

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

Official Report
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
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ALTEMEYER, Rob	Wolseley	N.D.P.
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IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
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WIEBE, Matt	Concordia	N.D.P.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 20, 2010

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

**Bill 24—The Aboriginal Languages
Recognition Act**

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): Yes, Mr. Speaker, I move that Bill 24, The Aboriginal Languages Recognition Act, be now read a first time. This is seconded by the Minister of Education (Ms. Allan).

Mr. Speaker: It's been moved by the honourable Minister of Aboriginal and Northern Affairs, seconded by the honourable Minister for Education, that Bill 24, The Aboriginal Languages Recognition Act, be now read a first time.

Mr. Robinson: Mr. Speaker, I'm very pleased to introduce The Aboriginal Languages Recognition Act. This bill recognizes Cree, Dakota, Dene, Inuktitut, Michif, Ojibway and Oji-Cree as the Aboriginal languages of Manitoba. This bill also addresses a fundamental concern, namely, that across Canada that many Aboriginal languages are at a verge of being lost forever, so we want to, obviously, give recognition to the importance of retaining Aboriginal languages in order for Aboriginal people to retain their culture.

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

**Bill 301—The Salvation Army William
and Catherine Booth College
Incorporation Amendment Act**

Mr. Doug Martindale (Burrows): Mr. Speaker, I move, seconded by the Minister of Advanced Education and Literacy (Ms. McGifford), that Bill 301, The Salvation Army William and Catherine Booth College Incorporation Amendment Act; Loi modifiant la Loi constituant en corporation le Collège William et Catherine Booth de l'Armée du Salut, be now read a first time.

Motion presented.

Mr. Martindale: Mr. Speaker, the purport of this amendment is to add the word "university" wherever

the word "college" exists now in the Booth College act.

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

PETITIONS

Ophthalmology Services—Swan River

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

These are the reasons for this petition:

The Swan Valley region has a high population of seniors and a very high incidence of diabetes. Every year, hundreds of patients from the Swan Valley region must travel to distant communities for cataract surgery and additional pre-operative and post-operative appointments.

These patients, many of whom are sent as far away as Saskatchewan, need to travel with an escort who must take time off work to drive the patient to his or her appointments without any compensation. Patients who cannot endure this expense and hardship are unable to have the necessary treatment.

The community has located an ophthalmologist who would like to practise in Swan River. The local Lions Club has provided funds for the necessary equipment, and the Swan River Valley hospital has space to accommodate this service.

The Minister of Health has told the Town of Swan River that it has insufficient infrastructure and patient volumes to support a cataract surgery program; however, residents of the region strongly disagree.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Health to consider rethinking her refusal to allow an ophthalmologist to practise in Swan River and to consider working with the community to provide this service without further delay.

This is signed by E. Cotton, M. Cotton, J.E. Cotton and many, many others, Mr. Speaker.

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

Bipole III

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

The background to this petition is as follows:

Manitoba Hydro has been forced by the NDP government to construct its next high-voltage direct transmission line, Bipole III, down the west side of Manitoba, a decision for which the NDP government has not been able to provide any logical justification.

Since this will cost Manitoba ratepayers at least \$640 million more than an east-side route, and given that the Province of Manitoba is facing its largest deficit on record, the burden of this extra cost could not come at a worse time.

Between 2002 and 2009 electricity rates increased by 16 percent, and Manitoba Hydro has filed a request for further rate increases totalling 6 percent over the next two years.

A western Bipole III route will invariably lead to more rate increases.

In addition to being cheaper, an east-side route would be hundreds of kilometres shorter and would be more reliable than a west-side route.

West-side residents have not been adequately consulted and have identified serious concerns with the proposed line.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider proceeding with the cheaper, shorter and more logical east-side route, subject to necessary regulatory approvals, to save ratepayers hundreds of millions of dollars during these challenging economic times.

And this petition is signed by K. Jones, H. Dunn, J. Dales and many, many more fine Manitobans.

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

The background to this petition is as follows:

Manitoba Hydro has been forced by the NDP government to construct its next high-voltage direct transmission line, Bipole III, down the west side of the province of Manitoba, a decision for which the NDP government has not been able to provide any logical justification.

Since this will cost Manitoba ratepayers at least \$640 million more than an east-side route, and given that the Province of Manitoba is facing its largest deficit on record, the burden of this extra cost could not come at a worse time.

Between 2'02 and 2'09 electricity rates increased by 16 percent, and Manitoba Hydro has filed a request for a further increase in rates totalling 6 percent over the next two years.

A western Bipole III route will invariably lead to more rate increases.

In addition to being cheaper, an east-side route would be hundreds of kilometres shorter and would be more reliable than a west-side route.

West-side residents have not been adequately consulted and have identified serious concerns with the proposed line.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider proceeding with the cheaper, shorter and more logical east-side route, subject to necessary regulatory approvals, to save ratepayers hundreds of millions of dollars during these challenging economic times.

Mr. Speaker, this is signed by G. Van Renselaar, I. Kennedy and L. Kennedy and many other very concerned Manitobans.

Whiteshell Provincial Park-Lagoons

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

And these are the reasons for this petition:

Manitoba's provincial parks were established to protect our natural resources and the environment for future generations.

In July 2009 the lagoons in the vicinity of Dorothy Lake and Otter Falls in the Whiteshell Provincial Park overflowed, creating concerns that untreated sewage made its way into the Winnipeg River system and ultimately into Lake Winnipeg.

In addition, emergency discharges had to be undertaken at lagoons in the Whiteshell Provincial Park four times in 2005, once in 2007 and once in April 2009.

Concerned stakeholders in the Whiteshell Provincial Park have repeatedly asked the provincial government to develop plans to address the shortcomings of the park's lagoons and to ensure the environment is protected, but the plans have not materialized.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Conservation to consider acknowledging that more timely action should have been taken to address the shortcomings with the lagoons in the Whiteshell Provincial Park in order to protect the environment.

*(13:40)

To request the Minister of Conservation to consider immediately developing short- and long-term strategies to address the shortcomings with lagoons in the Whiteshell Provincial Park and to consider implementing them as soon as possible.

And Mr. Speaker, this petition is signed by J. Dooley, K. Sim, J. Machado and many, many others.

Medical Clinic in Weston and Brooklands Area

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

The background to this petition is as follows:

Walk-in medical clinics provide a valuable health-care service.

The closure of the Westbrook Medical Clinic has left both Weston and Brooklands without a community-based medical clinic.

We petition the Legislative Assembly as follows:

To urge the provincial government to consider how important it is to have a medical clinic located in the Weston and Brooklands area.

Mr. Speaker, this is signed by G. Cadigan, C. Munro, R. Romeo and many other fine Manitobans.

Thank you, Mr. Speaker.

TABLING OF REPORTS

Hon. Rosann Wowchuk (Minister of Finance): Mr. Speaker, I'd like to table the Manitoba Enabling Appropriations and Other Appropriations Supplementary Information for Legislative Review, 2010-11 Departmental Expenditure Estimates.

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us from Dakota Collegiate, we have 20 grade 9 students under the direction of Jordan Bronsdon. This school is located in the constituency of the honourable Minister for Education.

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

ORAL QUESTIONS

Manitoba Hydro

Public Utilities Board Information Request

Mr. Hugh McFadyen (Leader of the Official Opposition): Over and over again over the past while, the Public Utilities Board, which is in place in order to ensure transparency and accountability for Manitoba's Crown corporations, has raised concerns about secrecy, lack of accountability, misspending and other mismanagement within Manitoba's Crown corporations.

Mr. Speaker, I want to ask the Premier why it is that in response to very significant questions about the transmission project, Manitoba Hydro with political direction stonewalled the PUB, failed to provide any meaningful response on these serious issues.

Hon. Greg Selinger (Premier): Mr. Speaker, our directions to Manitoba Hydro are always to comply with the regulatory requirements under the legislation of which constitutes the Public Utilities Board, and we, of course, support the Public Utilities Board in their rate-setting responsibilities. And we expect Hydro to co-operate with them and work that out in such a way that, if they have any commercial interests that they're sensitive about in terms of disclosure of information, that they sort that out with the Public Utilities Board.

Manitoba Public Insurance Corporation Public Utilities Board Information Request

Mr. Hugh McFadyen (Leader of the Official Opposition): Well, Mr. Speaker, the response to a

five-point–six-point question about the bipole project is Manitoba Hydro has no current information on a hypothetical east-side route. That's the response. That's not compliance. That's not disclosure. It's not being forthright and candid with the PUB and Manitobans. It's stonewalling and it's stonewalling for political purposes.

And the stonewalling at Hydro, Mr. Speaker, has now moved over to MPI, and the PUB, in its report, issued with respect to secrecy at MPI, says, given its limited jurisdiction, the board is unable to adequately test MPI's overall expenditures and forecasts. They go on to say that, we're not able to assure ourselves that all costs incurred represent efficient and effective spending.

I want to ask the Premier: Why are they so obsessed with maintaining this culture of secrecy and hiding the facts, the information and the finances from the Manitobans who have to pay the bills, Mr. Speaker?

Hon. Greg Selinger (Premier): As I said earlier, we fully expect any Crown corporation regulated by the Public Utilities Board to comply with requests and requirements of the Public Utilities Board with due regard to commercially sensitive information and to sort that out with the Public Utilities Board. That applies to MPI as well.

And, as you know, Mr. Speaker, they fully disclose all their financial information through their own annual reports and their quarterly reports.

Mr. McFadyen: Well, Mr. Speaker, MPI and the Minister responsible for MPI are failing to live up to their regulatory requirements, and that's been documented—it's been documented by the PUB in its most recent report. It goes on to say in that very same document: Further, with respect to MPI's overall financial position, the board cannot adequately test either results or forecasts, steps that the board considers necessary to adequately assist it in reaching a conclusion on the appropriateness of basic rates, premiums and fees.

Mr. Speaker, the PUB has said that they don't have enough data to be able to properly examine the finances of MPI. MPI is now in the business of retail—as a retail landlord, selling French fries, offering massages, stir-fries, milk shakes and muffins in their new headquarters. They've rolled the dice on a retail operation, and they've refused to provide Manitobans with most basic facts about their internal finances.

I want to ask the Premier: Why the secrecy? What are he and his MPI Minister trying to hide from Manitobans?

Mr. Selinger: Mr. Speaker, the member asks a question about the role of MPI. MPI is responsible to the Public Utilities Board for their public lines of operation and the rates they set related to that. The PUB gives a jurisdictional decision with respect to those rates. If they want additional information and there's a question of jurisdiction, there are mechanisms to address that.

I understand that this will be going to the Manitoba Court of Appeal, and the Public Utilities Board and MPI will both have a full opportunity to present their views on this matter and to resolve it in a way that serves the public interest.

Manitoba Public Insurance Corporation Public Utilities Board Information Request

Mrs. Mavis Taillieu (Morris): Oh, Mr. Speaker, for five years running, the Public Utilities Board has been concerned about MPI's lack of transparency. And in their most recent order, the PUB said, and I quote: The board has once again been unable to assure itself that all costs incurred represent efficient and effective spending. With its limited jurisdiction and MPI's lack of transparency as to the details of its overall costs, the board cannot be assured that the costs being allocated to basic are fair and reasonable. Unquote.

How can Manitobans be assured that Autopac rates are not set artificially high when this NDP government refuses to be transparent and accountable to the PUB?

Hon. Andrew Swan (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): It's a pleasure to put some comments on the record about the best insurance system in all of Canada, providing the best value for Manitoba consumers.

The member opposite needs to understand that there are two separate areas in which MPI conducts its business. One is as a monopoly. Basic auto insurance, they do have a monopoly situation in Manitoba. That is why the Public Utilities Board has the authority to set its rates, to examine any information that may deal with that monopoly.

At the same time, MPI also has competitive lines of insurance. Manitobans have a choice on those lines of insurance. They can purchase MPI products.

They can choose to purchase other kinds of products. MPI has taken the position that is not information that need be disclosed to the PUB.

Mrs. Taillieu: Well, Mr. Speaker, the Manitoba Public Insurance annual report of 2008 indicates that Manitoba's insurance rates are the fourth in the country, not the best.

Mr. Speaker, the Public Utilities Board has made a number of recommendations in the most recent order, most of which this government has ignored.

For example, the PUB said government should look at the responsibility—or possibility of discounting premiums on vehicles for retired seniors because they're not eligible to receive the weekly indemnity benefits under the personal information protection plan. They're paying for something and they're getting nothing, Mr. Speaker.

So I'd like to ask the minister: When is this government going to stop treating Manitoba's seniors like their cash cow, and when are they going to start paying attention to the recommendations of the PUB?

Mr. Swan: Now the member is asking about basic types of insurance in Manitoba, which is governed by the Public Utilities Board. And if she will examine reports—if you'll examine the Public Utilities Board reports, she will see that MPI does comply with the Public Utilities Board.

And when she's gone to her mailbox—I believe it's six of the past eight years—she will have noticed in the spring she has received a rebate cheque from Manitoba Public Insurance. Try that with a private insurer, Mr. Speaker.

* (13:50)

Because the Public Utilities Board has indicated its view of how much of a reserve should be kept by MPI, whether the rates are reasonable—and I'm very pleased that MPI has continued to maintain its rates while at the same time providing rebates to the member for Morris and everybody else who has MPI insurance in this province.

Mrs. Taillieu: Well, Mr. Speaker, it's interesting that last year nobody got a rebate from MPI, and this year either. So why is that?

The Public Utilities Board has noted that a number of problems with driver and vehicle licensing, which the NDP government offloaded onto MPI in 2004. This NDP government has hidden this

information from the Public Utilities Board, and they've offloaded that cost, which is \$45 million over the last five years, to Manitoba drivers, Mr. Speaker.

Can the minister tell this House: Are Autopac rates set artificially high because the NDP have offloaded driver and vehicle licensing on MPI and hidden the real costs to the PUB?

Mr. Swan: Mr. Speaker, I would like to thank the member from Morris for disproving her own conspiracy theory. The reason why there have not been rebates in the last two years is because the Public Utilities Board did not tell MPI to send them out. MPI listens to the Public Utilities Board and basic insurance issues, and that, I hope, will put that matter to rest.

In terms of driver and vehicle licensing, indeed, Manitobans enjoy the best coverage at the best price in all of Canada, and every year, Mr. Speaker, it's the responsibility of MPI to put together its information to justify its basic insurance cost. If the Public Utilities Board does not agree with that, then MPI will make the necessary change. The disagreement is with the competitive lines of insurance.

Mr. Speaker: The honourable member for Morris, on a new question.

Mrs. Taillieu: Yes, Mr. Speaker. Well, the reason we didn't see a rebate in 2008, because it wasn't an election year, and I caution the member for putting false information on the record. Manitoba does not have the best rates in the country.

Mr. Speaker, by now, even the NDP must realize that their enhanced ID card and enhanced driver's licence initiative has been a complete flop, and a costly one at that. They spent \$14 million on this enhanced driver's licence, even though MPI did research and proved that it wasn't something that Manitobans were interested in, but the NDP forged ahead with this \$14-million pet project.

So, Mr. Speaker, I'd like to ask the minister responsible: Are MPI rates higher than what they should be because NDP needs to pay for their wasteful enhanced ID cards? Why are they hiding this information from the Public Utilities Board?

Mr. Swan: Mr. Speaker, and let me try to explain again to the member from Morris. There have been rebates in many of the last few years, which have been ordered by the Public Utilities Board. Manitoba Public Insurance respects the words of the Public

Utilities Board with respect to basic insurance and has sent out those benefits.

It is also strange that the member from Morris, who represents her constituents in southern Manitoba, who were among the biggest proponents of enhanced driver's licences and enhanced IDs, and I believe the member was present the other night with the insurance brokers of Manitoba, who have been great partners in terms of the enhanced ID program, in terms of enhanced driver's licence. They tell us that it's a good thing for Manitobans to have that option.

Mrs. Taillieu: Mr. Speaker, I'd like to draw the minister's attention to yet another example of MPI mismanagement from the public—PUB's most recent order. The number of MPI staff working for Autopac basic has gone from 1,365 staff in 2003 to 1,990 staff in 2009, and the number's projected to increase to 2,136, a 56 percent increase in staff. And, across MPI, there are 102 external consultants at MPI according to the PUB order—102 external consultants.

Mr. Speaker, can the minister tell the House: Are Autopac rates higher than they should be because ratepayers are subsidizing the NDP's bloated bureaucracy at MPI? Why are they hiding this information from the PUB?

Mr. Swan: Mr. Speaker, I'm glad the member for Morris has put it clear on the record that she hates public auto insurance in Manitoba, whereas Manitobans know that they receive the best service and the best rates.

Let me put some facts on the record for the members opposite who don't like MPI—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Let's have a little decorum here. Order. Let's have a little decorum here. I need to be able to hear the questions and the answers.

Mr. Swan: Thank you, Mr. Speaker. I will put some facts on the record which may be helpful to the member for Morris (Mrs. Taillieu) and others. Manitoba—because we are hoping that we can all learn something in this House, and I think the members opposite would be well-advised and listen to the answer. Manitoba has experienced long-term auto insurance cost stability over the past 11 years, from 1999 to 2009, when their favoured private systems across the country have been jacking up people's automobile premiums. In Manitoba those

rates have included—have increased only a 1.3 percent per year, and the past 12 years the corporation—

Mr. Speaker: Order.

Mrs. Taillieu: Mr. Speaker, what I hate is the waste and mismanagement of this NDP government.

Mr. Speaker, I want to return again to the issue that has been of the utmost concern to the Public Utilities Board: MPI's total lack of transparency and unwillingness to open its books. The PUB, which is acting in the best interests of Manitobans, has repeatedly asked this government to direct MPI to share information that the board needs in order to set Autopac rates fairly. But for five years the NDP have refused to make MPI transparent and accountable.

So I'd like to ask the minister: Is the real reason he's refusing to make MPI more transparent is because Autopac rates are actually subsidizing MPI's competitive line or are they simply subsidizing MPI—NDP government spending?

