



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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



Vol. XLVIII No. 32A - 10 a.m., Thursday, April 16, 1998

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 16, 1998

The House met at 10 a.m.

PRAYERS

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Minister of Education and Training (Mrs. McIntosh), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

LABOUR

Mr. Chairperson (Gerry McAlpine): Good morning. Order, please. Will the Committee of Supply please come to order. This morning this section of the Committee of Supply meeting in Room 254 will resume the consideration of the Estimates of the Department of Labour.

Previously this committee granted unanimous consent to revert back to line 11.2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits. The member for Transcona, to continue your questions.

Mr. Daryl Reid (Transcona): I had the opportunity when we sat last in this committee to ask questions with respect to Workplace Safety and Health, and I will continue my questioning in that area at this time. I had left some information with some of the minister's staff with respect to training, and I wanted to find out, because it has come to my attention over the course of the last six or eight months that there is a problem with training, that some of the staff are not being given an equal opportunity, if I can use that term, to train along with their counterparts from other jurisdictions in the province with respect to the Workplace Safety branch.

So I want to ask questions in that regard at this time and find out what training programs for your internal

departmental staff, and I am talking more specifically here hygienists and field officers, that you have had take place over the course of the last year or two, and whether or not all of those employees from every sector of the province have had the opportunity to take part in those training programs, if there were any.

* (1010)

Hon. Harold Gilleshammer (Minister of Labour): I guess at this point I can assure my critic that there is training taking place, that the internal training is available to all staff members, that we have increased the number of industrial hygienists that work for the department, and that the amount of support for out-of-province training has remained constant this year to last year to the year before.

Mr. Reid: Well, I asked a more specific question than that. I wanted to know what training programs you put on for your field officers in Workplace Safety, which I imagine would include the hygienists and perhaps others. If you have specific information, I would like to know who participated in those programs and what programs you put on to train staff to keep them current with skills necessary to allow them to perform their jobs to meet the needs of inspections and the changes that are happening with respect to hazardous materials and changes in workplace methods, et cetera.

Mr. Gilleshammer: So I would interpret that you would like a curriculum guide to get into the detail of the training that takes place.

Mr. Reid: What I am looking for is the type of training that the department put on, a summary, just a very brief summary, of what was incorporated into that type of training, and the people who participated in those particular training programs for the occupational hygienists and your field inspection officer staff.

Mr. Gilleshammer: The amount of dollars that we spend has been constant. I mentioned that a minute ago and I mention it again. The emphasis in the upcoming year will be on management training, computer training, audit training, the certified industrial hygiene

support, the advanced incident investigations, and I believe we make use of the RCMP there. We work with the U of M on the Occupational Safety and Health course, and we do a certain amount of technology training, as well, on the Internet. Again, if training is offered across the department, and certainly across this portion of the department, the salary or the training dollars are constant, and if it is more detail on what I have indicated the emphasis will be, we can provide some more information on that.

There is a fair degree of staff expertise. We have a number of safety and health officers who are Canadian registered safety professionals. They hold a University of Manitoba occupational safety and health certificate. We can give you numbers of staff with the qualifications that they have if you want to get into more detail about the actual individuals within the department.

Mr. Reid: I appreciate the information that you have shared here, and I take it that is your plan for this current budget year that we have now just entered.

Mr. Gilleshammer: That is correct.

Mr. Reid: I would also like some information with respect to your training programs, if any, that you had for staff last budget year that just concluded a few weeks ago, to find out what programs were offered to staff, what staff were asked to participate or attend into those programs, so I can understand more clearly whether or not the equal or same opportunities were given to the inspection officers wherever they may be in the province of Manitoba, because the information coming to my attention says that that is not the case that is happening. I want to make sure that no matter where an inspection officer is stationed in the province, that individual would be kept current of the skills necessary to perform the job and that the relationship or the proximity to Winnipeg should not be a factor in these matters, as I am being told that it is.

Mr. Gilleshammer: Well, maybe to help us zero in on what it is the member would like to know, is it the mines inspectors and the mines engineers that the member is concerned about? Because we are not dealing with that here.

Mr. Reid: I understand that we are not on the Mines Inspection side here. I am talking Workplace Safety and Health inspectors.

* (1020)

Mr. Gilleshammer: Again, I can reference last year, and again, the amount of resources devoted to training was similar, and I can indicate what key areas where the training dollars were assigned, and, of course, there is also some miscellaneous training costs associated with opportunities which present themselves that were unbudgeted or training opportunities which arise during the year.

The audit training was probably the area that took the majority of the dollars. There was less than \$2,000 set aside for conference registrations. There were some U of W courses, some Red River Community College courses; U of M provided some training with the occupational safety and health certificate program, so the same level of resources were devoted last year. In addition to the conference registrations and the cost of courses, there was additional cost for transportation, food and lodging, which would be over and above the expenditures we made in the training program.

It seems to me that the member clearly is saying that he is feeling that there is some sort of a fairness issue here, that all staff are not accessing the same degree of training. That is certainly not my read of the situation, but we can review and see which people have been taking courses, and what courses they have been taking, and if there is a process we can put in place to see if anybody feels that they have not had the appropriate training, we can try and address that during the current year.

Mr. Reid: The issue here is, yes, in fairness, it is important but also to make sure that the skill level of the people that are performing the inspection duties is kept current. As you might—and I would hope you would want, as the minister responsible for the department, to make sure that the people have the necessary skills to allow them to do the jobs to the greatest possible skill level.

My sense, from the information that is coming to my attention, is that employees working for Workplace

Safety and Health have been told that if they do not live in proximity to the city of Winnipeg that there is no money in the budget to have those people participate in some of the training programs that are being put on because there is additional cost obviously with respect to hotels and meals, et cetera, while these courses are put on, not just the course fee itself.

So what I am trying to establish here is whether or not every employee working for Workplace Safety and Health has had those opportunities to attend those courses and that they are not being disadvantaged because they do not live in the immediate vicinity of the capital region here. That is what I am trying to determine here. I want to make sure that every employee working for Workplace Safety and Health, no matter where they reside in the province of Manitoba, is given the same opportunity to acquire skills necessary to perform their jobs. I want to make sure that if they move from wherever they are in rural Manitoba to the city of Winnipeg, for example, they already possess those skills and they can fill in those jobs, if somebody from Winnipeg, for example, wants to move to rural Manitoba, that they possess those skills, they are interchangeable into those positions and that there is not a deficiency in skills because you reside outside of the city of Winnipeg.

I want to make sure that those skill levels are high, and I am being told that not all of the employees are given those opportunities to train. That is why I want to find out what programs were put on to upgrade the skill levels of Workplace Safety and Health officers, field officers, and to find out who participated in those programs, those training programs. That is the information I am seeking here.

Mr. Gilleshammer: I want to thank the member for that clarification. Certainly it is incumbent on myself, as minister, and senior staff to have the most talented and best-qualified staff that we can possibly have, and we have to do that within the resources that we assign to this part of the budget.

Training and staff development is an ongoing activity within every department, and I want to assure the member that we do not want to have two levels of training within the department, one for the city of

Winnipeg and a less comprehensive or inferior one for rural Manitoba.

As the member probably knows, I represent a riding in rural Manitoba, and we feel well served by this government. My constituents, I believe, do not see themselves as second-class citizens, nor do the individuals who work for government who happen to live in western Manitoba. I think they are happy in the workforce and do a tremendous job for us.

I would point out that if the member is here to carry forward the case of an individual or a couple of individuals, there is a staff development committee with representation from staff within the branch, and there are opportunities there for input in terms of the needs that are seen by staff throughout the department. I would urge any staff who feel they have contributions to make in terms of direction on staff development to either participate as an active member of that committee or to have a discussion with anyone who is a member to have that input come into the department and into the branch, and I can assure you that they will have a sympathetic ear.

I know in my days in the teaching profession, often a lot of the ideas about professional development do bubble up from the grassroots or the staff level, and that would be the intent of the staff development committee, to enable people to have their views heard and put forward ideas that can be brought to management.

Mr. Reid: Well, I am not sure if I got a commitment there to provide some information back to me in that regard. I gave you some advance notice here from Tuesday. Today is Thursday, and I was hoping that the information would have been available here with respect to those programs, but if you do not have it here, I can understand that.

If you would endeavour to search out that information and provide it back to me, I would appreciate learning of practices within your department over the course of the last budget year and what your anticipation is for this budget year with respect to staff training across the board in Workplace Safety and Health and also to find out how many dollars are attached to your training programs last year and how

many you anticipate will be part of your budget this year with respect to staff training.

Mr. Gilleshammer: Yes, I think I gave him some of that information. It is \$33,000 that is attached to the training within this branch in this area. I did read into the record the types of training that took place. I gather what the member is looking for is the names of the individuals who accessed the various training programs that were offered last year, the individuals within the branch who participated in the various audit training and conferences and other activities that we had indicated earlier.

Mr. Reid: That would be the information that I would be seeking. Also, you mentioned \$33,300 I think, or \$33,000 with respect to training for this budget year. Can you tell me what we spent on training in the last budget year?

Mr. Gilleshammer: I believe I indicated earlier that the budget line is similar this year to last year to the year previous.

Mr. Reid: Out of those training dollars, because I think you mentioned earlier in your comments that there would be some management training programs as well, can you tell me what courses, if any, the management of Workplace Safety and Health took part in in upgrading of skills over the course of the last year, and are there any anticipated for this budget year?

Mr. Gilleshammer: There is one activity planned for this year in terms of management training, and there will be across the department—it will be in the form of a retreat with training for senior staff, and the anticipated cost of that would be—and this is right across the department, not just the Workplace Safety and Health—in the area of \$20,000.

* (1030)

Mr. Reid: I appreciate knowing that information, but the question I had was with respect to Workplace Safety and Health, what training programs you had undertaken for the management staff in Workplace Safety, and also to find out what programs they participated in and what the costs of those training programs were in the course of the last budget year?

Mr. Gilleshammer: They will be participating in this. They represent about a quarter of the department and as a result, the costs for the retreat, they will, if you like, be assigned that portion of the costs.

This is something that is upcoming, will be held in the month of May, and again in the month of October. If the member is asking for more detail as to the curriculum and the actual training, I do not have that here, but we could provide the member with that at a later time.

Mr. Reid: So you are saying, because management comprises about a quarter of your staff—

Mr. Gilleshammer: No, I did not say that.

Mr. Reid: Then I misunderstood what the minister said because I thought he said that management was a quarter of the staff, therefore a quarter of the budget, and you wanted me to extrapolate that out. So perhaps the minister can clarify what he meant by that.

Mr. Gilleshammer: My reference was that Workplace Safety and Health were a part of the total management team. I indicated what the anticipated cost, this retreat and staff development, I believe will be led by University of Manitoba officials. As a result, I was trying to indicate to the member that Workplace Safety and Health were part of the larger departmental management group, and if you wanted to do the arithmetic they are a part of that expenditure to train senior management.

Mr. Reid: So if I understand you clearly then, because you used the term “a quarter,” and I take it it is a quarter of all of the management staff for your department, and that there was a \$20,000 cost attached to that, and therefore, if you do the mathematics on this, it is \$5,000 training for the Workplace Safety and Health management people.

Mr. Gilleshammer: They are part of the management team and the staff. It may be even higher than a quarter of it, but I think you are interested in the Workplace Safety and Health group that we have before the committee now.

There will be individuals who work in this part of the department who are participating in a larger depart-

mental initiative on training. I indicated it would be in the area of \$20,000 for this initiative for management training which will be held partially in May and also, I believe, in the month of October. If you want to get into the fine detail of it, we can find out the exact numbers from Workplace Safety and Health who will be participating in this activity.

Mr. Reid: I am just trying to get an idea here, an understanding of what training takes place with respect to your field officers versus the management people within your department here. I did ask you a question earlier about what training programs the management of your Workplace Safety and Health Branch may have availed themselves of in the course of the past year and what costs were associated with that training, if any.

Mr. Gilleshammer: I am told that last year we spent very little money on management training. In the coming year, that will be more of a priority, and I have indicated the time of that training and the approximate cost of that training. So this varies from year to year as it should. Again, departmental priorities will change, and last year where next to no money was spent on management training, this year some resources will be devoted to that.

Mr. Reid: Well, we keep going round and round here. I asked for a global dollar value on the training that you provided to your management staff over the course of the last year. It is a pretty straightforward question, and you said "very little." That was your indication. So if you have the information, I would appreciate receiving the dollar value that was associated with that.

Mr. Gilleshammer: The best advice I am getting at the moment is it would be in the neighbourhood of \$1,000 Canadian.

Mr. Reid: Can you tell me if Mr. Bawden, Mr. Hildebrand and Ms. Fraser, who work in your department, have any of them taken training programs recently outside of the province of Manitoba?

Mr. Gilleshammer: Mr. Bawden has not. He will check and see if the other two individuals referenced were out of province on training initiatives, and when we have that information, I will be pleased to read it into the record.

Mr. Reid: Can you tell me, has Mr. Bawden ever participated in a training program at the University of Toronto?

Mr. Gilleshammer: I am told the answer is no.

Mr. Reid: Can you tell me if Ms. Fraser has ever attended conferences or training programs at Lake Louise?

Mr. Gilleshammer: I am told the answer is yes; it was two years ago.

Mr. Reid: Do you have the costs associated with those trainings?

Mr. Gilleshammer: My staff estimate it probably cost \$2,000.

Mr. Reid: Has Mr. Bawden ever participated in training programs outside of the province for which you may have the costs?

Mr. Gilleshammer: Four years ago at Queen's University in Kingston, and it was approximately \$13,000.

Mr. Reid: Thirteen thousand dollars for one individual to go and take some training. That is a pretty big dollar out of a budget of \$33,000 for your whole Workplace Safety and Health Branch, and you say that is a number that goes on year after year. Can you tell me what type of training that involved?

Mr. Gilleshammer: Just for clarification, this did not come out of the training dollars in 1995. It was from another appropriation within the department. It was a management development training program offered at Queen's University.

Mr. Reid: Has Mr. Hildebrand ever participated in any training programs outside of this province, other than providing it perhaps as a facilitator or someone else involved in the actual conference or training itself?

Mr. Gilleshammer: I am told that he has attended interprovincial conferences, and I suppose in the broad sense that is part of training.

* (1040)

Mr. Reid: Can you provide the information with respect to that training and the cost associated with it?

Mr. Gilleshammer: How many years would you like us to go back on this? Is this 10 years or longer or shorter?

Mr. Reid: Since '95 would be sufficient, thank you.

Mr. Gilleshammer: We will go back into our archives and get that information for you.

Mr. Reid: When we met last, you talked about, I believe, one vacancy in Workplace Safety and Health. Can you tell me where that vacancy exists?

Mr. Gilleshammer: It is in the city of Flin Flon.

Mr. Reid: I may be incorrect in this, and you can correct me if I am wrong. Is there a vacancy currently existing in The Pas?

Mr. Gilleshammer: I am told that that position was transferred to Flin Flon.

Mr. Reid: Can you tell me why that position was transferred from The Pas to Flin Flon and when that transfer took place?

Mr. Gilleshammer: We had a recent resignation there, so the transfer was recent. It is in the best judgment of the department the most appropriate place to have that individual to make the best use of the infrastructure and the needs of the department.

Mr. Reid: So the department has a mines inspector that is stationed in Flin Flon, and now you have transferred a Workplace Safety and Health officer to Flin Flon, leaving The Pas, which has a high-risk industry, without a Workplace Safety and Health field inspector in that particular jurisdiction. When the Flin Flon jurisdiction has mines as its primary industry and probably sole industry for that area and has in comparison little other high-risk industries, why would you transfer a Workplace Safety and Health field officer into a mines jurisdiction?

Mr. Gilleshammer: I leave the management of the department to my senior staff who will make those decisions where to best use the workforce that we have. If the member wants to give us advice from time to time on where we should deploy staff or how many staff we should have, that is his prerogative, but in the professional judgment of our management staff, the position that was transferred would be most effective working out of the Flin Flon office. I would point out to him that in northern Manitoba, individuals who work for us there simply do not leave their home and go to the office and do their work in the next few blocks, that they are covering a good part of northern Manitoba.

So the decision made by management within the department was that with this resignation and the moving of this staff to Flin Flon, where we have a better office infrastructure would be advantageous, and given the fact that the work is spread out over a fairly significant portion of the province, in the best professional judgment of management, this was the place where that particular staff year should be lodged, and I certainly support that.

Mr. Reid: I am well aware of mines inspectors and Workplace Safety and Health officers spelling each other off if one has to go away for duties elsewhere. It does not make sense to me, when The Pas is a logging industry area and sawmill and pulp and paper, which is a high-risk occupation based on Workers Compensation statistics, and yet you have now taken the officer out of The Pas and transferred that person, that job description and function to Flin Flon, which is essentially a mining community.

They have referenced their own existence as a single-industry community, which is mining. So I do not understand the logic of the department in transferring that individual to a mining community, when there is little if any other high-risk activity taking place that a mines inspector could not cover. Now you are going to have additional costs for that individual who is now stationed as the Workplace Safety and Health officer in Flin Flon, who is no doubt going to have to travel back to other areas to do inspections of those other work sites in the logging community.

Will that officer now have to travel to The Pas to do regular inspections of the logging industry and the

pulp and paper and saw mill operations that are taking place in The Pas, or who is going to cover those responsibilities now? If that is the case, what will be the travel and accommodations budget that is built into this year's budget to allow that individual to do that job when they had normally been stationed in that community in the first place?

Mr. Gilleshammer: I think I gave the member the information a couple of minutes ago, but I will repeat it, that the activities that will be the responsibility of the person in this staff year will cover much of northern Manitoba and that logging takes place certainly in The Pas but probably in the Thompson area, Gillam, Cranberry Portage, and many of our staff officers in the North travel as part of the way they do business. So wherever this person has his or her desk, travel will be part of the costs of this person in this staff year doing business in the North.

By the way, that is not news. This is something that happens in rural and northern Manitoba all the time. I guess what this comes down to is the member is questioning the judgment of the management team of the department who in their good judgment felt that this individual and this staff year would perform, given the office infrastructure and the support staff available in a different location.

The member is saying that he disagrees. Well, so be it. It is certainly the decision of our management team that this was an appropriate transfer of a staff year that was vacant.

Mr. Reid: The other part of my question was dealing with the budget allocations for the individual, because there are going to be costs that are associated now. I have had the opportunity to travel to northern Manitoba within the last year and to visit many of the operations, the high-risk occupations. I have had the opportunity to talk with the people of northern Manitoba who work in these industries. I do not understand the logic unless—are you amalgamating the offices and you are eliminating one office, so you do not have the overhead cost in The Pas and you are putting people into Flin Flon?

Now, that officer is going to have to have travel costs to The Pas, because no doubt that will still be part of

the territory, and what you may have used in your accommodations costs is now going to be eaten up with travel costs. Not only that, you have the travel time that is involved for people to go to these communities and inspect.

* (1050)

I do not understand the logic, why you are taking somebody out of a high-risk area here. I know the inspectors spell each other off. The mines inspector would go in and do other inspections when the electrical inspector is away from Thompson, for example. They spell each other off to make sure that, if there is an incident that happens, somebody is there to represent the department to undertake an immediate involvement of the department in an incident.

So what happens now, the person who was in The Pas before—the job was transferred to Flin Flon—is now going to have to have the travel time to get to The Pas, if there is an incident, when that person was normally stationed in that community before. So somebody is going to have to do that travel if you have an incident. It is in a high-risk occupation; you have said so yourself. So I do not understand the logic here. You are nickel-and-diming by amalgamating the offices and taking somebody out of The Pas, when you had somebody who could cover the Flin Flon industrial area to start with, and now you are leaving The Pas, I believe, at risk by not having an officer there.

Mr. Gilleshammer: There were travel costs involved with the staff year that was being referenced and there will continue to be travel costs. In the opinion of the management, there should be no appreciable change in that. Logging takes place through much of northern Manitoba. He might spend a little time with the member for Swan River (Ms. Wowchuk), who would know that. Logging takes place not only in The Pas but across northern Manitoba, and whether you travel from Flin Flon to The Pas or The Pas to Flin Flon, there is certainly a cost and it is probably identical. There is logging in many parts of northern Manitoba where this individual will have to go. The travel budget is flat. There are resources dedicated to that.

The savings to the department is in the wind-down of an office in The Pas, and this individual will be

stationed in Flin Flon where there are other resources that will make their job probably easier. I gather we are coming to a point where we disagree about the location of a particular staff year. In the wisdom of the departmental staff, this will work in Flin Flon with additional supports available. If the member disagrees, well, we will just have to agree to disagree.

Mr. Reid: We will have to agree to disagree, because I think this is shortchanging those working people in The Pas and Swan River, who had that field officer available in relatively short periods of time to inspect workplace accidents or any other incidents for which the officer might be involved. Now you have extra travel time from Flin Flon to The Pas for that incident investigation. So I am not sure; yes, you may have minimized your overhead costs or your office costs associated with that amalgamation, but I am not sure that is in the best interests of the people who are working in the high-risk industries in Swan River and The Pas.

When I had asked questions with respect to Poulin's, on Tuesday of this week, you indicated you were going to find out some information with respect to the legality of the canisters, the one-litre canisters, the 408 of them that were used wherein there was methyl bromide poisoning of two employees of Poulin's. Has any investigation taken place? Have you done a search of the information with respect to the legality of those canisters and can you report to this committee?

Mr. Gilleshammer: That work is currently underway.

Mr. Reid: Then I take it we will have to wait for that information to come out with the package of information that comes forward from the department, perhaps a number of weeks from now then.

Mr. Gilleshammer: When the work is completed, we will be able to provide the member with that information.

Mr. Reid: When your field officers are located within—I am going to narrow the focus here a bit—the Capital Region, they have duties obviously that take them to areas. How do you compensate for these employees, if there is parking associated or other costs of transportation? Did they used to have parking passes

available to them to allow them to perform their duties and, if so, do they still have those passes?

