too far when he is discussing potential amendments to or within the act that is before the House or on the Notice Paper. So I would ask the minister to choose his words carefully.

Mr. Toews: All that I am trying to say is that we consulted extensively on a number of areas, and now we have sent all of those proposals to the various stakeholders and say, what about these issues? Is there any consensus in this area? At this time we are now receiving input from these various stakeholders as to these proposals. So clearly the government bill, whatever it will be when introduced, will not be a reflection exactly of what in fact was sent to stakeholders, given that we have got to sit there and listen to what these people are saying to us.

But to suggest that we have not had any input from the Labour Management Review Committee or from the public or unions or employers or employees, is I think an unfair statement, and I do not believe the member suggests that.

There has been an ongoing process for the last five years of consultation with literally everyone in the construction industry, and we have attempted to come to some type of consensus, but it is a very, very difficult act to achieve any type of consensus.

Mr. Reid: Well, I am not sure. The minister would not want to put words in my mouth, but I did not reference the fact that the minister or his department has not consulted with people so I will not respond any further to those words. The minister, no, I never made those comments on the record, and for him to put them on there was uncalled for.

Mr. Chairperson, I would like to ask the minister, since he went off on a tangent here and I had only referenced The Construction Industry Wages Act and my question was pertaining to The Labour Relations Act. I want to ask the minister again, what policy direction, what advice did the LMRC provide to the minister on The Labour Relations Act? Was it a unanimous recommendation? Will the minister table the recommendation?

Mr. Toews: I have indicated that I will table the LMRC's report.

Mr. Reid: Can the minister indicate when he will table that for me, Mr. Chairperson?

Mr. Toews: You can have it as soon as my deputy gives it to you.

Mr. Reid: And when will the Minister of Labour instruct his deputy to provide that document for me?

Mr. Toews: As soon as the deputy is free from here, I am sure that somebody in the staff in the Department of Labour will contact the member opposite and provide him with that document. This is a document that is floating out there in the public already, so I have no problem with it being released anywhere.

Mr. Reid: I thank the minister then, and I take it that his deputy minister, the good person that he is, will provide that sometime later today.

I want to ask the minister now, because he referenced the fact that he had not sought any advice from the stakeholders which play a role in the LMRC, why he has not sought the advice or the policy direction from the LMRC on the Employment Standard code changes that the minister is contemplating.

Mr. Toews: As I have indicated on that issue, there had been some work done in the department in the 1980s. What my instructions were to the department was to review the bill, or the proposed bill that had been done in the 1980s, and using that as a guide, to put together some kind of proposal for a unified Employments Standards code which would be substantively policy neutral. Clean-up problems, yes, but I do not want to see policy being substantially changed in cleaning up the act. I want a clear act so that people know what in fact the law is in Manitoba. So the purpose there was not to change policy in any way, but in fact to ensure that the existing legislation, which is currently found in four or five pieces of separate legislation, is put into one code and insofar as it is possible to do so in a policy-neutral way. So at this point, there are no policy issues that the Labour Management Review Committee has to look at. I have not instructed any substantive policy changes unless they are problem areas that can be cleaned up. Once the

department has looked at this code, has put a code together and has said we believe that this is in keeping with your instructions to us, then the proposal goes to LMRC. As I have indicated, we are not yet at the point where the code need go to LMRC because our own documents are not yet ready.

Mr. Reid: The minister has indicated, if I understand him correctly then, that he does not anticipate that there will be any policy changes in The Employment Standards Act and that he is only indicating that there will be clarification for any legislative changes he may be contemplating to bring into this Chamber. I want to ask the minister to explain the term "policy neutral," and I want to ask the minister to identify the problem areas that he sees that need to be cleaned up—his words—in The Employment Standards Act.

* (1010)

Mr. Toews: Policy neutral essentially means exactly that. Each piece of legislation has a particular goal, has a particular intent. My intent and my instructions are that each piece of legislation is to be placed into one code being consistent with the original intent of that document. In the course of doing that, there may well be policy changes of a minor nature. That is recognized because there are problems, and every time you fix a problem—for example, if there are definitions and the area that is one of the primary concerns is the area of definitions—wages or employees or all these type of definitions are defined differently in different acts because it is for different purposes. Yet, it is very confusing when somebody looks at that legislation. Without getting into too much detail, that is essentially what many of the changes involve. There may be some changes and they may fix problems which may result then in, depending on what your interpretation is, policy adjustments or changes. But it is not my intent to bring about policy changes.

(Mr. Mike Radcliffé, Acting Chairperson, in the Chair)

I want an act that works as a cohesive whole. There will be changes made in that, and the member and I can sit and argue about whether those constitute policy changes or not. But once that code is put together in a package, then Labour Management Review can take a look at that. I will identify for Labour Management Review every change and why these changes are being

made and then Labour Management Review will have an opportunity to look at all those and comment.

I might just state for the member's information that there is no intention of introducing a new employment standards code in this session. That may be introduced in the spring of next year, the fall of next year. We are just not at any stage. But I think the member opposite, and he probably has access to those documents, to the old report that was commissioned under the prior NDP government in respect of employment standards legislation. It identified many problems in the legislation which were of an administrative nature or a statutory definition nature in terms of inconsistencies. You can take a look at that document to see what kind of problems there were.

The one thing that the prior government did in terms of amalgamating that legislation was to introduce substantive legislative changes in that code, and to the extent possible, I want to avoid the introductory substantive policy amendments because there is much controversy about that. I want to get clear legislation first, then the member and I can discuss what policy initiatives should be put into that act. For example, one of the very large policy initiatives by the prior government in its documentation was for the reinstatement of nonunionized workers where there has been a termination. As the member opposite realizes, under our common law an employee is entitled, not to his or her job back when terminated, but they are entitled to damages for wrongful dismissal if there was no justification, no just cause for that dismissal.

One of the proposals that the former government had in that legislation was for there to be a reinstatement of certain types of workers who met certain qualifications to be reinstated to their job. If the member looks at the legislation in Nova Scotia, we have reinstatement for nonunionized workers. Indeed, that provision was the centre of a very important Supreme Court of Canada case called *Sobey Stores*. In that decision, the Supreme Court of Canada discussed Section 96 of The Constitution. As the member opposite understands, Section 96 deals with the powers that the provincial government or the federal government can give upon judicial bodies.

So superior courts, for example, in Canada, while created by the province, for example, our Queen's Bench

Court of Appeal was created by the province, but they are staffed or the federal government makes those judicial appointments. That is as a result of the interpretation of Section 96. The province may only appoint people to their judicial positions who only have powers that are not analogous to the powers of superior court judges. In *Sobey Stores* and a string of other cases, the Supreme Court of Canada said that one looks at each of the original four confederating provinces to determine whether or not a province has the power to appoint those superior court functions or not.