Mr. Swan: Well, Mr. Speaker, the fact is that MPI has operating costs which are half of those in the private system. MPI has returned—MPI—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Let's not try and shout one another down, please. Order. This is time for questions and answers. If members don't want to listen to the questions or listen to the answers, I invite you back to your office again because this is the time for questions and answers and the person that has the floor has the right to be heard, and also I need to hear the questions and the answers in case there's a breach of a rule. So I'm asking the co-operation of all honourable members, please.

The honourable minister has the floor.

Mr. Swan: Thank you, Mr. Speaker. I point out to the member opposite that in the past 12 years the corporation has held the line or reduced premiums for auto insurance 11 times. And I also point out that MPI pays out 89 cents of every premium dollar to Manitobans in the form of claims benefits. The Canadian industry average is just 65 to 70 cents of every dollar. If the member opposite wants to send money to Toronto or Montreal or New York she can try, but on this side of the House we support MPI. We have the best insurance system returning almost all of people's premium dollars to benefits for people right here in Manitoba, and I'm very proud of that fact.

**Manitoba Hydro
Public Utilities Board Information Request**

Mr. Rick Borotsik (Brandon West): Mr. Speaker, the Public Utilities Board is seen as the protector of the Manitoba consumer. Checks and balances must be put into place for Crown monopolies like Manitoba Hydro.

Prior to the upcoming rate hearings, the Public Utilities Board has asked Manitoba Hydro to answer some very legitimate questions. Those questions asked Manitoba Hydro to compare the east-side line with the west-side line as it pertains to capital cost, operating costs, transmission-line loss, converter costs and capacity. Manitoba Hydro, Mr. Speaker, has refused to answer. Their response was one of total disdain and disrespect to the Public Utilities Board.

* (14:00)

Will the minister responsible for the Public Utilities Board not insist that Manitoba Hydro be fully compliant with the PUB's request?

Hon. Greg Selinger (Premier): The minister responsible for the Public Utilities Board does what he should do, which is not interfere with the Public Utilities Board. It's an independent body. The members that are appointed are there to do their job without fear or favour, to ask the questions they deem relevant, and for the member to suggest that we should interfere would only cause enormous problems. And the member knows that, and he's pursuing a false path of trying to compromise the independence of the Public Utilities Board.

Mr. Borotsik: Mr. Speaker, the members of the Public Utilities Board are appointed by the minister. The minister is abdicating his responsibility. Rather than excuses, bluffs and bravado from the Prime—from the Premier or from the minister responsible, the minister should be asking for transparency and compliance by Manitoba Hydro.

The Public Utilities Board needs the comparables to hold the utility accountable. To have Manitoba Hydro hide this information from the board is tantamount to contempt. If answers are not forthcoming, the upcoming hearing will be a farce and all confidence will be lost in the Public Utilities Board.

Will the Premier not insist that Manitoba Hydro provide that information so all ratepayers have the information from Manitoba Hydro?

Mr. Selinger: I appreciate the enthusiasm with which the member has put the question. I thought it was pretty good.

And I would say this, Mr. Speaker, we have always made it clear that the Public Utilities Board, as an independent body, has the right to demand what it wants for information. We've always encouraged the Crown corporations to comply with that, subject to any concerns they have about commercial disclosure that would compromise their commercial interests. They have the right to make those points to the Public Utilities Board.

The Public Utilities Board has the tools to require compliance if they wish to do so, and we fully expect them to do their job, and we fully expect the Crowns to do the job, and we do not intervene politically, as the member has requested, to force them to do things that they think are inappropriate given their jurisdictional and legislative mandate.

Mr. Borotsik: Mr. Speaker, talk about irony, talk about political. One of the questions that was asked by the PUB was to confirm that the decision on the routing on the west side of the province has been mandated by the provincial government.

Mr. Speaker, this Premier was the one that demanded that it go down the west side, but the answer, Mr. Speaker, that came back from the Manitoba Hydro was that the Hydro-Electric Board has determined that a west-side route for Bipole III was the best option to proceed with, given that the east-side route was not available. This Premier told them that the west—the east-side route was unavailable. I'm extremely disappointed in the Premier's response.

What is Manitoba Hydro trying to hide? What is the Premier trying to hide? And what is this NDP government, Mr. Speaker, trying to hide? Come clean. Why will the minister not insist that Manitoba Hydro provide the east-side comparisons?

Mr. Selinger: Manitoba Hydro commissioned the Farlinger report. One of the important conclusions in the Farlinger report was that the decision on the bipole had broad public policy implications and they should seek direction from government on those broad public policy questions. They did that. The government responded accordingly, setting out their views about the broad public policy questions and those questions resulted in the government suggesting to Manitoba Hydro that there were significant risks to the reputation of the corporation

and to the product being sold to the American marketplace that could compromise Manitoba Hydro's future interest commercially.

They also indicated their desire as a government to pursue the UNESCO World Heritage designation on the east side for the betterment of all Manitobans, for the benefits that will be abundantly clear in terms of it being a carbon storehouse and for the protection of the integral pristine boreal forest on the east side.

Those are all large questions for which the government has a responsibility to give their views.

Manitoba Hydro Bipole III Boreal Forest Impact

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, the problem with the answer he's just given is that he wrote the letter directing the board of Manitoba Hydro before the Farlinger report was complete and released. It was his directive. The report that came in afterward was designed to try to justify his decision after the fact, and that report, in fact, said that there's as much forest on the west side, in fact, more that's in danger as a result of this decision.

The boreal forest runs from Alaska to Québec. It's east, north and west of the lakes, Mr. Speaker, and they're going to cut more on the west side than they will on the east side.

Why doesn't the Premier—why doesn't he just come clean and acknowledge the fact that he got a bunch of e-mails from Cape Cod, he got spooked, and that's what drove this decision, Mr. Speaker?

Hon. Greg Selinger (Premier): Mr. Speaker, the member has again missed the point of the entire opportunity to protect the pristine, intact boreal forest on the east side of Lake Winnipeg, a once-in-a-lifetime opportunity to protect that, to get a world-class UNESCO designation which will provide enduring benefits to the people on the east side as well as to all Manitobans. The members would like to just basically hack that apart with their rough-and-ready approach to the way they would develop bipoles down the east side of Lake Winnipeg.

Not only would it compromise the UNESCO World Heritage designation, as the Premier of Newfoundland discovered when he tried to put a hydro line through a UNESCO World Heritage Site called Gros Morne in Newfoundland, and he found that that was of such enormous consequence and controversy that he withdrew that decision. Surely

we can learn from other jurisdictions on how to protect forest and how to develop hydro lines.

On this side of the House, we prepare to learn and prosper. On their side of the House, they prefer to deny and pull us backward into the '90s.

Mr. McFadyen: Mr. Speaker, he needs to speak to his minister of highways, who's got out the chain saw and is ripping through the east-side forest as we speak. They're cutting down trees. They had dynamite when I was up there. They were blasting rock; it was flying in every direction. They're blasting the rock. They're cutting down the trees. They're mowing down the forest. He needs to get a report from his highways minister so in the House he gets his facts right.

The former UNESCO chair says he's wrong. The CEO of Hydro says he's wrong. In reality, what happened, Mr. Speaker, is that he had years of studies done by the engineers and experts at Hydro, including the CEO of Hydro and others, who recommended the east-side route as being the only available option.

And what happened, Mr. Speaker, is they got a bunch of e-mails from well-meaning but uninformed people in the United States who cranked up the e-mail machine as part of an NRDC fundraising drive. They got the e-mails, which he has refused to table so far to justify his decision.

And when he was confronted with a choice: Do I take the advice of the engineers, the environmental experts and the financial experts at Hydro, or do I make decisions based on e-mails? I'll go with the e-mails.

Isn't that what he did, Mr. Speaker?

Mr. Selinger: What we did was take the advice that came to us through the Farlinger report. We looked at the opportunities in Manitoba. The Farlinger report clearly indicated that there was more intensive development on the west side of the province and that there was not the intact boreal forest which is available and as yet unspoiled on the east side of the province.

So we had an opportunity to pursue both the UNESCO World Heritage designation as well as additional reliability for Manitoba Hydro, additional reliability and additional transmission capacity, because we plan to proceed past Wuskwatim to Keeyask and Conawapa to build our hydro-electric resources in Manitoba.

Now, the member seems to be concerned about the fact that there's a road on the east side of Lake Winnipeg. The road is a response to the fact that winter roads are no longer viable. That seems to be connected to climate change, which the members don't even acknowledge exists.

Mr. McFadyen: The problem, Mr. Speaker, is that this forest that he claims to be so concerned about is being chain sawed and blasted as we speak, right now, by his highways minister, who obviously he hasn't spoken to. It's the hypocrisy of the position.

The reality, Mr. Speaker, is that there's boreal forest that's being cut through on both routes and, in fact, the total forest being cut on the west side is more than the forest being cut on the east side.

The reality is that they got spooked by the NRDC, which is running this campaign, the NRDC which is opposed to Gull, opposed to Keeyask, opposed to Wuskwatim, opposed to power lines, opposed to Manitoba Hydro, but, Mr. Speaker, they do have a soft spot in their heart for clean coal.

I want to ask the Premier: Why is he being intimidated by lovers of clean coal and haters of Manitoba Hydro?

*(14:10)

Mr. Selinger: On page 7 of the Farlinger report, it clearly reads as follows: The forested areas of the west side are much more intensively developed than on the east side, with roads, rail lines, geotechnical survey lines and transmission lines, as well as forestry and mining operations. The west side has a long history of mining, forestry, hydro-electric developments, settlements and related infrastructure so they're not found in the core parts of the east side.

The statements are very clear, Mr. Speaker. The member opposite would like to attribute motives to our decision. The decision was one we made before the 2007 election and which we ran upon. The decision was to protect the east side as a unique pristine boreal forest to seek a UNESCO World Heritage designation for its ecological attributes as well as its cultural attributes, which give it double saliency when it comes to UNESCO World Heritage designation.

At the same time, after years of neglect by members opposite when they were in office, we decided to pursue additional reliability for Manitoba Hydro so we could not only protect Hydro's electric

provision to Manitoba but have increased exports so we're all better off.

Lucentis Medication Coverage Dispersal Sites

Mr. Rick Borotsik (Brandon West): Mr. Speaker, it took a great deal of pressure applied to the Minister of Health to approve the drug Lucentis to treat patients with macular degeneration. As of June the 1st treatments will be paid for by the Province.

Manitoba, however, Mr. Speaker, was one of the last provinces to do so. There still seems to be a great deal of confusion, however. The announcement said that all retinal specialists could prescribe Lucentis through a program operating out of the Misericordia hospital.

To the Minister of Health: Does this mean that all injections have to be administered at the Misericordia or will all retinal specialists in the province be able to treat their patients at their own offices, as they have done in the past, fully paid for by the Province?

Hon. Theresa Oswald (Minister of Health): Mr. Speaker, I can let the member know that all retinal specialists in the province will have access to the new program with Lucentis. It is starting at the Misericordia centre to begin with and as we develop the program it's our intent to phase it in across the rest of the province, but as the program begins it will be at the Eye Care Centre of Excellence at Misericordia to which retinal specialists will have access.

Mr. Borotsik: Mr. Speaker, that certainly is one of the major concerns of the patients that suffer with macular degeneration.

If their retinal specialist, who they've been having treatments from over the past, don't wish to or aren't able to access Misericordia hospital, and they can still administer the treatment in their own offices, does that mean that patient, for the time being, will have to pay the \$950 for the treatment to the retinal specialist at his or her office and not be able to get any kind of recovery from the Province of Manitoba for his time?

Ms. Oswald: Mr. Speaker, the No. 1 concern that we have heard from individuals who can benefit from the use of Lucentis, of course, was the coverage of the cost, and that's why, starting on June the 1st, that the Province of Manitoba will provide this program

to Manitobans who need Lucentis. They'll be able to access the important treatment with no deductible and at no cost, indeed, the most affordable approach in the country.

This approach is starting at the Misericordia centre of excellence. It's not like prescribing a pill, Mr. Speaker, it is an injection into an eye. It's a complex process that we're going to work through with professionals, and our intent is to phase out into other areas of the province.

The No. 1 concern that we heard was the coverage of the cost, and that's exactly what this program will do, the best one in the country.

Mr. Borotsik: Well, it's obvious, Mr. Speaker, that the minister isn't listening to other concerns from patients who suffer from macular degeneration. They do have and have a confidence in their own specialist, their own retinal specialist, they have a confidence. If that specialist does not access to treatment from Misericordia and has the treatment in their own office, I take it from the non-answer from the minister, that that treatment will have to be funded by the individual.

Mr. Speaker, if that's the case, does the Minister of Health not believe that that in fact is a two-tier health-care system?

Ms. Oswald: And I'll say to the member again that when we announced this program to begin June 1st to cover all costs of individuals receiving a Lucentis treatment—no deductible, at no cost to the patient—that it will begin at the Misericordia centre.

It's a new program that's being developed. All retinal specialists in Manitoba will have access to clinic space at Misericordia. They're welcome to do that. Again, we're going to continue to work on this program and develop it and phase it out.

For now, the program will be at Misericordia, the complete cost of which will be covered there, in hospital, as is the case for other hospital drugs. And we're going to continue to develop the program. For now, we're listening to the No. 1 concern of patients, which is covering the cost, which we're doing best in the country.

Greenhouse Gas Emissions Kyoto Targets

Hon. Jon Gerrard (River Heights): Mr. Speaker, Manitoba's Kyoto targets are to be reached by 2012 and involve a reduction of about 4.4 megatonnes of greenhouse gases. And yet, instead of going toward

this goal of reducing emissions, the NDP government is going in the opposite direction and increasing emissions.

In the past, when the Premier couldn't meet legislated financial targets, rather than meet the targets, the Premier changed the legislation. You know, what a world we would have if every time a criminal broke the law, the law was changed so the crime was no longer illegal. Is that what the Premier wants?

Now four times yesterday, the Premier was asked if he'd commit to keeping the targets instead of changing the legislation, but he wouldn't.

I ask, again: Will the Premier commit to Manitobans that his government will keep their Kyoto targets rather than changing the legislation to cover up their failure to protect the environment?

Hon. Greg Selinger (Premier): Mr. Speaker, and I appreciate the member again raising the issue about greenhouse gas emissions. It is true that, in '07-08, they went up 0.2 megatonnes, 0.9 of 1 percent, and that was not the direction that we wanted emissions to go. And it's also true that we have a commitment, through the legislation the member has referenced, to meet Kyoto targets by specified dates, and it is our intention to continue to pursue ways and means that will allow us to achieve those targets.

Some of the things that we've done already are to bring in a biodiesel mandate, the first in the country, which builds on top of an ethanol mandate. We have very extensive residential energy-efficiency programs in the province now, commercial energy-efficiency programs, institutional energy-efficiency programs. We've provided significant incentives for geothermal installations. Of course, Manitoba Hydro is always looking for ways to continue to offer hydro-electricity throughout North America to reduce greenhouse gas emissions. So we will be taking a number of initiatives to continue to reduce greenhouse gas emissions in Manitoba.

Mr. Gerrard: Mr. Speaker, for almost 10 years, I've been calling on this government to have a real plan for reducing emissions in each major area where greenhouse gases are being produced in Manitoba, as for example agriculture. And, yet, in 10 years, the NDP have not yet produced a coherent, comprehensive plan for reducing agricultural emissions and, as a result, agricultural emissions keep on going up and up. In fact, they're up 34 percent since 1990.

I ask the Premier: Is he really committed to meeting the Kyoto targets, and when's he going to present a real plan for reducing agricultural emissions, or is he going to weasel out of the targets by changing legislation? And why is the Premier, if he wants to reduce agricultural emissions, reducing staffing in his agro-environment sector by \$176,000?

Mr. Selinger: Mr. Speaker, the member raises important issues about how to reduce agricultural emissions. There are many very positive practices in the agricultural sector already, which have created a solid base to start from. For example, zero-till practices, that many farmers follow already, not only for the protection of soil erosion, but also to protect the amount of emissions that come out of those practices.

It should be noted that we contribute 3 percent of Canada's greenhouse gas emissions, and we are 3.8 percent of the population. So we all—we start in a very favourable position. And from that favourable position, we look for additional opportunities, including in agriculture, to reduce greenhouse gas emissions in the future and, at the same time, to allow agriculture to continue to thrive in Manitoba.

Brian Sinclair Death WRHA Information Release

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, for over 34 hours, Brian Sinclair sat in an emergency at the Health Sciences Centre, given no attention. And the government did its best—the Minister of Health did her best in terms of trying to spread misinformation and cover up exactly what had taken place.

Mr. Speaker, I've received a very disturbing e-mail—and it raises a great deal of concern—from a family member of the late Brian Sinclair. WRHA still refuses to release critical information, information dealing with security videotapes, internal e-mails and others.

* (14:20)

I'm looking to the Minister of Health and asking the Minister of Health: Will she instruct the Winnipeg Regional Health Authority to co-operate and start releasing all critical information that's relevant to discovering why it is this most serious tragedy has ever occurred in the province of Manitoba, and it is likely the worst incident, Mr. Speaker. Will the minister come clean and tell the Winnipeg Regional Health Authority to start releasing the information?

Hon. Theresa Oswald (Minister of Health): I can inform the member that the Winnipeg Regional Health Authority has already long since committed to release all materials to the inquest that's going to be held very shortly.

Forest Firefighting Purchase of Water Bombers

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, the fire program of Manitoba Conservation has already reported 50 wildfires so far this year. Conditions now are warm and dry. Northern Manitoba could well be threatened with a very active forest-fire season.

Can the Minister of Conservation please inform the House today what our government is doing to improve our ability to fight fires?

Hon. Bill Blaikie (Minister of Conservation): Mr. Speaker, this morning I was glad to join with the Premier (Mr. Selinger) and the Minister of Transportation and Infrastructure (Mr. Ashton), who announced that four new water bombers will be added to the province's forest-fire fighting arsenal.