Mr. Gilleshammer: Parking expenses are filed as part of expense claims.

Mr. Reid: So the individual has to take it out of their pocket first and then get reimbursed.

Mr. Gilleshammer: That would be true. If they put a quarter in the parking meter, then they can claim that later on as part of their parking expenses.

Mr. Reid: So the minister is saying that, by putting a quarter in, you get 15 minutes parking time and they do 15-minute inspections. Is that what you are telling me?

Mr. Gilleshammer: I did not say anything of the sort. You are being foolish. You asked me if they are reimbursed for parking expenses, and I said yes.

Mr. Chairperson: Order, please. I would like to remind the members of the committee that any comments should be made through the Chair, and I would like that to be taken into consideration. [interjection] We are not getting into a challenge here, I hope, but I would remind all members of this committee, including the minister, if that is acceptable to the committee. Now, achieving that, I would appreciate if this decorum was continued on for the rest of these Estimates.

The honourable member for Transcona, to continue your questioning.

Mr. Reid: Can you tell me, since the parking passes obviously—from what you are saying—are not available to these employees anymore, these employees have to take the money from their own pocket to perform their duties and then ask for reimbursement from the department? Is that accurate?

Mr. Gilleshammer: That is correct, or if they are going to spend, anticipate expending more money, they can get an advance.

Mr. Reid: So the parking passes are gone. An officer has to go to an incident which may require many hours of investigation, and the individual then has to run out

to the meter and plug dollars into the meter to make sure that they do not get a ticket for their personal vehicles, and that the parking pass which would have allowed them parking in the past has now been taken away from them inconveniencing them during the performance of their duties, so you are nickel-and-dime these people while they are doing their jobs.

Mr. Gilleshammer: The answer is that I guess our staff are subject to the same by-laws as you and I would be if we are parking in the city at a meter or in a parking lot that they pay their parking fee, and they can claim that on their expense account. I am certainly hoping that the time devoted to doing expense accounts is not detracting from the good work that they are hired to do.

*(1100)

Mr. Reid: What happens if these individuals are at an incident, an accident investigation, obviously there for more than an hour, if they get a ticket while they are in the performance of their job, who covers that ticket?

Mr. Gilleshammer: We have not encountered that at this time, but I believe they would be subject to the same penalties as you and I or my staff if they get a parking ticket, that they have to pay it or I guess if they want to go through the process and fight City Hall, maybe they can make a compelling case to not have to do it. But here in the city where there are parking meters or parking lots that staff are using, they do get reimbursed for that expense. Staff are not aware of anybody who has broken the law in exceeding their time at a meter and have had to pay a ticket. As far as I know, the system is working. They are subject to the same rules and regulations as you and I are when we use public parking spaces.

Mr. Reid: Are you saying then that the department—if one of your officers is in the field doing an incident investigation or in the normal performance of their duties doing an audit or doing a random inspection, if the individual encounters a period of time that is more than the amount for which that meter allows—and some of them only allow an hour, some allow two—and the individual doing that job, because you have taken away the parking pass that would allow them to do their job without having to worry about running out and

plugging more money into the parking meter, you have caused the individual employee, your staff in your department to have to worry about running out to plug a meter instead of tending to the duties for which they were hired to perform, that they now have to keep it in the back of their minds, because you have taken away that parking pass?

You may think it is a small item, but it means they have to interrupt the investigations under which they are participating or leading. I do not understand—

Mr. Chairperson: Order, please. I have indicated that remarks—and I am saying this to the honourable member for Transcona (Mr. Reid) for the benefit of the committee—that you are again straying away from the aspect of making remarks through the Chair. I do not want to get into a confrontation here with the member for Transcona and the minister, so if the member for Transcona would please put the remarks through the Chair rather than directly at the minister.

The honourable member for Transcona, to continue with your questions, please.

Mr. Reid: Mr. Chairperson, I have always put my remarks through the Chair. I am not sure how you interpret it, but my intent has always been to place them through the Chair. If you want me to put those exact words on the record, I am willing to do that.

Mr. Chairperson, through you, to the minister and his staff, I am asking my questions here today. I think the decision that they have made with respect to the removal of the parking pass from the individuals that are performing this job is again another nickel-and-dime decision, disadvantaging the people that are doing the work within the department.

You have to interrupt your inspection activities to go out and worry about plugging money into a meter. You have to interrupt an investigation that is taking place. You may think it is small potatoes, Mr. Chairperson, because that is the way you want me to address it. You may think that this is small potatoes, but it interrupts the activities of the department. You have enough money, \$13,000 and other dollars associated with sending people away for training programs, but you have to take away a \$40 parking pass from people that

are doing their job. Where is your logic here? I do not understand the logic that you use.

Yes, the training may have been beneficial or useful to the individuals doing those jobs. I am not denying that, because I do not know what training programs they took, but you spend large dollars in one area and you nickel-and-dime in other areas, so I do not understand the logic of the decisions that are being made in these regards. You are looking for ways to shortchange the people, the field officers, probably the most important people in this particular part of your department that are doing the actual inspections. You are shortchanging those people in the performance of their duties.

I do not understand the logic of why you make those decisions, and that is what I am driving at here. That is what information I am seeking from the minister, through you, Mr. Chairperson. That is why I want the minister to explain why you have taken away those parking passes, creating problems for the people in the field who do the inspections.

Mr. Gilleshammer: I want to, through you, assure my honourable friend that all the members of our department are important, that they perform important tasks, and that they do valuable work for the department and for the people of Manitoba. He may choose to think that some are more important than others, and, in one sense, that is probably true. There may be more responsibilities, but we have many, many staff that perform important jobs.

The member is really asking a hypothetical question about what if. We are not aware of any cases where someone had to interrupt their workday and hamper some work that they were doing to put more money in the meter, but the decision was made by management that there were reasons for going in this direction. The work is being done; members are being reimbursed if they have out-of-pocket expenses. The problem that the member is referencing seems to be in his own mind and certainly not lodged with departmental staff.

I recently met in a group called joint council with Mr. Olfert and members of the MGEU where they have an opportunity to raise issues in government with myself and two other ministers. This certainly was not the

topic that was on the list or their minds, and we did have ample time to cover a short agenda. I did ask if there were other issues out there within the MGEU that we could discuss and help people with. Parking was not an issue, and the onerous task of filling out requests for reimbursement for out-of-pocket expenses did not come up.

We are going to meet again soon. I would offer to the member that I would be pleased to put this on our agenda with the MGEU and see if this is a widespread concern that we should be dealing with at the joint council table.

Mr. Reid: I hope the minister does ask that question of Mr. Olfert and others, because it has been drawn to my attention that this is an action which impedes the performance of the work. It is obvious here that the minister is not willing to give a commitment. Should any of the employees that are field officers that are performing the work on behalf of the department and the government of Manitoba encounter or receive a parking ticket, the minister is saying that the department will not cover that expense. It is left up to the individuals who were performing the duties that the government requires them to do, that the minister and his department will not cover the expenses for those employees should they receive a parking ticket, for example.

The minister knows well the costs associated would be nearly the price of your parking pass for a month, which is the price of the ticket that the individual would have to pay. So for me, it is money that would have been well spent, except that now it is not coming out of the department's pocket, it is coming out of the individual's pocket if they get a parking ticket.

So what I am looking for here from the department, if an individual performs the duties and they receive a parking ticket because they are performing their duties, Mr. Chairperson, that the individuals, should they submit that to the department, will receive some reimbursement for those costs if they can demonstrate, legitimately demonstrate that they were performing their duties and they did not want to pull away from those duties to go out and have to put more money into a parking meter, when the parking passes used to be

available for them. It used allow them to do their jobs unimpeded.

That is what I am looking for here, some flow to allow them to continue to perform their jobs to the best of their abilities. That is the commitment I am looking for from the minister.

*(1110)

Mr. Gilleshammer: My commitment would be that we treat members of the Government Employees' Union all the same, and I am sure that my honourable friend would agree with that. But if he is asking that we have a general policy in Manitoba, that the people of Manitoba pay for the parking tickets of government employees, and that is a policy that he is espousing and that an NDP government would bring in—it probably was not brought in in their last time in government, because they had other important work to do—but I do not think that is what the people of Manitoba want, that we have a policy where all parking tickets are paid by the people of Manitoba and the government of Manitoba, should government employees during their workday receive a parking ticket.

I think they would—in fact, I will commit to put that on the agenda for joint council when I meet with Mr. Olfert and the people he brings with him to the next joint council meeting. My special assistant, I see, is busy taking notes and will be sure to put that on the agenda, but I feel that most employees of government would like to be treated just like you and I, that if we, for whatever reason, get a parking ticket and we are the driver of that vehicle, then we are responsible for it. That is the way that I have always operated, and I will even confer with other ministers to see if this is an issue bubbling up within other departments, that the paying of parking tickets is something—in fact, maybe it should be negotiated and put in the master agreement. That might be the fairest way of doing it so that this would be known to all employees, if we should go that direction, but again it is something that has not been brought to my attention before and something that I am prepared to discuss at the next joint council meeting with Mr. Olfert.

Mr. Reid: Well, the minister can put those words on the record if he wants to, and he can take them out of

context if he wants to, Mr. Chairperson. That is his right to do that. He can misconstrue my comments if he wants to. That is his right to do that. It does not mean that they are any more accurate.

I never said you pay parking tickets of all government employees. What I said here was that if you have got people performing work, and we are talking here, Mr. Chairperson, and I hope you would have called the minister to order on this, because he was wandering away to Government Services here—we are talking about Workplace Safety and Health here—which you did not do, and I note it for the record, that this minister says that when he has got people in his department, Workplace Safety and Health Branch, doing work, and if they encounter additional expenses, he is not prepared to cover those expenses for those people. That is what he is saying here. He wants them to interrupt an incident investigation, an accident investigation to go out and do something like plugging dollar bills into a parking meter instead of tending to the duties, the inspection duties, for which they were hired to do. That is what he is telling me here and that he does not care if these people, these employees, these Manitobans that pay taxes, have to pay that extra \$35 or \$40 out of their own pocket. That is what he is telling me here, because he has taken away that parking pass from them.

He might think this is small potatoes, but it is an inconvenience for the people and interrupts the inspection duties of those people performing those jobs. That is all I ask, that you have some consideration for the people that are doing that job and make sure that they can do it uninterrupted and file the reports necessary so that corrective action or education programs can take place within the department. That is all I am asking here. It is something very simple. You are nickel and diming the people that are doing the jobs here.

Now, if he wants to go to the broader general council and he wants to have his special assistant taking notes, it is on Hansard anyway, he does not have to take notes. He can just pull it right off the Hansard. If he wants to misconstrue my words, he is welcome to do that anytime he wants. I will defend the actions and the words that I have used here today and any other day for that matter.

My intent is to make sure that the people do their job uninterrupted, to make sure that the accident investigations take place, the audits take place, and the random inspections take place without having to worry about getting a parking ticket and leaving the site perhaps of an accident investigation.

That is what I am after here, not for you to try and make some political mileage out of that, but if you want to do that, be my guest. I am more than willing to defend the words I have used and the actions I have used to try and make sure that these people can protect the public of Manitoba, not play the political games that this minister is playing here.

So if you want to take that to the council, be my guest. My job here is to make sure that the people can do their job, for which the taxpayers are paying them, for which you are charged with the responsibility as the minister. That is what I am looking for here.

Mr. Gilleshammer: Well, I do not want, Mr. Chairman, the member to make light of joint council. If this is a major issue in the mind of the member, it seems to me that that would be the appropriate place to take it, and we can discover by discussions at that level whether this is a government-wide problem and whether the remedy should come through negotiations.

Joint council, I find, is a very valuable exercise, and I do not mind adding items to the agenda that my honourable friend brings to the table. I am sure that members of the joint council would see that as a natural extension of these Estimates process. If the member for Transcona brings up important issues that need to be debated and discussed, that is good place to do it.

I would point out to him something about the parking pass. It allowed employees to park for the duration of the meter. If it was a one-hour meter or a two-hour meter, that parking pass was only good for that duration. After that, those employees would be ticketed. So if they do make the appropriate adjustments to the meter, then they would be allowed to park there for the equivalent length of time as the parking pass would have allowed them, and they would be subject to a ticket whether they were putting coin in the meter or whether they had a parking pass. So that

is a factor that my honourable friend may want to take into consideration in his thinking about this subject.

Mr. Reid: We could go on at some length about this, Mr. Chairperson, but I think I have put enough comments on the record about this to indicate my thoughts about how the employees doing the Workplace Safety and Health duties and responsibilities are being treated and that I do not think that that is appropriate. What the minister is saying here is that he wants to include this in the general negotiations for all of the government employees versus the Workplace Safety and Health people that I am talking about here.

Now, if he wants to talk about general contractual arrangements with the MGEU, that is his prerogative to do so. What I am interested in here is about how the Workplace Safety and Health people are being treated in the performance of their duties. This is my sole purpose here.

I think what is being failed to be recognized here is that there are individual needs in the performances of the duties of the people that are doing the job here versus the overall civil service, and I think that is what I am driving at here, is that the department used to recognize that there were individual needs, and that is no longer the case. You have taken it out of your departmental budget Estimates now, and you have put it, as the minister is saying, back into civil service negotiations with the MGEU.

* (1120)

I am not sure that is the appropriate way to handle the matter, but if the minister wants to pursue that course of action, I am sure he is more than able to do that. But my goal here is to make sure that where you had that service available, to recognize individual departmental needs, that that had been part of your budget, and you have now taken it out, and you are saying you want to turn it over to civil service negotiations. I am not sure that is appropriate, but I guess that is your decision as the minister.

Mr. Gilleshammer: Mr. Chairman, this is just an attempt to satisfy the questions that the member is asking, so I am going to say this again. I said it a few minutes ago, and I am not sure it was heard, and maybe

it would give my honourable friend a better understanding.

The parking pass only allowed employees to park for the duration of the meter. If it was a one-hour meter, then the parking pass was good for one hour, and if that was exceeded, the car or vehicle would be ticketed. Similarly, if it was a two-hour meter, the parking pass would be only valid and applicable for the two hours, and if the car remained there beyond that, it would be ticketed. So maybe that would help clarify the matter, and the member would have a better understanding of this.

Mr. Reid: I leave the comments that I have made to this point to let them stand for themselves, Mr. Chairperson. I think I have explained it clearly enough.

When we last met here, I had asked that the minister perhaps have his staff available to go back to the desktop computer system and that I had some questions with respect to that particular initiative. Now, the minister was going to undertake to do some investigations, and perhaps that information will be coming forward in the near future, but I believe Workplace Safety and Health probably does, at least from my perception of the department, a fair amount of data logging and that you keep records of accidents, statistics, and you also have to provide information and direction or some advice to the Justice department.

I take it then that you are utilizing data loggers within your department to keep that particular information, and I want to know, on your desktop management system that you are moving to or have moved to, is that part of the service that is going to be provided by SHL as part of their computer systems giving service to government, or is that going to be an additional cost?

Mr. Gilleshammer: The answer is no.

Mr. Reid: So there will be no additional cost to the department as a result of the data loggers services that would be required by the department to keep track of the information. There are no additional costs associated with that for the department in addition to what they are paying.

Mr. Gilleshammer: The answer is no.

Mr. Reid: Can you tell me: field officers, I take it, are going to, because they are in the field a fair amount of their time, are they going to be provided with laptop computers to assist them with the performance of their job, and, if so, are they going to be held responsible for those pieces of equipment?

Mr. Gilleshammer: Those field officers all have a laptop and a printer.

Mr. Reid: The minister referenced, I believe, the last time we were talking about this matter, about the equipment that is currently within the department. I am not sure if I have asked this question, but perhaps I can leave it with the minister. Can you give me an indication of the equipment that was in your department that had been or is currently owned by the government, the disposition of that equipment and the age of that equipment, so that I might have an idea of whether or not we have current pieces of computer equipment, and what will happen to that equipment as a result of this contract that the government has signed with SHL?

Mr. Gilleshammer: Mr. Chairman, I can tell you that the disposition of equipment will be done on a government-wide basis, not on a departmental basis.

Mr. Reid: The second part of the question was a listing dealing with the pieces of equipment that you had internal to your operations. Do you have some new pieces of equipment, as governments usually try to do some capital purchases to keep somewhat current of technology to assist in the performance of the job; a listing of the pieces of equipment that you had in the department at the time Systemhouse took over?

Mr. Gilleshammer: Yes, I think it is fair to say that our department, like other departments, has a full range and gamut of equipment, some more modern than others. We will, of course, have an inventory of that equipment, and we can provide that to the member at a later date.

Mr. Reid: I would appreciate it if the minister could provide an inventory of the equipment that was contained within the department operations and also whether or not the equipment that you are going to be receiving in your department is going to be current technology available on the market or whether or not

some of this equipment is going to be dated in its technology and, in fact, second generation equipment.

Mr. Gilleshammer: Well, I have committed to providing an inventory of equipment that we will no longer be using, and we will also provide some information on incoming equipment.

Mr. Chairperson: Order, please. Just for the record, I want to advise the committee that the questions that are being posed with regard to this are out of order with respect to Workplace Safety and Health. I would just remind the member and the minister that we are on line 11.2.(f) Workplace Safety and Health (1) and (2). If the committee wishes to move on from there and to deal with the questions on that or deal with the questions specifically referencing Workplace Safety and Health, then we can continue on with that.

Mr. Reid: Mr. Chairperson, I am just trying to get an idea here of the equipment that is being utilized by the staff within the department, which would include Workplace Safety and Health people who make up a fairly large component of the overall operations of the Department of Labour, not to isolate it just strictly to those particular people but to find out what plan is in place with respect to a relatively large expenditure when you compare it to the departmental budget itself.

I have no other questions in this area, Mr. Chairperson. I am prepared to move on to Occupational Health.

Mr. Chairperson: Item 11.2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits \$2,531,100 and (2) Other Expenditures \$786,900 were passed on April 9.

We will now move on to line 11.2.(g) Occupational Health (1) Salaries and Employee Benefits.

Mr. Reid: There has been some activity recently dealing with the former company of Federal Pioneer Electric, dealing with cancer clusters. It has been indicated that there was not a problem dealing with particular investigations into matters such as this where you have occupational diseases or diseases arising out of a particular type of occupation.

Has the department or is the department giving any consideration to the establishment of an occupational diseases panel that may be beyond the ad hoc activities that are taking place within the Workers Compensation Board where they make individual decisions? Is the department undertaking any occupational disease panel structure or incorporating it into your activities, so that diseases such as cancer that are occurring in the former Federal Pioneer employees would have some investigation attached to them instead of leaving that just strictly up to the responsibility of the Workers Compensation Board?

Because the Workplace Safety and Health or Occupational Health Branch, I believe, would be charged with some responsibility in a preventative fashion, this would be more appropriate to be done under the Occupational Health Branch. Do you have any plans or are you undertaking any activity to establish such a panel?

Mr. Gilleshammer: Not at this time.

* (1130)

Mr. Reid: Do you not see a need, considering the information that is currently available using the Federal Pioneer example, that we have a fairly large cluster of employees, current and former, that have now encountered cancers as a result of occupational exposure to hazardous materials, that it would be incumbent upon Occupational Health Branch to undertake investigations in matters such as this, and that therefore a panel, an occupational diseases panel, would be useful to the department?

Mr. Gilleshammer: Those investigations are currently done by the department, and we have a Chief Occupational Medical Officer who provides us with the guidance and leadership in that area.

Mr. Reid: Can you tell me: are there any secondments or vacancies out of the Occupational Health Branch?

Mr. Gilleshammer: I am told there are none.

Mr. Chairperson: Item 11.2. Labour Programs (g) Occupational Health (1) Salaries and Employee

Benefits \$221,100—pass; (2) Other Expenditures \$39,600—pass.

11.2. (h) Mines Inspection (1) Salaries and Employee Benefits \$533,100.

Mr. Reid: Because you had indicated in the past that there was going to be a 10 percent increase in the number of inspections, can you tell me the number of inspections occurred in this last budget year?

Mr. Gilleshammer: Yes, we did increase our mines inspections by about that number. The raw data is not available today, but I am assured that we can provide that information for the member.

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Reid: In your document, in the Supplementary Estimates document, you have indicated that there is an allocation for severance pay included in that, as well as vacation pay. Are you anticipating that there will be any retirements as a result or separations of service this coming year from the Mines Inspections Branch?

Mr. Gilleshammer: No one has declared that, but employees make those decisions on an individual basis.

Mr. Reid: Mines inspection is obviously crucial to the prevention of accidents occurring. Mining industry is a high-risk occupation. I have indicated my comments with respect to the mines inspection officer when we met last with respect to HBM&S and the court case. The branch itself undertakes to do inspections. Do you do audits, as well, of the particular mining operations throughout Manitoba, and if so, can you tell me the number of audits that you would perform?

Mr. Gilleshammer: We have not been using audits, but we have historically had a higher ratio of mines inspectors to cover off that industry as opposed to other sectors within our jurisdiction.

Mr. Reid: I am going to try and ask this question in as sensitive a way as possible because I do not want to discourage people from running for elected office. We have a mines inspector, who, I believe, is stationed out of Thompson, who is also an elected member of the

community. In situations where the individual has to be away on elected duties or responsibilities, what process do we have in place to provide some inspection coverage or incident investigation should the individual be away for a period of time?

Mr. Gilleshammer: Well, running for elected office, of course, is a pretty noble calling, and I agree with my honourable friend from Transcona that we would not want to discourage anybody. Other than being a member of Parliament or an MLA, in most cases in Manitoba it is part-time work.

I guess there are exceptions with city councillors in Winnipeg but mostly across the province, if you are a member of a school board or a town council or a municipal council, it is something that you do in your off hours. I know that council meetings can be called sort of on an emergency basis, and people have to make their arrangements with their local employer. I think government employees have always been part of that, and they usually do that on vacation days or compensatory time days. Whatever arrangements that they would make for holidays would be similar to what they do when they have municipal business or school board business that they have to attend to.