Even if we are in Manitoba here looking at giving a provincial tribunal certain powers, we have to look at the original four confederating provinces to determine whether or not those are powers that are analogous to superior court functions.

So getting directly to the point raised by members opposite is then the issue of appointing a person, let us say the Manitoba Labour Board, to empower it to reinstate nonunionized workers upon a termination is a significant constitutional issue which, for the most part, has been addressed by the *Sobey Stores* decision.

Aside from the constitutional issue, there is a huge policy issue about whether or not that should be done. One can see the necessity and importance of the power to reinstate in a unionized context, and that is done all the time. The Supreme Court of Canada has recognized the power of provincial tribunals to reinstate, under provincial legislation, workers who have been unfairly dismissed, and that is usually done either through a collective agreement process or through the Manitoba Labour Board.

Those are the kinds of policy issues. I do not think it is necessary to get into looking at the entire code. I think what is important is to, let us get a code that is clear.

* (1020)

Point of Order

Mr. Reid: I need some advice or some guidance from the Chair on this. I know there are rules in place in this House that said that the questioner is allowed to ask questions for 10 minutes and the minister is allowed to respond for 10 minutes, so I need some guidance on

whether or not those rules are being adhered to in this Chamber.

The Acting Chairperson (Mr. Radcliffe): I can advise the member from Transcona that the rules are being adhered to and the Chair has indicated the timing to the honourable minister, and the Chair will expect that the honourable minister will be complying with it.

Mr. Reid: Same point, Mr. Chairperson, has the minister exceeded his 10 minutes and have the table officers been keeping time on this particular answer?

The Acting Chairperson (Mr. Radcliffe): The table officers have been keeping time, and the honourable minister is about to exceed his time. He is finished? The Chair is pleased to inform the honourable member for Transcona that the honourable minister has completed his question and would invite the honourable member to present another question if he is so inclined.

* * *

Mr. Reid: The minister went on at great length reciting particular law cases that I am sure he has either read or had some involvement with. I did not come here to have a lecture that he might have done in his past days when he was lecturing in labour studies at the university. This is a place where I ask questions pertaining to the expenditures of his department, the Department of Labour. If he wishes to have that particular type of dialogue, I am going to ask that you call the minister to order and keep him pertinent to the information and to the question that was asked. We do not need to go into long legal recitations here in this House. That is not the purpose of this committee.

I want to ask the minister, with respect to his experience when he was working with the Department of Labour as a lawyer either on staff or under contract, what advice and what areas of advice he provided to the Department of Labour?

Mr. Toews: Well, I am not sure what the member is talking about. My involvement with the Department of Labour as the solicitor for the Department of Labour ended in 1985, in May of 1985 in and about there. I left the department for a year. I was on a leave of absence, and I came back in May of 1986 and I joined the

Constitutional Law branch at that time. At that time I had the privilege of joining that branch, eventually became the director of that branch and was involved in a number of labour relations cases, including one that dealt with the first contract legislation in this province, and I dealt with that labour legislation.

I have, outside of the employment, while I was an employee of the Department of the Attorney General or the Department of Justice as it is now, never acted as a lawyer for the Department of Labour in providing them with advice in any formal way. I do not remember meeting with anyone in terms of even an informal way that I would have provided them with advice as a lawyer. Certainly my involvement was I acted on behalf of the Attorney General from 1987 to 1991 when I left government. I had no connections with providing advice to the Department of Labour since that time.

I mean, I have come back now as the Minister of Labour in 1995, and I do provide direction and advice to the people who work with me in that department. Unless the member has some specific information in mind, I certainly do not recall or know anything as to what he is suggesting, other than I was a lawyer acting for the Attorney General's department from 1976 to 1991.

Mr. Reid: My apologies, Mr. Chairperson, I did not explain that question very clearly. I was just looking to see where the minister had provided some advice to the Department of Labour during his time there and what his area of expertise in providing that advice was. I know he has some legal background, but I did not know what his labour background was with respect to providing the advice, and that is why I was looking for the areas in which he may have provided some advice to the department.

I want to ask the minister, has he provided any direction to the Minimum Wage Board since this is still a policy area? I know that we have had some changes to the minimum wage in this province. Is the minister contemplating any further changes to the minimum wage act in this province?

Mr. Toews: The minimum wage, which is, as I understand it, a regulation under The Employment Standards Act, was amended recently, that is the regulation which I believe in July of 1995 the minimum

wage went to \$5.25 from \$5.00 an hour and then January 1 of this year, 1996, rose to \$5.40. The Minimum Wage Board met on a number of occasions over the period of November 1994 to February of 1995. The Minimum Wage Board has submitted its report with recommendations to the Minister of Labour on February 20, 1995 and the report submitted by the employer representatives recommended that the minimum wage be increased to \$5.15 effective July 1, 1995, with a further increase to \$5.25 on December 31, 1995.

The report submitted by the employee representatives on that board recommended an increase to \$5.75 per hour on July 1, 1995, and the chairperson proposed an increase to \$5.50 per hour effective July 1, 1995. One can see that there was quite a bit of division in that. I might point out that the recommendations that the board had made were based on an extensive public consultation process. Approximately 115 written submissions were received during that consultation phase, and the board heard from approximately 40 individuals or organizations.

The rate that was eventually agreed on by the government through regulation was a rate of \$5.40 an hour, which places Manitoba ahead of six and behind only three other provinces at the time; that is British Columbia, Ontario and Quebec. The new rate of \$5.40 represents an 8 percent increase over the previous level of \$5.00 which is comparable to the cost of living increase during the period of time from March '91 to December 1995. At this point there is no further contemplation to raising the minimum wage, the wage having just been raised in January of this year.

Mr. Reid: I was just interested to see whether or not the minister was contemplating any further changes or the striking of that body to have further review, Mr. Chairperson. I am not sure whether the minister answered that and I will ask him again. Is he contemplating striking out that Minimum Wage review board?

Mr. Toews: As indicated in my answer, we have just finished a very, very lengthy review process. The wage rates were established at \$5.25 an hour and \$5.40 an hour, the last rate being effective January 1, 1996, and no, I am not contemplating putting the board back to work on that issue presently.

* (1030)

Mr. Reid: I thank the minister for the response. I have one further question here. Under the changes the minister is contemplating with the Fire Commissioner's office, and this is dealing with policy, Mr. Chairperson, it references that certain services will be provided under Management Services Division to the Special Operating Agency, Fire Commissioner's office. Can the minister define for me what those services will be that will be provided?

Mr. Toews: The services that will be provided to the Special Operating Agency of the Fire Commissioner's office by Management Services will include services from Human Resources which is payroll and recruitment. Financial services which includes things like voucher processing and revenue handling, Information system services which includes computer systems, development and support, and legislation and policy co-ordination. The total estimated cost of these services being provided is \$150,000, and this amount was netted out of the Management Services 1996-97 request.