The new 415 triple-drop water bomber aircraft from Bombardier Aerospace will be a substantial upgrade to our equipment, and they'll be faster, they'll carry more water and they're going to make a big difference when they are deployed. And the first one will be delivered to Manitoba in October, and we look forward to that delivery and the delivery of three other new vehicles as an addition to our fleet. It's part of our long-term commitment to protecting Manitoba communities and Manitoba forests.

And, while I'm at it, Mr. Speaker, I will want to compliment all those who are involved in the forest firefighting service here in Manitoba.

Oil Industry Transportation Concerns

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, rural Manitobans in the agriculture and oil industries of southwest Manitoba are concerned with this government's lack of infrastructure support for these industries during the spring season. These industries are greatly generating economic benefits for this government, yet this government is failing to acknowledge their needs, particularly in the ballooning petroleum industry.

As an example, Mr. Speaker, of where no direct cost to government would be incurred, can the minister of transport tell concerned citizens and

truckers of petroleum to the Cromer pumping station whether or not he is alleviating traffic on PR 255 this spring by allowing empty trucks to return on Highway 2 via Highway 256? If so, will this practice be continued in the future or is it only a one-year reprieve?

Hon. Steve Ashton (Minister of Infrastructure and Transportation): Mr. Speaker, one of the things that the Department of Infrastructure and Transportation is doing is keeping up with the tremendous growth in this province. I'm very proud of the growth in southwest Manitoba, and I want to acknowledge—I know the member has raised issues with regards to that.

Mr. Speaker, members opposite may not want to listen to the answer on this, but I certainly welcome—now we've had discussions with the member opposite about some of the impacts in terms of particular routes out there, but I want to put on the record—a lot of this, again, is because this province is growing and that includes our petroleum sector. And that's why we have increased the highway construction budget fourfold since we came into government in 1999.

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

MEMBERS' STATEMENTS

Aboriginal Circle of Educators Awards

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I'm pleased to recognize four Manitobans who are recipients of this year's Aboriginal Circle of Educators Awards. Every year the Aboriginal Circle of Educators recognizes individuals who pass on Aboriginal traditions to children and youth through education. When Manitoba's Aboriginal people succeed, the diversity benefits all of us, which is why it is important to recognize leaders and teachers who are dedicated to working with Aboriginal youth.

Sharon Conway is currently a provincial education consultant for the Manitoba Métis Federation. She has worked as a teacher in the Winnipeg School Division and developed Aboriginal curriculum for all grade levels. She has also created a number of provincial teaching manuals. In addition, Sharon was asked by the Manitoba Métis Federation to co-ordinate Standing Tall, a community initiative to keep students in school.

Robert Riel, another award winner, has had a long career in education. He has worked as a teacher, a librarian, as well as vice-principal and principal at

Niji Mahkwa School. Mr. Riel is passionate about education and provides students a firm foundation in their cultural heritage. Robert also serves on a number of division committees and is chair of the Aboriginal educational committee for the inner city district.

Shirley Delorme Russell will graduate this spring with a degree in education and a diploma in Aboriginal languages. She currently works at the Louis Riel Institute helping students to find financial assistance for pursuit of education. As a result of her community involvement, Shirley has received over \$50,000 in scholarships and bursaries. She also develops teachers' resources and does presentations on the Métis people.

Dr. Raoul McKay has taught Aboriginal culture and history at both the high school and post-secondary levels. He was involved in the creation of the Indigenous Studies program at McMaster University, the Métis exhibit at the National Museum of the American Indian, and Dr. McKay was the founding head of the Native Studies Department at the University of Manitoba. Raoul was also a founder of First Voice Multimedia and believes in using multimedia as a way to educate others about Aboriginal culture.

I would like to congratulate each of these individuals on their outstanding leadership that they provide to their community. Thank you.

Arnold Spohr

Hon. Jennifer Howard (Minister of Labour and Immigration): Mr. Speaker, Winnipeg and the world recently lost an artistic icon and inspiration to many, and I stand to recognize that individual, Arnold Spohr.

Mr. Spohr, known internationally as a tenacious artistic force, grew up in Winnipeg's North End. He discovered at a young age that he had a talent for artistic expression. An accomplished pianist, Arnold attended his first ballet as a teenager and was instantly captivated. He quickly became a leading dancer and, as his talent flourished, his presence in Winnipeg's art scene became widely known.

In 1958, he became the artistic director of the Royal Winnipeg Ballet, the first Canadian to lead a professional Canadian ballet company, a title he retained for 30 years. His relentless pursuit of perfection led him to study teaching methods and choreography in England, the Soviet Union, Asia, Europe, South America and Australia, and earned his

troupe international acclaim on the world stage. He was described as a giant, who put his heart and soul into his vision. His dedication is responsible for making the Royal Winnipeg Ballet an internationally renowned institution.

Mr. Spohr led the company to excellence through taking chances on innovative Canadian ballets, such as *The Ecstasy of Rita Joe*, mounting full-scale classics such as *Swan Lake* and supporting the careers of world-class ballerinas. He helped dancers tell Canadian stories as well as revitalizing the ballet canon.

The ambitious Spohr was recognized for his work numerous times. He won a dance magazine award for his enormous contributions to the growth of dance, possessed several honorary doctorates and won the Governor General's Performing Arts Award, the Molson Prize and the Canada Dance Award. He was a well-deserving member of the Order of Manitoba and a companion of the Order of Canada.

Mr. Speaker, Arnold Spohr's contributions to the art of ballet will be missed, but his legacy will continue to live on in the spirit of dance in Manitoba and around the globe. I invite all members to recognize his accomplishments. Thank you.

National Victims of Crime Awareness Week

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, every member of this House knows the devastating effect that crime has on individuals every day across our province. Each time someone is victimized, they lose a feeling of security of their own home or they are afraid to leave their house at night. Many people who have experienced crime are bullied into staying quiet or fear that they have nothing to gain from coming forward.

However, we know that hearing from victims and allowing them opportunities to share what happened helps strengthen our justice system and provides an opportunity for closure. This is why we need to all participate in events such as the National Victims of Crime Awareness Week which began on Sunday.

Crime and its victims take many forms. There are seniors who are taken advantage of; there are women who experience sexual assault; and there are children and youth who are exploited by people who are close to them. Crime does not discriminate based on age or race and the effects permeate throughout our society. However, it is important that we help all people who have experienced crime mitigate the

feeling of victimization, and help them recover from their experiences.

This week, all across the country, events are being held not only to recognize the victims of violence and crime but that encourage our communities to support these individuals as they grow and regain their confidence. For every example in Ottawa, there is a national—for example, in Ottawa there is a national symposium called Every Victim Matters that includes seminars on the impacts of crime and how it provides services to individual victims and to their families.

Mr. Speaker, it's also important that we recognize victims of crime by working to prevent the same actions from repeating themselves. By incorporating the experiences of victims it is possible to build a stronger and more resilient justice system that protects future generations of Manitobans.

*(14:30)

I ask all members of this House to join me in recognizing the victims of crime and preventing the cycle of violence by providing support to victims and strengthening the arm of justice in our province.

Thank you very much.

Poppa Rick's Kettle Corn

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, entrepreneurial spirit is often what drives local economies and unites community members.

Today, I would like to recognize Poppa Rick's Kettle Corn, a little business in my community of Cranberry Portage that is making a big impression. Run by Rick and Pat Petryk, Poppa Rick's Kettle Corn was established last summer after their nephew was extremely successful with a similar venture in Winnipeg.

Rick and Pat were on a quest for a new avenue in life and saw a niche market for the tasty treat in the North, so they decided to take a chance. After purchasing their equipment, business began to take off. They started by selling their kettle corn in the Flin Flon Walmart parking lot, which raised their profile in the area. Soon after, they were being invited to set up shop at different community events.

The art of popping kettle corn is half the allure for their customers. The Petryks set up their equipment under a canopy, and with the right measurements of corn, sugar and oil, the kernels are popped until they are ready to go through a sifter and

be bagged, sealed and sold. The result is a mouth-watering serving of fresh popcorn. I should know as I'm personally addicted to their excellent popcorn; I've eaten bushels of it.

Summer will be an important time for Poppa Rick's popcorn and they will launch this season by attending a leisure show in Creighton in late April. Following that, Rick and Pat will travel from event to event in their motor home, selling their popcorn at events such as the Flin Flon Trout Festival and the local market garden.

As well as enjoying local support, Pat and Rick are also great ambassadors for the community. When they head south, they have the opportunity to distribute pamphlets promoting northern businesses.

Mr. Speaker, I'm proud when local business owners succeed with their endeavours, backed by community members who believe in them. Congratulations to Rick and Pat Petryk on their success, and I look forward to seeing them at events throughout the summer.

Thank you, Mr. Speaker.

Joyce Coulson

Mr. Leonard Derkach (Russell): Today, I rise to acknowledge the contributions to our community and to our province by Joyce Coulson of Sandy Lake. Joyce Coulson is the 2010 YWCA Women of Distinction Award winner for her volunteer efforts in the Sandy Lake and surrounding area.

Joyce is a retired schoolteacher who was recognized for her excellence, her passion, her leadership and her inspiration as a community leader and a volunteer. Joyce is a tireless worker for her community and for her students and also for the elders in her community.

Joyce was nominated for her volunteer efforts by the R.M. of Harrison Councillor Doreen Stapleton, and Sandy Lake resident Dorothy Maluk.

Joyce has always been known for her positive attitude and her passion for horticulture and local history. People who have come to know her—to know that if Joyce took on a task, it would be done with excellence and always on time.

Joyce has a talent for storytelling and can bring history alive as she involves her local community in portraying local historical events. Joyce is a member of a number of community organizations and has

served for a number of years on the board of the Sandy Lake Personal Care Home.

Joyce is described as a very unique and unequalled ambassador for the South Parkland community and for Sandy Lake. I have known Joyce for a number of years and have come to know her as a community leader who is well respected and tremendously appreciated by the entire community and beyond.

I'd like to, today, congratulate Joyce on receiving this well-deserved recognition and the award that was given to her by the YWCA Women of Distinction dinner.

Thank you, Mr. Speaker.

ORDERS OF THE DAY (Continued)

House Business

Hon. Bill Blaikie (Government House Leader): Yes, Mr. Speaker, a number of announcements having to do with House business.

First of all, pursuant to rule 31(8), I'm announcing that the private members' resolution to be considered next Tuesday will be one put forward by the honourable member for St. James (Ms. Korzeniowski), and the title of the resolution is the Canadian Rangers program.

Mr. Speaker: It's been announced that the private members' resolution to be considered next Tuesday will be one put forward by the honourable member for St. James. The title of the resolution is Canadian Rangers program.

Mr. Blaikie: And I'd also like to make a rather lengthy announcement, which, I hope, will please the honourable member from Russell, announcing a series of meetings for the year 2010 for the Standing Committee on Public Accounts.

All meetings will begin at 7 o'clock, unless otherwise noted: May the 5th, at 5 p.m., to consider the Auditor General's Report—Audit of the Workplace Safety and Health, dated February 2007. Witnesses to be called: Minister of Labour and Immigration, Deputy Minister of Labour and Immigration.

May 19th, to consider the Auditor General's Report—Audit of the Province's Management of Contaminated Sites and Landfills, dated October 2007. Witnesses to be called: Minister of Conservation, Deputy Minister of Conservation,

Minister of Finance, Deputy Minister of Finance, Minister of Local Government, Deputy Minister of Local Government.

And the Auditor General's Report—Special Audit: Rural Municipality of La Broquerie, dated March 2008. Witnesses to be called: Minister of Local Government, Deputy Minister of Local Government.

June 2nd, to consider the Auditor General's Report—Report to the Legislative Assembly—Audits of Government Operations, November 2009, Chapter 1, Meeting Manitoba's Obligations Under the 1997 Treaty Land Entitlement Framework Agreement. Witnesses to be called: the Minister of Aboriginal and Northern Affairs, Deputy Minister of Aboriginal and Northern Affairs, Minister of Conservation, Deputy Minister of Conservation.

August 18th, to consider the Auditor General's Report—Audit of the Public Accounts for the fiscal year ending March 31st, 2008, The Public Accounts for year ending March 31st, 2008: Volumes 1, 2, 3 and 4.

The Auditor General's Report—Audit of the Public Accounts for the fiscal year ending March 31st, 2009, and the Public Accounts for the year ending March 31st, 2009: Volumes 1, 2, 3 and 4. Witnesses to be called: Minister of Finance, Deputy Minister of Finance.

September 22nd, to consider the Auditor General's Report—Report to the Legislative Assembly, Audits of Government Operations, November 2009, Chapter 2, Personal Care Homes. Witnesses to be called: Minister of Health, Deputy Minister of Health.

October 20th, to consider the Auditor General's Report—Report to the Legislative Assembly, Audits of Government Operations, November 2009, Chapter 3, Assessment Services Branch. Witnesses to be called: Minister of Local Government, Deputy Minister of Local Government.

November 3rd, to consider the Auditor General's Report—Report to the Legislative Assembly, Audits of Government Operations, November 2009, Chapter 4, Members' Allowances; and the Auditor General report, Operations of the Office for the fiscal year ending March the 31st, 2009.

November 17th, to consider the Auditor General's Report—Follow-up of Previously Issued

Recommendations, a review dated March 2010, with specific sections for consideration. And witnesses to be determined, Mr. Speaker.

Mr. Speaker: Okay, it's been announced, the series of meetings for 2010, for the Standing Committee on Public Accounts. All meetings will begin at 7 p.m. unless otherwise noted.

May 5th, at 5 p.m., to consider the Auditor General's Report—Audit—I have to read it all back into the record: Auditor General's Report—Audit of the Workplace Safety and Health, dated February 2007. Witnesses to be called: Minister of Labour and Immigration, Deputy Minister of Labour and Immigration.

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And, November 17, to consider the Auditor General's Report—Follow-up of Previously Issued Recommendations, a review, dated March 2010, with specific sections for consideration. And witnesses to be determined.

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Mr. Blaikie: At this time, then, I think it's appropriate for me to announce that the House will now go into Estimates.

Mr. Speaker: Okay, orders of the day. We will now go into Committee of Supply. And in the Chamber will be Executive Council; Room 255 will be Health; and Room 254, Water Stewardship.

Will the respective Chairs go to their appropriate rooms. The House will now resolve into Committee of Supply.

Madam Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY
(Concurrent Sections)
WATER STEWARDSHIP

* (14:50)

Mr. Chairperson (Mohinder Saran): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume with the consideration of the Estimates of the Department of Water Stewardship.

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

Mr. Leonard Derkach (Russell): When we left last day, we were talking about the lakes on the west side of the province and some of the problems that are being encountered by residents of the areas and, specifically, we were dealing with Sandy Lake, and I think I received adequate information from the minister that, indeed, there is a willingness for her department to sit down with the municipality and also the Department of Conservation to try to arrive at some solution. And I hope I am not putting words into her mouth, but I think that there was some acknowledgment that perhaps this might be a good way of at least not perhaps resolving every issue, but getting to an understanding of what needs to happen in that area.

But I'd like to ask a question regarding the three Salt Lakes near Strathclair that are in the municipality of Strathclair where there has been, again, a situation of high water where a significant amount of damage has been done to the—not only the land surrounding the lakes and the roads, but to the trees, the natural vegetation of the area and, although the water level is not as high this spring, the problem seem to exist by an artificial block in the South Salt Lake where a road had been built and no culvert had been placed into the road at the point of the creek that allows for the outlet of South Salt Lake .

The municipality was forced to close a ditch that they had deepened in order to allow the water to be released in South Salt Lake. And several reasons were given for the problem. One was that because the community was putting its sewage into the Middle Salt Lake, that, indeed, it was causing a problem in terms of the fecal count for—that was found in South Salt Lake. When we did the tests, Mr. Chair, as a matter of fact, the opposite was found. That, indeed, that did not have an impact on the lake. And then there was a complaint that was lodged against the community by a former member of the department of environment, a staffer, a former staffer of the department of environment, who seemed to have much more sway with the department than did local residents and local municipal people. And this individual happens to live on a—the south shore of South Salt Lake.

And my question is, although there are natural outlets for the lake that were inadvertently blocked in dry years when water levels were low, why the municipality was not allowed to ease some of the pressure causing the water then from South Salt Lake

to cut a swath through a farmer's field after it had been seeded?

Hon. Christine Melnick (Minister of Water Stewardship): My understanding of the situation is that the R.M. of Strathclair has applied for an environmental licence. There is still some outstanding information. I don't know the specifics of that but that is my understanding of where everything is in the process. Again, you might want to put your questions to the Minister of Conservation (Mr. Blaikie), who, I understand, is coming to Estimates at 2:30 this afternoon.

Mr. Derkach: But therein lies the problem again. We've been shunted back and forth between the Department of Water Stewardship and the Department of Conservation. And it is my understanding that it is the Department of Water Stewardship through staff in Brandon, I believe it is, who have been involved in the process.

And there are such inconsistencies in the responses that keep coming back to the area that—and I can witness that, indeed, these inconsistencies have been there—that we need to somehow, again, coordinate proper communication between the staff in Brandon, the Water Stewardship Department, and perhaps the director, and Conservation, in order to get a proper resolution to this because, what happens at the end is, it's innocent residents who suffer as a result.

I have a farmer who lives on the—just on the north side of Highway 16, who's had his hay supplies and water for two years. And he can't get to them to even get those feed supplies out. His name is a Mr. Moffatt. Reg Moffatt, and he, I think, has appealed to the government on several occasions. Last spring he couldn't even get into his yard because of water inundating his driveway that has never been underwater. This year, he was forced to build it up but thankfully, the high water levels are not as severe as they were last spring.

So we've got some alleviation from the problems that way. But I think for the longer term, and I think we've got a bit of time now to be able to start a proper assessment or communication of the situation as it exists there. There are still roads underwater on the north side of the North Salt Lake, and I'm wondering whether there is a way in which, instead of my just going to the Minister of Conservation, if there's a willingness for us to work towards a co-ordinated effort to resolve these issues on that lake.