Mr. Reid: Is there someone who would cover the duties and responsibility of the mines inspector in the Thompson area? Because mining is a high-risk occupation and accidents happen unfortunately, I would like to see that number significantly reduced and the fatalities eliminated. But the reality of life is that these happen, the accidents happen. If an individual is away, who covers the responsibilities? Do you bring in a mines inspector from another jurisdiction to come in and assume those responsibilities in the interim? What process do you have in place to make sure that someone is available to do those inspections and to do the incident investigation?

Mr. Gilleshammer: If the honourable member is referring to a specific individual in a specific community, in that community we happen to have two mines inspectors, so there would always be one on duty.

Mr. Reid: The minister mentioned that the individual mines inspector has other elected duties to perform. So

that the time that is taken by the individual is something separate from his normal duties and that, since the mines inspector's job is a full-time responsibility, full-time activities would be occurring there. You do not log in any way I guess or ensure that the inspection duties are actually taking place. I mean, how do you keep track of what is occurring in situations like this?

Mr. Gilleshammer: Time taken away from the workplace for the duties of elected office are duly noted.

* (1140)

Mr. Reid: By the department? The department kind of keeps an eye on what is taking place with respect to those activities to make sure that if you—obviously if there is a requirement to have two inspectors there, the province, the taxpayer is receiving value for the dollar here, that two inspectors are available for duties on a full-time basis?

Mr. Gilleshammer: Yes, they are duly noted by the department.

The Acting Chairperson (Mr. Helwer): Item 11.2.(h) Mines Inspection (1) Salaries and Employee Benefits \$533,100—pass; (2) Other Expenditures \$185,200—pass, for a subtotal of \$718,300.

11.2.(j) Employment Standards (1) Salaries and Employee Benefits \$1,823,100.

Mr. Reid: Can the minister tell me: is the Employment Standards branch involved or participating in a survey of students, perhaps throughout the province, searching out work history for individuals in this age and grade classification, Grades 9 to 11?

Mr. Gilleshammer: I would like to introduce Dave Dyson, who is executive director, joining us at the table. All of these complicated civil service titles kind of have always baffled me. The answer is yes.

Mr. Reid: Can you provide me with perhaps a copy of the survey questionnaire that you will be sending out to the students? Is this taking place in every high school, junior high in the province of Manitoba? Is this being done in conjunction with the Department of Education?

What process are you following in these matters, and are you doing this in co-operation or consultation with other provinces?

Mr. Gilleshammer: The answer to the last question is yes; the second last question is yes, and the instrument is still being developed.

Mr. Reid: What is the intent or the purpose of the survey?

Mr. Gilleshammer: To collect valuable information that will assist us in doing our jobs.

Mr. Reid: In what fashion will it assist you in doing the jobs? Are you going to inquire with respect to whether or not these individuals are aware of permits that the employer may have taken out allowing them to work? What is the purpose of the information that you are going to be gathering? What are you going to do with this information?

Mr. Gilleshammer: In a broad sense, it gives us a snapshot of the realities that exist within the province of Manitoba in relation to this particular age classification.

Mr. Reid: How is this particular survey initiated? Is there a reason why you are undertaking this activity at this time?

Mr. Gilleshammer: Yes, this has been raised at the international level. It has been raised at the national level and certainly across our country by organizations and groups, and it is, I believe, incumbent upon us to have accurate and good information.

Mr. Reid: I think you mentioned, if I understood correctly, that other provinces may be participating in this type of a survey as well. Can you give me an indication of what other provinces?

Mr. Gilleshammer: To our knowledge, this is of primary concern to the western provinces at this point in time.

Mr. Reid: Then I take it for the department to undertake this type of activity, you must have some idea that there are a significant number of young people

within the province under the age of 16 who are working in the workforce, and if that is the case, can you give me an idea of the number of permits that would have been issued for individuals under the age of 16 to allow them to work?

Mr. Gilleshammer: I am told there were in the area of 500 permits last fiscal year.

Mr. Reid: How does this number 500 compare with prior years?

Mr. Gilleshammer: It appears to be a relatively consistent and constant number.

Mr. Reid: Can you give me some kind of an indication on the types of activities for which these permits were issued, the type of industry, for example, or occupation that these permits would have been issued for? Is there a breakdown?

Mr. Gilleshammer: The thinking is that it is most common in the hospitality industry.

Mr. Reid: Are all of these students or young people under the age of 16 that you are going to be surveying, these are through the school systems, through all the junior and high schools in the province? Is that the extent of the survey? Are you going to be selective in your survey, and can you provide details with respect to where you are going to be surveying?

Mr. Gilleshammer: Our intention is to do a relative sample, and the details of that have not been worked out as yet.

Mr. Reid: So are you going to be sampling by region, sampling by community size, sampling by some other criteria which I have not mentioned here? Can you give me an idea of what you are going to use as a basis for your sampling?

Mr. Gilleshammer: The actual details of the sample have not been worked out yet, but I can assure the member that we want to do the most appropriate sample which will give us the best information to work with.

Mr. Reid: Would it be possible for you to indicate when you anticipate that the survey sheet that you are

going to be preparing or you say you are preparing will be available, so that a copy may be available for us to see?

Mr. Gilleshammer: The intent is to do the sample the current school year, and this is dependent on certain work being done by individuals who are taking responsibility for this initiative.

Mr. Reid: Who is going to be responsible for collecting and going through the data? Is it going to be the Employment Standards branch, or is there someone else that is going to be charged with this responsibility?

Mr. Gilleshammer: Someone outside the department has been contracted to do this.

Mr. Reid: Can you tell us who has been contracted?

Mr. Gilleshammer: Someone from the University of Manitoba who is involved in labour studies.

Mr. Reid: Is there a cost associated with this and can you tell us what that cost is?

Mr. Gilleshammer: It will be spread over three fiscal years, and this year it might cost us around \$15,000.

* (1150)

Mr. Reid: So a \$15,000 cost this year, and can you indicate for me what the cost will be in the second and third years of this study, and is it a student from the U of M labour studies or is it a professor?

Mr. Gilleshammer: It is a professor at the University of Manitoba, and it is estimated over three years it might range upwards of \$40,000.

Mr. Reid: Can you indicate to us who the professor is?

Mr. Gilleshammer: A professor by the name of Mr. Gonick.

Mr. Reid: The question I asked earlier with respect to the survey sheet when it is developed, I take it it will be in a short period of time. If you are going to get the document ready for distribution to your sample area before the end of the school year and have it returned in

that period of time, you would have to have it developed fairly quickly. There is only about two and a half months left. I anticipate you will have that document ready for distribution fairly shortly, and I am wondering if it is possible to get a sample of that particular document.

Mr. Gilleshammer: Yes, the member is correct, and as soon as we have a final copy of it, I would be pleased to share it with my honourable friend.

Mr. Reid: I look forward to receiving that information.

Does the department, then, with the results that come back, and I know this may be somewhat hypothetical in the sense that we do not know what the data will be yet, I take it that there will be a report coming back to the department. Do you anticipate that the department would be contemplating any further actions with respect to this, or is this something that is just for general knowledge of the government?

Mr. Gilleshammer: Well, I do not want to prejudge the results of the survey but, when we have the results, it will give us a snapshot of the realities that are out there, and we would be able to make appropriate decisions at that time.

Mr. Reid: I look forward to the information coming from the minister with respect to this survey. I am not sure how widely it is known in other jurisdictions with respect to this survey, but in my searches I cannot find other jurisdictions who are aware of this activity taking place, so I am not sure how the other western provinces are involved in this, at least through my contacts on this matter.

Is there going to be a sharing of the information taking place between provincial jurisdictions, if it is taking place in western Canada, so that we might have an understanding how we compare or stand with respect to those jurisdictions?

Mr. Gilleshammer: Yes, I can indicate that the survey is being developed here in Manitoba, but the initiative is being led by the Deputy Minister of Labour from the Province of Saskatchewan. There is a group called the Canadian Association of Administrators of Labour Legislation, CAALL, and the deputy ministers from

across the western provinces will, I am sure, see that the initiative is carried forward and share the information amongst themselves and be in a position with that up-to-date knowledge to make recommendations to governments.

Mr. Reid: We are talking about youth here in the workforce, and the minister references that the department issues I guess on average 500 permits or thereabouts on an annual basis. I did not know that the number was that high, and the minister references, Mr. Chairperson, that in the hospitality industry, I think he said.

I have received a number of calls of late dealing with the hospitality industry, in fact more specifically dealing with some restaurants within the city of Winnipeg here, where we have our young people in the province, from what I am being told, being taken advantage of.

I do not want to put the names on the public record here at this time, pending some further investigation, and I know the department has been fairly diligent in lending some assistance in past when I have raised matters such as this, so I will provide the names of the particular establishments to Mr. Dyson after this committee concludes.

But I just want to reference that young people are being asked to go to work and not to punch in, in some locations, just to be told to be on standby in case the workload picks up at a couple of establishments that I am aware of, which I do not think is fair to these young people. I mean, they have lives too, and if they are going to be called in by their employer the least they could do is be allowed to punch in and be assigned some duties to be working.

I am also told that these individuals are being asked to stay after hours when the business closes its operations for the day, which would be in many cases in the early morning hours, and that they are being instructed to clean up after their shifts are concluded. Yet they are receiving no pay for that additional time in which they are working, in some cases up to two hours and perhaps slightly longer, which I think is contrary to the act itself.

I am also told that in some cases young people are not receiving pay stubs for their work, Mr. Chairperson, and that they have no way of knowing what deductions are being withheld from their particular pay. They are not receiving, I am told, in one particular instance not receiving holiday pay or vacation pay as is required under the act and that where they do work after midnight in another circumstance, they are also not receiving pay or overtime pay for those hours.

So I will draw it to the attention of Mr. Dyson after this committee concludes the names of the particular operations and that perhaps the branch can investigate these matters, because we do not want to discourage or do things—to make sure that our youth of our province who are entering the workforce are not being taken advantage of. I suspect that by far the majority of employers in the province are fair employers, but there are from time to time cases that do come to our attention that do require some investigation. I hope the department will undertake that investigation.

Mr. Gilleshammer: Mr. Chairman, I know that staff will be responsive to the information that is brought forward by my honourable friend. In addition to that, I would encourage him to meet with the Manitoba Restaurant Association. I know that he is going to read this later, but he might want to listen. I would encourage him to meet with the Manitoba Restaurant Association who have a professional organization that I think annually puts on an event for members of the Legislature, but they do have an office here in the city of Winnipeg. I am sure that they would be interested in the information brought forward by the honourable member, because sometimes these are issues of education and sometimes they are issues of omission. I know that they have an executive director in an office, and they, I am sure, would be interested to hear the comments of the member and to get the information that he has compiled.

They probably have the best opportunity to effect change within the industry by the in-service work they do and the meetings that they have. I would really encourage him to make contact with that organization and allow them to, from their point of view, remedy some of the situations that he references, because that is part of their reason for being, is to have a healthy industry, to preserve and enhance the reputation of the

entire industry. It is in their best interest to be made aware of these things, rather than having the heavy hand of whatever government department happens to be contacted try to remedy the situation.

At the same time, I would encourage him to meet with the members of the Winnipeg Chamber of Commerce and perhaps the Manitoba Chamber of Commerce. I know that they have annual meetings whereby they invite the caucuses to come forward and put issues on the table and have discussions. I know I have read in the Manitoba Chamber newsletter from time to time that that group has hosted the NDP caucus, and they have a wide-ranging discussion of pertinent issues. That would be another avenue whereby the member might want to bring his cases and his concerns forward.

They too exist I think to provide a better environment for business and labour groups within the province to function. The knowledge of those concerns that have been brought to my honourable friend's attention would be of tremendous interest to them. I know that any time we have had those meetings, there has been a sort of wide-ranging discussion of some of the issues. That would be a good opportunity for the member to make his case.

Having said that and having directed him to the Manitoba Restaurant Association and the Chambers of Commerce, we, too, of course, would be interested in that information and will deal with it in an appropriate manner.

Mr. Reid: The minister's suggestion is a good one, and I have already given consideration to that. When we do meet with the chambers I will attempt—given the opportunity to do so. I just want to make sure that there is an educational process in here, that perhaps you could include, when you do your survey of the students, with respect to under 16 working in the workforce. You may want to consider asking those people some of these questions with respect to their pay. Are they being given vacation pay? Perhaps you already are including that in your survey. Are you working after hours without pay? Are you doing things that would not be considered—do you know of your rights under the legislation?

You have an abbreviated form of the legislation that you have available for distribution, and perhaps you may want to look at doing some distribution of that information so that our young people entering the workforce are made aware of what their rights are. I think it would be in their interest to be aware, prior to entering the workforce, what they can and cannot expect when they enter their first jobs. I leave that with you as a suggestion for your survey or some other activities you may want to undertake from the department.

Mr. Gilleshammer: Well, that is—

The Acting Chairperson (Mr. Helwer): The time being 12 noon, I am interrupting proceedings. The Committee of Supply will resume sitting this afternoon following the conclusion of Routine Proceedings. I am interrupting proceedings then.

HEALTH

Mr. Chairperson (Ben Sveinson): Order, please. Good morning. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Health. When the committee last sat, it had been considering item 21.1.(b)(1) on page 71.

Mr. Dave Chomiak (Kildonan): Mr. Chairperson, when we last met we had talked about today, with the co-operation of all parties, of proceeding on to deal with capital issues. Just for the minister's clarification, the plans roughly are that I am anticipating that we will probably spend the bulk of the day, this morning and this afternoon, on capital. What we sort of envisioned is this morning I will be going through general questions and specific questions and policy questions as it relates to capital. Then some of my colleagues will be joining us this afternoon and later, in the latter part of the morning, to go through some specific capital-related items. So perhaps we can commence. The minister had indicated—unless the minister wants to comment.

Hon. Darren Praznik (Minister of Health): Mr. Chair, I have to ask the member for Kildonan: did he provide the name of that individual he raised in the House yesterday? My staff is here. If he could just

provide it, we are in the process of tracking down the issue that he raised, and I know it is important to both of us. I do not want him to put the name on the record, but my staff is here now. If he could just perhaps provide that name to my staff, because we are in the process of tracking down that information.

Mr. Chomiak: I was intending to draft a letter to the minister tomorrow, which I will do, but in the interim I will pass on the name of the individual although, again, as we discussed yesterday, this was not an issue of people necessarily wanting their names being made public, so I will pass on the name of the family and the circumstances in a note to the minister's assistants. So I will do that.

Mr. Chairperson: Okay, we can proceed now.

Mr. Chomiak: Mr. Chairperson, the minister indicated that there was a revised policy he might have access to or might be able to share with us concerning the 20 percent capital provision.

* (1010)

Mr. Praznik: Mr. Chair, I have approval for some changes in that policy. We will be putting it out publicly later on this afternoon. I had approval at cabinet yesterday for those changes. I am not able, as the member can appreciate, to give him a document until later this afternoon, which I intend to do. I have no problem outlining it to the member. I just want to make sure that the document is completed.

As the member knows, the principle of the policy, which I think if he were in my shoes as Minister of Health he would appreciate the significance of it even more than what might appear on the surface, but the purpose of this policy was to have communities to be partners in the construction of projects and have them have some of the dollars, their own dollars on the table, by and large, to focus that community on what exactly their capital needs are.

In the case of Manitoba, I believe it was up until the 1970s, in fact, we required a—was it a 20 percent community contribution? Before that, actually, if you go back to '50s and '60s, health capital was almost entirely the responsibility of the community. The

federal government did provide a contribution, a very significant one, I believe, in the '50s and '60s. We saw an evolution in the development of health capital over the last half century. So from entirely private or community based to a federal government making a contribution, to provinces making a contribution—in fact, under the Canada Health or the old funding arrangements for medicare, I guess, 50 percent of those costs were borne by the national government up until the changes in block funding, et cetera. In the '70s, when that still was in effect, Manitoba eliminated its community contribution but again was getting a sizable portion of dollars back from Ottawa. Today that is not the case.

In a number of provinces, quite a number, in fact, there is a community contribution requirement. I believe in Saskatchewan, Mr. Romanow's government requires 35 percent; Ontario requires, I think, some 50 percent. So it varies across the country. Manitoba would be one of the lowest at 20 percent in its contribution. The purpose is not to prevent projects from going forward. The purpose, again, is to focus the community because they have a financial contribution here. They have to raise some money to focus on exactly what they need. One of the experiences of my predecessors in developing capital and in discussing this with the Capital Branch is that when you talk about a new facility for a community, or a major revision in a facility, there often tends to be an expectation, well, we want all of these things. I have heard it many times the comment made, well, it is free, because the province is paying for all of it.

I should also point out to members that under the old policy where the province paid a hundred percent, we paid a hundred percent of the construction, excluding land and servicing which was 100 percent of the cost of the community, any nonincluded services, chapels, extra services, different things that the community wanted to put, they paid a hundred percent of those costs. Changed work orders during construction was again a hundred percent the community, because those were choices that we have to make at the level. We wanted to ensure that the planning was done well in the beginning, and we were not getting unexpected costs added on. So there always was and has been a sizable community contribution in one way or another to capital projects, but we wanted to really focus that on

what the core operations of that facility were and to ensure that communities were thinking, do we really need this?

We have seen hospitals built in parts of rural Manitoba over the years by both governments where, because communities said we need this and we need that, et cetera, governments said, okay, yes, we will put them in, we found many of those services over the years were never used. We have operating rooms in many of our hospitals that were built in the last 20 years that have hardly even been used as operating theatres. You know, you have to ask yourself, is this a good use of money?

So, if you are going to come into a community and talk about what you really need, and that community is looking at it and saying, well, it is not our dollars directly—I mean there is no such thing as free money, it is all the taxpayers' money ultimately—but if the dollars are coming from the province, well, of course we want all these things. We may need them at some point in time. If that community has to make a contribution towards paying for things, my experience has been that it tends to very much focus everybody on saying, do we really need them, are we going to use these things? It makes it much easier to, I think, develop projects that meet the true community needs, as opposed to the perception of what a community might want to have or what it might think are their needs.

A case in point would be Shoal Lake. I know I had meetings and discussions in Shoal Lake. They have a time-dated hospital, I think a 23-bed hospital, not a high occupancy. Most of the people are waiting for personal care home beds. It was built in, what the '40s or '50s, when the federal government started to support municipalities and hospital construction. Shoal Lake and district have about 1,500 people, I guess, if I remember correctly from the mayor's comments. It is about a half hour in a number of directions from larger, other hospital facilities.

So, when you look at that area, you would say today, given its population, given its proximity to other facilities, given transportation, given the need there, that you do not need a 23-bed or 20-bed hospital. First of all, building a 20-bed hospital is a difficult enough

thing today, given technology and need, but you would not build a hospital. What do you really need there?

I know I attended a community meeting in Shoal Lake, and there are now three doctors who have committed to that community, who practise out of the clinic, who bought homes in town, so they have stabilized their medical community. Those doctors said to us, their spokesperson at this meeting said: what we really need, Mr. Minister, is that we need six to eight acute care beds, and we need them for observation purposes. We need them to treat some illness, et cetera, where you have someone who has the flu—they can manage in that facility for those who do not need more sophisticated treatment in a larger centre—and we need them for palliative care, people who want to die at home. But six to eight beds would service the needs of that physician community in treating the people of Shoal Lake.

Well, you do not build a hospital for six to eight beds, unless you are in a very remote, isolated place, a long way from everywhere, but there is no common sense in building a six-to-eight-bed hospital facility that is relatively close to other facilities. I should tell you that the occupancy rate, my deputy points it out to me, was 35 percent on 19 beds, not 23. It used to be 23; it dropped to 19, running 35 percent occupancy, of which the greatest percentage, I imagine, are people waiting for personal care home placements.

Now that community started off saying we want a new hospital. We do not want to lose our hospital in Shoal Lake. It is important to Shoal Lake to have a hospital. Well, there is no logic whatsoever from a medical point of view to building a hospital with that kind of usage and that kind of community. So, when we met with them, and their physicians were very clear that all they needed was six to eight beds, we thought that it became very obvious: they have a 40-some bed personal care home in the community, so why do we not integrate those functions? So we thought, let us develop a concept of an integrated facility where we would put six to eight beds, acute care beds, medical beds, whatever, into the personal care home, be able to cluster them around the nursing station so that we would not have to staff a second nursing station, add an examiner's room to this particular project, and it would be a sufficient service to provide for the needs of that

community, and the physician group servicing that community. It would be economical to staff because they would be sharing a nursing station. Some nights they may have very few, if anyone, in those beds; other nights they may have them full; but their staffing would be easier out of one nursing station and they would be well serviced.

What was interesting in the dynamic is that, because there was a 20 percent contribution in a community that size, in looking at raising several hundreds of thousands of dollars to build a new hospital, they did not think it was possible. It got them to focus on what they really needed, and at the end of the day they said, yes, this is what we can afford. This is what works for us for health care, and they were very supportive of the integrated facility.

I think the same kind of thought process is going on now in Carberry, I understand from their member, Mr. Rocan, and in Wawanesa the same thing is happening. The concept of saying, what do we really need, having your dollars on the table, focuses the mind on what communities really need as opposed to what they want, and because their dollars are on the table, it tends to focus the mind.

Now, the other side of this coin is that we do not want to be in a position where this policy becomes so rigid and so onerous that it prevents a project from moving ahead. If the member said that was the case in a number of places, and I am sure he can indicate to me a number of those places that have said that, I would agree wholeheartedly with him. We do not want this policy to be one that prevents a project from going ahead. That would not suit good health care purposes either. So we brought in the policy, we looked at what others were doing across the country, and I have spent much of the last year in this area seeing how it works for communities. We have made a number of revisions to it as we have moved through the process, in order to accommodate this policy and ensure that it was manageable by the communities involved.