The Acting Chairperson (Mr. Radcliffe): The item under discussion at the present time has been paragraph 11.2 (a) Management Services, (1) Salaries and Employee Benefits \$1,101,200-pass; (2) Other Expenditures \$259,000-pass; (b) Mechanical and Engineering, (1) Salaries and Employee Benefits. \$1,786,900. Shall the item pass?

Mr. Reid: The minister indicated, Mr. Chairperson, that there were two vacancies, I believe, under the Professional and Technical Support. The minister, I believe, also indicated that there was competitions currently underway to fill some of the vacancies. Can the minister tell me what duties were performed by the people who had currently been in those jobs before the vacancies occurred?

Mr. Toews: I indicate that two other people from my department have joined me, Mr. Tom Bleasdale, who is the assistant deputy minister, and Terry Rieger is the supervisor of Mechanical and Engineering. I would just—in respect of an earlier commitment I made to the member opposite, I have the report of the Manitoba Labour Management Review Committee dated April 24, 1996 in respect of The Labour Relations Act, and it is available for the member and on the table.

In respect of the question regarding the Mechanical and Engineering positions, there are two positions which have been very, very recently vacated. One is an elevator inspector and the other is a welding inspector. The elevator inspector's services are being carried out within the department, and the welding inspector's services are being carried out from the Brandon office. These were positions that came vacant as a result of the government's voluntary separation insurance incentive program.

Mr. Reid: I understand that vacancies occur from time to time within the department and that there has been a voluntary separation program for some government employees. The minister referenced the fact that there were vacancies, one in the elevator inspection area, another one in the welding inspection. Can the minister tell me, is the department, since these vacancies have been existing for a period of some time now, several months, is the minister's department able to keep up with the number of inspections that are required by his department in the issuing of certificates, for example for elevator inspection for which a large number of members of the public utilize that type of service? Is the department able to keep up with those inspections in the issuing of the applicable certificates?

Mr. Toews: As I indicated earlier I believe that these are very recent vacancies that occurred at the end of March and the two functions, one being a welding examiner, not a welding inspector, a welding examiner, those duties are being carried out by a person out of Brandon at this time, and the department is functioning very well at this time with that provision of services and under the method that they have incorporated to ensure that those services are still being provided.

In respect of the elevator inspector, that was a supervisor's position and, again, the actual inspections of the elevators are continuing in accordance with our normal policy of elevator inspections. As I indicated earlier in my opening notes, in respect of elevator inspections we are working very closely with the industry to ensure that the code is reflective in fact of the needs that are out there, and so we believe that we are meeting the requirements of the public of Manitoba.

Mr. Reid: I want to ask the minister then—he indicated that one was a welding examiner, one was an elevator inspection supervisor. Is the department, because he says

that he has staff that are capable of doing this and it was only a supervisor that was missing and I take it from that that the supervisor did not go out and do the inspections to determine whether or not there was going to be a renewal of certificates issued for the continued operation of elevator services, is the department delayed in the issuing of renewal certificates for the uses of elevators in the various buildings within the city of Winnipeg and within the province of Manitoba? Are we up to date on the renewal of those certificates?

* (1040)

Mr. Toews: The vacancy of that position as of the end of March has had no effect on the usual renewal process, so there have been no changes in the regular way in which these renewals are being done.

Mr. Reid: Can the minister tell me, is there a lag time then? Are there elevators in service within this province that are currently operating without renewed certificates attached to them?

Mr. Toews: In respect of the elevator permits, there is a new database that is being made. We believe that generally speaking we are up to date. If in fact there are elevator permits that have expired, it is an issue of getting to them just as quickly as we can. I do not think there is anything unusual about it. From time to time an elevator permit may expire, but that is a totally different issue from an issue of safety of the elevators. The issue of safety of the elevators is the responsibility of the owner, and the owner contracts with people to ensure that that elevator is safe. That is the primary responsibility of the owner. The permit and the inspections are done, not in order to ensure safety which is the responsibility of the owner, but in fact to monitor and audit the situation.

The department certainly has responsibility and capability to respond to any problems that are identified because often problems in an elevator are identified, the staff comes out, does the inspection, and makes the orders. That in many ways is not unlike any other inspection unit in the Department of Labour. We believe that in respect of the permits our new database will ensure that permits, once that database is fully implemented, will be renewed at the appropriate time. The issue of safety, which I consider a much greater issue, is, I believe, being met by firstly, the primary

responsibility of the owner of the elevator to ensure that that elevator is safe, and then the backup of the Mechanical and Engineering branch to make sure that any problems that are reported are dealt with very, very quickly and that the appropriate orders are being made.

Now, I do not believe that there are any lag times in respect of any safety issues. If there is a safety issue, the staff is well aware of their responsibilities to get out there and to ensure that everything is all right with that elevator.

Mr. Reid: I understand the minister says that the owners of the elevators have a responsibility to ensure that the equipment is functioning properly and that it is in safe operating condition, but if the department is not inspecting and keeping up to date with the renewal of the certificates that are attached to each of the elevators, what steps do we take to ensure that those owners of those pieces of equipment, the elevators, are indeed keeping up with their responsibilities and doing the necessary work that is required to ensure the safety of the elevators for public use?

Mr. Toews: As indicated earlier, we go out on an ongoing basis to look at all these records to ensure that these contracts are in place, to ensure that the safety steps are being taken by the person who is under contract to deliver those services. That is the responsibility of the Department of Labour. We are meeting that obligation and will continue to do so. These two positions have not had an effect on us being able to meet the regular auditing of these elevators and ensuring that people under contract are, in fact, performing those services. The Department of Labour does not do the safety checks of the elevators. That is the responsibility of the elevator company or the person who is under contract to service them, but we are under a responsibility to ensure, on a regular basis, that the safety checks are being done, that the safety program in respect of elevators is being done.

As I have indicated, the department, together with industry and union representatives, are looking at the way that inspections are being done to ensure that in fact the appropriate number of inspections necessary for the safety of the public of Manitoba are being carried out.

Mr. Reid: I will not go any further into this, but I will just leave with the minister and his staff that it has been

drawn to our attention there are elevators operating within the city of Winnipeg here that do not have their certificates renewed. It causes me some concern that members of the public are continuing to use those pieces of equipment, and if the department has a vacancy either with an elevator supervisor or with the elevator inspection, professional, technical people within the department to do that work, it causes me some concern that we are not continuing to ensure the safe operation and the inspection of those pieces of equipment to make sure that the public is not put at risk. So I will just leave that with the minister for his attention and his staff I am sure will no doubt deal with this in short order. I am prepared to pass the rest of this section.