Ms. Melnick: Well, again, I would give the same suggestion as I gave yesterday for the other issue that we were talking about as for the R.M. of Strathclair to, in fact, call a meeting with Water Stewardship and Conservation. I know the local folks up there have met with the R.M. of Strathclair on a number of occasions—now, I don't have the exact number in front of me, but several times, okay?—and get everybody around the table together.

* (15:00)

Mr. Derkach: I thank the minister for her response and certainly will take that suggestion under advisement and inform the municipality that perhaps this is a good way to proceed.

I have one more lake that I want to talk about, two actually, but I think the other one is—Lake of the Prairies, we'll talk at the end, but Thomas Lake is still suffering from high water. There is a road threatened that connects the one residential area to the other. The municipality has been trying to build it up. The RV park is still underwater and the cottages are still threatened by water at their doorsteps. There are no beaches left because they've been inundated by water. And I'm wondering—again, this is in the R.M. of Strathclair. These municipalities don't have the wherewithal to do the expensive environmental assessments that they've been required to do, and so we have to find another solution. And, once again, if the minister is agreeable, I will certainly communicate to the R.M. that, perhaps, this is another situation where a co-ordinated effort can be undertaken between the departments and the municipality.

Ms. Melnick: Well, again, it is the same R.M. so, perhaps, both items could be put on the agenda for one meeting, and maybe there could be some movement on that. It is my understanding, again, that there has been application made for an environment licence under The Environment Act. Again, my colleague the Minister of Conservation (Mr. Blaikie) might have more information, and that they're still waiting—I understand Conservation is still waiting some information, so.

Mr. Derkach: I thank the minister for that. Jackfish Lake—another lake at Sandy Lake, the community of Sandy Lake this time—Jackfish Lake is one that touches on the Rolling River First Nations. I can tell the minister that I witnessed first-hand a dwelling at—on the First Nations that was completely surrounded by water within 50 feet of the house. Wells have been contaminated in that area, and, once again, it's

the same issue in that area. High-water outlets that have been not so much silted over, in this case, but probably have been worked through with equipment and have caused a block in the water's ability to get away. The First Nation people, I know, have talked to the department, and now this has become almost an issue between the federal government and a provincial jurisdiction and the municipality. But I will—this is in the R.M. of Harrison, again, and, once again, it's the last of those lakes that is suffering from high water, and, in this case, we've got contamination of wells and water supplies for individual homes.

Ms. Melnick: If I could just get clarification. The member talked about Rolling River First Nation. Is that, in fact, where the wells of concern are and the home is?

Mr. Derkach: Certainly, I can provide that information for the minister. I'd be happy to do that.

Ms. Melnick: That would be helpful. I'm also wondering if he might want to talk to his colleague, the federal member. Where it is a First Nation, there may be actions that could be taken through the federal government to help ease the situation there.

Mr. Derkach: Yes, and I have addressed this with him already and I think that's why there has been some discussion about whose responsibility this is. And I don't think anybody's running up to the plate to say, well, we'll look after this. But I will continue that.

Ms. Melnick: So, again, I'll take that under advisement and, if the member could keep me updated on any information that he gets about the situation, I'd appreciate that, too.

Mr. Derkach: Last problem, Lake of the Prairies, and we know what kind of issues that is. That is not something I can address at this table in a short period of time, but it's one that has been ongoing for years, even when we were in government. And the reality is the lake is and the regime of it is out of control. And it has been for the last five years, because we either experience high water levels or extremely low water levels, and it's very difficult for people from Winnipeg to judge what the level of the lake should be at either in February, March or April, as we move into the spring season, depending on how much moisture there is in the upper reaches of the Assiniboine and the Shell. And, right now, the lake is so low that it's impossible—or will be impossible—to launch a boat into the lake from the existing boat launches that are around the lake. I was there on the

weekend and I can tell the minister that it will take an enormous amount of water to fill the reservoir.

There is a longer-term solution that is required, and I'm wondering whether or not the minister and her department have, outside—besides the leaf gates that have been talked about for years, whether any serious look has been given to the additional reservoir at Zelena that would provide easement for flooding downstream and, also, for water supply for the southern part of the province, and whether there's been any consideration. And I know the environmental issues that surround dams, but this is one that was engineered in the '60s, when Shellmouth was created. It was supposed to be one that was developed, but never was. And it's—I think it's the sort of the thorn in the side of the water problems in that part of the world. And I'm wondering whether the minister can enlighten us on any work that has been done to try to stabilize, at least, the level of the reservoir at Shellmouth.

Ms. Melnick: I just wanted to make sure the member from Russell knows that it was two or three years ago that we struck the Shellmouth operations liaison committee. And his comment about Shellmouth being controlled by people from Winnipeg isn't entirely accurate in that there are representatives from the Lake of the Prairies Conservation District on that committee. There are—well, we struck it a few years ago, so this could be a new rendition of something that perhaps had—you had tried a while back. But there—we wanted to make sure that there were local reps. So there is representation from Lake of the Prairies CD. There are two reps representing downstream concerns. There's a representative of tourism and cottages, as well.

So these—this committee meets as needs be. They talk about what they perceive will be happening, particularly during the spring runoff, and actions have been taken as early as January. For example, last spring, I know we began the drawdown in January, so that there wouldn't be—well, we were trying to minimize the effect downstream, which the member knows very well and has spoken of those issues in other discussions.

So what I wanted to point out was the presence level of Shellmouth reservoir, as of April 20th, 2010, is 1,398.5 feet. It has risen 5.5 feet so far this spring. The level is still rising slowly, and is expected to crest at 1,400 feet in mid-May, even with the continued dry weather. While this level is somewhat

below the summer target level of 1,402.5 feet, it is adequate to meet water supply needs along the Assiniboine River—we believe for the rest of 2010, until the spring freshet in 2011.

So, if dry weather does continue, we'll have to look at how these releases will be changed. We'll be working with the committee. There may have to be more significant releases, but we'll be working with the committee at that. We're hoping that we will return to a—average weather conditions, and that that will help to level off.

But I think it's important for the member to know that we are working with the local folks on this, and they're making decisions as they believe are best to be made. Depending on the weather conditions, you know, it's sort of a feast and famine situation. Last year was the feast, in that there was water absolutely everywhere. And this year we're dealing with a—certainly a different scenario.

So we're working with the local folks to try to make sure that the upstream folks are—that the water levels are healthy for them, as well the downstream folks, and that can be a bit of a balancing act.

Mr. Derkach: I'm very aware of the local committee that's put together and, you know, there is a bit of an issue. We have representation from the CD who have staff on the local committee that have no idea, no understanding of the lake because they have no experience with it at all. Their staff is—come from outside of the area and have no experience or knowledge with it. The best people on the board are those who live in the valley and understand the—what the water really does in the lake and in the rivers.

*(15:10)

And Mr. Alvin Zimmer, as a matter of fact, who's been on the board since—well, he was on the former advisory board that was struck when I was minister and still continues on the—on that board, is a little frustrated, as some others are, but continues to work because they—they're not blaming government or anybody like that for what is happening there, but they are understanding that because of the amount of water that comes into that lake in a short period of time at given times of the year, that it's very difficult to control unless you have somebody on-site all the time. It can change that quickly. And simply, there are people who are phoning Mr. Warkentin, I think, all the time in the spring to either raise or lower the gates. And I think there's—for every call that comes in

to lower the gates, there's another one coming in to raise the gates.

So I think there's a lot of work that is required at the local level, but it requires somebody on the ground in our region. Having somebody come out of Dauphin to change the regime of the dam is not an ideal situation, especially when this dam is responsible for supplying such a vast amount of water for downstream users. And it is a very critical structure in our province. And not to have somebody on the ground there, I think, is a shortfall and certainly doesn't provide the kinds of management that that area should have in terms of the water supply and the water control for the entire region. And there's so many people that depend on it that I think it requires more attention than has been given to it over the course of the last few—or number of years.

And once again, I'm asking the minister whether or not her department perhaps could take another look at this and establish a better protocol for the management of that regime.

Ms. Melnick: Well, a couple of points there.

Certainly, the representatives that we have on the liaison committee, many of them live in the valley. One lives almost adjacent to the Shellmouth Dam itself.

Just to explain that the person who operates the gates is actually an MIT staffperson who works the gates based on the recommendations from the liaison committee. So it's not someone up in Dauphin sort of making their own decisions on how things should be organized.

And that's—I'm not sure what the member's saying. Maybe he could put it on the record if he's—wants to when I finish this statement.

But there is a lot of connection between the way that the gates are managed and the recommendations by the Shellmouth operations liaison committee. So I think we just need to clarify that.

Mr. Derkach: Just finally, you know, I understand how the process works and I understand how the system works. I'm just expressing a frustration, I think, that has been expressed to me by members of the committee, by even staff from government, who have indicated that it isn't ideal for—whether it's MIT or whoever, whichever department of government—to control that.

I know the liaison committee has some say in it, but they are not the ones who make the final call. Those final calls are made by Mr. Warkentin as to whether or not—and that's based on a lot of factors, and I understand that.

But what I'm saying is there would be a much better understanding of the impact of the dam if, in fact, the person were to reside in that local area. And that's my final comment, and I don't really expect a response, but I certainly welcome it anyway.

Ms. Melnick: Well, we have been working with the committee and we've recently developed guidelines to operating the dam and to—and those guidelines take into account information coming directly from the committee, information coming directly about water flow, expected levels of precipitation, et cetera. So the member's right when he says there is a lot that goes into these calculations.

And again, we're working with local people. Do we always get it absolutely right every time? Well, maybe not, but we certainly try to, and when I look at what the department and Manitoba dealt with last spring, again, I congratulate everyone who put in such an effort.

This spring is quite a different spring. It was quite different than what we anticipated. We anticipated a lot more flow. That's more getting into a Red River discussion, I suppose, but just to make the final point, that guidelines have been developed in consultation with the committee, and it's those guidelines that guide the monitoring and the adjustments to the gate.

Mr. David Faurshou (Portage la Prairie): Just to follow up with my honourable colleague for Russell, is there any work being done on the Zelena Dam proposal at the present time?

Ms. Melnick: As the member would know, there has been a lot of discussion over what is the most cost-effective way to deal with these flows, and it was, in fact, established quite some time ago that the gates on the Shellmouth was the most effective way of monitoring the flows as well as cost-effectiveness.

Mr. Faurshou: I do, though, want to enter one additional consideration that we're all aware of, the success of the Asessippi ski hill and the number of cottages and that that have been developed in the area over the course of the last 10 years.

There is another dynamic in the Shell River there that potentially should be considered by the

department as another additional resource that would emanate out of the construction of the Zelena Dam. I just would like the department to recognize that potential in their deliberations as to what is and is not cost-effective within expenditures. I don't expect the minister to comment on that. I just wanted to state it for the record.

I would like to ask the minister to clarify the relationship between her department and the Manitoba Infrastructure and Transportation as it pertains to watercourses, either natural or manmade here in the province of Manitoba. Is it—my understanding correct that your department is responsible for any roadway or any bridge crossing, traversing any manmade or natural watercourse in the province of Manitoba?

Ms. Melnick: That, in fact, would be an MIT responsibility.

Mr. Faurshou: It very well may be an MIT responsibility for the actual physical structure, but my understanding is that your department must give the nod, must give the licensing or permitting to whomever is constructing the structure that traverses a watercourse here in the province of Manitoba.

Ms. Melnick: Just to clarify, I think you're certainly on the right courses. The Department of Water Stewardship would license any crossing that diverts water, changes the flow in any way. The exception would be we don't license MIT crossings, but we do provide hydraulic analysis.

* (15:20)

Mr. Faurshou: So then a crossing over a manmade provincial drain would require permission from your department because, effectively, it would require installation of culverts, which could be defined as an encumbrance on the water flow, so, therefore, a definition of diversion could be employed?

Ms. Melnick: Is the member inquiring about a specific instance?

Mr. Faurshou: Well, I'm trying to clarify the relationship between MIT and Water Stewardship and—because we've been bounced back and forth now for close to eight months, and after inquiries were made, thought pattern was developed and correspondence began to flow on October the 22nd. The response was received April 14th from the Minister of Infrastructure and Transportation (Mr. Ashton), which was originally sent to your department.

But the bottom line of all of this, regardless of whose responsibility it is, for the record, there was a publicly concerned farmer that allowed removal of a crossing for the benefit of the Province, to allow the expansion—development and expansion of the Edwin drain. The understanding with the landowner was always that if he ever required access to his property, that the crossing would be reinstalled. Now, even though it's not in writing, I think it is incumbent upon the government to be held to the honourable—doing the honourable thing, insofar as it—it's even more convoluted 'onsofar' as that even if the farmer went and constructed the crossing to the specifications as required by the Infrastructure and Transportation Department, because now it is being constructed on Crown properties, which is the Edwin drain, the crossing would therefore become the property of the Province even though it was paid for by the farmer. The farmer would be willing to invest in it and his banker backing him in the investment if the property did not revert to the ownership of the Province.

So it's really—the Province is having it both ways here, and I—we received the final—final—determination stating that because there is an access crossing across the Edwin drain 0.4 kilometres from the point of proposed crossing, therefore it is denied.

So there, lie in, I would look at anyone around the table to say that to access the laneway into your garage, it is fine to drive 0.4 of a kilometre and then back 0.4 of a kilometre to get into your garage on your own property. It just does not make any sense to me, and I'm certain anyone that I explain this situation to is left shaking their head.

So I don't expect the minister to respond today, because the correspondence, the ink is just barely dry. But I would really, really appreciate—because it means a lot to access your own property, and even though the crossings that are in existence now are to other family members, that should not be a consideration. We are all individuals and whether it's my father, my sister, my uncle, this is my property and I should have access to it and should not be reliant upon my immediate relatives to access my property.

So I leave it with the minister and the very learned members of her staff to, please, reconsider.

Mr. Larry Maguire (Arthur-Virden): I just have a couple of other areas that I wanted to touch on before we, hopefully, are able to close down the Estimates today on watershed—Water Stewardship here. Not

that I hope we do, but there are a lot of questions but I know that others have Estimates time as well, and I don't want to take the minister away from her busy schedule any longer than we have to as well.

But a couple of quick things in regards to the flooding or flood potential that took place this spring. Can she just give me an update on what happened to the ice cutter that went through the ice? And in regards to—and whether there are any changes planned for the use of that type of machinery?

Ms. Melnick: The ice cutter in question is a prototype. It was a remote-controlled ice cutter and you know when you're using a prototype, sometimes you try to push the limits. You try to see what the limits are. Clearly, we pushed a little too far.

We are planning to raise it. We didn't send the frogmen down right away. There was a large ice flow at the time and the flows are still quite high on the river so we want to go with worker safety on this, and we know exactly where it is so when the conditions are best for the frogmen to go down and bring it up, we will bring it up. It will be reusable. It is quite a hardy machine. We will be putting a flotation device on for next year.

I wanted to bring to the member's attention that this year the ice cutters cut an unprecedented 26 kilometres of ice. We were trying very hard to mitigate any ice jams that may have developed. We also have the—kilometres or miles?—4,500 kilometres of ice cut and the Amphibex cut 18k, both Amphibex. So, we were looking at a spring—we were anticipating the spring to be much more active than it was. We did have an evaporative melt rather than a liquid melt, which helped because we knew that down south the precipitation was 300 times more than what would be considered normal. So we were anticipating quite an active spring, as I said, and we wanted to have all the tools out that we could.

And again, I want to congratulate the corporation, the north Red water corporation, for the work that they did in this. We had Mayor Walaker up two, three weeks ago now at the floodway inlet. I took him to the Benson building, and he was very impressed with our arsenal, I guess you could call it. And again, you know we're doing things in Manitoba here on flood mitigation and ice mitigation that's just not happening anywhere else in the world. So, we'll pull it up. We'll get it ready for next spring and this time, we'll add a flotation device.

Mr. Maguire: Does the minister—I know she's indicated some changes on the type of machinery and the flotation devices and that sort of thing, that will be used in the future. Can she provide me with any kind of changes that might be planned in the flood forecasting for Manitoba, just in relation to potential of flooding, that might have occurred in the last year, or that they're thinking of doing for the future?

* (15:30)

Ms. Melnick: In the area specific to flood forecasting, there have been three new staff added. These individuals are very highly qualified. They have Ph.D. and Master's degrees. They are—have been studying in water resource modelling as well as meteorology, so, very highly skilled people have joined Water Stewardship and certainly I welcome them.

We have done more in hydrologic and hydraulic modelling to get a sense of how the water might move, how the water, you know, when you get to forecasting, there's a real science there as you look at not only what's happening in the main waterways but in the feeders, we would call them, the different linkages up to the main waterway, so, looking at those as well. We have been making more use of the satellite imagery that we've been able to acquire.

So there's a lot of bits and pieces that get into flood forecasting, including the weather forecast, which can be one of the main determining factors when you're looking at how the thaw will happen, when and where it will happen and what the result will be. One of the interesting—one of the most interesting points for me this year was how the Red River south of the border, because of a Colorado low that had hung over the eastern side of the Red River, all of the tributaries from the eastern side of the Red River had thawed and gone into the Red River before the tributaries on the west side, which was quite unusual, and quite an interesting weather pattern to watch.

Mr. Maguire: Just in relation to the department and the list, has she submitted, or has her department submitted a list of priority projects to the federal government with respect to some of the flood mitigation issues or protection issues that arise?

Ms. Melnick: There was a very detailed list sent on June 24th, 2009, to the federal government by the— from the provincial minister of Intergovernmental Affairs, now the Minister of MIT. There have been

meetings between the lead minister of—from the federal government, from Manitoba, Vic Toews. The Minister of MIT has met with several federal colleagues. We had hoped that an announcement would have been forthcoming some time ago, actually, but unfortunately that hasn't happened, so any support that the member could give us provincially with his federal counterparts to make the announcement to start to really get the work under way would be much appreciated.