* (1020)

So I want to go over some of those changes and where the policy is today to be able to give the member a sense of where we are at on it. First of all, we have

what is included in the split. We have added the cost of land, servicing the land, change work orders—because we, of course, have to approve those as well now—in the 20-80 split. So the land, the servicing of the land, any agreed-upon change orders during the course of construction, are now split 20-80. So from a community perspective, they are now getting an 80 percent credit for the value of their land and their value of servicing or any of the other things they are normally paid a hundred percent for. So if we are going to share at 80-20, we share the whole package, so that is No. 1.

Number two, we have put a cap on the amount that a community would have to contribute. There is some difference between Winnipeg and outside of Winnipeg on the basis of what is a community servicing facility, and obviously when you have a city the size of Winnipeg, 650,000, you cannot treat it necessarily as one grouping, because there are community hospitals and other arrangements. So we have said that the community cap—in other words, the most we would require would be \$6 million in total over a 10-year period, so that will become a rolling number, if I remember correctly, over a 10-year period, and that is the cap applies to a community in rural Manitoba or a facility in Winnipeg and that would be, again, a rolling amount over a 10-year period. So out of, for example, the Health Sciences Centre, we would expect no more than that \$6 million over 10 years to be raised and contributed towards capital.

We also provide for credits for things that—and we are still further defining those a little bit as we go along with specific examples. There are cases where facilities may have contributed to things that have been needed, et cetera, on their own with approval of Manitoba Health that would be part of a project that they would get credit towards their contribution, and that is in place. I thought that was worthy of mention. Certain types of capital projects will be exempt from the policy, so this will not apply to certain projects. These include conversions. That is where we are taking existing space and converting it to space that would be better needed or better used. I think I have some \$10 million in my budget for conversion projects with a cap of \$500,000.

These are cases, for example, if you look at a rural hospital that no longer does surgery, may have in fact

never done surgery, but has a complete surgical unit that is unused today and they want to convert that to provide for another service, that it is a matter of knocking out walls, changing some function, making the space better used for health care services, that the conversion dollars would be available without a community cap contribution and that purpose is to get better use out of our existing capital infrastructure.

The second area, safety and security projects. So anywhere that the safety or security of a building is at risk, those are paid for entirely by Manitoba Health. There is no community contribution. If it is excluded, it does not count for the cap either, but that really becomes irrelevant. I know the member for Wellington (Ms. Barrett) is sort of intimating a question here. The cap applies to where a project fits within the community contribution policy or requirement. If it is a safety and security project, it is outside of that, it is paid entirely by the province of Manitoba, Manitoba Health. So if it is an upgrade to a sprinkler system, an upgrade to fire code, et cetera, that project or portion of a project if they end up being combined, I look to Ms. Bakken, is 100 percent paid for by Manitoba Health. So the \$6-million community contribution really is not relevant there, because there are no community dollars being raised for it.

The third area is unique province-wide services. So if we are putting in a facility that services the province as a whole, it is obviously inappropriate to ask a particular community to have to raise the dollars for something that is servicing the entire project. I can tell the member that the vast majority of work, for example, on the emergency and upgrades at the Health Sciences Centre, because of the nature of that facility as a tertiary facility servicing the province, the trauma centre being part of that—we can get into some details in questions—that is viewed as a province-wide project and will be paid for entirely by the province, the Ministry of Health.

If I may, just for a moment, one of the reasons for a \$6-million cap as well is, if you look at the nature of projects, usually when a project gets over \$6 million, where the 20 percent would be \$6 million, usually that project is taking on, again, a much larger significance in the community. So that was part of the logic of the \$6 million. It tends to be the crossover between a large

project serving a community and a project that has a much wider, either larger regional base or a province-wide base as well. So that is part of the logic behind the cap.

I have a few more for the member for Kildonan (Mr. Chomiak). With respect to credits again, if this is the right category, in my travels north we also recognize that in many communities there are sizable Northern Affairs unorganized territories or First Nations communities in which there is not the ability by way of a municipal levy to be able to fund a contribution. In our amendments to The Municipal Act, we did provide for municipal levy on a time-to-time basis to support health care projects if the municipality chooses to do it that way.

We recognized in many communities, particularly in the North, that it would be unfair, and the point was made in The Pas, to ask the community of The Pas or the LGD of Consol to raise the dollars that would be providing for a facility that services Northern Affairs unorganized territories or a First Nations community, which has a different funding relationship to these projects. So we would provide for a credit in essence or an accounting to exclude their usage of that facility from the community contribution that the community would have to raise.

In the case of First Nations communities and personal care homes, the Department of Health and Welfare Canada I believe pays a rate now for their citizens who access those facilities, and in that rate is a capital contribution. So that is in essence how that would be funded by the federal government. We have to work out some mechanisms about how that will be accounted for, but it would not impose an extraordinary burden on the neighbouring communities.

Unorganized territories of course have a provincial responsibility, as do Northern Affairs communities. That has to be worked out with the Department of Northern Affairs, but they will not be held against the communities who will be raising those dollars. In my constituency, for example, Pine Falls is an unorganized territory run by the Pine Falls Paper Company. They would be expected to contribute, but there is not a municipality, and that would have to be worked out on a somewhat different basis.

With respect to financing this, and I think this is one of the major changes we have made in the last few days. We have recognized that financing this may be somewhat difficult, so we as a province are prepared to finance the contribution. Where a community puts money up front, in other words at the time the dollars are required, we are in fact, as an incentive, prepared to give them a two-to-one value to those dollars. So if a community's contribution, for example, their 20 percent after we work out the value of the project, all of the other issues, comes to a million dollars, if they have \$200,000 or \$300,000 raised and contribute that, we will give them a credit on a two-for-one basis. Say they put \$300,000 in, that will give them a value of \$600,000, and they will be responsible to repay over a 10-year period the remaining \$400,000 without interest, and we will finance that.

So for municipalities, and in most cases rural municipalities have been looking at this outside of Winnipeg and foundations inside Winnipeg, this kind of commitment will allow them to raise the dollars over a period of 10 years without interest but, again, they still have a financial contribution that again focuses on the needs of the committee. Am I missing anything in this policy? Is anything to be added, Ms. Bakken, that I am—[interjection] Yes. My deputy points out to me that they can use the combination of up-front and finance as well, so they do not have to come up with all the money up front, whatever they manage to raise up front. By the way, that is at the time the money is required, in other words, when the tender is let and the payments commence. So that usually gives them a fair bit of lead time in which to raise those dollars.

* (1030)

So am I missing anything else in this policy? One other comment my deputy wishes me to make, and I would quote from the policy we will be releasing this afternoon, is: when a project is approved, the provincial government decides whether it will be financed through a loan or on an expensed or pay-as-you-go basis. If a project is financed through a loan, a line of credit is established during the construction phase. When projects are expensed, no such interest costs result. In the interest of fairness, Health authorities will not be required to contribute towards interest charges that are incurred during a project's

construction phase. Health authorities will be responsible to pay interest on any loans which they may be taking out to cover community contributions itself.

So we are not going to be charging them for interest during the construction phase which was traditionally the practice.

On one side of the ledger, communities are getting an 80 percent credit for the things that they used to pay a hundred percent for: change work orders, land, servicing of land. They had to pay, the cost of the interest was—[interjection] A project. So we have made some changes in the interest of fairness. From the discussions myself and colleagues have had with communities and municipalities that have been looking at this policy saying how do we manage it, we believe these changes will then allow projects to proceed and have met our goal of at least having some local money to focus the community on what in fact they need.

Mr. Chomiak: Mr. Chairperson, I appreciate the minister outlining the policy. I would actually like to debate the issue with the minister, but I have so many questions I am going to have to forestall the debate until another occasion because I want to use this opportunity to get some specifics on the policy.

I want to understand, first off, this credit issue. The minister used an example of a community—the two-for-one credit issue. Does that mean that if the community comes up with cash at time of construction or time of tender—and we will use the minister's example of, say, if the community contribution is a million dollars and the community has \$300,000, from what I understand, is the minister saying that the government will match the community's \$300,000 up to \$600,000, and the community will then be responsible for the additional \$400,000 interest free during the period of construction? Is that how the policy is proposed to be brought in?

Mr. Praznik: Mr. Chair, yes, interest free for 10 years, in essence. We expect that the repayment of that will be made over 10 years. That is how it will be calculated, but whether you say we will forgive it or we match it, in essence it is the same thing. The reason of course is this, that there has to be some incentive to have dollars that are available now put in.

By agreeing to finance the project for 10 years or the community contribution for 10 years interest free—if a foundation had a half a million dollars or a million dollars in their bank accounts that they had raised, why would they provide it to the contribution. They would be better off to keep it in their bank account, draw the interest off of it and pay over the 10-year period. So there has to be some incentive for communities to use those dollars up front; otherwise, we will end up financing their contribution for 10 years and, of course, there is a value to the province since we are going to pay the interest. It was felt then, if the dollars up front over a 10-year period, depending on interest rates, giving them that value to put the money in should be close to a wash in our interest costs, potentially. Maybe, maybe not, but it would certainly be a good incentive for communities to be able to contribute what they could at the start of the project when the enthusiasm is high to raise money on all of those issues.

Mr. Peter Dyck, Acting Chairperson, in the Chair

So we felt giving them a two-for-one value on the dollars they put in initially was a good way to balance that out, encourage that initial fundraising, get the benefit of that interest in a community while the interest is high, and move forward. So in essence, yes, that is what is happening.

Mr. Chomiak: So just again, for clarification, to use the example the minister started using and I continued to use, the community would only be responsible to an industry loan of \$400,000 to the government because the government will have matched their \$300,000 contribution and forgiven that portion. Is that correct?

Mr. Praznik: That is correct, and that would have to be repaid at roughly, what, \$40,000 a year for the next 10 years.

Mr. Chomiak: Then on the 80-20 land split, if we use land as the example, land in servicing, any land where service is offered by the community is credited at 80 percent contribution to the community. In other words, if the community contributes a million dollars worth of land, they will be credited on their capital contribution, that is their 20 percent capital contribution at \$800,000. Is that correct?

Mr. Praznik: Yes, Mr. Chair, the value of land and servicing. The only caveat I put on this is you cannot get credit for it twice, in essence. So if you build a project, the community contributes land and five years later you add an addition to that building, you cannot get another credit for the same land, but basically the total project cost is split where the land, the value of servicing is included in the total project cost and that is split 80-20. So if a community has purchased the land, the municipality that is the host for the project owns the land, puts in the servicing to it and says this is going in for the project, obviously if the land is worth a million dollars, there is an \$800,000 credit towards the community contribution.

Mr. Chomiak: I am not clear on the credit system as it applies to the North in unorganized regions. To what does the credit apply? On what basis is the credit applied?

Mr. Praznik: Mr. Chair, I think maybe it is best we deal with an example, a hypothetical one. Let us say we have a community, we are building a \$5 million—the total cost of the project when it is tendered and all the change work orders are in place is \$5 million. So the community contribution is \$20 million. Let us say that on the basis of usage of that facility—or not \$20 million, \$1 million, right; \$5-million project, \$1 million. I am sorry. I stand corrected. I am afraid to say we almost gave the member for Wellington (Ms. Barrett) a heart attack here, and that concerns me.

So the total under the formula is \$1 million. Let us say that 25 percent of the usage on a day basis—say this is a hospital—are by people from First Nations communities. That would reduce the contribution by \$250,000. Let us say that 10 percent are people who come from unorganized territories, Northern Affairs communities. That would reduce it another \$100,000. So in essence, the community contribution would be \$650,000 that would have to be raised by those communities that are left in that group. Of course, then we would, depending on the unorganized territory, et cetera, deal with those other portions as a province. So the community would not even have to be worried about them. That is ours internally.

So, for example, let us say this is a personal care home. People from First Nations who use personal care

homes outside of First Nations, their daily rate is paid for by the federal government. In that rate the federal government makes a contribution to the capital cost of the project, so the province then would ensure that capital portion came to us to pay for that capital project. The operating portion would go to the managers of the facility. Unless of course we had the project finances managed by that group, then that would go towards them.

In the case of Northern Affairs communities, that is a matter that would have to be decided between departments, whether or not a contribution would be there, out of what budget, et cetera. But it would be an internal matter to government. If it was unorganized territory where there was no government at all, and there are people in parts of the province, that is something we would just deal with and we would pay. It would come out of one department or another. If it was a community like Pine Falls, for example, which is unorganized territory, then we would expect them to pay their share, but that would have to be negotiated by the province with them, because our relationship is with that unorganized territory. So the community though, the municipalities within that community, would only be looking at raising, as we said, \$650,000 of that million-dollar contribution.

* (1040)

Mr. Chomiak: Mr. Chairperson, I thank the minister for that clarification.

My colleague for The Pas I know will want to query on how this applies to the The Pas complex, but in interest of time, I am not going to pursue that. But he will be pursuing that this afternoon here.

One of the, of course, fundamental issues with relation to the policy is how one determines there is an exemption for conversions. I wonder if the minister might explain, what is the definition of conversions. I guess the two best examples would be, is the Misericordia project a conversion, is the Morden-Winkler hospitals a conversion, and how would that policy apply?

Mr. Praznik: Mr. Chair, as the member can appreciate—and I will get into definitions in a

moment—some projects like the Misericordia, and this is what we are working on now, will have different requirements for different parts of the project, as will the Health Sciences Centre, because there are very large, complex changes. The conversion fund, my \$10-million pool that I have, I think we have committed nearly half of it or some \$4 million of it already in this year's budget, and it is still available because other projects are coming up as RHAs deal with functions of facilities.

The purpose is to change internal space to accommodate improvement of function or new function, in essence, where a facility has space that they are underutilizing today by spending—and, again, we cap it at—\$500,000 per project. So it is not a huge amount of money. You are not going to build a whole hospital or wing for \$500,000, but it is to take space today that is underutilized, not being utilized, and by changing that space, knocking out some walls, doing that kind of change within a facility, that space now becomes usable for other functions that are needed, and I have to underline “needed.” We are not just doing it for cosmetic purposes.

If a community needs a new function in their facility, we have space, but we need to convert it. A number of the projects—I think the list has been tabled; we are prepared to provide it again to the member—are using existing former operating room space that is not being used. I know I visited the Roblin hospital. I do not know if they are on that list for a project, but their operating room space they are using for something else now, et cetera. Many hospitals just do not use their operating rooms in rural Manitoba, and that space is available for other things.

I know in the case of Pine Falls—this is not included here now—but some years ago when we put the dialysis program, we had a 50 percent occupancy room. We had lots of unutilized beds in the Pine Falls hospital. The dialysis unit went into what had been three or four rooms before. So walls were knocked out, space was altered, and we now have a dialysis program there within the walls of that facility. It makes eminently good sense. Can we get a copy of this for the member? It is a public number.

Now, with respect to Misericordia, there are a number of things. The three new parts to that building

which will be long-term care, personal care home space, the first, I think, is 100, and then there are two 90-bed facilities in our planning. Those are new projects, and they will be covered by the policy, the 20 percent contribution. I think Misericordia has some fair credits and land and servicing and other things, so that has to be worked out.

I should tell the member, in discussions I had with them and people within their support community, there are many people committed to raise the 20 percent. Some of it is significantly there already, so, although some may argue that they do not want to raise the dollars at Misericordia, there are many organizations within the Catholic community who are associated with Misericordia who have indicated to me they are prepared to take that on and be sponsors and supporters of those parts of the facility. So I do not suspect it will be a problem, but there is some negotiation. Obviously, the more we pay, the less they have to raise or their foundation has to provide, but I do not view that as a particular problem.

Some of those sponsors, by the way, have already indicated that, if the Misericordia turned down the project or walked away from it, they are prepared to go with the 100 beds. I have more sponsors today than I have beds, so we could be in the ground on that one very quickly if the Misericordia changed its mind. So that is not the particularly the issue.

With respect to the conversion of the 175 or so acute care beds into the long-term care transitional unit, there are a host of safety and security issues around that project because Misericordia is just such old infrastructure. We were already looking at a million-plus expenditure there to bring it up to standard, and a lot of that kind of change actually will fit into what has to be done anyway. The change of function is somewhat minor, so I suspect a good deal of that portion of the project is going to fit within the category of safety and security given the need and not require a contribution.

Mr. Chomiak: Do we have a list of the capital contributions required by the various organizations and institutions to coincide with all of the changes? Do we have a list for all of these projects and what capital is required?

Mr. Praznik: Mr. Chair, as you can appreciate, we have just got approval for these changes. We have been working with most of these organizations. I know I have met with many of them, as have my colleagues, particularly Mr. Tweed, and we have sort of garnered what kind of changes we would need to make the policy work, and we just walked that through our system. As I said, I had cabinet approval yesterday, and we are putting this out this afternoon. So I see Mr. Brodbeck is here from the Sun. There is a scoop here, if he can get his paper out, this afternoon, but we have made these changes. They are approved. I am sending them out by way of letter to all the organizations from the department this afternoon, and we will then be recalculating and working out the numbers.

Again, you will never have the final dollar until all the projects are completed, because, again, we split things like change work orders during construction at 80-20. We may have some of those. We can estimate the cost of projects; but, when we are walking together, you never know what they are going to be until the tenders come in. Some may come in less; some may come in more than expected based on the tenders. But we can probably give some rough estimate of those numbers—I look to Ms. Bakken—when we ourselves have them done with the facilities. I do not have a problem providing them as we move along through the process because they will be public, but I cannot give the member a list today, as he can appreciate, because it is a work in progress and a lot of work is going on currently.

Mr. Chomiak: Nonetheless, the conversion fund, the \$10-million fund that the minister has, is capped at \$500,000 per project. Do I understand that correctly?

Mr. Praznik: Yes, Mr. Chair, it is capped at \$500,000, again, because the nature of the fund was to look at buildings that basically we had underutilized space in and to be able to give a pool of money to regional health authorities, to be able to make the physical changes in facilities that will allow them to make the functional changes that they want to do to expand their services. I know a number of them are looking at—if you look at this list, it is quite an innovative list, and more are coming. I think we have only committed, or had requests for, 4 million or 5 million out of the millions. It was never envisioned that the fund would

be so large or the projects would be so large that they were like a complete refit of a facility.

It was designed for those small functional changes that had to go on, and that is why it is there. One caveat I will add to my previous answer, my deputy flagged me: in terms of providing those numbers, we do not usually like to make them available until after we have done the tenders, because in terms of our estimates, the project costs, they may sometimes have an adverse effect on the tenders from the view of the taxpayers. I know the member appreciates that.

Mr. Chomiak: Will the policy apply retroactive to projects like the Cancer Treatment Foundation, as well as the Health Sciences Centre, the major capitalization Health Sciences Centre, and presumably I would like to know where the Winkler-Morden hospital fits in with that policy?

* (1050)

Mr. Praznik: Yes, Mr. Chair, the Cancer Treatment Foundation was one that received approval under its own agreement in between the freeze on the capital program and the approval for an announcement of our new capital program and process, so it will continue as it is.

The Health Sciences Centre, major rework of the trauma, emergency areas, et cetera, that is a project that is still in the planning stages, and like all in the planning stages where we have not yet completed our agreements and approvals as policy will apply to it.

Part of the argument, of course, that was made on province-wide programming and the cap, is we recognize a facility like the Health Sciences Centre, which has so many different things happening and organizations at it, and we have a whole host of foundations raising money, that you can only go to the well so many times, and so rather than have the Health Sciences foundations having to go in to raise a significant portion of dollars for the \$6 million for that major upgrade, we recognize that the Cancer Foundation and others were already by and large into the same marketplace, so that it was important to let it carry on, and without crowding the fundraising market badly.

Mr. Chomiak: We used to obtain a documentation from the department outlining our various schedules, the various capital projects and their status, et cetera. All that I have received this year is the press release on the capital projects by health authority, and I am wondering if we are going to receive a description and a listing of projects as they relate to the long-term, et cetera.

Mr. Praznik: Mr. Chair, the mandate that I have received from cabinet and the Premier (Mr. Filmon) with respect to this program is to move it along as fast as is humanly possible. Given our need for those additional personal care home beds, and so we have asked Ms. Bakken in charge of our capital department to staff up her offices with project co-ordinators, and to take each project, particularly on the PCH side, and see how fast we can get these projects into the ground.

One of the beauties of having long experience in this area, as we have on the personal care home side and many of these projects, we have a lot of the architectural work already done on other projects that can be adjusted with minor adjustments to get in the ground, a number of projects we are negotiating with some sponsors now, and so she is in a bit of a transition here, because our traditional capital process is not being followed. We are trying to move projects ahead rather quickly. She may be able to give you some sense of an update during the course of our discussions, but I know she has been away for a couple of weeks on annual leave, and she is just in the process now of getting her staff geared up and each project identified as to what we need to get it done as quickly as possible.

I am prepared to share that with the member as this develops. I do not think we have that today. We are still working away at it, but as we get an update on that, that I think we can live with and is realistic, I do not have a problem in sharing with the member. I am certainly going to share it with the public, so I have no problem sharing it with the member, but I do not have it today for obvious reasons.

Mr. Chomiak: You can correct me if I am wrong, but the minister did commit, I believe, to something like 400, for example, personal care home beds within the next year. Are those contained within all of the projects as listed on the March 6 announcement?

Mr. Praznik: Mr. Chair, I think we are looking now to get in the ground. We are hoping to be able to get in the ground—I look to Linda—within this construction season. Within this fiscal year, it should be over some 400 beds. We are still dealing with a couple of sponsors who are waiting these decisions on the community contribution policy. When we get a few of these things tidied up in the next of couple of weeks, I would be prepared to provide him with that complete list, with some expectation dates of moving to tender and getting in the ground, but certainly within the fiscal year we intend to be, and I am hoping within the construction year, to be in the ground in at least 400 additional beds. It might be as many as 500.

Mr. Chomiak: Mr. Chairperson, can the minister outline, to the extent that he has information available today, where those 400 to 500 beds are going to be located? Which projects and which facilities, please?