The Acting Chairperson (Mr. Radcliffe): The section of discussion is 11.2.(b) Mechanical and Engineering (1) Salaries and Employee Benefits \$1,786,900—pass; (2) Other Expenditures \$427,100—pass.

11.2.(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$450,200.

Mr. Reid: We are in 2.(c) now, Mr. Chairperson? The questions I have are under this section Conciliation, Mediation and Pay Equity Services. I had asked these questions last year, and I would like to have an update of the information relating to the number of cases that the minister's department has dealt with with respect to conciliation, mediation. I know that he has certain information provided through his annual report, and I have looked at those numbers, but I would like to have an update of those numbers if he has it available. I would also like to have statistical information relating to the number of days, lost time due to strike and lockout, if he has that information. If he has historical comparisons, as well, I would appreciate that information.

* (1050)

Mr. Toews: In respect of the statistics regarding work stoppages, I am not in possession of any more updated information, but as soon as that information is made available to me by the department when it compiles those statistics, I can pass those on to the member opposite. In respect of the actual services being performed by Conciliation and Mediation Services, I can indicate that the number of conciliation assignments increased from 147 in the previous year to 198 for the '95-96 fiscal year.

As I have indicated in my earlier opening statements, the branch was able to resolve 97 percent of those assignments without a work stoppage. In the area of grievance mediation, they handled 266 assignments and successfully resolved 84 percent. As I indicated in my opening statements, they have also begun working in the area of mutual gains bargaining and preventative mediation—it is a new area—and they have handled 12 new cases in that respect.

I continue to see Conciliation and Mediation as performing a very, very important job. We continually look at the services being provided by this branch to see how those services can be made more efficiently, cost effectively, and will continue to ensure that that happens.

Mr. Reid: I thank the minister for the information. The section dealing with Severance/ Vacation Pay and Retirement has taken a significant jump this year over last year under Conciliation, Mediation and Pay Equity Services. Have we had a significant change in staff or reduction in staff in this department?

Mr. Toews: Yes, at this time there have been no changes in the staffing of the Conciliation and Mediation Branch.

Mr. Reid: I take it that the minister is contemplating there will be some changes because there has been some \$34,000 that has been allocated above last year's amount which was zero. I take it then that the minister is contemplating that there will be some changes with respect to severance?

Mr. Toews: I am not really at liberty to talk about any possible retirements, but that clearly is an issue that may occur in terms of a retirement in the future. This is normal practice in terms of putting this in for potential retirement.

Mr. Reid: Then I would like to have some understanding here from the minister that if a person is severed either through retirement or voluntary separation, is it the minister's intention to fill the vacancy that would become vacant as a result of those decisions?

Mr. Toews: I cannot really speculate, but what I am prepared to say to the member is that I view this branch

as a very, very important branch. The services that they provide are very, very important. Depending on what type of retirement there might be, we will have to look at the situation to see whether or not we could continue without that person who is retired. There are always administrative efficiencies that can be made in the department without affecting primary service areas, and those are the things that I hope to look at if, in fact, a retirement occurs.

I think that would be the first responsible thing for any administrator of a government department to do, to look at the administrative setup to ensure that the service can be provided without expending further money. If the service cannot be provided without expending money, that is another issue. So we will have to take that one step at a time, but at this point I cannot make any commitment other than the services being provided by that department, that branch, are extremely important.

As indicated, the number of assignments have increased. There is a demand for it, there is a recognition of the professionalism of that branch, and I think the industry generally, that is both the trade unions and the employers, recognize that this is a branch that has been performing very, very good services, and I would like to see that continue.

Mr. Reid: Okay, I understand that the minister cannot speculate on whether or not employees under Conciliation, Mediation, Pay Equity are going to sever or retire. That is obviously a personal decision each of those people would have to make themselves, but I am just looking to receive some level of assurance that—because this is such an important function to labour harmony, labour management relations within the province in that we bring the two sides together and have them come to a consensus position or compromise position during negotiations that both can live with, and this department, this function, assists in that. It is important that we make sure the positions that would become vacant as a result of retirement or severance are filled to ensure those services can continue to be provided for the people. That is why I raised it with the minister. I wanted him to be aware that we are aware of the function and the duties that this section performs.

I want to ask the minister here, what progress has been made with respect to pay equity as it applies within the

province? Is he encountering any difficulties? He has referenced the fact in his document here that the school divisions, as we know, are in the process of implementing pay equity, but it is my understanding that there are several school division that have not totally complied with that to this point. I want to know what efforts the department is making to move school divisions and other areas towards the full implementation of the pay equity policy.

* (1100)

Mr. Toews: I just might indicate to the member opposite that in respect of the school divisions it is my understanding that is a voluntary process. We, as the government of Manitoba, have an officer available for the school divisions if they want to utilize that person. That person is presently spending most of her time in the conciliation, mediation area but she is certainly available to do pay equity.

I think one also has to remember that in government, generally, there is another body that is very effective in dealing with issues like pay equity which can deal with many of these same issues in a broader way, and that is the Human Rights Commission. The Human Rights Commission over the years has done very good work; they have broad powers. So in addition to the pay equity services that may, in fact, be offered by the Department of Labour, there is also a quasi-judicial tribunal that can enforce pay equity if there is a violation of human rights legislation. That is in respect to the school divisions. If there is any issue by anyone that there is a breach of the law, there is clearly a remedy that is available, if there in fact is a breach, and there is certainly the services of the Department of Labour to assist them should they require that.

Mr. Reid: I thank the minister. I am aware that it is voluntary for the school divisions to comply with that. I just was interested to see what progress we might be making moving towards some improvement in that area. I am prepared, Mr. Chairperson, to pass this section.

The Acting Chairperson (Mr. Radcliffe): The item under consideration has been 11.2 (c)(1) Salaries and Employee Benefits \$450,200—pass; (2) Other Expenditures \$85,100—pass; (d) Pension Commission (1)

Salaries and Employee Benefits \$268,900. Should the item pass? The honourable member for Transcona.

Mr. Reid: Mr. Chairperson, I have a question here relating to an area which I believe was under the minister's responsibility, because the minister, I think, in his department is responsible for the negotiations with MGEU and its members. It is my understanding that there were some changes negotiated with respect to pension provisions relating to the Headingley correctional officers. I would like the minister to give me some indication of what those changes were and what the impact will be upon the pension plan itself.

Mr. Toews: That is an issue that is presently the subject of a ratification vote by the MGEU, and I am not prepared to get into that discussion here.

Mr. Reid: Well, I do not understand that. Mr. Chairperson. The minister negotiated this; it was obviously acceptable to him. Whether it is to be acceptable to the members of the MGEU, that is for them to determine themselves. I am just interested to determine what impact this is going to have on the pension plan and what changes the minister has agreed to. That is my question for him.