Mr. Maguire: Yes, I—well, if the minister could just outline for me a couple of the projects that she may have referenced to the ministers—to the federal government, that would be helpful. And, while I'm at that, I'll ask her if she has had—if dredging of the Red was one of those and whether there's been any discussions with the federal government lately on that issue?

Ms. Melnick: Well, I believe it's 10 or 12 years ago now, the federal government determined they would not be dredging in that area, and that certainly is a concern by the folks up in that area. They have, again, spoken with the lead minister for Manitoba, Vic Toews, several times on this. I understand that there's been some positive response from the federal minister, but we haven't seen the action yet.

So I think if the member, again, could approach his federal colleague to work towards restoring dredging—one of the things that, if the member went out to see the ice as it was moving, as it was breaking up, a lot of the ice had actual mud on it, and that's termed dirty ice. Well, the ice was maybe two feet thick this year, it wasn't as thick as it was last year when it was three or four feet thick, but that means that the silt has built up to such a level that the ice is actually scraping over the silt to move northward into Netley Creek.

So I think if the federal government could come back and begin a dredging program in co-operation with the local R.M.s, that could prove very helpful in the spring and help to move the ice out. It may be part—it may become part of an ice mitigation—an ice-jam mitigation strategy where particular areas are well dredged in the fall and that would allow the ice to move more easily out during the spring.

Mr. Maguire: Has the minister's request included that the federal government help pay for dredging of the Red?

Ms. Melnick: The dredging is in fact the responsibility of the federal government. So again, I

know that there have been discussions with the mayors and reeves of Selkirk, St. Clements and St. Andrews with the federal government to restore the dredging program here, and I hope that they'll be very successful.

Mr. Maguire: So I'm assuming that the minister's letter to the federal government has requested the federal government to reinstate dredging at the mouth of the Red?

Ms. Melnick: I understand there has been some discussion. I've had some discussion with Vic Toews about this as well. It really is the call of the federal government, and we are hoping that they will, in fact, come to that area.

We do have a—the Amphibex is actually a dredging machine, so the machine is there, and if we could have the federal government partner with the local R.M.s and the City of Selkirk, we could see some great improvements, I think, in the springs to come.

Mr. Maguire: I know the member is just—I don't want to beleaguer this, but the—you know, has the minister, in written form, asked for the federal government to do some of this dredging again?

Ms. Melnick: There has been discussion with the R.M.s. They may have written, I'm not sure; I'm not privy to all the correspondence that has gone by.

But again, there—I have had discussion with Vic Toews, and I hope that the federal government will come back to their federal responsibility in this area where there has been flooding again this year. North Breezy Point was underwater. We were very relieved to see that, this year, neither cottagers nor Emergency Measures workers were put at risk in any way. The flooding, I understand, has receded from there.

But again, the dredging that has been requested by the local people may in fact be part of the strategy that we can apply throughout Manitoba.

Mr. Maguire: I'm assuming then, from the minister's answer, that she hasn't formally written to the minister asking for the federal government to be involved in dredging in the Red, so I'll just leave it at that.

The question is: Can the—can an Amphibex, as far as the minister knows, be used for any kind of dredging purposes?

* (15:40)

Ms. Melnick: The Amphibex is, in fact, a dredging machine, and we've been working with Normrock—they've been great partners—to develop them into ice-breaking machines, but the actual primary function of an Amphibex is, in fact, dredging. They are used throughout the world. I believe in southeast Asia they've been used quite a lot.

And so, by using the Amphibex as a dredging machine—we used it last—late last summer up at the mouth of the Portage Diversion, in fact, to move a lot of the silt that had developed through last spring's flooding out of the—out of that area.

So we know that they can work well, and, again, I would call on the member to ask his counterpart in the federal government to restore this. And, certainly, we would appreciate seeing dredging happening, because one of the things that we try to do is work on a preventative measure, which is why we cut so much ice, why we broke so much ice this spring. And anything that can be done to ease the flow of ice and water in the spring, I'm sure, would be greatly appreciated.

Mr. Maguire: No doubt the minister has indicated that, you know, it's just a—I have no problem with seeking support, but, when the minister hasn't even written a letter to the—asked for such dredging purposes to be put back in place by the federal government, it's hard for me as an opposition member to seek that support from them as well, even though we have.

The people that live on the north side, and the member—minister just referred to it a little while ago in the Breezy Point area and others that were flooded, not this year but last year in that area, had a great impact on their homes and locations. And, of course, there's been some great movement in moving those homes out.

There's been an impact on the operations of an enhanced capacity floodway on flooding in their region, and I wanted to ask the minister: What type of monitoring is the Province doing in that region north of Winnipeg now to measure the impact of the floodway in that region?

Ms. Melnick: Previous to acquiring the environmental licence for the expansion of the floodway, the provincial government did a study. And the folks upstream, the coalition, also did their own study.

Now the government study showed minimum impacts downstream, both in terms of ice flow and

water levels. The study done by the coalition—the people upstream—showed a different result. So the CEC hired KGS to do a study in this area and it showed—the KGS study, in fact, agreed with the government study showing very little impact of ice and water levels. And it's my understanding that that study was made public, and that study was completed before the environmental licence was, in fact, given to the provincial government to expand the floodway.

Mr. Maguire: Well, just—more in relation to some of the issues, I guess, that have happened since the floodway was changed and in the last two years, particularly, the coalition that the member—or minister—refers to for the flood protection north in other areas, as well, would like to see some changes to the floodway operations to help better control the volumes of water going through the floodway and through their area.

And I'm just wondering if the minister can outline any changes planned to floodway operating procedures that would help them in that area or if there are any plans.

Ms. Melnick: The environmental act calls for a review of the operating rules and we are, in fact, undertaking that now. There would be opportunity for anyone to bring any sort of concern, any sort of issue on the operating rules to those—to that review and it would be given very serious consideration.

Mr. Maguire: But as of now, then, the minister has no plans to change the operations of the floodway operating procedures in those areas until that report comes in at least?

Ms. Melnick: The operation of the floodway is a very serious action to take, the decision to raise the gates, the decision to lower the gates, and when the floodway gates are in operation, there is fluctuation of the gates that happen around the clock whenever necessary to maintain the state of nature upstream. So different levels of flow go through the floodway at any given time.

It would not be astute or appropriate to make a change without very, very serious consideration as to how and what effects those changes would bring, which is why we're going out to the public. We're encouraging people to be involved in the open discussion, in the public discussion about operating rules and encouraging people to come forward with any concerns they have. The decision to change any of the rules would be given a lot of very serious

consideration and we would have to look at it from many, many different angles.

So, until this is complete, there will not be a change in the rules.

Mr. Maguire: Another practice that was used in the last couple of years was two dikes, Madam Minister, in regards to the tubes that were used to put up more quickly than sandbags and that sort of thing, for sandbag dikes.

Can the minister indicate whether she thinks that was a good tool, whether they've been effective or not? And some of these local people were concerned about their effectiveness, I guess, and I just wondered if the minister could expand on their—on the use of them and their viability.

Ms. Melnick: I think the member is referring to the tubes, the water tubes? Yeah.

Mr. Maguire: Yes, I am.

*(15:50)

Ms. Melnick: So there's two. There's the aquadams and the tiger tubes.

So we found that in '09, two-thirds of the inventory, the provincial inventory, was utilized. Also, some of the R.M.s had purchased tubes before that time which they had fully utilized. We find them particularly effective for rapid deployment. We find them effective for overland flooding. We have found them effective as complementary diking to existing sandbag dikes. So there seems to be a lot of deployment—pardon me, a lot of use to them. They're not the be-all and end-all. We have a variety of tools in the tool chest that we need to pull out whenever we can, and they certainly are one of them.

Mr. Maguire: Can the minister indicate to me—I think, last year in '09 during the middle of the—you know, during not the middle, but because of the impending flood that was there and the crisis that we were facing with—that the government purchased \$2-million worth of the tubes last year.

Ms. Melnick: Water Stewardship was not purchasing flood tubes during '09.

Mr. Maguire: Was she or her department involved in the decision to purchase those or to have them used in the—or can she clarify whether it was the municipalities that actually paid for them?

Ms. Melnick: The municipalities paid for some they had purchased beforehand and I believe during. The—

I think the question might be best put to the Minister of MIT.

Mr. Maguire: I'll check that, Madam Minister, but it was my understanding that there were others bought this spring as well in that area. And so I just wondered if the minister could elaborate on—for me as to how many more were purchased this spring. And, of course, I don't believe they were needed or used this spring, but correct me if I'm wrong on that as well.

Ms. Melnick: Again that was dealt with through MIT, so perhaps these questions would be better put towards MIT.

Mr. Maguire: So her department has no say in how they're used?

Ms. Melnick: We work in deployment. There was a situation on Peguis First Nation and Fisher River First Nation last year where not only the river water rose quickly but the overland flooding was of concern, and we had deployed 60 tubes on a—through one of the trailers. Yes, one of the CERT trailers was deployed to Peguis last year.

We were looking at overland flooding this year, wanting to make sure that the same situation—I forget the exact number of houses that were negatively affected on Peguis First Nation and Fisher River First Nation. But there were many homes that were affected, more by the overland flooding than by the waters rising. So that was the precautionary step that we wanted to take this year was to make sure that flood tubes were available wherever they may be needed, not only for the river flooding but the overland flooding as well.

Mr. Maguire: So does she know who—can the minister tell me who purchased those tubes?

Ms. Melnick: That was MIT. So that's why I'm directing you towards MIT, yes.

Mr. Maguire: She just referred to the compensation eligibility of some of the homeowners in that area, and I'm wondering. You know, some of them indicated that they weren't eligible for the buy-out program. I wondered what kind of input her department had in regards to the buy-out program.

Ms. Melnick: The homes that I was referring to are, in fact, on reserves, so that would be a federal responsibility.

Mr. Maguire: Just a couple more issues then, Madam Minister.

In relation to today's news and the ice shacks, and, of course, it's not just today's news, the ice shacks and the river and that sort of thing. Can she just provide us with a strategy that the department is examining to help tackle this issue?

Ms. Melnick: Again, that would rest with the Minister of Conservation (Mr. Blaikie).

Mr. Maguire: The nitrate issue in regards to the removal of nitrates from the waste-water treatment plants in the facility of Winnipeg, does that fall under her jurisdiction or is it the Minister of Conservation's as well?

Ms. Melnick: That would rest under the Environmental Licensing Act, again, under Conservation. The Premier (Mr. Selinger) has referred the question to the CEC. We have not received—the government of Manitoba has not received a response from the CEC yet.

Mr. Maguire: Yes, I was asking the minister some questions with regards to the legal opinion that I was—that she had sought from her department on the conservation districts. I wonder if I can get a bit of a follow-up from the minister on some of those questions that we raised yesterday.

I filed a—or we filed a FIPPA request asking for the following information, and I want to just quote this so it's on the record: The copy of the legal opinion obtained by the Department of Water Stewardship within the last five years pertaining to its involvement with the conservation district program. For example, this could include an opinion related to the CD funding formula, an opinion related to the management or organizational framework between the department of Manitoba's—department and Manitoba's conservation districts, or an opinion on the CD program framework for the future document. End quote.

And I know that, you know, we were denied access, told that the department had obtained legal opinions implying that there was more than one of these legal opinions sought, and that the total cost, as I mentioned yesterday, was over \$4,400. It was actually \$4,483.20.

And I know that the minister was either being a little bit coy or evasive yesterday and so I wondered, you know, she did provide—she didn't provide any meaningful details about why these legal opinions were secured. And so, perhaps she, you know, after a 24-hour period to reflect on it, might be better, more prepared to be forthcoming today.

And so I wonder if these, were these legal opinions obtained related to the conservation district funding formula and any possible changes to the level of funding that the provincial government will provide to the CDs in the future?

Ms. Melnick: If the member would like to ask me any questions about the areas that he just touched upon, I'd be happy to answer them.

Mr. Maguire: And so the minister's saying that it wasn't, or it was related to the changes to the level of funding that the provincial government provides the CDs?

Ms. Melnick: Well, again, if the member wants to talk about level of funding, we can talk about that. There has been a lot discussion held with individual CDs, with MCDA, there is the—the report is on the website.

It is an outstanding issue that is being worked on by MCDA, AMM and Water Stewardship, so there is ongoing discussion about funding. I did talk about the increases to the level of funding, over 107 percent increase since 1999. There, of course, has been a hundred percent growth in the CD program. And the funding formula which the member was also asking about yesterday does remain 75 percent paid for by the Province with 25 percent paid for by the local municipalities that put that remaining funding in.

So that's pretty much the discussion we had yesterday and I don't know if he wants to talk more about the funding formula or—

Mr. Maguire: I'll simply ask then if that's why you sought a legal opinion. If it was around the area of the funding formula.

Ms. Melnick: Well, I think that the member knows that discussions will be had that, if a legal opinion's necessary, it is sought. It is information that is provided to anyone who seeks a legal opinion.

What we're talking about here is about the funding formula of the CDs, as the member had questioned about. And the answer is that we are looking at the formula, we're looking at, you know, when new CDs come in, we're also talking about maintaining the 75-25 percent. So that's—if that's the issue, we can continue to discuss that.

Mr. Maguire: Well, if not, then, Madam Minister, were the legal opinions obtained related to the management and the organizational framework

around the department and the Manitoba conservation districts establishment?

* (16:00)

Ms. Melnick: Again, if he wants to discuss the conservation districts, any issue, that would be fine, but I think we discussed this quite thoroughly yesterday. I think he's kind of going over the same issues as yesterday.

Mr. Maguire: Well, Mr. Chairman, we can make it quicker if the minister would answer the questions and just tell me whether the legal opinions that she got were related to things like the CD funding formula or the management organizational framework. I'm trying to narrow—drill down and be as specific as I can for her on those issues, but she's evasive in her answers and so I am going to continue to ask whether or not, you know, she won't answer the question, what did you seek legal opinions for?

Yesterday she asked me to be more explicit and so that's what I'm trying to do today. And I'm just trying to be forthright in relation to those areas. And so, you know, if it isn't the CD funding formula or related to the management or the organizational framework, were these legal opinions obtained related to a possible downloading of programming or services from the provincial government to the CDs themselves? For example, in the draft June '08 document, the conservation district program framework for the future discussion document, it states, and I quote, "Many stakeholders felt that the goals and objectives went too far in transferring provincial resource management responsibilities to CDs, such as drinking water protection, surface water management and water quality . . ." End quote.

So I'm simply asking the minister, was the department trying to secure legal opinions related to its own liability if it were to transfer some of these responsibilities over to the CDs?

Ms. Melnick: I think the member is maybe not—is hearing the answer, not really wanting to hear that the discussions that were held around the framework document were held with CDs, they were held with MCDA, AMM and other stakeholders. There were a lot of different issues that were being discussed, there were very good discussions that came forward. If he wants to discuss any of those issues further, that's fine. We have—I think we had a pretty thorough discussion yesterday about these, about the CDs, about the process and there was a very open and

transparent discussion about what changes in the framework might be brought about.

To the specifics of individual topics, there was a lot of discussion around the funding formula which I have assured him will not be changing. I think he might be looking for a way to make it seem as though we are trying to reduce the funding formula, reduce what the provincial government is providing to the CDs. And I have assured him many, many times that that is not the case. If that's the real question, then that is the real answer is we're maintaining the 75-25 percent funding formula. Again, there's been increase of over 107 percent and that's the way the funding formula sits now.

He might be looking for a way to suggest that individual CDs might receive less money. That's not what's going to be happening. Also, in fact, we've made available to CDs the FEF funding through proposals, the Water Stewardship Fund, so the funding of the conservation districts, again, even in a difficult time—financial time as we are now, has remained constant.

Mr. Maguire: Well, I'll continue because I think the minister's missed completely the intent of my question, and that was simply, what did she need a legal opinion for in relation to dealing with her conservation district establishment between the conservation districts and her department? I know that there's discussions ongoing all the time in regards to funding formulas and management processes, but she is evading telling the public of Manitoba what the legal opinions that she had in her department were for, you know, and so I—it's—you know, the draft June '08 document provided an overview of the feedback received on the vision and the mandate statements with respect to conservation districts, and I'm going to read the minister a number of comments from this document and ask her for her feedback. I've got an extra copy if she'd like one, but, you know, with respect to the third goal of those areas, Madam Minister, the conservation districts will complete an integrated watershed management plan. Some of the feedback stated, and I quote: Identifying the issues in an IWMP places the liability and responsibility of the CDs to remediate the problems—end quote.

So is that an issue that the—sort of a matter about which the minister was seeking a legal opinion?

Ms. Melnick: Well, I think it's important that the member respect the process here. He knows that there's been a lot of discussion. He knows that there's

been a lot of CDs that have come forward with integrated watershed management plans. Again, I think he's trying to make mischief here and it's not working very well.

We have moved forward with the plans for many CDs. I believe two are completed. I believe there is seven under planning right now with, I believe, seven or eight more planning to be started through this fiscal year. The member is trying to suggest that there was some attempt to take funding away from the CDs and that's not in fact what has happened. The record is very clear, that we have increased funding, we've increased CDs, we've brought in integrated watershed management planning with providing a \$25,000 grant at the onset, so there's monies to move forward with, and the discussions that were held were very good. I was very glad to see the responses that were coming, and we have tailored the plan to what we think the framework document—to what we believe all of the CDs can work with and we continue to work to improve it.

Mr. Maguire: Well, at nowhere, Madam Minister, did I ever suggest—and I don't know where you got that idea—that I was suggesting cutting back on resources to conservation districts and their program. I'm merely asking why you needed to get legal opinions in relation to your own framework document in dealing with your own conservation districts, and, you know, one of them is in respect to the fourth goal in your document, where all sources of drinking water within a conservation district are protected. And some of the feedback stated, and I quote: Liability related to this goal is a significant concern. End quote.

And if it's offloaded onto CDs, there's a liability issue there. And so is this a matter about which the minister was seeking a legal opinion?