Mr. Praznik: Mr. Chair, I put a big caveat on this because some of these are pretty finalized, some of them we are still attempting to finalize. I should tell him that if any of the sites I refer to their sponsors in the next while are not able to finalize their arrangements, I have more sponsors, community organizations, who want to build these projects and are prepared to take them on. So the only thing that might change over the next few months is some of the sponsors and, hence, potentially some of the locations.

The interesting thing here is we have more people willing to come forward with their dollars and be sponsors for projects than I have beds on my list. So I have a great deal of negotiating ability in getting these projects moving, which is a good position to be in. [interjection] One is the Deer Lodge Centre, where we are able to add an additional 38 beds on the seventh floor, I believe. That should be moving ahead very quickly.

The Betel project, as we refer to it, which I believe was on a location in Erin, we are negotiating with another sponsor. I think we wanted to give, with the change contribution policy, the Betel organization a brief opportunity if it wanted to change its mind again and take on the project. If not, we have two additional sponsors for it, at least two. So given the fact that the architectural design is done, the site is there, it is a

matter of getting the logistics if another sponsor takes it on working an agreement on transfer of land to that sponsor, et cetera, to be able to make that project go. Now, if the Betel organization says no and they are not willing to transfer their land, then we would have to move the project to another piece of land. These are some of the logistic issues. We are hoping that that can be facilitated and worked through very quickly. That is a 100-bed project.

Lions is a 118-bed project, some of which are replacements, some of which are new, I understand. I believe we have just about finalized our agreement with them, and we should be moving to tendering very shortly in August. The architecture and design is finished or just about finished, so that should be going to tender in August.

The Misericordia project which involves, over a number of years, 280 additional beds, the first 100-bed facility, I know that Misericordia secured the last piece of property that they would require. There are still a few issues that we are dealing with Misericordia. If they decide to walk away from the project, I can tell the member that I have another sponsor for that 100 beds who has the land and the site and would take the design and would commit tomorrow to build it. So if Misericordia does decide and change their mind, we would be moving very quickly, I think. With just a few little changes we could be in the ground in that one this year as well.

* (1100)

With the Misericordia, if that project continues there, as I hope it will, there are a few zoning issues that have to be dealt with, so it could be somewhere between July to September but, again, that would be dependent on moving through City Hall with some of those zoning issues.

Oakbank is a 40-bed facility. It has I think some touch-ups on its design because we have added 10 additional beds to it. We should be tendered this fall to begin construction this fall.

Fisher Branch is 30 beds, and it is going to tender next week. It will be first off the mark. Souris-Hartney, which is 20 beds, and that will be going out

this fall, some touch-ups on design. And we have an additional between 100- and 120-bed project we are negotiating on now with a number of sponsors that I am not in a position to identify location today. It will be Winnipeg.

If the Misericordia project all holds together, as I hope and expect it will, there are an additional 180 beds that are committed financially there, but if the Misericordia organization changed its mind and walked away from this, we would have sponsors for those additional beds. I am assuming this project will go ahead, and if it does, there are issues around logistics at Misericordia, because the land base will require demolition of certain parts of the facility to accommodate construction of the new beds.

Mr. Chomiak: The minister indicated initially a 280-bed project at Misericordia. I assume that is the three-stage, 190 and 90 beds. Is the minister also saying another 180 additional beds it is also in negotiation?

Mr. Praznik: No, Mr. Chair, a good question. The Misericordia project involves 280 new personal care home beds divided into three buildings or facilities, in essence. The first hundred, they can be in the ground this year if all our details are put together. There are some zoning issues and demolition things around it, but I think if everyone moves quickly we can be moving on that and then the other 290-bed facilities that require other demolition at their site to accommodate them.

The other component of the Misericordia project is, because they are moving from an acute care to long-term care facility, when the demolition parts are done, I think there are 175 beds or so, give or take some, that remain in the the Cornish wing that will still be part of the centre, and they require refurbishment for safety and security reasons. In the process of refurbishing, which we will pay the whole bill for, we will end up with 170-some, 175 beds which the Winnipeg Hospital Authority wants to use as a transitional unit. So that is where people waiting for placement can be looked after, which then allows the WHA to be able to convert transitional beds in other facilities back into acute care function.

Mr. Chomiak: Just on that point, the 175 beds that we are talking about, the present, existing beds at Cornish

wing are going to be used as transition by the Winnipeg Regional Health Authority. What will be their status? Are they going to be PC beds? Are they going to be long-term care beds? Are they going to be a mix? Is there going to be acute care beds within that setting?

Mr. Praznik: The purpose of the change at Misericordia was—and the member, when he identifies about acute care facility, right, it is to change significantly the function of that facility. We are using quite a number of beds now, medical and acute care beds, in the Winnipeg hospital system. Of the 700-and-some medical beds, at one point I think we have had as many as 300 being used for panelled PCH patients, so this would allow the Winnipeg Hospital Authority with the Winnipeg Community Authority, because there are roles here that are being worked out to be able to put those people who are waiting and panelled into one unit at Misericordia which would be a transitional unit and geared up, staffed up and have the right programs to deal with those people which would then allow us to return many of those medical and acute care beds in other facilities back to acute medicine functions as opposed to being transitional beds for panelled patients.

With respect to acute care function at the Misericordia, I am advised, and this part of the role of other programs at Misericordia I am leaving very much up to the Winnipeg Hospital Authority and their planning, but the ophthalmology program I understand will require some beds, very few, I think it is 10 or 14 or something, to support their surgery program on a day basis and maybe the odd overnight stay. I am not sure what the WHA planning. I go along with what they need to achieve their goals. That would be the only function that would be there that would be in acute care. That is one of the reasons I flag with him.

There are some issues around other programs because the Misericordia Hospital is no longer really an acute care facility. What it does in a city the size of Winnipeg is it allows us then to concentrate our acute care function in the six remaining hospitals which means we can get better and more efficient and better care issues managed in those other facilities than we are when we are spreading the same amount of acute care services out over seven. So I would suspect in the planning that goes on, hospitals like Seven Oaks—this is of interest to the member for The Maples (Mr.

Kowalski)—facilities like Concordia, facilities like Grace, the Vic obviously, will have an expanding and I think more focused role on the acute care side. Some of the planning with respect to those hospitals see significant increases in their acute care capacity.

Mr. Chomiak: The minister talked about negotiating with a number of groups and organizations. Are these all public nonprofit or are there private organizations that the minister is also negotiating with?

Mr. Praznik: Our initiative has been on the nonprofit side community organization, and as I said I have quite a great deal of sponsors. I know one of those sponsors has had discussion with someone who has been in the private sector propriety area, and they are dealing with some issues on their community contribution and relationships and experience and expertise because the particular community organization does not have a great deal of it. I think they have sort of been working together, but it is in our intention to have a propriety home in this mix. If they happen to use expertise in developing their project, I do not think anyone would blame them, but our intention is to all be on the nonpropriety side, and as I have said, we have quite an interest, a number of sponsors.

Mr. Chomiak: Does the capital contribution with respect to the 80-20 contribution change with respect to proprietary or private personal care home operators?

Mr. Praznik: At this stage of the game we have not dealt with that issue. Obviously it has to be taken into account. We are not about to make gifts of public money to the private sector. There are a host of issues around here that the member and I have discussed. My objective in the short term is I have to get more beds in the ground on the long-term care side. I have more than enough nonprofit community organizations ready to be sponsors and raise the money. That is where I am putting my efforts. Should we reach the point at sometime in the future where we are looking at another project on the propriety side, then we are going to have to work on how these rules apply and how we put it together.

To be blunt to the member, at this stage of the game, I have only got so many resources and so much time,

and the practical matter is I need to get in the ground. I have sponsors in the nonprofit sector. We are working out our arrangements and our projects in that area, and that is why I have asked Ms. Bakken and her team to devote their efforts. I am not about to spend developing a number of rules for an area that I am not working in right now, and at some point in time if we look at expansion in the propriety sector—which is not on my agenda today; I have enough work for the next year and a half—then obviously those rules will have to be looked at to ensure that there is equity, that we are not in fact making a gift of public money, and that there is a proper dovetailing it.

But as the member can appreciate, there are different funding formulas and mechanisms here and a host of issues. It gets very complex, and I only have so much staff time. So we will address that when we are over this next stage. At this stage of the game, we do not even have the resources to sit and figure it out, nor is there a need to do it at this stage. But the member's point is certainly noted.

* (1110)

Mr. Chomiak: Mr. Chairperson, the minister gave us a list somewhere of 400-plus PC beds that are in the final stages of negotiation, are quickly soon going to tender, et cetera, so presumably we are looking at somewhere in the neighbourhood of 400 beds sometime next year. Is that a fair observation? If that is the case, how many more additional projects are we looking at in the PC home sector for the short term? Other than the 400 listed, are there other projects ongoing for example? Are we talking about next year several hundred PC home care beds also being put to tender, or is this the extent of the contribution or the increase in PC home beds at this point?

Mr. Praznik: Mr. Chair, I guess, when you add on that extra 100 to 120, and that is depending on the sponsor and the site, it gives us the ability to go 100 or 120. We get up somewhere between 420, almost to 550, that package, so that is what we are looking at moving forward on.

At this stage of the game, I want to get these going and these projects underway. I have authority to do this, and we will move forward. We are obviously

going to be assessing that need once we get these in the ground and going. If as we move along we need to add to this, our Treasury Board is certainly prepared to look at that.

The factor that fits into this is that there is also a change in all of this mix that is going on, and we have had a great deal of interest out of both the community sector and the private sector in support of housing. If you look at the make-up of users of personal care homes today—and it is very interesting, I know the member tours them on occasion and I do as well—one of the questions I always ask of administrators and staff is what percentage of your residents suffer from some form of dementia? I have not been in a facility yet that has been under 60 percent. Most are answering 75, 80, 85 percent.

If you look at the length of stay in personal care homes, they are now 20 months, I think, on average. Most patients are Level 3, Level 4, very high end of care. The good sign of this coin, of course, is it means we have many more options for people. Going back to the early '70s, I know the member for Brandon East (Mr. Leonard Evans) is here and sat at the cabinet table when East-Gate Lodge was approved in Beausejour, and many of the people who went into that facility needed a certain degree of nursing care. Some of them lived there for 20 years. Today, that is very unlikely to happen that the degree of need or care provided to people in those facilities is just much, much more acute. We did not have the same degree of home care services, supportive housing and other things, you know, I look to him going back in the late '60s, early '70s, mid-'70s as we have today.

So the next stage in these alternative housing arrangements and support is supportive housing. We have seen growth in 55-plus units, in life-lease arrangements in communities. One of the things I have asked is the Department of Housing and my department, with the Winnipeg community care facility, the home care group, regional health authorities are working on a set of recommendations or guidelines for people who build seniors housing projects.

What I am looking for is, if you are going to build a seniors housing project, to put within it a certain amount of the infrastructure, we need to provide home

care support. I am thinking of things like intercom systems, including in the bathroom, I am thinking being wheelchair accessible, I am thinking about ensuring that there is a common bathroom available with a Century tub so that home care can look after bathing needs in a facility of 20, 30, 40, 50 units having one or two or three of those kinds of facilities as needed, so that if a person reaches the point they need help bathing, they cannot bathe in a regular tub, there is a Century tub and appropriate care right in the apartment unit so the home care worker can take them down and bathe them, and they do not have to go into another kind of housing. They can get the service there. So these are the kinds of issues we are working out now.

I have also suggested—I know on some of my tours of seniors housing, I have been in facilities where we have 70 apartments with seniors, and home care comes in and provides meal service. You talk to the people and they have a home care worker who is coming to make breakfast, lunch and dinner for four or five different people. They literally run from one apartment to another buttering toast and making coffee and coming back and forth. You have to ask yourself the question: would it not be better for everyone if a meal service could be provided there in the common space, that the kitchen was adequate to prepare that so our home care people could come in and prepare a breakfast, prepare a lunch, prepare a dinner for the small fee of the food cost, et cetera, and be able to bring the residents to that spot for their meal, unless of course they are very ill or bedridden, but you would have the benefit of socialization, you would be able to deliver a better meal product, et cetera.

So those are some of the thoughts that I have had and my staff have had. We have asked the two departments with the home care people to come up with this kind of list, so as we see a growth in a variety of housing alternatives for seniors, 55 Plus, life-lease, apartments, et cetera, that we can have the right infrastructure for our home care people to provide home care service in a very effective manner, both patient care and cost-effective, in these new developments.

I know some of the proprietary developers who have personal care homes in Winnipeg have spoken to me about where do they see the need going, and where I have directed them is that there is a need in the rental life-lease, 55 Plus rates for seniors who are not in need

of a personal care home bed, but are looking for a place where they can be and have these amenities. I know Holy Family Nursing Home, that the member for Kildonan (Mr. Chomiak) is very familiar with, put in, I do not know, it was 30 plus units—I look to the member for Kildonan—of kind of assisted and supportive housing. It has been a tremendous success, and where these are attached to personal care homes, it becomes even better for the couple where one requires a higher level of care that they can still be together and it is easier to have the meal service, laundry service, and a number of other things.

This is starting to develop. A number of those projects are going to be announced over the next while. They are not government projects. We are providing the home care service which is, I think, important. We would provide it in people's private homes. This allows us to do it in a better fashion. That will have an effect on our personal care home need because it will allow us to keep people in their own homes and better environment longer than a PCH, so we are going to be assessing some of that over the winter and those factors will probably determine how many more beds I will have approval for in the next tranche. Is it the end of personal care home construction? Absolutely not. I do not see that happening. There are some needs, both geographic—I know the member for Thompson (Mr. Ashton) would ask me when we are going to get on with building a facility in Thompson. So there are some geographic needs that still have to be filled, and then there are some volume needs that will be there. Exactly what they will be, we are still attempting to determine to try to get it right.

Mr. Chomiak: The minister had indicated a commitment to put in place additional beds to deal with the Winnipeg situation. I note in the capital plan for Winnipeg hospitals, there is only the Salvation Army, the Health Sciences Centre, Misericordia Hospital change and provincial dialysis program. There is no provision in the capital plan this year for these additional beds. Can the minister indicate—

An Honourable Member: Acute care beds.

Mr. Chomiak: Acute care beds is what I am referring to. Can the minister indicate what the capital is for those projects and where those projects will take place?

Mr. Praznik: Mr. Chair, some of the issues are happening. I guess one of the difficulties, and I share this with him, is that this is not a static process, and the decision of the Misericordia to change, the agreement with the Misericordia to change function has triggered in the planning process for the WHA a host of other things that are happening. As they go through their planning now, it will mean that we will have the ability, or the WHA will have the ability, to convert beds in some of their other facilities that have been used as transitional PCH beds back into acute care function.

Currently, the WHA, along with the ministry, is having discussions. There are discussions going on about doing that, how we do that. There are some chain-reaction issues here because one thing leads to another, and they are being worked through. So if agreement is reached, and the WHA planning process, as we discussed the other day, their preliminary plans will be coming shortly to their board and will be shared with us and finalized later this spring. I think we will then be in a position to announce some of those changes.

If capital is needed in some of them, they may fit within our conversion. We may have to go back to Treasury Board for approval, but I know from the discussions I have had with Minister Stefanson, we certainly want the planning process to be completed, know what we can do and get on with doing it. I appreciate the frustration of not seeing a complete list for the year, but there are so many things "in go" here that the picture really is not complete, and I am not at liberty today to identify those negotiations that are going on, in fairness to the other parties, about where we are going to make some of those changes.

* (1120)

One thing we do get out of all of this, of course, at the end of the day is, as these new beds come on and the consolidation of the transitional beds at Misericordia, we will start to see a more correct use of medical and acute care beds. I know when I was at Misericordia hospital, I asked one of the Sisters who is in charge what percentage of their medical or acute care beds had people who were panelled for PCH beds. At that particular day she said it was probably around half, so as we get a better use of our bed system, that is going to free up a lot of capacity.

There are also some other places where we have transitional units that will give us the ability and the planning process to convert them back to acute care function. Those do not involve a great deal of dollars either. In fact, I would suspect some of them are going to fit within my \$10-million conversion plan very nicely.

Mr. Chomiak: Mr. Chairperson, can the minister indicate where those transitional units are?

Mr. Praznik: Each hospital, I am advised, today has beds that they identify for those transitional people. So as we get more space for them, that allows them to free up those beds. There is a designated PCH unit, I believe, at Concordia Hospital, 60 beds.

Mr. Chomiak: I appreciate the minister's previous response to my question. I guess what I am trying to come to grips with is it is fairly clear that the projects that are announced in the additional PCH beds and the Misericordia conversion will not take place this year to allow for transition. I am trying to get some idea as to the commitment by the minister for additional beds available by the fall. I am trying to get some idea as to where that will fit into the piece.

Mr. Praznik: Mr. Chair, within the immediate future, like by the fall, we should have some of those beds completed in Deer Lodge, if I am not mistaken. Right, we, hopefully, will be able to have completed or significantly completed the change at the Misericordia, which will allow just for a better usage of beds. I mean, obviously, the beds are there today. We will have them better beds, I think, at the end of the day, and we have asked staff to scour the system, the WHA to look at the system. Is there anything we can do in preparation of this next flu season, for which, I admit very candidly, we will not have all this new construction completed by that time? Construction usually takes a year to a year and a half, depending on the facility. So we still have a period of time in here that concerns me and if there are places that we can add capacity.

I know we have even looked at, and I want to be very careful what I say here, but we even looked, for another season, was there any additional capacity in any of the old buildings at Riverview that we could use? Our staff

who have looked through that, I mean, they are just not acceptable. So we have been looking to see if we have had anything around the system that we could put into service on a very short-term basis.

Mr. Chomiak: We have sort of been on this road before. So there will be, perhaps, 38 additional beds at Deer Lodge, and there may or may not be beds at Misericordia that, presumably, are now occupied by some acute care patients, that will be occupied by long-term patients. That really is not going to give us any expanded capacity.

Mr. Praznik: Just better beds, that is all.

Mr. Chomiak: A different utilization of beds, but really, with the addition—so I guess the question is: where are the beds going to be?

Mr. Praznik: Mr. Chair, as well, the 83 that we have funded and put into operation, they will remain in operation as long as they are needed. I understand most of them are—they are still staffing up some of them or something. I would hope they would all be in operation, but they are still available and the funding will be available for them, plus those additional beds.

I am looking forward to the WHA being here to discuss some of this in more detail, because obviously they have that responsibility and are more up on the details in their planning. But I know there are some other options to deal with another flu epidemic next year if we hit—that we have learned out of this year's season, things that did plug our emergencies.

I know, for example, at the Grace Hospital, in the Grace area, we had a very large influx of people from the Courts of St. James who, because of their location to the Grace, tend to use that emergency room. I think there was a clinic put in place at the Courts of St. James to deal with flu and a lot of the walk-in traffic that did take some of the pressure off during the height of the crisis.

There are some options. We have asked the WCA to work with the WHA, and it may involve us gearing up a host of other places to deal with people with flu to keep them out of the emergency wards, which does take some of the pressure off, not necessarily on beds, but certainly it takes pressure off the emergency ward.

So we are looking at other ways to handle this in the next winter, but I am sure the member can appreciate that I cannot make buildings appear overnight. They have to be built, and we are trying to get them in the ground as fast as possible in the next while. So, yes, we are still going to have another period in front of us. It is going to be a little bit tight. I cannot control all the factors, but both authorities are going to try their best to manage with the resources that we humanly have available to us.

Mr. Chomiak: Is the minister convinced that officials are actually reviewing the physical layout of facilities like St. Boniface Hospital, Seven Oaks Hospital and other facilities to possibly place beds in some of the areas and space that, frankly, have capacity to be occupied by beds?

Mr. Praznik: The member asks a very interesting question. I am going to save that one for the WHA people when they come in, because I think that question should be put to them. I know, myself, from my experience in being in hospitals visiting people when my—we have had our children—there was always space, I thought, that could be made available for beds if necessary. But it is not just the space issue; it is also have the staff available, and being able to service those beds appropriately. That is also part of the difficulty, have the staffing available.

One of the issues or points that was raised to me with the Manitoba nursing union is issues around the casual pool and staffing with casuals. I am hoping that, with the WHA and some of the changes that are taking place, the WHA can provide that pool so that we can guarantee, I think, more employment and more regular employment to people who often form part of that pool and have a better use of our existing nursing staff to make it more attractive to be able to recruit into this area. Is it easy? Not at all, but I would think that when the WHA is here—and I think logistically we have to set a date for that sometime today—then we will make sure they answer that question.

Mr. Chomiak: Mr. Chairperson, is the minister indicating today, though, of the \$10-million conversion funding that he is going to be announcing later in the day as part of the capital program—or the \$10 million that is available for conversion—is any of that money

going to be made available to the WHA or the WCA with respect to conversions to put in place and to convert facilities and/or beds in order to accommodate additional requirements?

Mr. Praznik: Mr. Chair, just to correct the logistics, the \$10-million fund was announced some time ago. The first tranche of approvals under that fund was in the press release I provided to him that was released some time ago.

I think we have committed \$4 million or something of the \$10-million fund, and we approved just about everything that would come forward. I do not want to imply that there were, you know, \$10 million of proposals and we only approved \$4 million. Anything that met the criteria that made sense, we have approved.

The fund is still available to regional health authorities, including the Winnipeg Hospital Authority, so that as they identify space, ability to staff and all the things that they need to get through this, there are some dollars that are going to be required. I know one of the projects that I am aware of that is being discussed and negotiated now will require some dollars probably out of that fund for a conversion to create acute care beds, so it will be there. If they come forward with projects, it is a tool that is there to help them do it, so it is money I already have identified in my budget.

* (1130)

Mr. Chomiak: Mr. Chair, so just by way of example, if it is feasible that the eighth floor, for example, of St. Boniface Hospital can be converted, presumably money would be available under that conversion fund to convert the eighth floor to house beds, if it in fact comes forward as a recommendation?