Mr. Toews: I do not think it is appropriate for me to start discussing about what a potential collective agreement may or may not do. When that collective agreement is ratified, then we know certain things flow. Consequently, I am not prepared to answer questions about the impact of those changes at this time. The membership may well decide otherwise. For all intents and purposes I believe that the membership will ratify. I do not know, but to speculate, I think, is not appropriate at this time. Collective agreements, as the member opposite knows, are very, very sensitive. I prefer not to talk about the ramifications of a collective agreement, especially where the government is the employer until that collective agreement has been ratified.

One of the points I should also mention is that the Civil Service Commission which expenditures will be coming up would be in a better position to address these concerns, and I think let us leave it for that.

The Acting Chairperson (Mr. Radcliffe): The item under discussion has been 11.2 (d) Pension Commission

(1) Salaries and Employee Benefits \$268,900—pass; (2) Other Expenditures \$79,400—pass.

11.2.(e) Manitoba Labour Board (1) Salaries and Employee Benefits \$563,000.

Mr. Reid: The minister has referenced during his opening comments and his further comments here this morning, changes that he has currently before us on the Order Paper with respect to legislation dealing with labour relations. It is also my understanding that there is legislation dealing with payment of wages, act changes, and that the minister has Remembrance Day Act changes and he is contemplating Employment Standards Act changes.

I would like to know, since the minister has several pieces of legislation that are of interest to and will affect the working people of this province and also the unions which represent them, can the minister give me some idea—because he has said in his comments that when it comes to certification that his department will be able to handle in a time-efficient manner the certification or applications that will come to him for certification—what the historical comparisons have been for the processing of those requests for certification in the past and what he intends and what he expects will be the case with future certification requests after this legislation passes. I am looking for the time frame here.

Mr. Toews: The proposal that has been forwarded to the Labour Management Review Committee deals with an issue of having a secret ballot vote for each certification application. It is a process that has, in fact, been—

The Acting Chairperson (Mr. Radcliffe): Could I invite the members of the committee, if they are going to have private conversations if they could adjourn to the loge. It is unfortunately disrupting some of the members of the committee, and I invite the co-operation of all members. Thank you very much.

The honourable Minister of Labour, to continue. I apologize for the interruption.

Mr. Toews: The proposal, as I have indicated, calls for an automatic vote if the union has signed up more than 40 percent of the employees in a proposed bargaining unit. This obviously requires then a vote in every

certification application. At present there is only a vote required where it is between 40 percent and 65 percent. Where it is over 65 percent of signed applications, it is now an automatic certification without a vote. The changes will in fact include areas now where the union has signed up more than 65 percent so that there will be additional votes and in a shorter time frame.

This is a system that is utilized by a number of provinces, and those provinces through their Department of Labour and their labour boards have been able to meet the requirements of the legislation. In those other provinces the quick votes are held anywhere from five to 10 days. In speaking with the chairperson of the Manitoba Labour Board who is here now, Mr. John Korpesho, he indicates that the board is prepared to meet that challenge and will be able to meet the deadlines placed by any new legislation in respect of quick votes in that time period.

* (1110)

Mr. Reid: Can the minister tell me—and he must have this information at his disposal. I have asked for a moment ago the historical comparisons of a number of certification requests that have gone to his department—does he have that historical comparison and can he give us an indication? He has indicated here a few moments ago that all the certification requests are now going to have to go to a vote and are going to involve the Labour Board. What is his anticipation of the increase in the number of certification requests that are going to have to go to the board, and how does he anticipate that this is going to be met by the Labour Board to meet this in a timely fashion?

The third point I want to raise with the minister is what time frame does he consider reasonable to have the requests determined by the Labour Board, what period of time is he looking at?

Mr. Toews: In respect of the number of certification applications filed with the Manitoba Labour Board, I do have those statistics available. In the year '86-87 there were 79; in the year '87-88 there were 91; in the year '88-89 there were 83; in the year '89-90 there were 77; in the year '90-91 there were 88; in the year '91-92 there were 56; in the year '92-93 there were 64; in the year '93-94 there were 54; in the year '94-95 there were 65; in the

year '95-96 there were 70. Those are the numbers of certification applications that have been filed with the Manitoba Labour Board in each of those years. It is approximately an average of 73 a year. As you see the last year was about 70, so not far off from the average over the past 10 years.

In respect of the issue of what is an appropriate time frame, again there is a large philosophical debate about what that time frame should be. The present—and the member has asked me what in my opinion is the appropriate time frame, and I will respond to that. In the present system what happens is that each person or each union, when it files for certification, the wishes of the employees as expressed in their membership cards is frozen. So as of date of application the wishes are frozen as evidenced by membership cards. The employee has no opportunity to change his or her mind if they wanted. If, for example, the card had been signed three or four months earlier, the employee, once that certification application has been filed, may not change his mind or her mind even if, in fact, that employee no longer wants the union to represent them.

The reason why the government back in 1985 went to a date of application was as a result of certain confusion in the law at that time and certain fear that employers would improperly interfere with the wishes of the employees once it was known that there was a certification application there. To that extent it solved the problem, however, to the extent that it now left employees with the only evidence of membership of their true wishes in the hands of the union that is applying to certify.

Now, very recently we saw an example of a former or maybe still current MGEU employee who went down to Nova Scotia to organize, and that MGEU employee assisted a Nova Scotia workforce to organize. In the course of that there were 168 signatures on membership cards; 100 of those memberships were forged. So one would say, well, the system picked it up on these membership cards, but I am very concerned about how membership cards are signed. If three friends come up to a person and say, you are the last person who has not signed, please sign, even if the person does not want to join the membership, they may feel persuaded, not because of intimidation but just because they do not want to offend their friends.

So there has to be a better way. As members opposite know, many people will tell them at the door when they are knocking, of course I am going to vote for you, and when the results come in it does not quite shape up that way because the person took—[interjection] I took 46 percent, but it was a secret ballot vote that in the end, the employee, similarly we are saying, should have that right in an impartial, quick way to indicate in fact what their true wishes are.

So the membership cards are there, that is correct. That establishes the threshold, but if there has been any impropriety, for example, the 100 forgeries that the MGEU employee assisted this workforce in obtaining, you know, and I am not saying that that employee did that, I am just saying that there was a membership drive that this person was involved in, and I am thinking to myself, we have the same system here in Manitoba about people being able to sign membership cards and that then becomes the wish of the employee.

What the secret ballot vote does is give the employee that protection, that second thought, to enable that employee to say whether or not truly they wish to have that union represent them, because once a secret ballot vote is done fairly, I do not think any of us would argue that is the best way of resolving true wishes, a secret ballot vote done fairly.