Ms. Melnick: You know, the member should know and understand that communications between a solicitor and client are privileged, that this is not an extraordinary thing to ask to make sure that we're moving forward in a very positive way here. I think he's not wanting to recognize that. I think he's trying to create a bit of mischief here to suggest that there was some way that the government was wanting to not work co-operatively with the CDs. That's not the case. He's reading from the What We Learned document which, I believe, was posted on the Water Stewardship Web site. There were a lot of issues to work out, many of which are reflected in some of the comments he's read. We've worked them out. People

have worked very hard on this. It's not appropriate for the member to try to make mischief with this. I think we've made a lot of good process and we will continue to make process—progress.

Mr. Maguire: Well, Mr. Chairman, the last thing I'm trying to do is make mischief with this. I'm just simply asking questions that are obvious from the document in relation to why the minister won't tell me what legal opinions—what issue she sought legal opinions on within her department.

And so I—you know, she mentioned yesterday that there were three areas, and I'll quote: That there were—"There are three issues that we're working out: a fair and equitable and transparent provincial funding formula for the CD programs; a new appointment policy for the CD districts' program; and a realignment of conservation districts formed on municipal boundaries to true watersheds." End quote.

So, do any of these—do the legal opinions she obtained pertain to any of these three issues; that is, funding formula, a new appointment policy, or the realignment of CDs?

Ms. Melnick: Again, I would ask the member to respect that communications between a solicitor and her client are, in fact, privileged. He may not want to because I know he wants to try to create a situation where there's conflict between the government and MCDA and the conservation districts, and it's not appropriate to try to create that sort of conflict where conflict doesn't exist.

We've worked very, very hard. I'm asking the member to respect what is privileged information and recognize that we have, in fact, moved forward.

* (16:10)

Mr. Maguire: I certainly do respect the questions that have been asked of me to maybe relay to the minister and I see that there's no sense, because it's not forthcoming, but maybe she can just simply answer for me then without directly—how many legal opinions, on average, does her Water Stewardship Department obtain annually?

Ms. Melnick: When we feel there's need of it, we obtain one. There's not a set amount every year. We want to make sure that, as we move forward with not only the conservation districts but other areas, that we're doing it in a way that is appropriate, that we're doing it in a way that is respectful and that we're doing in a way that we'll see a very positive result.

And so I know he's hung up on legal opinions, but there are a lot of other things that we do. We hold public consultations. We work in co-operation with the major stakeholders. We invite people to give comments on the Web site to share with us information. They even bring information through people such as the member opposite.

So I think it would be much more appropriate to look at the progress that has been made and to be supportive of the CDs in his area, which I know he is, but to respect that there is many, many different ways of achieving information. And it's important that we're all working to make sure that we're protecting Manitoba's water in a way that we have never worked towards before.

Mr. Maguire: I'm just trying to be respectful of the document that the minister's own department put forward and asking questions around some of the things that have arisen from that document. And that's why I was quoting some of them. And if the minister wanted to be co-operative, as we can do in the House, if all parties agree to an issue or a change in parliamentary procedure in the Legislature, we can deal with those things and they can happen just like that and she knows that.

So I'm only asking these questions thinking that the minister could be open enough with me to tell me if the legal opinion she sought dealt with any of these. In fact, she asked me, yesterday, if I could be more explicit. And so that's why I've quoted from her own document today in relation to what those areas were.

And some of the primary areas where the department might have required, you know, to obtain a legal opinion, maybe she can tell me what some of those primary areas were? Does it relate to trans-boundary water issues in Devils Lake? To the NAWs issues? To drainage issues? To matters related to flooding and flood-control works? And there's a plethora of them that she could give me an answer on in those areas. And I've just raised some of the ones so far that have been explicit in the document that her department and she put out. And so I'm only trying to find out why you'd need to do that.

And so I ask her again, if she can tell me any of the primary areas where the department would require that legal opinion.

Ms. Melnick: Well, the member's just trying to make mischief here and act naive. Again, I'll repeat

that any of the issues that he wants to discuss, we're fine to discuss the topics and that is what I said.

He did, in fact, wilfully misquote me in his last statement, and I have been very open on the areas that he wanted to discuss. He is not wanting to recognize or wanting to respect the fact that there is a solicitor-client privilege and the department will search for information when we need to get it. That's why, you know, in fact, the member's holding a document that reflected a lot of the issues that arose from the framework document.

He's talked about other issues. *[interjection]* I'm not sure what the member just said. Maybe he wants to repeat it when he has his chance at the microphone. But, you know, we can go round and round and round. I see his colleague sitting at the end of the table. I know they're wanting to get into Estimates with Justice. *[interjection]* Okay, so they're not wanting to, so we've got lots of time. So we could continue to go round and round and round or we can move onto any other issues that the member has. So this is your time. You have a limited amount of time. You're burning up your time to ask questions of myself or of other members of the government and it's his choice, his party's choice, it's the opposition's choice to either be constructive with the questions or to continue to go, you know, around the merry-go-round one more time. So I'll just leave that choice with the member.

Mr. Maguire: Just in relation to the minister's comments, I was referring to the Conservation District's program Framework for the Future Discussion Document, brought out by the Manitoba Water Stewardship, drafted in June 2008, that was put forward. She knows very well where the document came from.

And we have 100 hours in Estimates, and if the minister wants to sit here and deal with the hundred hours on some of these issues, we'll move on when she decides to answer some of the questions. I mean I—she's been very evasive so far in regards to why she'd need legal opinions. She asked me yesterday to drill down, and we have. She still won't answer. And so, you know, and so I'm—can't even answer a simple question like: What primary areas would you maybe need a legal opinion on? And, if she can't answer that, well, maybe she can tell me how much her department's spending on legal opinions in an average year.

Ms. Melnick: I had referred to that specific document. I had—referred to that specific document. I

know it very well. It was produced by the department. Again, if there are specific areas that the member wants to chat about, wants to ask questions about, that's fine. I think we've covered a lot of the areas that he has repeated, and, if he wants to continue to repeat it, that's fine.

Mr. Maguire: Mr. Chairman, with that, I'm prepared to close out the Estimates. The minister has not been very forthcoming in relation to this. I'm quite concerned about her attitude towards the CDs in Manitoba—hers specifically. I know the department's. I want to reiterate the good work that they've done, and that I have witnessed in the province. There are some issues that still need to be dealt with on an individual conservation district level, and there's many drainage issues in the province that need to be dealt with. But in the interests of time, I am prepared to pass the Estimates of Water Stewardship.

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

Resolution 25.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,102,000 for Water Stewardship, Ecological Services, for the fiscal year ending the 31st day of March, 2011.

Resolution agreed to.

Resolution 25.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,887,000 for Water Stewardship, Regulatory and Operational Services, for the fiscal year ending the 31st day of March, 2011.

Resolution agreed to.

Resolution 25.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,696,000 for Water Stewardship, Water Stewardship Initiatives, for the fiscal year ending the 31st day of March, 2011.

Resolution agreed to.

Resolution 25.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$295,000 for Water Stewardship, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March 31, 2011.

Resolution agreed to.

Resolution 25.6: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$30,000 for Water Stewardship, Capital Assets, for the fiscal year ending the 31st day of March, 2011.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 25.1.(a) Minister's Salary, contained in Resolution 25.1. At this point, we request that the minister's staff leave the table for the consideration of the last item.

The floor is open for questions.

* (16:20)

Ms. Melnick: Mr. Chair, I'd like to put forward the following motion. I move

THAT item 25.1.(a) Minister's Salary, be reduced by 20 percent, or \$9,000, to \$37,000.

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

THAT item 25.1.(a) Minister's Salary, be reduced by 20 percent, or \$9,000, to \$37,000.

The motion is in order.

Are there any questions or comments on the motion?

Mr. Maguire: I just find it interesting that the minister has to bring forward a motion to reduce her salary by 20 percent, as the Estimates books related that the reduction wasn't there, even though it was part of the budget, and they didn't put it in the Estimates books.

So, you know, it's just another area of misplanning that the government has done in regards to this whole area. And, of course, we're in favour of it and it shouldn't—because of the already broken balanced budget legislation, looks like they'll have to change it again to make sure it doesn't happen another year on the minister's mismanagement. So, with that, we'll prepare to pass the motion.

Mr. Kevin Lamoureux (Inkster): Yes, Mr. Chair, I do have a question for the minister regarding the motion.

Could she indicate to the committee as to when she was first aware that she would be taking a reduction in her pay?

Ms. Melnick: That was announced—I don't remember the exact day that that was announced. We were very concerned about the economy. We were concerned about wanting to lead by example, knowing that several Manitobans were facing hard

times and we agreed that we would move forward with that.

Mr. Lamoureux: But is that, like, 30 days ago, six months ago? Can you give us a sense of when you, as a minister, were aware that you're going to be taking a 20 percent decrease, or when the suggestion came up that you would be taking a 20 percent decrease?

Ms. Melnick: Well, I think there are conversations that are held that we were discussing the issues around the general economy. I don't have exact dates. I don't have exact times. Certainly, the date that it was announced was the date that—don't have that date in front of me, right now, but that's the date that it was certainly made—that it was announced.

I know that we agree that this is the way to move forward. It's important in difficult times to lead by example. We know that, for Manitobans, there is concern about the economy and we wanted to make sure that Manitobans were aware that we were aware of the concerns that they were having and that we were wanting to do our bit.

I mean, it's not going to make or break the provincial economy. It's not going to make or break the provincial budget, but it is a step that we wanted to take to make sure that Manitobans were aware that we were aware of the situation, and were wanting to do what we could as individual Cabinet ministers to help just a little bit in this time.

Mr. Lamoureux: Did you know before you actually went to print the Supplementary Estimates, for example?

Ms. Melnick: I didn't hear the question. There's discussion at the table.

Mr. Lamoureux: Did you have any sense whatsoever that you would be taking a reduction before you would've printed the supplementary documents?

Ms. Melnick: There were—I think that what the member has to recognize is that discussions can be held on many, many issues, particularly during a difficult economic time. So, again, the announcement was made. I thought it was very positive that it was recognized and I know that we agree as a government that it was the right thing to do.

So, again, I don't have dates and times and moments and discussions right in front of me. We do know that the announcement was made. Again, I don't have that date in front of me at the moment, but

that there is agreement that this was the right way to go, was to lead by example.

Mr. Lamoureux: Last question: Had you known that you were going to be taking a reduction in pay, would you have authorized the printing of misinformation saying that you were going to have full payment in your Supplementary Estimates?

Ms. Melnick: I think the member is trying to be too cute by half.

We do agree that this is the way to go. We agree that it is appropriate in difficult times to lead by example, and this is one of the ways that we're doing it. We're also leading by setting the focus of our budget on education, on health care, on infrastructure, on justice and front-line services for families.

So, this is an important year. It's a tough year, but we're going to be working with Manitobans to make it as easy on the people of Manitoba as we can.

Mr. Chairperson: Is the committee ready for the question?

Shall the motion pass?

Some Honourable Members: Pass.

Mr. Chairperson: The motion is accordingly passed.

Resolution 25.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,447,000 for Water Stewardship, Administration and Finance, for the fiscal year ending March 31st, 2011.

Revised resolution agreed to.

This completes the Estimates of the Department of Water Stewardship.

The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Justice.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next department? *[Agreed]*

The committee recessed at 4:27 p.m.

The committee resumed at 4:28 p.m.

JUSTICE

Mr. Chairperson (Mohinder Saran): We are now commencing the Department of Justice.

Does the honourable minister have an opening statement?

Hon. Andrew Swan (Minister of Justice and Attorney General): Yes, I do, Mr. Chairperson.

I'm pleased to have the opportunity for the first time as Manitoba's Minister of Justice and Attorney General to provide opening comments introducing the 2010-11 Estimates for Manitoba Justice.

The Province of Manitoba is continuing to make significant investments in Justice. The total budget for the department in 2010-11 has increased by 16.3 million, or 4.2 percent over last year.

I'd like to provide an overview of new resources dedicated to the department's core priorities, objectives and strategies. The first priority is safer communities; the second is offender accountability; the third is maintaining the integrity of the justice system.

Our core objective in the first priority area of safer communities is providing strong support for policing. Manitoba's new Police Services Act received royal assent on October 8, 2009. Highlights of the new act include the establishment of a civilian police commission, the development of an independent unit of experienced investigators, and the establishment of local police boards.

* (16:30)

In total, six new positions are dedicated in this budget to support a phased-in implementation of the new act. Three new positions, supported with \$281,000 in operating funding, will be dedicated to staffing the new Manitoba police commission. The commission will be a new body with a variety of statutory responsibilities we may be discussing over the next few days. A new director position also has been added to this budget to support the establishment of an independent investigation unit tasked with responding to major incidents involving police officers.

Two new FTEs have also been added to the Aboriginal and Community Law Enforcement branch to support the department's enhanced responsibility for oversight of policing, particularly in the areas of standards, training, audits and inspection of police agencies across Manitoba. The

Province is also increasing its investment in the Provincial Police Service Agreement to support RCMP operations in Manitoba with a \$6.8-million funding increase this year alone.

From 1999 to the present year, provincial funding commitments provided for an increase of 205 RCMP officers throughout Manitoba. This budget also dedicates an increase of \$566,000 to support First Nations policing in the province. Through the Department of Local Government, this government is also providing funding to support a new police cadet program for the Winnipeg Police Service. The new Police Services Act provides the legislative foundation for police cadet programs and their role in enhancing the ability of underrepresented groups to work in policing.

The Department of Local Government is also providing additional funding for 13 police officers for the Winnipeg Police Service and funding for one officer for the Brandon Police Service. Our government is also working in partnership with the City of Winnipeg to support the operation of a helicopter for the Winnipeg Police Service's crime fighting efforts.

Another important objective in the priority area of safer communities is taking action on gangs and organized crime. This budget increases our investment in project GRASP, the gang response and suppression plan, formerly known as Project Restore, with \$399,000 in new funding. This project brings the Winnipeg Police Service and Manitoba Justice together to intensively monitor high-risk offenders and known gang members, lessening opportunities for offenders to engage in gang activity.

The Province's funding will support the services of an analyst, a support worker and three staff members of the Province's Criminal Organization and High Risk Offender Unit. We're providing additional support of \$75,000 to GAP, the Gang Awareness for Parents program, a pilot project to help parents, caregivers and other adults identify signs of gang involvement, deglamorize the gang lifestyle and link people with resources to deal with children who are at risk of, or involved in gang activity.

The department's new criminal property forfeiture unit has been very active in pursuing court applications against properties believed to be instruments or proceeds of unlawful activity. The unit recently obtained an order for forfeiture for a house that was once a marijuana grow op. Claims

involving cash, vehicles and houses collectively valued at approximately \$6.6 million are currently in process.

A third key objective in the priority area of safer communities is improving supports for children and victims of violent crime. In this budget, we've increased the overall size of the victims services grant allocation. These increased resources will support a new initiative of the North End Women's Centre in Winnipeg to provide culturally sensitive and relevant counselling support to help Aboriginal women who've been sexually, mentally or physically assaulted, move beyond their trauma state.

Two more new projects are also being supported in this budget with a reallocation of resources in the Victims Assistance Fund. The Eyaa-Keen Centre will receive \$30,000 in funding to support a behavioural specialist to provide trauma treatment and support for Aboriginal men and women impacted by crime, and secondly, the Family Centre of Winnipeg will receive \$30,000 in funding to provide timely counselling support for families in crisis referred to the agency by the department's domestic violence intervention unit.

A further fifth expansion to The Victims' Bill of Rights took place on February 24, 2010. The scope of the act will now formally include services for victims of sexual interference, sexual exploitation, invitation to sexual touching, assaulting a police officer with a weapon or causing bodily harm, aggravated assault of a police officer, operation of a vehicle over .08 causing death, and failure or refusal to provide a sample or an accident causes death.

This budget continues our investment in the establishment of a new maintenance enforcement information management system to provide the Maintenance Enforcement Program with greater capacity to enforce court orders and separation agreements that require payment of family support.

Plans are under way to establish five more Lighthouses sites for after-hours programming for young Manitobans this year. This will bring the total number of Lighthouses across Manitoba to 65. Lighthouses is the provincial youth crime program that offers after-school and weekend programs for youth.

The department continues its ongoing support for the Turnabout program that works with children under 12 who've come into contact with the law.

There are two Turnabout co-ordinators, one in Winnipeg, the other in Thompson.

This budget also addresses the objective of strengthening prosecutions in the safer communities priority area. The department's budget adds 18 new FTEs to the division, including nine new prosecutor positions, a new articling student position and more support staff. Including this budget, a total of 48 new prosecutors have been added to Manitoba Justice since 1999.

Important work is also under way to strengthen the ability of the courts to provide fair and effective dispositions in the safer communities priority area, including replacing outdated recording machines with digital technology in all Manitoba courtrooms and completing the conversion to digital technology in Winnipeg courts.

Several initiatives will address the important objective of maintaining the physical infrastructure needed to safely house sentenced inmates. Construction is under way on a 48-bed expansion at the Agassiz Youth Centre in Portage la Prairie, expected to be completed by the end of the year.

Construction is also in progress on an 80-bed expansion at Brandon Correctional Centre to help address the adult population challenges. Construction of the new Women's Correctional Centre is continuing, and we've recently announced other expansions at The Pas Correctional Centre and Milner Ridge Correctional Centre.

The budget supports the safety of our correctional staff and offenders in case of fire with an investment of \$262,000 for certifying and training correctional officers in the use of self-contained breathing apparatus equipment, and the budget also ensures continuing development of the co-operative justice project. This initiative will ultimately enable the computer systems of the provincial criminal court, corrections, prosecutions and victim services to exchange information. It will also significantly enhance interdivisional processes in co-operation and enable the electronic exchange of information with external partners, particularly policing agencies.

In closing, I'd like to re-emphasize the vital importance of the department's three priority areas: safer communities, offender accountability and maintaining the integrity of the justice system. The one thing we will be cutting is the minister's salary, which will be subject to a 20 percent reduction if

supporting legislation enacted by the—is enacted by the Legislative Assembly.