Mr. Praznik: Mr. Chair, that project would require considerably more dollars because there are issues with washrooms. It was a pediatric ward, so their washrooms are not meant—it is a major, major refit of that facility. Again, that is a question we are still struggling with, how we can accommodate over the next winter if we require that space, but it is not a half-million-dollar project. If it had the washroom facilities and things, it would be easy to do within that, but it is probably a \$2-

million to \$3-million project. So we are struggling with that one right now.

Mr. Chomiak: Mr. Chairperson, actually my colleagues are being very patient. There is a good deal of interest with respect to the capital projects, and some of my colleagues are going to ask questions this morning as well as many questions this afternoon.

In terms of logistics, my sense of things is that we will spend the afternoon on capital, and we are going to have to return to capital, I believe. I am thinking we should perhaps target the Winnipeg Regional Health Authority people to be here Monday and Tuesday, if that is at all possible.

Mr. Praznik: Mr. Chair, I am advised that Ms. Suski and Mr. Borody would be available on Monday, if we could deal with WCA home care. On Tuesday, Mr. Webster and Mr. Fast and Dr. Postl, some combination, would be available for Tuesday and Thursday. If that is agreeable today, then we can make those arrangements for them to be here.

Mr. Chomiak: I think that will work out. I just have one final question before I turn it over to my colleagues. Has there been a request, or is there a request in works, for some conversion in work at Children's Hospital for additional either step-down or ICU beds? Is there anything in the works in terms of capital right now?

Mr. Praznik: I am advised we have had no proposal come forward from the facilities or the WHA yet.

Mr. Leonard Evans (Brandon East): I welcome the opportunity to ask the minister a few questions in the area of capital construction and say to him, of course, that I am very disappointed that in his March 6 capital program announcement there is no reference whatsoever to the Brandon General Hospital.

As the minister knows, this on-again, off-again construction of major renovation, remodelling of the hospital has gone on for years and years and years. I can tell him my former colleague, the honourable Larry Desjardins, as Minister of Health, did make a commitment and we were well on our way to providing a new hospital in Brandon. Regrettably we lost the

election, and Mr. Don Orchard at the time decided to cancel everything and start from scratch. Since then I think there has been an announcement at least three times by the former minister of Health, front-page stories in the Brandon Sun, unveiling of models, and so on of a new Brandon General Hospital, or a renovated Brandon General Hospital. And here we are today with virtually nothing happening.

What we have got, however, is a major obstacle being presented by the new policy which says that local groups, municipalities, local citizens have to come up with 20 percent of the capital cost. I do not know where the minister came up with this idea. The fact is, historically, or at least for many, many decades, the Province of Manitoba has paid the 100 percent of the capital cost. The 20 percent is another major obstacle, and certainly is not parallel with the government's approach in funding public schools. You would think—or maybe they are next. Public schools are funded 100 percent. Construction costs are funded 100 percent by the province, and this has been the case for major hospitals.

I want to remind the minister that the Brandon General Hospital is the only hospital of its size and level of service in the province that has not been modernized. I believe the Grace, the Victoria, they have all had their turn over the last several years. I do not believe that they were required to pay 20 percent, the various communities in Winnipeg were required to pay 20 percent of the capital costs for the renovation of the Grace—now correct me if I am wrong—or Victoria or Concordia. I believe 100 percent of the construction costs were covered by the Province of Manitoba. But here we have got in Brandon the only hospital of that size and of that service level in the province that has not been modernized that the area is now being required to come up with 20 percent. It is simply a major obstacle, and it is not fair.

What I would like to see the government do is recognize that in this instance, by matter of fairness, in a matter of getting on with ensuring that the Brandon General can maintain a critical regional role, that it provide the 100 percent funding and get on with the job. It just boggles the mind that year after year goes by and nothing happens. In the meantime, I know the minister has been around the hospital, but I would like

him to take a tour of the defects and examine the defects, the physical defects, of the building. These were enumerated on the front pages of the Brandon Sun a couple of years ago by myself and the former minister. The member for Brandon West (Mr. McCrae) acknowledged that. Everything from inadequate operating rooms to leaking windows to elevators that did not work, that emergency buzzers in the operating room that did not buzz, et cetera.

You know, it is just not acceptable, Mr. Chairman. So I would like the minister today to tell me that he recognizes that this situation is not fair, that it should be addressed and that the government will get on with the job of providing the funding, so that that hospital can be modernized.

Mr. Praznik: First of all, I know we are running three sections of this committee today. Members have interests in other areas under consideration, and the member for Brandon East (Mr. Leonard Evans) did not have the opportunity to be here in the early part of our sitting this morning but, in discussing the community contribution policy, we indicated that this afternoon—and I have gone through the detail with his colleague—we have changed, significantly, that particular policy. We refined it further. I think when the member has the opportunity to review the details of that, he will find that it is not a detriment or should not pose a severe difficulty to the people of Brandon to meet their contribution.

The purpose of that policy, I think, and just to put it in perspective of the province and the country, traditionally communities have raised virtually all of the dollars for their contribution. I think beginning in the '40s or '50s the federal government made a contribution to municipalities to build facilities. The province started making a contribution as we got into the medicare system, of which half, initially, was refundable by the federal government.

I think a 20 percent local contribution was still required up until the '70, and I believe he was in cabinet at the time that was eliminated. Since that happened, the federal government's contribution to our overall health has declined considerably. Many provinces, including Saskatchewan, maintain a community contribution policy. I believe Mr. Romanow's

government requires 35 percent—I am not familiar with all the rules around it—Ontario some 50 percent. The purpose of having one, and I think it is a very good one, in that it tends to focus a community's mind on what exactly it needs.

I have toured many hospitals that were built in the last 20 years, some by our government, some by the member when he was on this side of the House, in which facilities were built with things like operating theatres, et cetera, that have never been used in many, many years and, if used, rarely. The facilities and communities wanted things in their facilities, fought for them even though they were not particular expenditures that resulted in proving the services or even meeting service needs in their areas.

So, ultimately having the ability of a policy to focus a community on what it really needs, which only, I believe, happens when people are coming to the table with some of their own money. I know in the neighbouring community to him of Shoal Lake, for example, where they had a 23-bed hospital, I think it ended up a 19-bed hospital, 35 percent occupancy rate, time dated. It needed huge amounts of work; actually had to be demolished; should be demolished. They wanted the hospital replaced.

* (1140)

When the community contribution policy came into play and with a community of some 1,500 people, they looked at having to pay their share of a new hospital. It tended to focus very quickly on what did they really need. And what did they really need? According to their doctors, and I was in the room when their doctor said to us, they only needed six to eight beds to service their practices.

All of a sudden, because they had to raise a portion of the dollars, people focus very quickly on what do we really need. The result is we have in this year's capital program the construction—we are still finalizing detail—of a six- to eight beds in the Shoal Lake personal care home. It is a 40-bed personal care home. We will be adding six to eight acute care beds with an examining room, where they can share a nursing station and make it a very good patient service that services the doctors and the patients and is affordable.

Having gone through that process I can tell the member what really made it happen in a co-operative fashion was that the community said, well, if we are putting some money in, what do we really need here, and it focused people on their real needs. I think that is important.

We have many hospitals, as I said, that I have toured where they have operating rooms that are not necessarily that old, were built within the last 20 years, that have never seen a scalpel, or if they did it was a long, long time ago. They do not have a surgeon and they do not have an anesthetist, and most of the surgeries now being done that used to be done there are laser surgeries, and they are going to be done there locally, and the dollars were expended and wasted, quite frankly, and now they are looking to convert to other things.

With respect to Brandon, if I may answer these questions to the member, and I am going to let Ms. Bakken make an update on the Brandon projects because there are a number in Brandon, but I can tell the member we have put significant capital in on I know the psychiatric facility that is under construction, and it will be opened very shortly. I think today or tomorrow they have an open house and will be cutting a ribbon there shortly. There are some other projects. If I may have Ms. Bakken then please just update the member on the status of those projects. Go ahead, Linda.

Ms. Linda Bakken (Director, Facilities Development): Mr. Chairperson, the Brandon General Hospital redevelopment was approved in the 1997-98 capital program. It has two major phases to it, the energy centre which had almost finished its design when the program was suspended, completed its design, and it is ready to go to tender within the next two to three weeks.

The second phase of it, which we call clinical services redevelopment, will address the emergency department, the operating theatres, the outpatient areas and I think the pharmacy. I think the staff are in Brandon today finalizing the decision on the consultants that they are hiring for that project. We are hopeful that the project will be designed and can go to tender within the next 12 to 15 months.

So the money has been approved in terms of the actual acute care hospitals' redevelopment plans. In addition to that, the 25-bed acute psychiatry project, the final touches are being put on that.

A psychogeriatric assessment unit has been open there for a number of months, and the child and adolescent inpatient and outreach program is under construction and anticipated to open in the early part of this summer.

So a really considerable amount of money has either been spent or committed in Brandon over the last two years.

Mr. Leonard Evans: I thank Ms. Bakken for that information. I appreciate the development of psychiatric facilities, but I remind the committee that, of course, the government has closed down the Brandon Mental Health Centre in its entirety, and many of those services were provided at that facility that Ms. Bakken refers to.

But what I do not understand is the minister previously talked about it may be excessive facilities in a community because the local people did not have to pay towards it, but my understanding with the BGH, over the years the planning has been done essentially with the ministry's staff. I mean, it is not as though somebody in the local area has done it all by themselves. It is being done as a co-operative area, and I believe the initiative and most of the guidance has come directly from the appropriate staff within the ministry. Where it has fallen down is that at some point or other the government has taken a step back and said, well, we are not going to proceed now; we do not have the money available.

What I do not understand—I appreciate the information about the energy centre going to tender, and the reference to the clinical services may be 12 to 15 months in the future, but is the government requiring 20 percent of that to be paid by the local community, or are you just going ahead and you are paying 100 percent of that? I do not understand.

Also, I would like to ask the minister, he mentioned earlier on—and I am sorry I was not with the committee earlier in the morning, but he mentioned some changes.

Does that mean the 20 percent formula as it applies to Brandon does no longer exist? What is the percentage, just very briefly?

Mr. Praznik: Mr. Chair, the 20-80 rule still applies. The changes that we made are basically this: some of the changes were made before, some are new that we have approved and will be putting out today. It is 80-20 split on the whole package true cost, so that the value of land, servicing of that land gets added into the total of the cost of the project. Prior to that, land and servicing and changed work orders were the responsibility of the facility. So they, in essence, get a credit for those values that they contributed to the project now. They do not get credit twice for the land, but if the land contribution was never used before as a credit, it is now eligible.

Secondly, if they have expended money on something that otherwise we would have been part of the project, they did it in advance, there is a credit available. We do provide—and I know this will be of interest to the member for Thompson (Mr. Ashton) representing a northern constituency. In my tours up North, it was pointed out to me—and it is really not so applicable in Brandon, it may be partially, but where there are First Nations communities who purchase their health care through a different system, in many cases with the federal government or an organized territory, it is unfair to ask a municipality or community to pay that share, so we now provide a credit for that. So, in the case of The Pas, the percentage of usage of that facility from, for example, the Opaskwayak Cree Nation would be excluded from that community contributions, so we made some adjustments in that particular area. The federal government does fund the capital side for personal care homes, those things there.

We have also agreed to provide the financing for the community contribution in, I think, a very advantageous way. Any dollars put up front at the beginning of the project, in other words, when we are ready and need those dollars, we are prepared to give a two-for-one credit. So if the community's contribution, in the case of Brandon, let us say the whole project was \$6 million. If they raised \$3 million or \$2 million and contributed it at the front end, they would get a \$4-million credit towards their contribution. They would only be left with two of the six to raise. We would finance those

dollars interest free over a 10-year period. That is really the essence of the change today.

* (1150)

So wherever a community raises money, whatever amount they raise, they get a two-for-one value towards their 20 percent paid up front or as needed on the call on that money. Whatever they do not pay, we will finance over a 10-year period and they will pay one-tenth a year, interest free, over that 10-year period. So that means they do not have to go and worry about the financing and the interest, et cetera, on top of that. The reason we give the two-for-one credit is if we did not give some incentive for front-end dollars, why would anyone go and raise the money up-front when you, you know, just say take it at a year. Even if we had a million in our foundation, we would keep it in there and draw the interest, so there has to be an incentive to pay up front. That is why we put that together.

The other part to this is that the community contribution is 20 percent of capital capped at \$6 million, and it is for the community. It is for all projects in Brandon on a 10-year rolling average so that—we did not want to make it so onerous. The purpose of the policy is to get people to focus the mind. And, yes, although Manitoba Health staff work on the development of the project, my experience has been and other health ministers and people in different parties, and I have seen it in projects that are developed and my dad was on the hospital board in Selkirk, but it is all coming from the province, the tendency is we need. We need this, we need that, we need that even when all medical evidence or all policy evidence says you do not really need it. People say, well, let us get it now because we are building; we may need it in the future. I know Ms. Bakken, who has a great deal of experience in dealing with these projects, may want to comment on it if the member asks, but it does tend to focus people on what they need because they are going into their pocket.

We did not want it to be so onerous that it would prevent a project. In the case of the energy centre at Brandon, I think they have a million-dollar credit at some point because of previous land. Ms. Bakken says virtually under this new policy, they have reached their community contribution on the energy plan, on the

energy side, so their fundraising efforts will have to be based around the next stage of the project. But, again, whatever they are able to raise through their hospital foundation, they get a two-for-one credit. We will finance the remainder over a 10-year period, so I do not think it becomes so onerous.

These changes really result from the discussions that myself and colleagues have had and from comments opposition members have made, as we have all toured the province. It was a new policy. You want to see how it works on projects. You get the feedback. We have identified, I think, most of the places that have presented problems that would prevent the projects from going ahead. We have, I think, adjusted the policy to ensure that projects do, in fact, go ahead and in the manner in which we intended the policy to work. So I think the member will find that it is far less onerous on the people of Brandon and district, and I would expect that the neighbouring municipalities, who use that facility, will also have to share in their usage of that, because it is a regional hospital.

The last point I make is that the reason we put a \$6-million cap on the 20 percent is, if you look at the size of most of the projects, when they reach the 20 percent—being \$6-million stage—those projects then usually have gone beyond serving just the community that they are intending, and they do have a larger significance. So that was kind of the rationale behind the \$6-million cap.

Mr. Leonard Evans: Well, I appreciate what the minister has stated in making it a little less onerous. I assume from his remarks that the policy of a local contribution in no way should hold up any construction development that is deemed to be needed and required. The frustrating thing I am repeating about this is that this has been going on for year after year after year, long before the current minister had ever thought of becoming the Minister of Health; you know, years. [interjection] Again, I do not know which was the last community hospital in Winnipeg to be modernized, whether it was Victoria or Grace or whatever. Correct me if I am wrong, I do not believe the government required a nickel from that area of Winnipeg towards construction of those.

Maybe if I am wrong, I stand to be corrected, but it is my understanding that it was because of recognizing the

type of service, just as the Brandon hospital is providing a wide service for people in northern Manitoba, Saskatchewan and so on. It is just not Brandon and immediate district.

Mr. Praznik: Mr. Chair, prior to some point in the early '70s, every one of those buildings that was built prior to that required at least a 20 percent local contribution, so much of the infrastructure at Health Sciences Centre that was built prior to the mid-'70s would have had a local contribution.

Secondly, under the policy, even when 100 percent of construction was paid for, there still was a requirement on the sponsors to provide the land, the servicing of the land that has a value. So Victoria, Concordia, all of those areas had to raise dollars to provide land servicing and, I am told, change work orders. During the course of construction, they had to pay for 100 percent.

Now, we are saying that all of those are lumped into the total. The land, the servicing of the land, change work orders, during construction, are lumped into a package of which the community pays 20 percent. So there is no facility anywhere in the province that did not have to raise something. Yes, it is probably somewhat more than it has been for the last 20 years, but there was no free construction. The sponsoring groups had to provide land and the cost of servicing that land. In many cases that was very expensive. Today that is split on 80-20, because it is lumped together.

Mr. Leonard Evans: We are running out of time, I realize, and I have to go to my constituency in the afternoon after the Question Period. I just want to comment that we brought that policy in. It was the NDP that brought it in, because that was part and parcel of our enhancement of health care services in the province of Manitoba. We firmly believe that those costs should be borne by the provincial taxpayers, not by local groups, for better or for worse. The same philosophy that underlay the elimination of medicare premiums or bringing in a generous Pharmacare program, it is all part and parcel of that upward thrust.

We do not have much time, and I just wondered if the minister, on a different topic—I do not know whether he is familiar, but I want to throw it out because there is a

lot of interest, and he was talking earlier about personal care homes and home care and so on.

There is a group in Brandon, the Sokol Manor, a seniors home in Brandon. When it was built, there were a couple of rooms of schooling under Education. That school no longer exists for different reasons. The population of children has diminished. That space is available. This group, Sokol Manor Inc., would like to utilize the space and provide some sort of enriched seniors housing along the lines that the minister, it seemed to me, was talking about earlier. They have been rejected by Manitoba Housing, apparently because there is not as much federal, or if any federal, money available.

I just wondered where this would fall in terms of the minister's interests in promoting that kind of housing.

Mr. Praznik: Mr. Chair, I am glad the member raised that point. First of all, I think the problem with housing has been the federal government used to provide 75 percent of the cost, has pulled out of that entirely, which means the program has virtually ended in terms of that support, and it is a frustration we have had.

We have been working with Housing to develop some rules and guidelines around what we need to put into seniors housing, whether it be co-operative, 55-plus, life-lease or any of those options, so that we can guarantee effective home care service delivery, which is where I want to be. So I would suggest that we have some discussions about some other options, which I would love to do with the member. They might want to consider a life-lease arrangement or something to help get that into operation. It may not be totally ideal, but does make it possible.

The other point I just wanted to make—the member flagged the changes in the '70s by the Schreyer government on the community capital contribution. I have acknowledged that when he was not here, and the differences I just flag. I understand perfectly why it was done, and, in principle, I am generally supportive of that, except for two things that have changed. The federal government, at that time, was still providing 50 percent of the cost to the province, so their withdrawal and their growing withdrawal from health care has made it more onerous on the provinces to provide that.

Secondly, my experience has been in my own constituency, whether it be in school development or whether it be in hospital development, there tends to be an expectation that it is free money when it comes from the province. I know I have seen in working with some groups around school development the same principle that it is a free school, the province pays for it, we do not, even the same taxpayer, and the expectation level sometimes around the construction goes somewhat higher than the true need. In health care that has always been the case, so, although I agree in principle with that as a provincial contribution, there needs to be some method of focusing.

That is my only point, and it is a practical one of human nature, of focusing people on really what their need is. Human nature being what it is, if you are putting some of your own money as a community on the table, you tend to focus. It should never be so onerous, in my opinion, that it prevents people from getting the facilities or services that they need. On that, I think we would agree.

The Acting Chairperson (Mr. Dyck): The time being 12 noon, I am interrupting proceedings. The Committee of Supply will resume sitting this afternoon following the conclusion of Routine Proceedings.

RURAL DEVELOPMENT

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Rural Development. Would the minister's staff please enter the Chamber at this time.

Mr. Clif Evans (Interlake): Mr. Chairman, I will pass 13.4.(a).

Mr. Chairperson: Item 13.4.(a) Executive Administration (1) Salaries and Employee Benefits \$116,800—pass; (2) Other Expenditures \$32,600—pass.

Item 13.4.(b) Assessment Services (1) Salaries and Employee Benefits \$5,720,000.

Mr. Clif Evans: On this line, can the minister just indicate—with the Assessment Services, there has been

some issues brought to my attention. I would just like to ask on this line what the future development for Assessment Services—where is the Assessment branch for Rural Development going as far as its future assessments? How are we going as far as the cycle goes? Where are we at right now with assessments?

Hon. Leonard Derkach (Minister of Rural Development): Mr. Chairman, as the member knows, we have just gone through a reassessment cycle, and we are on a four-year cycle presently. The Assessment branch will be doing reinspections now that the reassessment cycle has been completed. We are also going to be working on upgrading the programs or the systems with regard to the MACS system, as I understand it. So, basically, we are on track with reassessment. There are reinspections that are going to be taking place.

As the member knows, over the last four years we have spent some time enhancing our client services and ensuring that not only municipalities but indeed individuals who are property owners have an ability to access information more readily from the Assessment branch. We have introduced some methods whereby open houses allow individuals to come in and actually compare their assessment against other properties very easily.

It also allows staff to communicate directly with, not only municipalities but clients. So these are approaches that are new, and they are approaches that we think serve the needs of the clients better. We are going to be continuing to enhance those types of services in the future.

* (1010)

Mr. Clif Evans: If the minister could just enlighten me as to the cycle that we are in, and I have totally forgotten exactly, are we on a '98 for—it is four years, are we '97? What I am asking is, it is a four-year cycle now, so where are we now? Are we due for next year, '98 for '94?

Mr. Derkach: The last assessment that was done was based on '95 values, and it was done in '97 for the 1998 year.

Mr. Clif Evans: Have there been any problems arising with the assessments with municipalities on individual dwellings and assessments in the past two assessments that we have had? I will be questioning the minister as far as appeals. Have there been any major problems in any of the municipalities with the last assessment as far as appeals to the boards in this past cycle?

Mr. Derkach: Mr. Chairman, our appeal rate, at the present time, is about 1.3 percent, and this is the lowest rate that we have experienced since market-value assessment. I believe that the approach that has been taken by the Assessment branch is working. It is working effectively because the number of appeals has dropped significantly. When you are down to a 1.3 percent appeal rate, it does mean that most of the ratepayers, taxpayers who are property owners, are basically satisfied, or have accepted their assessments and are satisfied that they are fair.

Mr. Clif Evans: When the new assessment process was put in place, there seemed to be a certain amount of confusion as to how properties were being assessed. Now, if the minister can inform me, is there a statute of limitation as to any appeals on the initial process when it began? It has come to light that there are some businesses and that, and some communities are feeling that the assessment when it began was evaluated much too high, and now this evaluation, of course, is continuing.

How is the assessment of a property rated as a business, if the minister is understanding my question? A commercial building, how is the assessment done, and how is the tax based on that business come to? What is the formula?