The issue then is what is fair. Now in the United States they have secret ballot votes on all certifications, and they have, I believe, now a 120-day process. They do not have a quick vote, they have a 120-day. It could be 90 days, I know there were amendments that were being proposed to bring it down to 30. Those amendments were defeated, went up to 60, those amendments were defeated, and I believe it is probably up at 120 days. What happens in those situations is that employers mount a political campaign because certification in that context is seen as a political issue. Will you have the union represent you or will you maintain the status quo as the employer advocates?

Now, in our tradition we do not have that political campaign. In our legislation we have never seen that as appropriate. An employer is entitled to say what the appropriate unit should be and submit that to the Labour Board, say. He will take into account things like community of interest, he or she will take into account all

types of factors, but other than being able to speak about factual issues, an employer cannot improperly influence the wishes of the employees. So many provinces have said, we need that secret ballot vote to protect the integrity of the system. But how quick then do you have that vote? Provinces right across Canada have said anywhere from five to 10 is appropriate in order to ensure that employers do not improperly interfere. [interjection] Oh, I am sorry, five to 10 days. That is the range that we are looking at. [interjection] Five to 10 working days.

* (1120)

Mr. Reid: The minister has referenced an example, a single example of a problem where employees may have been involved in some activity that was determined to be illegal. Can the minister tell me, does his department have any information on file—and I know they exchange information between various governments across the country—is the minister aware, does the department have any information relating to any employer intimidation activities so that the minister, in the sense of fairness—and I know he wants to be fair, or at least I hope he wants to be fair—put that on the record as well where he has some experience or some knowledge of employer intimidation activities.

Mr. Toews: There are numerous cases, Mr. Chair, where employers in fact have been found liable for unfair labour practices and many of those cases are reported. I think out of Ontario, for example—I think the best example is Tandy Leather, Radio Shack, and it was a classic example about how an American company used American techniques in a Canadian organizing drive that clearly offended our legislation and was found to be an unfair labour practice. Now, the American employer that came up to do that believed that he or she was in her rights to do that. Clearly, it did not correspond with our legislation. The kinds of activities that employer was involved in were clearly unfair labour practice, and those are the types of activities that would be not affected by this type of legislation. That type or legislation or those types of activities demonstrated a course of conduct well before the certification application was filed that stretched right back to the company's headquarters somewhere in the United States—in Texas, I am reminded, yes, that is correct.

There are many, many cases where employers have in fact interfered improperly in determining the wishes of the employees. The case that prompted the government in 1985 to go to a—and it could have been '86 or '85 that that date of application—'85 that the date of application legislation was passed here in Manitoba, but there was a curious case that the Labour Board was faced with a group of employees, the majority of whom the union said supported it. The hearings were continuously adjourned for one reason or another, and at each adjournment date more and more employees would be laid off, coincidentally, it seemed, with the fact that those were also union members. So every time the board reheard it, there were union members who had been laid off.

Now, counsel for the union—in that particular case, Mr. Cherniack, I believe it was—admitted there was no evidence of an unfair labour practice, none at all. But the issue then became, when do you determine the wishes of the employee. The board had to make a legal decision, not specifically justified by the act, but, in fact, that was common practice. The board had followed that practice for years. The court, in reviewing the board, quashed that decision. At that time the government said, we have to come in with some kind of mechanism that crystallizes the wishes of the employees at a particular point in time. So in respect of improper employer interference, the solution was good.

The issue then is, what about other improper activities? What about the employee who may well want to change his mind, but given the very open and public process in respect of how these certification cards or these membership cards are obtained, how does one protect the employee? The solution adopted in 1985 did nothing to address the protection of the employee. It would be much like requesting all citizens to vote openly in a provincial or a federal election. Clearly, it is not acceptable, not an acceptable standard. So we have gone to the secret ballot model in order to protect the employee's right to make that decision in private, in confidence.

The issue then becomes, are we then opening the door to improper employer interference? The solution is a short period of time, five to 10 days, which most jurisdictions accept as the appropriate period of time in which the employer cannot do that kind of damage. The time frame then becomes irrelevant.

So we believe that this proposal is a very balanced one and takes into account not only the union's right to organize people, but the employee's right to make a decision free of any intimidation or in fact being forced to make a decision that he or she does not want to, bearing in mind that the employer has no right to improperly interfere in that process.

Mr. Reid: With all of the responsibilities of the Labour Board and looking at the number of cases that the Labour Board has had to deal with that the minister has put on the record here a few moments ago and as we have in the annual report from the Manitoba Labour Board, how can the minister say that he is going to be able to reduce the number of days to process the request for certification and to conduct the vote? First, he said seven to 10 days, now he saying five to 10 days.

An Honourable Member: I said five to 10 is what the other provinces—

Mr. Reid: Okay, that is two days. I prefer to see it on the short side versus the extended side.

How can the minister say that he is going to be able to do that same level of work at the Labour Board, with all of the responsibilities that they have and looking at the budget line item that you have in your document, with no increases in resources? How do you anticipate that you are going to be able to meet that need without providing more resources to the Labour Board?

Mr. Toews: Sure, there are a number of things that we are looking at in terms of improving the administrative efficiency of the board, at providing the board with additional assistance. That does not necessarily mean the hiring of staff or anything like that. There are all types of efficiencies within the department that we can discuss and that we are confident will allow us to meet those obligations.

I might point out that in Ontario—because we are not doing this in a vacuum, we are looking at other provinces and seeing what is their experience with this type of mechanism. For example, Ontario handles approximately 1,000 votes a year and those votes are conducted within five days, and there are no significant problems to date, no more than any other legal process would raise. Many jurisdictions have done this. It is not a complex process

and we believe that there are sufficient resources in the Labour Board to meet this. If, in fact, there are any issues that way, we can address them I believe in a very quick way. We are preparing. We have other provinces' experience to guide us and we believe that we will be able to meet those deadlines. The board assures me that they have the capability to do it.

Mr. Reid: The minister referenced that he had certain efficiencies that he could find within his department to assist the Labour Board in the processing of the applications for certification. Can the minister define for me what those efficiencies are?

* (1130)

Mr. Toews: We are looking at the administration of the board generally to ensure that there are not things that other people can be doing now that they are not doing presently, or that they can be doing then that they are not doing presently. But just in the process of changing from the former system which involves a lot of inspectors going out and making detailed reports, moving to this system, we will not have the necessity. It is a lot less administratively intensive system. That will, in itself, free up resources.

The board advises that by making those changes, we will be able to meet the 70 or so votes that we would have in the course of the year. Most of those votes, as the member will well appreciate, do not involve large bargaining units. The average bargaining unit that is applied for is about 20 people, and so collecting 20 votes within five to 10 days is not a large job, especially if some of the other system administrative responsibilities are no longer required under this new system. So counting up the 20 votes or so in this new system should not be a very difficult task and should be easily met within that five- to 10-day period.