Our government's prioritized critical strategic investments in Justice in this budget, with the goal of addressing the needs that Manitobans put forward to us during the public consultation process for this year's budget.

Now I look forward to a useful dialogue over the next few days. My critic and I expect we'll agree on a number of items. We may agree to disagree on a few others, but I do think we'll have a very productive next few days.

Thank you, Mr. Chairperson.

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

Does the official opposition critic, the member for Steinbach, have any opening comments?

Mr. Kelvin Goertzen (Steinbach): Mr. Chairperson, I thank the minister for his statement, and I have just a very brief few comments to make.

I want to welcome the minister to his role. This is the first opportunity, obviously, that he and I have had to go through the Estimates process. It's the third Minister of Justice that I've done this with, his predecessors from St. Johns and from Kildonan. I'm not sure what that means, if there's a bit of a revolving door in Justice or if I'm stuck in a rut, or whatever it means. But whatever it is, we'll both do this process over the next few days, over the next few weeks, however long it takes.

I also want to welcome—I know they'll be coming to the table—the staff from the department. As I have done in the past, I've tried to organize this as best that I can to not dominate all of the department's time, because I know that they have many other things to do.

Today we're going to have some questions around prosecutions and tomorrow, into corrections, and then probably followed by courts. If that order changes, I'll certainly advise the minister, and I've tried to co-ordinate that appropriately. Although, sometimes the questions that I have might seem to me to be logically fit into those areas, but, might, for whatever reasons, in terms of department organization, fall into other areas.

If that is the case, and the minister takes the questions, as notice or to provide answers, that, in

the past—in the more distant past—has worked fairly well with his colleague from St. Johns. It didn't work quite as well with his colleague from Kildonan. I had some difficulties getting some of the responses in a timely fashion last year, and so I might be a little less forgiving this year. But being that it's a new minister, we'll certainly try that process, because I think it benefits both of us if we can co-ordinate the staff time appropriately, and then have an assurance from the minister that questions will have responses coming in a relatively quick fashion.

So with those few opening comments, I want to begin this process, and ask that he call the staff to the table.

Mr. Chairperson: We thank the member for Steinbach for those comments.

Under Manitoba practice the debate on the Minister's Salary is the last item considered by the department and the Committee of Supply.

Accordingly, we shall now defer consideration of line item 18.1.(a) containing the resolution 18.1.

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

* (16:40)

Mr. Swan: Thank you, I do appreciate my critic's comments and I know it is appreciated, the direction you were able to give in terms of the areas you want to go through. I know that the staff are big fans of this process, but they're happy to listen while they are doing other work.

Joining me today are Jeffrey Schnoor, QC, the Deputy Minister and Deputy Attorney General. We've got Greg Graceffo, who is the Assistant Deputy Minister for Corrections. We've got Don Slough, who is the Assistant Deputy Attorney General for Prosecutions. We've got Dave Brickwood, the Assistant Deputy Minister for Courts; Pat Sinnott, who is the Executive Director for Administration and Finance; Suzanne Gervais, who's the Acting Assistant Deputy Minister on Criminal Justice; and David Greening, who is the Executive Director of Policy Development and Analysis.

Mr. Chairperson: Does the committee wish to proceed through the Estimates of the department chronologically or have a global discussion?

Mr. Goertzen: Historically, we have done this on a global basis and I don't expect the minister will resist that, that historical trend.

Mr. Chairperson: Has it been agreed, global discussion? *[Agreed]*

The floor is now open for the questions.

Mr. Goertzen: Just a couple of opening comments before we get into the Prosecutions and these are sort of routine questions that we ask at the beginning of Estimates for the minister to indicate who his political staff are, his executive assistant and his special assistant and to indicate if there's been any changes in those positions since he's taken over the ministry.

Mr. Swan: My special assistant is Janis Bermel, who has held the role of the special assistant in the Ministry of Justice for, I guess, since this government's been in power. My executive assistant is Andrea Dyck, who works in my constituency office, and she has been my executive assistant since I took this portfolio.

Mr. Goertzen: Thank you, Minister, for that. Can he indicate, or can he undertake to provide for me the travel expenses that he has incurred since becoming minister in relation to his ministerial roles, not in relation to his roles as a MLA?

Mr. Swan: Yes, there should be an initial report that's been prepared. Is the member all right with the next report coming whenever the normal reporting process would be?

Mr. Goertzen: I'm not sure when that normal reporting process is. If it's somewhat in the near future, I would be. Perhaps I could get clarity on that.

Mr. Swan: Of course, those are now posted on the Web site, but we will endeavour to get you the most recent information that we have.

Mr. Goertzen: I thank you for that. And just for clarity, that's in relation to your ministerial role, not in relation to your role as the MLA for Minto.

Finally, just on opening questions, can the minister indicate whether or not his department over the last year, fiscal year, has undertaken public opinion polling of any sort?

Mr. Swan: Yes, my officials don't believe that there has been anything of that type but, just to make sure, they're going to review our records and we'll provide you with the answer. And I understand that can happen tomorrow.

Mr. Goertzen: Thank you for that, and the timeliness of that forthcoming response. And I ask the question, I noticed in the most recent Estimates that I have, in relation to payments from the Department of Justice, that there was a payment to Probe Research, and this goes into the 2008-2009 report. The amount of the payment was \$17,551. I don't pretend to be an expert on everything that the services that Probe would provide, but can the minister indicate whether or not that would have been in relation to polling?

Mr. Swan: I'm sorry. Just so staff have a better handle on this, when did that occur?

An Honourable Member: The report is from 2008-2009. It's the payments report that comes out of the, I think, it's consolidated statements, schedule—Public Accounts—sorry, schedule 3, I believe.

Anyway, it's 17,000, just over \$17,000. So there's no understanding—or no indication of what that—I won't say it's research because I don't know that it was research—but what that payment at Probe would've been regarding?

Mr. Swan: Okay, and just to clarify, we will indeed endeavour to get more detail on whatever the expense was from Probe Research in the 2008-2009 financial year and, just to clarify, the first question was to provide any details of any public opinion polling in the 2009-2010 fiscal year.

Mr. Goertzen: That was the nature of that question. However, if it's found that the payment related to Probe of over \$17,000 was in relation to public opinion research, I'd like to be provided with that, the nature of the questions and the results.

Mr. Swan: I will take that request under consideration.

Mr. Goertzen: Just as an aside, because I have it in front of me, I also notice there was a payment of \$27,717 in the same statement, to Hanford Drewitt. I understand that Hanford Drewitt has the contract for uniforms. Is that correct? And that—so what that payment would be in relation to?

Mr. Swan: I'm not sure if the member for Steinbach has invested yet in his judicial robes, or rather his legal robes, but Hanford Drewitt apparently has the contract to supply all of the robes for our prosecutors, for court clerks and also for judges who are appointed. So that's where we believe that expense would come from.

Mr. Goertzen: If I could get to the breakdown of how that was distributed in that particular year and in the most recent fiscal year that would be appreciated.

Just to clarify for the Minister of Labour, I had no illusions that that would've been for suits related to the former previous minister. There's many things that I may have disagreed with the minister on, but I would never accuse him of shopping at Hanford Drewitt for that amount of money.

Going then into the specific issues of prosecution, which I promised the minister we would move towards, can he indicate the current number of Crown prosecutors we have in the province of Manitoba?

*(16:50)

Mr. Swan: I understand that there are—there is the one position for the assistant deputy Attorney General and 125 Crown attorney positions in the province of Manitoba.

Mr. Goertzen: The minister will recall from the 2007 election campaign, the then-premier, I think, making the announcement—although the then-candidate for Minto may have been there—on 20 new prosecutors, and I think the Premier indicated that there was a need for some haste in hiring 20 new prosecutors over the course of the four-year term if they were successful in the election, which, of course, history shows that they were.

Can he indicate where that status of that promise is in terms of the 20 prosecutors that the Premier, the then-Leader of the NDP, promised to hire over the next—over this current term?

Mr. Swan: I understand that in the '08-09 budget year, there was an additional two prosecutors. In the year 2009-2010, an additional 8.5 Crown prosecutors, and now with this budget year, '10-11, there will be another nine prosecutors added. So I add that up to come to 19.5 additional prosecutors for Manitoba.

I should also mention that we added two articling students in '08-09, one articling student in 2009-10, and Budget 2010 will include another articling student in the 2010-2011 year, for an additional four articling student positions.

Mr. Goertzen: There was a report that was produced and put out late last year—I think in September, October—it was fall of last year in any event, that

indicated that there should be an additional 70 Crown attorneys hired over seven to eight years.

Can the minister comment on whether or not he thinks that that was an appropriate target that was put out?

Mr. Swan: I can't really comment on the long-term suggestions in that report which was worked on by MACA, the Manitoba Association of Crown Attorneys and management, but I can tell the member that the last two years we've taken steps which are consistent with that long-term goal by adding the nine and a half lawyer positions and then 10 positions this year. We are working closely with the Crown attorneys to try and make sure the workloads are manageable and to address the additional challenges as cases become more complicated and more responsibilities are put on our Crown attorneys.

Mr. Goertzen: And that's right, I think the report was from the association representing the Crown attorneys, at the same time they put out a labour grievance, I believe. What's the status of that grievance? Has that been resolved?

Mr. Swan: There was a grievance that was filed at least several years ago that had been dormant for some period of time. I understand that grievance may now be moving forward, although I don't have any details on whether an arbitrator has been selected or how far along we are. But it sounds like that is going to be proceeding.

Mr. Goertzen: And the grievance was in relation to the workload for the Crown attorneys. Is that correct?

Mr. Swan: Yea, I think that's fair to say.

Mr. Goertzen: Does the minister—has he taken any steps to try to address this specific grievance? I mean, obviously, it's a difficult—I understand there's a labour process and he needn't want to dive into the middle of it. But having said that, he is the minister of a department responsible for Crown attorneys, and one would think that he may try to alleviate this issue in another way, in another form, by working with the association in trying to address, if not immediately, their concerns, at least giving them some assurance that those concerns will be addressed in the long term.

Mr. Swan: Well, yes, that's why in '08-09 we added prosecutors and articling students, and that's why in 2009-2010 we added the eight and a half

prosecutorial positions and an articling student, and why, this budget, we've added a further nine prosecutors and another articling student as well as support staff. So we do take the support for Crown attorneys and their support staff very seriously. So we have made those investments, we think it's a good idea.

Mr. Goertzen: And yet the grievance hasn't been withdrawn. So I assume that the complaint that was the foundation for the grievance still holds true, that there hasn't been any change in terms of their position.

Can the minister, because it relates to this, would he be able to provide the most recent workload per prosecutor? And this is a routine question we ask. I understand that it still comes through the prison database system or some sort of case management system. Can he provide those on a timely basis?

Mr. Swan: Yeah, I understand that we can provide that information on a timely basis.

Mr. Goertzen: What's the current state of the contract with the prosecutors?

Mr. Swan: Yes, I can tell the member that the collective agreement expired March 31st of this year. So, of course, the condition of employment will continue on until we reach a new agreement. I don't believe that negotiations have begun but they're in the queue to be negotiated.

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

HEALTH

* (14:40)

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

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

Mrs. Myrna Driedger (Charleswood): Mr. Chair, just to finish up on the question I think we were on yesterday, and that was related to critical incidents in the—in DSM. And I know that there was a particular critical incident that the whistle-blower, Dr. Grynspan, had indicated was never brought to the minister's attention for three and a half months.

And I want to ask her, because I was following what was happening in one of the Maritime provinces, where a minister of health became very upset, and if I'm correct, somebody actually lost their job in the Maritimes for not reporting a critical incident in a timely way.

Does the minister have any concerns that she wasn't informed about this one particular critical incident for three and a half months? Or did she actually know about it perhaps and we're making an assumption that she didn't know?

Hon. Theresa Oswald (Minister of Health): Mr. Chair, and as I said yesterday, we asked the external review committee to do a very thorough investigation and, during the course of that investigation, they did come to a number of conclusions. They did conclude that many of the complainants' allegations were unfounded but they did provide recommendations in a number of areas.

As we discussed yesterday, did identify opportunities where DSM could indeed make improvements in areas of human resources, quality assurance. And one of the areas was more rigorous reporting of critical incidents and also some suggestions about doing the investigations.

So I can say that we know that we want to have critical incidents brought to the departments and by extension, my attention, very swiftly. That has not changed. We feel confident that the independent reviewers took a close look at the cases in—that were raised by the complainant and drew some general recommendations from that.

But, if the member is asking me if I think critical incidents should be reported promptly, the answer is, yes, I do.

Mrs. Driedger: There was an incident, or an instance, of an issue brought to my attention and, I believe, my colleague from Brandon was able to ask one part of the question in question period, and that was about a specimen from Brandon.

And, apparently, a patient rep phoned, asking that a test related to breast cancer be considered urgent, as this woman was waiting for results. And she had had a runaround, and the lab person, although very sympathetic, replied that she couldn't because there were 45 ahead of her. These are all breast cancer patients waiting for results. There is, according to the lab technologists, a backlog. I think this is one instance where there were a number of tests that were sitting, piling up. They couldn't be

analyzed because there was a backlog. And, if I recall from my colleague in Brandon, I think there was about a three-week problem in this particular instance of this woman from Brandon who was being tested for breast cancer and they were having problems getting those results. And I think what I'm hearing further from the lab technologist is that there's lots of these patients that are out there that are not getting breast cancer results in a very timely way.

And I wonder if the minister might be willing to take it upon herself to try to find out what's going on here.

Ms. Oswald: Yes, just as a point of clarification, the member now is talking about current lab tests? This isn't regarding any specific issue that the complainant in a DSM review talked about?

Okay. She has indicated to me that she's talking about lab tests in general in Brandon, so thank you for that clarification.

Again, we know that there has been a very aggressive recruitment effort on the part of DSM and others in the Brandon region to bring pathologists to Westman lab. And, again, I'm pleased to report that these efforts have been fruitful, and I would put on the record again that two pathologists are in the process of confirming employment and are tentatively scheduled to begin work in the middle of May and in July. And there is a third verbal offer that has been given, and active recruitment continues to fill the remaining vacancies.

On the issue of working to bring down turnaround time, this work is ongoing in Brandon, which, of course, can best be achieved by having more staff on the floor, but broadly, we know that the most recent turnaround time data for the Westman lab shows that 96 percent of surgical pathology tests are completed in four weeks. That's both for tests done in-house and sent out.

And, again, it's important to identify that emergencies, as prioritized by medical experts, are done as immediately as is biologically possible. They're, you know, rush—

An Honourable Member: Well put, Minister.

An Honourable Member: That's a sign.

Ms. Oswald: —rush tests—it's a sign. The member opposite is conjuring the Lord, but—I know she's very powerful, so we'll just leave it at that.

I can say that there is an average turnaround for rush tests of four days, again, shorter in some cases deemed emergency. And as I said to the member opposite, we—while it's not an ideal situation, if individuals in the profession are feeling that the turnaround times are unsatisfactory, there are choices to send tests out of the province.

So, again, I hear the member's comments about continuing to focus a strong light on turnaround times, on—I think she's specifically saying, take a second, third and fourth look at what's happening in Brandon, and I want to assure the member that we will commit to do that. And we'll continue to work every day with our partners at DSM and in our regional health authorities to ensure that the tests are completed quickly and, even more importantly, accurately.

So I thank the member for raising this and commit to her that we'll continue to review.

Mrs. Driedger: I would indicate to the minister that there was only the one situation of the tests from Brandon. They were sending it in to Winnipeg, and it was a Winnipeg lab technologist that indicated that it would be very hard to make this particular test urgent when there were 45 ahead of her and they were all breast cancers and they were all significant.

And that was in Winnipeg. So, while the Brandon issue is important, that test did, after, I think, about three weeks or so, end up here in Winnipeg, and there were 45 ahead of her. So it's not just Brandon that I'm raising the issue about.

*(14:50)

It's that there were a lot of tests stacked up that the lab techs couldn't get to because they are on overload. And I'm actually—I'm hearing that from, you know, a number of lab technologists that the overtime is ridiculous. The staff are not getting lunch breaks. They're not getting coffee breaks. Apparently, DSM has authorized as much overtime as possible. The staff are saying: Well, we're burning out. Why can't you just hire more people?

Is it the minister's understanding that we have a significant shortage, or what is happening that we're seeing so much overtime? Is the shortage of lab technologists that high?

Ms. Oswald: Mr. Chair, I want to confirm for the member, just on this specific case, that—raised by the member for Brandon West (Mr. Borotsik) that, in follow-up with that member, the—my office has been

in contact with the particular patient and working to ensure that they're getting the appropriate follow-up that they need through CancerCare Manitoba, and will continue to do that, just as one point.

We know that across the health-care system and across the nation, that there is a very aggressive recruitment exercise going on not only for lab techs, pathologists, doctors, nurses, we know that now is the time of very aggressive recruitment and, certainly, that is no different here in Manitoba.

We are seeing vacancies being filled through the efforts of aggressive recruitment, but we also acknowledge that there is more work to do. And, as I said yesterday, that there are immediate actions that are being taken as a result of the external review and others that are longer term initiatives.

This specific issue of Brandon, one of the recommendations was to provide the pathologist there with additional support and consultation opportunities while continuing that aggressive recruitment, as we mentioned earlier today and yesterday, the improving of critical incident and investigation and reporting processes and optimizing the workloads among DSM sites. So I think this touches on what the member is raising, making sure that the work is being shared as appropriately as possible across the system.

And then there were some of the issues that we discussed yesterday, of course, about improving relationships and building a strong collaborative and respectful workplace. If there are—if and when there are situations where people are feeling like they can't take a sensible lunch hour, then that poses a problem and that would fall directly under this kind of a recommendation.

We want to make sure that not only are the people working in the labs comfortable and able to focus on their work as best they can, we want to make sure that the outcomes are accurate and that patient safety is paramount. So I believe all of this works hand in hand.

There is more recruitment to do, no question about that, and we're committed to do it.