Mr. Derkach: Remember there are, I guess, three basic approaches that are taken with regard to evaluation of property. One is on sales, which would give us the market value of property, of similar types of property. A second approach could be from the income stream of a commercial property, and, in that, I would say that the larger businesses that do not sell very frequently are ones where we would use the income stream. And then the third one, of course, is the cost approach to market value, which means that we are looking at the cost of replacing or building a particular

commercial structure to be able to arrive at some fair market value for it.

So those are the three approaches that are taken, and we try to ensure that we examine—on the income side, for example, we make sure that we have some access to records or some such thing to be able to arrive at a fair value for that property.

I guess the system that we are using today is much more understandable than the previous one was. We deal directly with our clients. We make sure that they are involved when it comes to assessing a particular property so that they do not go away misunderstanding anything about how the valuation of the property is going to be done, and in most cases there is agreement between the property owner and the assessor that, yes, indeed, this is what a fair market value is. So it has become a much more user-friendly system, I would say, than we had in the past.

Mr. Clif Evans: If I am understanding correctly then, or if I understood correctly, the new assessment process came into play in 1989, was it not, for '85 values? It is also my understanding, as the minister has indicated, that after that there was the opportunity for businesses to work on one of the three processes that the minister has mentioned and that they were able to, with the income source, have their assessments done on that basis and not on the original '89 assessment. Is that correct or not?

Mr. Derkach: Mr. Chairman, the new assessment act came into effect in 1990. The system that is used is not a choice system. We used one of three approaches to value property, and it depends on the type of property as to the approach that is going to be taken. On some properties there are not enough sales to be able to determine what the value of that particular piece of property is. So in those circumstances we have no choice but to use the income stream. On properties where there are lots of sales, we use the market value or I guess the sales approach to determine what the value of that property is.

Appraisers basically use the income approach on commercial property because that is found to be the most accurate approach for assessing commercial properties.

Mr. Clif Evans: I have a particular case with a business in Riverton. It has been brought to my attention. The owner would like to have his assessment evaluated again. I imagine that is what he is looking for. I am not quite sure what can be done because the argument he has is that since 1990, when a large increase in that particular business went—I think it was about a 40 percent difference between the previous tax year and when the new assessment came in. It was one of the largest increases in the community. He has undertaken to try and have this matter resolved, believes that with the source of income and the sales, it does not warrant the amount of tax that he is paying on a particular piece of property.

* (1020)

Example, a motel unit that generates very little income, generates very little sales and is there, he is paying approximately \$3,000 to \$5,000, I believe \$5,000 for a nine-room motel unit that does not have the income, does not have the sales to really establish the fact that he has to pay the amount of taxes that he is paying on it.

Is there a process in place that he can approach the Municipal Board or the Assessment people to have his property and the taxes and how they have increased revisited? Is there something he can—a process that he can bring back to have this reviewed? He feels that the tax base is unjust. I believe he has contacted someone in Rural Development and has gotten nowhere with it. Is there any statute of limitations?

Mr. Derkach: Mr. Chairman, just before I answer the question, I am sorry, we have with us Mr. Fred Butler. He is the municipal services co-ordinator, who has joined us at the table this morning, and I neglected to introduce him.

With regard to the question the member asks, the property owner has an avenue to appeal his taxes or his assessment, and that is done annually. In fact, he can appeal to the Board of Revision that every municipality has to establish. If the Board of Revision does not satisfy, I guess, his wishes, that individual then can proceed to the Municipal Board with an appeal. He can do that on an annual basis. Now there is a time limit on when his appeal has to be filed both at the Board of

Revision and then also at the Municipal Board, but we try to work with the clients of municipalities as much as possible. I could tell the member that in the last reassessment cycle we had over a 180 meetings with people across the province. We do mail drops to households as well to inform individuals what the process is with regard to assessment, with regard to appeals, with regard to the Board of Revision, the Municipal Board, and so forth.

Now, if in fact this is an individual case where this member or this person has not been able to get a satisfactory answer from someone within the Assessment branch or have his case reviewed for some reason by the Board of Revision or the Municipal Board, I would encourage the honourable member to give us the name of the individual, and we would be happy to have staff from the Assessment branch visit this individual and sit down with him across the table and discuss the process and the assessment as well.

Mr. Clif Evans: Yes, I will be doing that, and I apologize. I had the file sitting on my desk this morning to bring to the Estimates this morning and forgot it downstairs. So I do have the documentation available, and I will be presenting it. I might even bring it back this afternoon and share it with the minister, and I will also expand further on this particular issue with the minister in private after Estimates or this afternoon on it. It is a situation that I feel should have been dealt with much sooner, unfortunately, and we could not deal with it then. So I appreciate that.

Mr. Derkach: Mr. Chairman, I do not expect the member to bring it to the Chamber. If he could just either talk to one of my staff or me personally at some point in time over the next day or so, we would be happy to see whether or not we can assist in resolving the issue.

Mr. Clif Evans: Could the minister just expand on Expected Results for Assessment Services: “Public Schools Finance Board requirements will be met annually”? Can the minister just enlighten me on how that operation or that process works?

Mr. Derkach: If I understand the member's question correctly, the total assessments for school divisions is

provided to the Public Schools Finance Board annually, and it is done prior to December 1 of every year.

Mr. Clif Evans: Can the minister then indicate on Less: Recoverable from Education and Training of \$1,731,800, exactly what does that signify?

Mr. Derkach: Mr. Chairman, the Assessment branch provides the service for assessment, and 75 percent of that service is paid for by the municipalities, 25 percent of that service is recovered from school divisions or from Education and Training, and this is the amount that is recovered from the department for that service.

Mr. Clif Evans: Mr. Chair, if I might, on this line, if the minister will recall—and I think the director of Assessment will recall that at a meeting, I believe it was a UMM meeting, a regional meeting, it was brought to the attention of the department the concerns that the then LGD of Armstrong, now the R.M. of Armstrong, had with respect to some tax bases on some Crown lands that were not being properly valued or properly paid for. I am not quite sure what it was, but I know that the reeve and councillors met with the director, and I am wondering if that is still an outstanding issue, or has it been resolved?

Mr. Derkach: Mr. Chairman, I do recall the meeting with the R.M. of Armstrong, and I believe the issue at that time was the dollars that were supposed to be realized from the wildlife management areas, and since that time the issue has been resolved through the Department of Natural Resources.

Mr. Clif Evans: Mr. Chairman, I thank the minister for that. I have not had an opportunity to talk to the reeve about that particular issue, but I know that we did bring it up. As a matter of fact, we brought it up during Bill 54, during the hearings, so I am glad to see that it has been resolved.

Field staff, professional/technical, these are the people, the assessors and that who travel throughout Manitoba and do the evaluation. Are they also available at any time of the year if someone has a certain concern going through the municipality or going through the department, that they are available to come out and hear the constituent's situation?

Mr. Derkach: I guess I could say that all it takes is a phone call, and they would be happy to address the issue. Yes, they are available all year round. We have 10 regional offices throughout the province where we do have staff. So individuals, all they have to do is call either their regional office or if the phone call comes into the department itself, we would be happy to ensure that an appropriate individual would be sent out to meet with the party.

Mr. Clif Evans: Then on this line the minister is saying that everything is running smoothly and is going to be better with assessment reform, and that the whole process will just make it much easier for all individuals and municipalities and corporations and school boards to function in a better way because the assessment services branch is providing a much better service than previously, and with the computer, I guess, process that there is in place now, services are being provided in a much better way and will continue to improve.

Mr. Derkach: Mr. Chairman, a few years ago we undertook a continuous improvement initiative in the Assessment branch where we continue to improve our services to clients. As I indicated previously in one of my answers, that is exactly what staff are looking at presently, at how we can enhance services to our clients. I would have to say that when we compare our Assessment branch to others across the country that we indeed, on many fronts, are leading the pack, so to speak. Staff from our Assessment branch have been invited to other jurisdictions to make presentations on the approach that was taken here in this province.

I guess when we turned the corner in 1990 with the new assessment act it certainly made many things a lot easier and more understandable for our clients. The member asks the question about problems. There are always issues that arise. I would not say that there are absolutely no issues, but they are manageable. They are certainly not significant in terms of numbers or the scope of the issues. I guess our largest concern at the present time is not the Assessment branch but, related to it, the Municipal Board and the appeals that are before the Municipal Board, not from rural Manitoba but from the city of Winnipeg, which are large in number. That is probably our most significant, and the issue that we have to focus our greatest attention to at this time.

* (1030)

Mr. Clif Evans: Can the minister indicate how many of these urban appeals and problems that he indicates that there are out there, how many are there, and how long does the minister feel that the appeal process and the discussions will continue?

Mr. Derkach: Mr. Chairman, in rural Manitoba there are 127 appeals that are being dealt with; in the city of Winnipeg, 1,300. As I indicated, that is our greatest area of concern and attention at the present time through the Municipal Board. As I indicated, when we were under the Municipal Board debate, we are looking at additional resources to try and manage that huge number of appeals that are before the Municipal Board from the city.

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

13.4.(b) Assessment Services (2) Other Expenditures \$1,207,200—pass; (3) Less: Recoverable from Education and Training (\$1,731,800)—pass.

13.4.(c) Local Government Support Services (1) Salaries and Employee Benefits \$859,800.

Mr. Jack Penner, Acting Chairperson, in the Chair

Mr. Clif Evans: The Local Government Support Services, what exactly is this part of the department? I know I can read the Estimates process, but can the minister just enhance me on what role this part of the department plays in municipalities, and in the province, at that?

Mr. Derkach: The responsibility of this branch, Mr. Chairman, is to provide advice to municipalities, to assist municipalities with regard to their structures, to deal with challenges that municipalities may have as they relate to some of our legislative framework or systems. So, basically, it is a support group to local municipalities throughout our province.

Mr. Clif Evans: Does staff from this department make an effort to go out specifically dealing with problems and/or support that come to light, and how many of these staff are available for municipalities to deal with?

Mr. Derkach: Mr. Chairman, in total, there are six people who are dedicated to this function, including management. There are three people who are actually designated to deal with municipalities as field officers: one in Brandon, one in The Pas, one in the City of Winnipeg. Then we have, of course, our two managerial staff and one financial person who deals with municipalities.

I might add that in the past this was the group that was responsible for spearheading the efforts of the revisions to The Municipal Act.

Mr. Clif Evans: This part of the department, and I see that a lot of it is helping the municipalities with their financial books, and keeping things in order, and helping them with their financial situations in each municipality so that the municipalities will be able to deal with the financial end and their spending for their own local constituency.

Can the minister explain what he means by municipalities will begin using the new financial report?

Mr. Derkach: Mr. Chairman, in the past, municipalities were asked to file their budgets with the departments and they had to be approved by the department on an annual basis. As the member recalls, when we passed the new Municipal Act, we allowed municipalities more flexibility in that they are not required to file the annual budget or have it approved by the municipality. but it still has to be there upon request. Basically they have replaced, I guess, the approval process by the department with a public meeting and as required of the municipality. As long as the budget is on file and it can be accessed by the department, that is all we require now. They have much more flexibility, much more autonomy than they had in the past, so basically this is what this particular line refers to.

Mr. Clif Evans: So the minister is saying that since the new Municipal Act has been enacted, the department has been able to provide the municipalities with a different system to be able to put in their annual budgets? Is it a new system or is it just the old system not being scrutinized by the department as much as it was previously?

* (1040)

Mr. Derkach: The process that has changed, Mr. Chairman, is that municipalities do not require approval by the department for their annual budget, but the reporting is still the same in that their books do have to be audited; the auditor does report to the department. So there is some financial accountability in that regard, but they do not have to have their budgets approved by the department any longer.

Mr. Clif Evans: Municipalities have the opportunity under this line to present to the department if they want to go through any type of borrowing process, debentures as such for projects within their communities. Do they have to present that borrowing by-law as such and the proposal itself, financial proposal to the department for approval, or can they just go ahead and submit their proposals and their borrowing by-laws to the department as they do with their report?

Mr. Derkach: That approach has not changed. Staff from the department are available to assist municipalities with by-laws; however, hopefully, in the future we are going to be able to allow more of that to be done by the private sector, people that are in the communities. But at this time, we as a department still assist in the development of a by-law and the presentation of same to the Municipal Board, so that process has not changed from what it was prior to the new Municipal Act.

Mr. Clif Evans: Mr. Chair, but the minister did indicate that they are looking at changing that by allowing the private sector to do—what? How would the private sector, and what does he mean by the private sector? The banks, credit unions as such to get involved with municipal borrowing?

Mr. Derkach: Mr. Chairman, today we have the private sector involved in that they do the year-end audits for the municipalities and, in the same way, private consultants and lawyers can do the work of what is being done by staff at this time as they become more familiar with the new Municipal Act. They are involved anyway and with the limited number of staff that we have, municipalities do have to rely on the private sector to be able to meet all of the needs of municipalities throughout the province.

Mr. Clif Evans: But what did the minister mean by potential changes in the system? He did indicate that there would be changes. What does he mean by that?

Mr. Derkach: The changes would be, Mr. Chairman, that we would be serving more as a supervisory role rather than a hands-on role because we feel that municipalities are mature enough now to be able to go to the private sector and to get their requirements met by them. The department can simply ensure that we are in a role which oversees the process, so that it complies with The Municipal Act, so that the process when it comes before the Municipal Board can go smoothly rather than having it turn back to the municipality to do further work. So those are the changes I am referring to.

The Acting Chairperson (Mr. Penner): Item 13.4.(c) Local Government Support Services (1) Salaries and Employee Benefits \$859,800—pass; (2) Other Expenditures \$220,400—pass.

Item 13.4.(c)(3) Transit Grants \$1,526,000.

Mr. Clif Evans: I think the minister will recall, or may not and will go back in Hansard, that even though it is not a large part of the budget, it is an important part of the budget, the Transit Grants for the mobility disadvantaged people in our province.

I see that there is an increase in the budget. Has there been application from municipalities in the past year to be part of this expenditure and develop handi-transit services for their communities? I specifically ask, of course, for the northern and more remote rural municipalities. Have there been any increases in requests for funding for operations in their areas?

Mr. Derkach: Mr. Chairman, at the present time, there are 55 communities that are participating in the Mobility Disadvantaged Program. This is a program that is very essential for small communities because we have more and more people who are mobility disadvantaged living in small communities, and they do require this service. We have students who find themselves in that situation and require that type of assistance, so it is a very important service for rural Manitoba communities.

We are continuing to work with communities to bring new communities on. At the present time, I think there are two communities that are being considered for the program for this year. We continue to work with communities where the interest and the desire, I guess, to get into the program comes from the community. But it is initiated by the community, not by us as a department.

We only fund a portion of their operations. We fund 37.5 percent of the gross qualifying operating expenses to a maximum of \$20,000 per year, and we also assist them with a one-time grant of \$6,000 in the establishment of the new service, and also a capital grant of 50 percent of the net actual cost of the capital asset, which is the handivan, to a maximum of \$10,000.

As the member knows, in today's world the costs of those handivans has escalated tremendously because they have improved the quality of the handivans. So this is not a significant contribution towards the capital cost because I do believe that the capital cost of these handivans runs in excess of \$60,000.

* (1050)

Mr. Clif Evans: Mr. Chair, I certainly appreciate the minister's concern and comment about the cost of the vans. I wonder if the department and the minister and government would be looking at perhaps revising the formula that is in place now, to be able to assist in a more feasible manner. As he says, 50 percent or \$10,000 does not go a long way on a new van.

Is there a will to be looking at a new formula for assisting these Handi-Transit services?

Mr. Derkach: We would like to do lots of things, but reality is that our dollars are not that plentiful, and we try to spread the resources as fairly as we possibly can.

We work with communities on phasing in a mobility disadvantaged program as well, because you can start with a fairly simple and small vehicle and then, as communities can afford a higher-quality vehicle, they can move into the higher-quality vehicles. There is communication between communities, and we provide, I guess, that ability to have communities talk to one another. Where one community might be getting rid of

a vehicle to buy a larger one, a community that is just coming into the program can always purchase that vehicle which is at less cost.

So we are trying to utilize the resources that we have available to us as efficiently as we can, but I cannot say at this time that we are in a position where we can expand the allocation for capital or for the program significantly.

Mr. Clif Evans: Mr. Chair, just in closing, on this line. Of course, the municipalities or communities that are involved with the Handi-Transit service handle or administer the program itself within their communities, within their own jurisdiction. They deal with the issue through the municipal council, or do they establish a separate entity to deal with—[interjection] Yes.

Mr. Derkach: The responsible body for the program is basically the municipality, but there is usually a separate group or entity that is involved in the operations and management of the program. It is usually run through either a personal care home or a hospital, and, in large measure, the operators are volunteers, to a greater extent, who may be recently retired or who have the time to be able to provide some voluntary services to this program. So it is not like the mobility disadvantaged transit program in the city of Winnipeg. This is done, in large measure, through the contribution of community volunteers in a community who give their time, who give their expertise and provide the service for a minimal return.

Mr. Clif Evans: Mr. Chair, I only make comment on that because of a situation that came to my attention that service was not provided, that it stopped right there kind of thing. The person needing the Handi-Transit was a very short distance away from where the boundary of the Handi-Transit service went. So, in a case like that, it is basically up to the local entity, whoever operates that, to establish their boundaries and where they will go and will not go, and that is why I asked, because it was brought to my attention that it is the fault of the government for not providing enough services and that—or enough support, I mean, to be able to provide that service. As the minister has indicated, and I have concurred with, it is up to the local people that run the service to establish how they are going to provide the service and for whom.

Mr. Derkach: Mr. Chairman, I think, by and large, communities try to be as flexible as they possibly can be with regard to the administration of the program, but there is a point at which they would cut it off. When a community applies to us for a program, we work with that community to establish the geographic boundaries that will be served by that handyman program. I know that there are sometimes issues that come up where people live outside an area that is being served, but that is basically up to the local operators, local municipality, and we simply try to advise, and that is where our capacity is. It is not in determining specifically where the boundary of a service should be.

Mr. Clif Evans: Mr. Chair, I just want to re-establish the fact that I feel that this service and this allocation of funds is a very important one for our rural communities. Hopefully, we will continue to support it, as I mentioned before, hopefully, revisit it as far as resources and providing the resources as the need be for different communities and as they apply for such services and grants to be able to provide for their people in their local municipalities.

The Acting Chairperson (Mr. Penner): Item 13.4.(c)(3) Transit Grants \$1,526,000—pass.

Item 13.4.(c)(4) Municipal Support Grants \$1,078,800.

Mr. Clif Evans: Mr. Chair, the minister made comment across the way, and now I am going to ask him to put it on record and explain in detail what grants will be provided—\$1,078,000 it says provided to approximately 17 municipalities to allow increased flexibility, providing service at the local level. Is he talking about LGDs that were in place or what communities get these unconditional grants, and how do they apply for them? How do they receive them, what amounts, and just exactly what does this line mean?

The Acting Chairperson (Mr. Penner): The honourable minister with an explicitly detailed explanation.

Mr. Derkach: Mr. Chair, the member wants a detailed explanation, and I would be happy to provide that. This is the grant that is paid to municipalities who are forced

to pay the payroll tax. It is calculated at 4.5 percent of the 1997 payroll costs in the \$750,000 to the \$1.5-million range, and 2.25 percent of payroll costs beyond the \$1.5-million range. So this is an unconditional grant, and it is tied to the payroll tax that is paid by the municipality.

In 1997, we announced that, effective January 1, 1998, the payroll tax threshold will be raised to \$1 million from \$750,000 at the 4.5 percent rate. The impact of this change is not going to reflect in the municipal support grant until the 1999 calculations. Then, in our budget this year, Mr. Chairman, it was announced that, effective January 1, 1999, the payroll tax rate beyond the \$1.5 million will be cut from 2.25 percent to 2.15 percent, and this will reduce the rate from 4.5 percent to 4.3 percent for payroll costs between \$1 million and \$1.5 million.

The municipalities that receive this—there are 17 in total—are the R.M. of East St. Paul, the R.M. of Portage, the R.M. of St. Andrews, Springfield, the Town of Dauphin, the Town of Morden, the Town of Selkirk, Steinbach, Swan River, The Pas, Winkler, and the LGDs of Churchill and Gillam, the City of Brandon, the City of Flin Flon, the City of Portage and the City of Thompson. So these are the municipalities that receive this grant because their payrolls are beyond the threshold.

The Acting Chairperson (Mr. Penner): Thank you very much. Will that suffice?

Item 13.4. Local Government Services (c) Local Government Support Services (4) Municipal Support Grants \$1,078,800—pass; (5) Less: Recoverable from Rural Economic Development Initiatives (\$75,000).

* (1100)

Mr. Clif Evans: This line, Recoverable from Rural Economic Development Initiatives, and providing for transits, or for the Handi-Transit service, can the minister explain that? Is that for urban centres, or is that for rural centres. I do not quite understand this line, and I just want an explanation from the minister.

Mr. Derkach: We expanded the Mobility Disadvantaged Program somewhat, and this is the

money that was added to the Mobility Disadvantaged Program and is recovered from the Rural Economic Development Initiatives program.

The Acting Chairperson (Mr. Penner): Item 13.4.(c)(5) Less: Recoverable from Rural Economic Development Initiatives (\$75,000)—pass.

Subtotal (c) \$3,610,000. Shall the item pass? No?

An Honourable Member: Where are you?

The Acting Chairperson (Mr. Penner): I am at item (5) on Local Government Support Services, Subtotal (c), and that is the final total in that section, which is \$3,610,000. Shall the item pass. The item is accordingly passed.

13.4. Local Government Services (d) Grants to Municipalities in Lieu of Taxes (1) Grants \$13,147,900.

Mr. Clif Evans: Can the minister just give a brief explanation on this line? We are also at Recoverable from other appropriations—if he can explain that line, and just explain the decrease of funds that has occurred in this line.