Mr. Reid: Can the minister tell me, because his staff is now going to have to deal with and respond to compulsory votes where we have 65 percent sign-up and beyond, what number of applications do we have in our experience where there are 65 percent sign-up ratios that are now going to have to be dealt with as a matter of the compulsory vote, and how will that add to your workload in the Labour Board?

Mr. Toews: Approximately 80 percent of certification applications involve sign-ups of 65 percent or more, so there will be then the average of 20 votes that are now—oh, excuse me, five votes that are conducted annually now become about 20 votes—[interjection] 10 to 12 votes. I was confusing the number of people in the bargaining unit being 20, so there is an increase by that amount.

Mr. Reid: So what the minister is telling me then, that the average number of applications for certification is 73 and that he currently has to conduct votes for 10 to 12 of the average number, which means that the minister's department, through the Labour Board, is going to have to conduct another 60 votes as a result of the legislative changes that he is proposing, with no more staff allocated, or no more resources allocated, to perform that function.

Can the minister tell me how he can go from 10 to 12 certification votes with the staff that he has and increase that fivefold with the same staff? How does he contemplate he is going to be able to handle those changes?

Mr. Toews: When you substitute one system for another, you are no longer doing the jobs that you were doing under the other system. The other system involved many more hearings that you no longer have, so all types of hearing processes no longer become involved, freeing up many staff in that respect. So, on average then, we will be looking at one vote per week, one, one and a half votes per week.

Mr. Reid: Can the minister define for me what hearing processes will no longer be required as a result of his legislative changes?

Mr. Toews: What the experiences of other boards have been across Canada is that under this new system, the parties get together to determine issues such as the appropriate bargaining unit without going to the formality of a hearing process. Those processes occur much more frequently in Manitoba under this system than under this proposed system. So many of the workforce involved in those types of hearings are no longer necessary, given the parties co-operate in terms of the proposed bargaining unit.

The experience indicates that there are less hearings and this reduces our administrative issues. There are other factors that no longer need to be expended, or other issues that no longer need manpower, and we believe that our experience here will be no different from any of the other boards where, in changing the system, they are able to free up people to do the new tasks of conducting the vote, which as I remind the member deals with approximately 70 votes a year, on an average of 20 people in each bargaining unit. We believe that we can accommodate that and the board is confident it can do it with the existing resources.

If there are issues in respect of resources, if the member opposite can indicate any experience in other provinces where they have been unable to meet these deadlines, I would be more than happy to look at that information and make adjustments accordingly. But we can only look at and base our program on the experiences of other provinces, for example, Nova Scotia, which has had this system for probably in excess of 20 years, and they do it without any administrative problems in conducting that vote. So you trade one administrative system, you lose certain aspects of work that has to be done, you gain a new process which I think is fairer to employers, employees and unions generally. It is a more balanced approach.

Mr. Reid: The minister seems to be comparing apples to oranges here. He did not give us an indication on—I think it was the Nova Scotia experience that he is referencing—whether or not they applied more resources when they made the switchover in their policy. So I mean, the comments that he made do not carry any weight.

I want to ask the minister, because he is saying there is going to be less hearings, how many less hearings are there going to be, and how many staff, his department staff, Labour Board staff are associated with those hearings?

(Mr. Chairperson in the Chair)

Mr. Toews: I am not prepared to speculate. The board has looked at this issue. They are confident that they can carry out the task with the existing resources. I cannot speculate on all these things but we believe that is the appropriate system and we will have the appropriate

resources there. If the member opposite can point out where—

* (1140)

An Honourable Member: The number. How many?

Mr. Toews: Well, I cannot speculate how many hearings there are going to be.

Mr. Chairperson: Order, please. The honourable member for Transcona, on a point of order.

Point of Order

Mr. Reid: Mr. Chairperson, I want to provide some assistance for the minister because he does not appear to grasp the information that I am seeking. On a point of clarification, I am asking the minister if he can give us a historical number of hearings that were held that are no longer going to be held and the staff that had been attached to that function to perform those duties, the hearings themselves. I want to know how many hearings there have been in the past on average per year, and I want to know how many staff performed those functions? So if that provides the minister with some assistance in answering the question.

Mr. Chairperson: Order, please. The honourable member did not have a point of order. It was a dispute over the facts, and there is no such thing as a point of clarification.

* * *

Mr. Toews: I can get that information for the member. It is obviously not as simple a task as saying, well this person is freed up and that person is now going to be doing this. It is a question of reassigning duties as new tasks are put into place as a result of a new system coming in, and we believe that the tasks that will be created as a result of the new system will be no greater than the tasks that are presently under the old system. But I will get—as much as I can get that information without being too speculative, I will get that to the member.

Mr. Chairperson: Shall the item pass?—pass. Item 2.(e)(2) Other Expenditures \$303,000—pass.

(f) Workplace Safety and Health (1) Salaries and Employee Benefits \$2,382,200.

Mr. Reid: This has been an area that has been much on our minds of late although it has always been an issue that has been important to us, and I am sure to the working people of the province. All of us like to go to our employment, people that have employment, and we like to be able to return home safely to our families at the end of the workday.

We have seen several incidents that have occurred in this province over the course of the last number of months that have caused us some distress with respect to the level of inspection and the level of enforcement under The Workplace, Safety and Health Act.

I want to ask the minister, can he tell us, do the inspectors—maybe I should ask the question first, are there any vacancies in the Professional/Technical support of Workplace Safety and Health, and can the minister tell me, of those people under Professional/Technical, how many of those people—34.26 staff years that are showing in the document—are field inspection officers that go out into the field and conduct workplace inspections?

Mr. Chairperson: Prior to the minister answering the question, he may want to introduce the new staff present at this time.

Mr. Toews: Yes, there is Mr. Geoff Bawden, who is the Executive Director of the Workplace Safety and Health Branch; and Mr. Garry Hildebrand, also of the same branch.

Mr. Chairperson: I thank the minister.

Mr. Toews: Of those 34.26 positions, approximately 32 perform inspection services.

Mr. Reid: Because I am not familiar with the job description or the duties that are assigned to these field officers, can the minister give me an idea, on these 32 people that he says are field officers, approximately how much of their activities are spent in office or administrative function versus in-the-field inspection

where they actually go out to the worksites and spend their time in the worksite inspecting for workplace conditions?

Mr. Toews: I can see what kind of statistics I can provide the member with in respect to that issue. One thing I think should be made clear is that the inspectors are in the field, they are in their office doing work related to inspections, related to workplace safety and health issues. It is a very difficult figure to obtain to say, well, what percentage of their work relates to inspections. I mean, all of their work relates to workplace safety and health in the workplace of Manitobans. How they accomplish that particular end is through various mechanisms. One is inspections, another is research, another is co-ordination of activities.