Mr. Derkach: Mr. Chairman, this area is one where we pay grants in lieu of taxes to municipalities on properties that are owned by government. The recoverable part is one that we recover from other departments who own properties, and those departments would be Government Services, Highways, and Natural Resources. We have, as a department, a small portion of that, and that is the \$151,000 that is our portion as a department. The rest is recovered from various departments. At one time that money was paid out of this department, and we have instituted a process where if the particular department owns the property then they are responsible for the grant in lieu of taxes for that property. We simply pass it through, we pay it, and then we recover it from these different departments.

Ms. Jean Friesen (Wolseley): Mr. Chairman, I am interested in the property, buildings, lands that the government still owns that are connected to universities and colleges, and I wonder if the minister has a list of those properties.

Mr. Derkach: Mr. Chairman, when we implemented the process where different departments paid their portion of taxes, the universities' portion and I believe community colleges, if I am not mistaken, was transferred over to the Department of Education, and the grants in lieu paid by those institutions is reflected in the Estimates of the Department of Education and does not show up here.

Ms. Friesen: Mr. Chairman, my question dealt with buildings and properties, land and buildings owned by the government which are still connected to universities and colleges. I understood that that is what that line was about, the actual buildings and property. Are there any buildings? For example, are there any research institutes at universities which the provincial government still has an interest in and where there might be monies paid? Are there any portions of community college buildings, off-campus buildings, for example, that the government still owns and on which these kinds of property taxes might be related?

Mr. Derkach: If I understand the question correctly, Mr. Chairman, any buildings that are owned by government, whether they are adjacent to a campus or whether they are on campus, would be reflected in the Government Services properties held, because that is the department of government that holds all buildings and properties. So if it is not the property of the university or the community college and that of the government, that kind of information probably would be better extracted from that department, because we do not have that listing here. But I could undertake to get those listings for the member if she would like that.

Ms. Friesen: I am trying to understand the purpose of this line. I am looking at Activity Identification, which says: pays grants equivalent to school and municipal taxes on all provincial properties, except for those exempted. Then it gives a list of those exempted, which does not include colleges, universities, research institutes. So essentially then, under this department there are no buildings owned by the government relating to colleges and universities which receive money through this line. I do not understand what this line means if it does not mean that.

Mr. Derkach: Mr. Chairman, those properties, the education properties are in the Department of

Education and Training. All other properties, buildings and land, that government owns except for the exempted properties are what we would pay grants in lieu of taxes to municipalities for, but when we come to the specific education buildings, that is reflected in the Department of Education Estimates, and there would be a listing of those kinds of properties within their Estimates.

Ms. Friesen: They are not actually listed in the Estimates, but I certainly will ask for them. This line says it pays grants equivalent to school taxes on all provincial properties except for those exempted. Does the minister have some detailed information on that?

Mr. Derkach: Mr. Chairman, the department pays the equivalent of the municipal tax, education and municipal tax, to the municipality on a property that it owns, but it pays that on all properties except the properties that are exempt, and the types of properties that are exempt are listed here.

Now, if there are specific properties that the member would like to know how much tax is being paid to a particular municipality on a specific property, I could get that information, but I do not have it with me at this time.

Ms. Friesen: I can understand you do not have it with you at this time. What I am interested in obviously is the school portion of that, so does the minister have a list? Is there annually prepared in the department a list of the school taxes that are paid to each municipality?

* (1110)

Mr. Derkach: Mr. Chairman, we do have the list. As a general rule, it is about 50-50. If the total tax bill is \$1,000, \$500 would probably go to education and \$500 to the municipality. Now, that is not the specific rule but that is generally the way it is. If the member would like to have a list of the properties and the breakdown of taxes that are paid for education and for the municipal side, we can provide that, if you would like that.

Ms. Friesen: Yes, that is what I would like, and it is particularly the detailed school portion that I am interested in and seeing a complete list of what the province does in that area.

The Acting Chairperson (Mr. Penner): Item 13.4.(d)(1) Grants \$13,147,900—pass; (2) Less: Recoverable from other appropriations (\$12,996,900)—pass.

Item 13.4.(e) Information Systems.

Mr. Clif Evans: I would just like to ask the minister exactly what this portion of the department services they do provide. I see that it produces its annual property roll assessments. Is there any other service that the department provides other than the municipal rolls, and what does it provide for municipalities?

Mr. Derkach: Mr. Chairman, this is the technology Information Systems group whose responsibility is mainly centred around data processing and system analysis, system development and implementation, upgrading, and so forth, with regard to the Assessment branch and the department, as well. The responsibility of this branch is basically in the information technology area.

The Acting Chairperson (Mr. Penner): Item 13.4.(e) Information Systems (1) Salaries and Employee Benefits \$714,300.

Mr. Clif Evans: I would like to ask: is the department getting on stream with enhancing the computer system in this department, and who are they joining as far as a computer contract within this department?

Mr. Derkach: Mr. Chairman, this is a system that was implemented when—actually, it was begun before the re-assessment, or pardon me, our assessment legislation was changed. It is a very current and very up-to-date system. We do continuous upgrades of the system. We just went through a fairly major upgrade of it. Some of the work is done in-house. Some of the work is contracted with the private sector. The way we contract it is through a tender, so basically it is whoever comes in with the best and the lowest tender, but we also do have to consider the capability of a company to be able to meet the needs of the department.

The work that we have done recently has been also done by Online Business Systems, and it is a private company that won a tender. I guess I should add, Mr.

Chairman, if I might, we also do some contract work with ISM.

Mr. Clif Evans: It is my understanding that the government as a whole, in all the departments, have initiated or have a contract with IBM. My understanding is that Energy and Mines has already been involved in the—I am sorry, it is Labour that is already involved, and Government Services. Can the minister indicate if and when the Department of Rural Development is joining in with IBM, and the government as a whole with this contract?

Mr. Derkach: Mr. Chairman, I think what the member is referring to is the desktop management system that is different from the MACS system that is in place for the Assessment branch. That is a different system altogether. The desktop management system that is being implemented is government-wide. Our department does not manage that although we participate in it, as many other departments do. We do not manage that component of it. That is done through the Department of Finance, I believe.

Ms. Friesen: I am interested the department's Assessment is on MACS and the government is using, moving as a general principle, to IBM. Does the minister foresee a problem in that, if the whole government and its internal arrangements and its desktop initiative is going to be working on a very different system from the one you are using?

Mr. Derkach: Mr. Chairman, I do not see a problem right now in government moving on the desktop management system with IBM and the department having their MACS system for assessment as a different stand-alone system and a separate system. However, I cannot answer the question whether or not the MACS system will be upgraded at some point in time to, I guess, conform with the system that is put in government-wide. But there was a significant amount of money that was invested to develop the system for the Assessment branch. It is a very special and separate kind of system and one which is being upgraded continuously because of changing needs. We have gone away from the mainframe as well so, although it is evolving, I cannot really answer the question whether or not desktop management, once it is completed, is then going to have an impact on how our MACS system works.

Ms. Friesen: Could the minister tell us when this department will be involved in the desktop initiative?

Mr. Derkach: We will be moving into the desktop management in our department in early 1999. I might add, I do not want to leave any misconceptions here because, although I said we were moving away from the mainframe in the MACS system and we are moving to a PC system that will be run by IBM, we will have IBM computers, but I guess the body of the system will still remain as it is.

* (1120)

Ms. Friesen: Could the minister tell us whether, is this the line where we would find the appropriation for the desktop initiative cost to the department?

Mr. Derkach: Mr. Chairman, for 1998-99, the amount of money that has been budgeted is very small for moving to desktop management because of the timing of when it is going to be put into our department. The major cost will be in the 1999-2000 budget this year. I do not want to be misquoting, but we are probably going to be spending somewhere in the range of \$30,000 in this fiscal year on desktop management, but the bulk of the cost will come in the next fiscal year.

Ms. Friesen: Could the minister tell us whether that \$30,000 is in this line or not? Could the minister tell us how he has classified it? Which line is it? Is it under Supply? Is it Other Operating? Is it Capital? Is it Administrative?

Mr. Derkach: I can have staff research that, but we think it is in the Supplies and Services line, but I can find that out specifically.

Ms. Friesen: The reason I am asking obviously is because I am looking for some consistency for next year and where we should be looking for this in '99. In some departments, for example, it is not just Supplies. It also deals with personnel and with rental. So I would like to know specifically which line it is on and where specifically next year it will be included.

Mr. Derkach: Mr. Chairman, we will get that information probably in the next couple of hours for the

member. I will make sure that in our next sitting, I will share that information with the member.

Mr. Clif Evans: Just further on that, Mr. Chair, if the minister thinks that it is under Supplies and Services, further to my honourable colleague's question on those specifics on the computers, then the minister can perhaps provide me with supplies and services. At \$473,000, what type of supplies and services is he talking about besides any computers? I would also wonder, seeing that we are just, you know, around the corner from the 1999-2000 budget, the minister has indicated \$30,000 has been allocated for '98-99. I am sure that the department would be diligent in preparing the 1999-2000 budget with respect to joining IBM and what the costs will be. I am sure there is a projection dealing with this specific issue, and the minister should have some knowledge or indication as to how much the Department of Rural Development—that it will cost this department for the changeover for 1999-2000. That should be in place already, I would imagine. It should be an item. It is for the next fiscal year, and I would think it should be an item that the minister and the department would have.

Mr. Derkach: Mr. Chairman, we are debating the Estimates for this fiscal year. When we get to the next fiscal year, you will have the figure in for that particular initiative, and then we can debate the Estimates for that particular line in that fiscal year. We are not debating anything in this fiscal year that is not going to cost us any money this year. So that is in the future plans.

The member also asked the question about Supplies and Services and what kinds of items it includes.

Mr. Clif Evans: Besides the pencils and pens.

Mr. Derkach: Well, it is printing, stationery supplies used for assessment rolls, notices, tax statements, sales reports, repairs and maintenance, the cost of maintaining the computer equipment throughout the department. So, basically, those are the kinds of things that are included in this particular line.

Mr. Clif Evans: I thank the minister for that. I know he says we are not here to debate next year's budget, but part of a problem when you are preparing something for the future, it should be within a department's

information to be able to have some knowledge as to what the potential cost is to the Department of Rural Development. So if the minister does not want to talk about what is going to happen next year, I mean, it could be a very formidable cost.

An Honourable Member: It could be.

Mr. Clif Evans: It could be and it might be, and I would like to just put the minister on notice that that information would be more than helpful in setting up for the budget for next year, but also in how it is going to affect the Department of Rural Development in costs.

Mr. Derkach: Mr. Chairman, the member could argue that about any line in the department. He would probably want to know the numbers for the next five years. Well, we do not have them. This is done on an annual basis. [interjection] We are not debating a five-year plan. We are debating the Estimates for this year.

The Acting Chairperson (Mr. Penner): Order, please. I am having a difficult time understanding what we are saying, so I would ask that one person speak at a time so that I can make heads or tails out of the discussion. We will then enter into the debate, but we will do it in an orderly manner. The honourable minister to finish his comments.

Mr. Derkach: Mr. Chairman, thank you, and if I might just continue. We are not debating Estimates for two years or five years. We are debating the Estimates for this next fiscal year, which are included in the budget. As the plans are put together for the next fiscal year, we will have those specific numbers for the member when we debate our next Estimates.

Ms. Friesen: Mr. Chair, I wanted to ask about the problem of the year 2000. This is a heavily computerized section of the department, and it also deals with many outside agencies which may or may not have the capacity to deal with 2000.

Could the minister tell us what plans he has in these sections of the department to deal with that?

Mr. Derkach: Mr. Chairman, there is always great planning in this department, and when the MACS

system was designed, the year 2000 was contemplated. The problem of the year 2000 on computers was recognized, and therefore it will not be an issue for the MACS system when the year 2000 rolls around.

* (1130)

Ms. Friesen: Mr. Chairman, what evidence could the minister give us that that is the case? Does he have a report within the department that shows how each line in his computers has been changed and when they were changed? What will happen in this department as midnight is turned? So what evidence could the minister provide us?

The second part of my question was, I am interested, obviously, in looking at what the department has been able to do, because it is a difficult problem for everyone. If you have conquered this problem, then I think surely it would be a very good idea to share that information with others. But secondly, the minister's department does deal with many outside agencies, municipalities, many of whom may or may not have conquered this problem, and so how is the department's plan dealing with those outside agencies?

Mr. Derkach: Mr. Chairman, with regard to municipalities, I am informed that there is a meeting today at which the issue of the year 2000 is going to be addressed, but certainly I cannot give the members what the solution to that is going to be with regard to municipalities.

With regard to the MACS system, the year 2000 will be no different than the year 1999. It is just a four-digit year that appears on the computer screens, if you like, and basically it will just automatically roll over into the new calendar year. So there is no report on how we are going to manage that because there is not an issue with that system. Now, that does not talk about the desktop system or the PCS that we have in the department. But with regard to the MACS system, when it was developed, it was built in so that it would just simply roll over into the next year.

The question is an important one because this system does carry a lot of very important information on it, and so I understand why the member would want to be assured that in fact the system is capable of rolling over

into the new millennium. The advice that I am getting from the department is that it is really not an issue, because that component was built into the system when it was developed.

Ms. Friesen: I am interested just from a general perspective of when that system was developed. I mean, if we have such a system that has been able to plan for that, I think it has interesting instructions for other departments as well as for private agencies and schools, et cetera, so that is just a minor point, a footnote. I would be interested to know when you began that kind of planning.

Secondly, I am interested in the meeting that is going to be this afternoon, you said, or today with municipalities on the year 2000. Could the minister give us a general sense of how many meetings there have been between the department and municipalities dealing with that issue, and perhaps what the municipalities' planning process has been for that issue over the previous—well, two years, three years?

Mr. Derkach: I should correct myself. The meeting that is being held today is an internal meeting. It is not with municipalities, but there have been a number of meetings that have been held with administrators of municipalities. Some of the municipalities have just recently moved onto the computer systems. We have a few that are still not on and are just moving, so those municipalities will probably have the least amount of difficulty. But there have been several meetings now that have taken place with municipal administrators to try and address the problem or the situation.

I cannot report right now as to the status of that, whether or not half of the municipalities have a problem or all of them, I am not sure. I cannot report on that, but we do have an individual who, from government, from the information technology area, a Mr. Larry Phillips, I believe, who is meeting with administrators and is addressing that issue.

The MACS system that we have for the Assessment branch, the development of that was started in 1988, and the system was developed over a period of three years, and the completion of that was in 1991. Since that time we have made revisions and improvements to

the system, but the development of the body of the system was in that period of time.

Ms. Friesen: Could the minister tell us how many staff and how many dollar resources are being devoted within the department to the issue of the year 2000, both internally within the department and perhaps in dealing with municipalities or other agencies which the department might need to deal with?

Mr. Derkach: Mr. Chairman, in this area, we have a total of 15 staff who are working on the MACS system, but the dollar resources that have been devoted to the year 2000 are not something that I can identify specifically. But, certainly, where there is assistance required by staff, that is made available. Mr. Phillips, from I, T and T—or information technology resources, is the one who is working with municipal administrators, and this is a problem that as far as the municipalities are concerned has to be addressed by municipalities. We will provide a co-ordination role in terms of making sure that what information is available to one municipality is also available to another.

But in terms of addressing the year 2000 in municipalities, it really has to be dealt with by those municipalities. We sort of are a partner, a catalyst or a facilitator in the process, and we will assist in any way we can to ensure that the process goes smoothly.

* (1140)

Ms. Friesen: I can understand what the minister is saying in terms of whose responsibility it is, but has the minister considered what the impact will be on the department if some of those municipalities are not able to do it?

Mr. Derkach: Mr. Chairman, prior to a few years ago, a very few years ago, many of the municipalities were not computerized at all, and so they provided their reports and their information to us in a different way.

So the problem is not so much in the department as it is in the municipality. However, we are concerned because in today's world it is important to get information in and out quickly, and so we will certainly be watching whether or not municipalities, in fact, are addressing the issue, and I would say that because they

are all associated with their parent organization, MAUM or UMM, that from that sort of function all of them are aware of the importance of the year 2000, and there is a co-ordinating role being played, I would believe, by MAUM and UMM.

If we see a problem arising as we proceed down the road towards the year 2000, we would certainly have to invest more resources in that area to ensure that all municipalities, in fact, did come on stream appropriately in the year 2000. We do not see a problem right now in that some are not addressing it. I am sure that if there were that kind of an issue out there, Mr. Phillips would be advising us of that quite directly.

Mr. Clif Evans: I find it suspect that the minister has indicated that they, the department, is ready for the year 2000, as a department, under the MACS system. Now, you said that there has been consultation. They have a Mr. Larry Phillips who is available to assist municipalities in getting ready for the year 2000. He says that there are meetings and discussions with administrators.

What I am sensing, though, is that he is also saying that it is the responsibility of the municipalities themselves to get in line with the year 2000 and have their system ready to go, and be there and available. Has the UMM brought this to the minister's attention and the government's attention to look for some assistance and look for some resources where there is a Larry Phillips, as an example, to go out and make sure? Has the department and the minister made everyone aware of what the consequences could be?

Mr. Derkach: Well, Mr. Chairman, that is precisely why Mr. Phillips has met with all the administrators, is to ensure that everyone understands the issue. Secondly, the purpose of those meetings is to ensure that municipalities understand that there is support available if they require it, but I have to indicate that under the new Municipal Act, we provided greater autonomy, which was asked for by the municipalities, to the municipalities. This is an issue that has to be dealt with by those municipalities. They are incorporated, separate entities who have the responsibility to ensure that their systems are current and can function. We cannot dictate to municipalities

that they have to do one thing or another. If they have to buy a new system, that is up to them, but we are providing resources, making them available if in fact the municipalities wish to take advantage of it, and the communication to them has been quite direct from Mr. Phillips in terms of what is available from government and at least making them aware of the fact that they could be facing a problem in the year 2000 if they do not address it.

Mr. Clif Evans: Can the minister indicate whether Mr. Phillips, through his meetings with administrators, has there been a cost factor provided to the administrators in the municipalities that if there are problems in a new computer system, of any kind of extra costs. Why are the municipalities not being forewarned of this? The minister says that the municipality is an entity of its own now, a corporation, but everybody needs some help in some way to be able to deal with a situation as serious as the year 2000, especially for those municipalities that do not have the capabilities of expanding their system or having the system made available to them.

There has to be some better resource available, I would think, from the department. Mr. Phillips can only—the minister may think it is not a problem yet, but it is like the planning for the IBM computer in the year 1999-2000. I think that this is an issue that is important enough that the minister and the department should be dealing with it in a more serious way as far as making, through UMM, making through MAUM the system that will be needed and how it will have to be put together. I would encourage the minister and his department to become more proactive in providing that information and that resource.

Mr. Derkach: Maybe the member does not understand, but let me indicate to him that we have—[interjection] Offloading? The member says we are offloading. It is not our system. We are not offloading anything. We do not have it to offload, Mr. Chairman.

Every municipality has its own system and I would say that the larger municipalities like Brandon would have a system that is probably just as sophisticated as our own system is. They would probably have their own resources available to deal with their system to ensure that it in fact is on track for the year 2000.

We have a variation of municipalities in this province. Some are not on computer systems today, so we are prepared to deal with the municipalities whether they are on a system or not. In terms of our tax rolls and our assessment rolls, municipalities could still operate without a computer system if they required, because we have both the paper copies and of course the MACS system. The computerized system is in place as well, so it is not an issue of a municipality simply collapsing because they have not prepared themselves for the year 2000. I firmly believe that municipalities are alert, they understand the issue, their administrators understand it, and they will certainly take whatever steps are required to ensure that their systems are current and can operate after the year 2000.

Mr. Clif Evans: I encourage the minister and his department to be an advocate of making sure that the municipalities are well in place. I did not mention Brandon, and I did not mention large urban centres that I am sure have all the necessary toys and resources available to be able to make sure that they are ready. My concern of course is for the smaller municipalities, especially those that are not on computer yet. So I encourage the minister to have his department and people ready for the year 2000 in a more proactive way. I would just like to pass this line.

Ms. Friesen: The minister mentioned earlier a contract with ISM. Could the minister tell us how much that contract is for, and what the task is?

Mr. Derkach: Mr. Chairman, the ISM contract is centrally negotiated through the Department of Finance, and then we are allocated a portion of that depending on the usage of it. I do not have that specific number for the member. I can get it, though, in terms of what our portion of that is, but basically, we do not get involved in the negotiations of that. It is done centrally, and then we are just apportioned our allocation.

* (1150)

Ms. Friesen: I would appreciate that information. Could the minister tell us on which line the portioning that you are allocated by the Department of Finance occurs, and could the minister also tell me what the portion that the department uses accomplishes for the department?

Mr. Derkach: Mr. Chairman, to the member, it is included in the Other Operating in your line, and the money is spent for data processing for the department. So I do not have the specific number but I can get it for the member, and I will.

Mr. Clif Evans: Just to the minister, we can pass this line and call it twelve o'clock before we go on to the other section this afternoon, instead of starting a new section at this time, if that is convenient.

The Acting Chairperson (Mr. Penner): Item 13.4.(e) Information Systems (1) Salaries and Employee Benefits \$714,300—pass; (2) Other Expenditures

\$1,471,400—pass; (3) Less: Recoverable from Education and Training (\$420,200)—pass.

Resolution 13.4.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,871,300 for Rural Development, Local Government Services, for the fiscal year ending the 31st day of March, 1999.

Is it the will of the committee to call it twelve o'clock? [agreed]

It is then my understanding that the committee will resume right after Routine Proceedings, and I am leaving the Chair. The hour being twelve o'clock, committee rise.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 16, 1998

CONTENTS

ORDERS OF THE DAY

Committee of Supply (Concurrent Sections)

Labour

Reid	1681
Gilleshammer	1681

Health

Chomiak	1700
Praznik	1700
L. Evans	1716
Bakken	1718

Rural Development

C. Evans	1722
Derkach	1722
Friesen	1730