I could ask the member the question, is participation or helping a workplace safety and health committee part of an inspection process? I would certainly say that is part of their duties as being inspectors. The amount of time that they spend in court, that is certainly related to their inspection duties. [interjection] The member opposite asks if they do go to court. They do go to court.

The member seems to have some kind of an idea that inspectors just go around to workplaces and write down little notes and that is what an inspector does. An inspector has a much more integrated position into the whole position, and one has to go back and look at how our workplace safety and health legislation is set up. Then perhaps the member opposite can understand why or how inspectors operate in this province.

Now, we can look at the issue of a police officer. Yes, a police officer spends time in a cruiser car, a police officer spends time knocking on doors, but a police officer, in furtherance of the activities that he may have uncovered on the street, spends all kinds of time inside.

One of the very important functions of this act—and perhaps I can describe it no better than the drafter of this act. The drafter of this act was an individual by the name of Victor Rabinovitch and I know when I was a lawyer working for Workplace Safety and Health back in the '80s, this man had assumed God-like proportions. Everyone quoted Victor Rabinovitch, and clearly in terms of insight, he had incredible insight in terms of what the

future of workplace safety and health legislation was all about.

* (1150)

The old idea of a beat cop making arrests on the street is an outmoded concept. I mean we have all kinds of concepts now about police officers, community based or very technically proficient people. Similarly, workplace safety and health. In setting out this legislation Mr. Rabinovitch stated in the fall of 1976, yes, the new Workplace Safety and Health division had new powers of enforcement, and while the penalties in force now were higher than they had previously been, the principal goal of the new legislation, he said, was not litigation, that is, prosecutions, but co-operation. The main objective was to prevent accident and diseases, not to collect fines through the courts from offenders.

Now, that was the legislation that members opposite put into place, so they put in a whole system of legislation that was designed to create what is called an internal responsibility system. The whole legislation brought in by that government at the time was, this act is not to be used for prosecutions, that is not its main aim. The aim of this act is to create an internal responsibility system. One of the main mechanisms of that act was workplace safety and health committees.

So you get workers in a workforce and employers sitting down together to look at what the problems are in the workplace, to come up with solutions, instead of having a foreign inspector coming into a workplace, seeing a situation and saying, this has got to be changed, that has got to be changed, this has got to be changed and if you do not, I am going to fine you. What the act does is create an internal responsibility system, because many times we know that the best way to make meaningful, long-lasting changes is by allowing the people most directly affected in the workplace to have a say in that. So the role of the inspector became, in many ways, a facilitator to ensure that the opportunities for accidents were diminished, not only through the resources of the inspector which are still very, very important, but through the active participation of workers and employers. How much more democracy can one bring to the workplace than that type of activity?

Rather than having a foreigner—if I can use that expression—come into a workplace and demand changes, we have workplace democracy saying this is what has to be done. This is how it should be changed. So the focus then of inspections has changed. The role of inspectors has changed, as brought in by the government in the 1970s. Now whether it was the insight of the government of the time or just Mr. Rabinovitch who was the drafter of the legislation—and Mr. Rabinovitch was not a lawyer and there were many problems over the years in terms of the legal drafting—but that insight that you achieve lasting change and lower accident rates through that co-operative rather than litigation process has borne fruit.

Our accident rates in terms of time loss, as verified by the Workers Compensation Board, continue to decline. One of the things that if you look at statistics, Manitoba's is going down on a year-over-year basis from 1986. It has continually gone down and despite the fact that inspections have also gone down. I mean, I can tell inspectors to go out and make all kinds of inspections in the morning. Walk down the halls of Safeway, there is an inspection. Boost up your inspection rate. But that is not smart thinking. What we have to do is focus in on the problem areas, work together with the internal responsibility system.

In Saskatchewan, for example, they doubled the amount of inspectors and halved their inspections. The number of inspectors and the number of inspections have absolutely no relationship. It is a meaningless comparison. What is a meaningful comparison is how that internal responsibility system has worked to reduce, in the long term, the rate of time loss accidents, and that clearly we have been doing in this province since 1988. The figures demonstrate that.

So the question is how much work is done on inspections? Well, it depends what the member means in terms of what he defines as inspections. I prefer to define inspections in a very, very broad way because those inspectors are the reinforcements, the co-ordinators, the guts of ensuring that that internal responsibility system works, the internal responsibility system that was brought in by members opposite in order to not to collect fines and to prosecute but bring about co-operation to reduce the level of accidents, and that is what we talk about in Workplace Safety and Health.

Mr. Reid: Mr. Chairperson, let us use the Headingley example. We have copies of what the minister calls the democratization of the workplace to involve employees in the decisions where there are workplace safety and health problems. It did not work in the Headingley situation, Mr. Minister. We have seen the reports. We have had a chance to look at the outstanding issues that we think led to the problem in the Headingley riot. I know it is under review and perhaps the minister cannot comment on it, so do not tell me, Mr. Minister, that these democratized workplaces work in all cases.

Mr. Chairperson: Order, please. I would rather the member came through the Chair rather than presenting directly to the minister. It does not add to the decorum. The honourable member, to continue.

Mr. Reid: Mr. Chairperson, let not the minister say that democratization works in all cases. I believe that the workplace safety and health committees that are in place are there to perform a very, very necessary function, but if you do not have an enforcement arm that deals with the complaints that are outstanding and not resolved in a short period of time, you are going to have other Headingley situations. That is what the department should be trying to prevent through increased enforcement activities and inspection procedures that they have within the department.

Take, for example, the Westray situation, just last week, where the inspector said very clearly that he would give two days notice to the company before he went in to do his inspections. How is that random inspection? How is that helping to make sure that we have a worksite that is going to continue to have safe working conditions for all its people every day, not just the days that the inspector is coming to inspect?

We have to take the steps necessary to protect people in the worksite, both the employees themselves and the management people, for all people who work in those worksites. I want to ask the minister that if he does not have the information here for the questions I am about to ask, he can table or bring that information back to us this afternoon to give us the opportunity to take a look at the number of days that are lost due to workplace injuries. The minister referenced the fact that the number of injuries in the province have gone down, just relating to the Workers Compensation Board statistics. Well, if

memory serves me correctly, the number of workplace injuries increased last year. It did not go down. It had gone down during the period of the recession, but I believe that the numbers have increased. I will have to go back and check my numbers to verify that. If the minister could also provide for us and table some documentation relating to the number of cases that his department takes to court, the number of convictions that his department has been successful in achieving for those cases that have gone to court and the amount of fines that his department has been able to achieve through the convictions.

Mr. Chairperson: Order, please. The hour being 12 noon, as previously agreed, committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being after 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. today.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 16, 1996

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