Mrs. Driedger: How would the minister recommend handling a situation where a senior lab technologist yells a lot at the staff that she's in charge of?

Ms. Oswald: Well, it would be my understanding that the majority of workplaces would have a protocol in place under the purview of respectful

workplace policies, and so my recommendation would be to follow those protocols that are in place.

And, indeed, if the individual had endeavoured to pursue those avenues and didn't feel—didn't feel safe to do so or didn't feel satisfied with the outcome, that, indeed, they pursue other avenues in the broader context, whether it's within a regional health authority, whether it's within the context of the facility in which they work—but, certainly, I think if someone is feeling devalued in a workplace by being yelled at or otherwise, then it would be—it would be my belief that they need to make those feelings known so that the situation could be brought to a positive resolution.

Mrs. Driedger: But, if this has been going on for a long time and managers are very aware that this is the behaviour—and it's not just towards one lab technologist but everybody she's in charge of—how does this—how is this allowed to continue, and where would these staff people go? They don't feel they have anybody to go to, and that was what happened with the whistle-blower as well. He thought he went to the right channels and nothing happened, and finally he ended up coming to me, and I wasn't his first choice, but he did everything else.

And I think a lot of the lab technologists are in a similar position in this instance where they don't know what to do and, you know, some of them have brought this to my attention. And it's not just one or two. It's actually several that have brought this to my attention. They don't know what to do, and it looks like things may have settled down just a little bit since the review, but it's still percolating there, and they're just waiting for everything to settle down even more and they fully expect that this kind of behaviour will resume. So why aren't managers doing performance appraisals on everybody and on that particular senior lab tech so that that kind of treatment, particularly in a health-care setting, is not allowed?

Ms. Oswald: I thank the member for the question. I wanted to just say to the member that the recommendations made by the external review committee again do capture a number of the issues that she is raising about—I'll say in very broad terms—morale in the workplace, and I acknowledge that that stemmed out of that review and it was very clear that work had to be done on that.

I believe that one avenue that is going to be available soon is the work that's going to be done with the human resources expert, and this can be an

issue that can be raised about a discussion that if the existing processes, chains of command, or places where individuals feel that they can safely go to raise their concerns if they're not working, I believe that that will be an opportunity to discuss that with a view to amending those chains of command.

I also think it's really important and it would be fair for us to put on the record that when the complainant, the whistle-blower, came forward with his allegations to the region, it was referred immediately to the department who—the deputy minister thereof immediately worked to initiate this review. It was swift in its construction and I think that that's a fair point to put on the record.

And the review itself came back to say that while there were allegations in the complainant's statements that were unfounded, there were some issues that bore further attention and indeed there were recommendations made, some of which dealt with morale in the workplace.

Broadly speaking, I don't really think it's acceptable to yell at people and hope that the outcome will be that their work will be better. I'm not that far out of my public school teaching days to know that, generally speaking, the outcome is exactly the opposite. So I think that the work that's going to get done to improve the morale, to improve a number of areas that the external review pointed to will be very important and I think that the work that's going to be done on that needs to happen swiftly and needs to have a very collaborative feel to it, and that's exactly my hope that that's what will happen by having a human resources expert in the discussion to help with some of these matters.

* (15:00)

Mrs. Driedger: The minister has indicated that many of the allegations were found to be unfounded. I don't know if she's aware that that is being disputed by many of those on the front line who think that there was, indeed, more depth to the allegations than what was acknowledged by the review committee, and many felt that they were founded allegations.

I want to just pass on some information to the minister. And I don't know if she's aware of it, but there, apparently, are some new regulations for licensing for lab technologists. And they have to have a full complement of 45 credits or their licences will not be renewed. And what I'm being told by the front lines is that there is potential here for a major exodus of lab technologists in 2011.

They are saying that they have no problem with continuing education. They're not opposed to it, but they are opposed to the threats and unreasonable demands. They can't access any continuing credit—or continuing education credits during work because they're all working overtime. They're not getting lunches. They're not getting coffee breaks. So they're having a problem getting to any sessions where they could get credit.

And so what I am being told is that we shouldn't be surprised that many will be leaving next year because of this. And I'm just passing this on to the minister because, I think, maybe that is something that needs to be looked at further.

And the whole issue around DSM. I'm finished my line of questionings—line of questioning around that, but I hope the minister will stay open-minded about some of these issues that I've raised. I wasn't sure from the last number of hours that she was looking at this in a very open-minded way. It did feel to me, by her tone and her comments that it was sort of—you know, there's two sides to the story. I've picked one. There are, indeed, two sides, and I don't think that the spotlight should be taken off of DSM. I think the spotlight has to stay on DSM to be sure that, indeed, the issues there are properly addressed.

And that is what I would just urge her is not to take the spotlight off there. There's some really, really good people working there, and they're working in an environment, even now still that it—that, you know, a lot of these issues haven't been resolved. And I think in health care we just have to do better.

So I have no further questions on this, unless the minister wants to make a final comment.

Ms. Oswald: Mr. Chair, just briefly, I will study further the issue that she's raised about lab tech requirements—45 hours and access to. I appreciate her raising the issue, and I'll look into them.

I did want to say to the member that on the point of her saying there are two sides to the story. She's taking one side. It sounds like I'm taking another. And, you know, certainly going back to read the *Hansard* on this, it would in some ways appear that way.

One of the most famous things that Arlene Wilgosh used to say at my elbow was that there were six sides to every story. And is it the famous saying—most famous saying? I think so. And she was very infrequently wrong on that. And I think if you looked

deeper into the text of our discussion over the last couple of days, you may well see evidence of that coming from both of us.

When I say that the independent review committee looked at some very specific statements made by the complainant and found many of them to be unfounded, the spirit of some of those allegations, I believe, transferred into the recommendations that came through. And, I think, that I can—well, I know, that I can assure the member that I take those recommendations very seriously.

I would agree with her that there are excellent people working flat out on the front line to do the best they can for the kinds of people that she describes. A woman waiting to find out whether or not she has breast cancer—one minute is too long to wait when you're waiting to find that out, let alone one day.

So I want her to know that, while we have been in a position of debate for a couple of days on tone, perhaps, tenor and content of the review, I want to assure her that I believe this to be an extremely serious matter and that we will keep the light focussed there on the recommendations and on anything else that comes from people working on the front line that can help inform decisions that will be made to improve the work environment within DSM.

So I appreciate the issues that the member has brought forward. We don't always agree, but I want to assure her that I've heard the things that she has said.

Mrs. Driedger: And, you know, the minister did indicate that, indeed, if you're waiting with the threat of breast cancer over your head that, indeed, it is frightening. I have had two of those situations where, twice, I've gone through the issue of whether or not I've had breast cancer. I was, fortunately, blessed in that it didn't happen, but when you go through the whole, you know, aspect from the mammography to, you know, to everything else, through the whole diagnostic rigmarole, then it is—it's a horribly frightening situation.

The whistle-blower left Manitoba with a huge hole in his heart, and he felt that he went through training to be the best doctor that he could be. And he was quite devastated by all of this. And, you know, he had this great, you know, feeling of integrity that he wanted to do the right thing for patients, and all the staff just loved him. Everybody was so complimentary of his work, his work ethic,

and when he left, he was very, very discouraged about, you know, how medicine is sort of turning out for him.

And he's following all of this very closely, and I just wonder if the minister would be at all comfortable in making any comment to him so that he, indeed, could feel a little bit better about, you know, the fact that he did have the courage to come forward as a whistle-blower. He did what he thought was best, but he did leave here very, very discouraged.

Is she prepared at all to make any comment to him so that he, in fact, could, sort of, feel that he did make a good difference?

Ms. Oswald: I think what I would want to say on that subject is that as we move forward in Manitoba to create a culture where, in difficult situations, people can feel comfortable and safe to come forward, that anybody that goes through an experience and comes out on the other side and doesn't feel that way, despite the best efforts of many, then that is regrettable, because I think that when people make an effort to have their beliefs known in the best possible way and it doesn't turn out smoothly, then we have to review where situations broke down.

And so I would say that the entire experience was difficult for a lot of people. I think that allegations made against a number of people—very, very personal and harsh allegations—have had profound and lasting effects on a number of people in the system, and I think that that, too, is regrettable.

And if we can learn anything from this process, I think we can learn that we need to provide as much clear and concise and direct opportunity as possible for people to have their feelings heard. Not every person that comes forward with an allegation is determined to have an allegation that's founded, but sometimes they are. And for people in the system to know that there is a clear process whereby they can safely come forward and tell their story and feel good about a process afterwards, I think is important. And I think that there will be lessons to learn as a result of how this investigation unfolded, how the allegations were brought forward at the outset, what transition went through.

* (15:10)

And I think I would say to the complainant that while he may have the feelings that he has and if he's not feeling good about the process on the other side

that is regrettable. We will have learned from the journey that we have taken with him with a view to improving opportunities for people to step forward and make their feelings known. And I think that that will have a transformative effect on others in the future, and in a positive way we will learn where the doors need to be opened more freely, where, in some cases, conversation should be stopped and referred to another body perhaps.

And so I think that there—the complainant can feel very positive about the fact that there are recommendations that are being made and that will be followed through, and that the process itself will take some review, and the parts of it that went well, I think, will be supported. And if there are other areas where we feel there are improvements to be made, that will happen, too. And so should someone come forward in future and need to understand how to make their complaints known, then processes, I believe, will be improved as a result of that.

So I would say with every challenging situation that we face in life, as individuals or as systems, we learn. And there will be learning that goes on as a result of this journey. So the complainant can feel responsible for that and know that the person that may come along behind him may have a more smooth path as a result of improved communication and so forth. I think that's what I would say.

Mrs. Driedger: There may be one other piece to add to that. In the report that was finally put out, it started out actually by attacking the whistle-blower and his credibility, and I found that really strange, that rather than looking just at the facts and the allegations, the actual report started out with a bit of a smear of the whistle-blower. And, you know, that is not going to make people in the future very comfortable about coming forward, because knowing that that's how, you know, in the instance, I guess Dr. Macdonald wrote the report. But it—by including that information in there and looking at him as an individual, it appeared then that the review was tainted because there were some already predetermined feelings about the whistle-blower.

So perhaps in the future if reviews are going to be asked, that there needs to be better attention paid to the fact that a whistle-blower isn't smeared in the report, that in fact it's the allegations that are addressed and not anybody's personality. So I would recommend that, you know, down the road that that also be added to, you know, any future reviews.

Ms. Oswald: I will, as I just said two seconds ago, listen to a variety of opinions on how these processes will go forward and the member has a suggestion that, you know, I'll commit to her to take under consideration.

I want to just clarify again that this was an external review committee, and that Dr. Macdonald was not a singular voice in terms of determining what went into this. And we've talked previously about the composition of the committee, one of whom was a pathologist from outside of the province, whom the complainant himself viewed to be the paragon of professionals. And, again, that report was written after the review took place.

But, again, overall, if, you know, if the member is making a suggestion about how such reviews may or may not take place, I've heard her advice. Again, while the member questions the independence of how this report was constructed, I am going to say on the record again, it was exactly that, an independent document, and it was written by the committee to outline according to the terms of reference. And so the report was written as it was written by an independent body.

But I hear what she is saying about working hard to review the facts and not the personalities. Interestingly, over the course of this evaluation, personal interactions were really germane to the discussion. And so I think that it's difficult, in some cases, to separate the two. But I hear the member's point, and we'll add it to a long list of the advice that has come down as a result of this investigation.

Mrs. Driedger: Can the minister tell us why cochlear implants are not done in Manitoba?

Ms. Oswald: Yes, to date, the member is correct in saying that there isn't a surgical cochlear implant program in Manitoba for children or adults. We know that these individuals are—there's pre-assessment and screening and post-operative rehab that's provided in Manitoba through Central Speech and Hearing. It has not been a program that, to date, has been funded, but I can—in Manitoba, that is, the surgical program—but it is one that is under consideration and review. We've had meetings with Central Speech and Hearing and have had a meeting with our regional health authorities, our surgical program, and with that, most importantly, I think, with advocates to bring a program to Manitoba. And we are reviewing the feasibility and possibility of introducing one here in Manitoba, yes.

Mrs. Driedger: How many doctors left Manitoba in 2009?

Ms. Oswald: I don't have the net exodus at my fingertips, but we'll find it and bring it back for the, you know, for the member.

Mrs. Driedger: I'm not looking for any net numbers in this instance. I am looking for actual numbers of actual physicians that have left Manitoba in 2009. That number was available up until about a year ago, and now it is no longer available. It's buried. It's hidden. And that number is out there somewhere in a secretive vault somewhere about how many doctors actually left Manitoba in 2009.

Ms. Oswald: Well, as I said to the member, I don't have it at my fingertips here, but will endeavour to find it. And I'll probably even give her a bonus number about how many doctors came to Manitoba when I give her that information.

Mrs. Driedger: Well, I'm just wondering if that number just magically came through on the BlackBerry. No? Okay. But it would be good if it did.

Ms. Oswald: Well, I can tell the member that, of course, our numbers in doctor migration come from the college, and so, I mean, it's their report. But I'll work with them and ask them about it. If the member is asking did the minister issue a directive to put Wite-Out on top of that number, the answer is no.

* (15:20)

Mrs. Driedger: Because I would indicate something. The minister has been talking about net numbers of doctors lately. She wouldn't be able to do that unless she had the number of doctors that have left because she couldn't easily be talking about the net without knowing how many left and how many came, and then—so, it's strange that I'm hearing people, and I think the college has even talked about the net number and the minister has talked about the net number, but yet, nowhere out there are we able to find out what that exodus of doctors is. So I would appreciate that number from the minister.

I'd like to also indicate to the minister that there are a number of doctors that are raising some concerns with me about inappropriate perks from companies, and this certainly will not be news to the minister. That, in fact, I think, the issue has been out there for some time, and I know that the WRHA has stringent regulations about accepting gifts from drug companies or equipment reps. A doctor indicated to

me that, you know, he's viewed as a criminal if a drug company buys him a sandwich but there are some concerns being raised by doctors that this policy does not seem to apply to program heads, executives or board members.

And I would ask the minister: Does, in fact, that policy apply all across the board to program heads, to board members, to any executives within any of the RHAs?

Ms. Oswald: Forgive me if I missed part of the member's question, but the WRHA's policy, you know, concerning receipt of value-adds, if you will, that expression that has been used, it's a board policy that is to go across the system.

Mrs. Driedger: Then I'd like to ask the minister why these rules seem to be ignored by certain high-profile departments as per a number of doctors providing me with information indicating that there are a number of fancy meals being provided, that there are company jets to NFL Conference final playoff games being provided, that 529 Wellington seems to be a very, very popular place by a number of people that have discerning wine tastes. Why would these things be happening if, indeed, everybody was following a policy?

Ms. Oswald: First and foremost, I want to thank the member for the question and, of course, depending on what her comfort level is, you know, I'd be interested to know any specifics that have been brought to her attention, but want to reiterate that the Winnipeg Regional Health Authority and regional health authorities broadly have policies on this issue, and anyone acting under the purview of the Winnipeg Regional Health Authority and others would be in violation of that policy if they were to be accepting these issues.

Now, if there are situations where they're working, you know, outside of the regional health authority context, that would be something we would want to explore, but it is certainly my information that the policy applies quite strictly, might I add, to the point that there are doctors that, you know, have been quite cross about it, as you can imagine, but that these policies are there for a reason and they're expected to be adhered to.

Mrs. Driedger: I'd like to ask the minister, then, how do you police something like that, because the rumours are pretty rampant that this is occurring quite regularly, that there are, you know, funds within programs that's discretionary and that would

be public money that could be used in situations like this.

How would you police something like this, or how would the WRHA be expected to police this? I know that they were supposed to review their conflict of interest policy in light of concerns that were raised a few years ago, but according to front-line doctors, they're continuing to see this happen, and I guess, you know, how does one police something like this?

Ms. Oswald: So I wanted to say that the ways that this would be policed, as she said, or evaluated would take, I guess, a number of forms.

The first and likely most aggressive is that, you know, if, indeed, funds were being used from the WRHA for such issues, the WRHA undergoes regular audits and it would be picked up in that way. Secondly, there is an opportunity for individuals who believe that—if there's a policy that's in—you know, that has been violated in any way, there's a process whereby that can be reported, and, of course, regional health authorities are captured under whistle-blower legislation. There's also an audit, that I believe is coming to its conclusion, by the office of the Auditor General on the specific issue that was raised in the media a while back, and that's going to provide some insights on this.

But, again, the policy is quite a strict one, and it is one that is, you know, not uniformly loved by all people in the regional health authority who would prefer to see it be much more loose, as it was a decade or two ago. But, indeed, this is a strict policy, and if the member knows—or if there are others that want to come forward with allegations, there are avenues in which to do that.

I neglected to mention that there are also policies in place whereby suppliers providing health facilities with, you know, any kind of additional equipment, funds or research—you know, that, of course, has a long history, but—there are processes in place right now whereby these rules require staff and the suppliers to declare any relationships that they might have with each other, separately, to avoid any perceived or real conflicts of interest. And that's a policy that's been in place for some time now.

* (15:30)

The conflict of interest policy from the WRHA says, and I'm quoting here, not to use their position with the WRHA facilities for personal gain. It further goes on to say that staff shall not accept gifts,

gratuities or entertainment from current or prospective vendors or suppliers that may have real or perceived influence on their objectivity in the performance of his or her duties.

So, again, it's a strict policy that's endeavoured to end a practice that has a very long history in Manitoba. And it's not uniformly loved, but it is quite strict and there are avenues for people to report if it's not being followed.

Mrs. Driedger: What's the punishment when somebody's caught?

Ms. Oswald: Mr. Chair, if someone were found to be in violation of the RHA policy, they would go through standard disciplinary processes, I suppose, that exist within human resources at the WRHA and there would be, depending on the nature of the infraction, a range of actions that would be taken and remedies made and, of course, this would be something that would be part of the employee's record as well, I am informed.

Mrs. Driedger: I think, when the Auditor's report comes out, I'm not sure we're going to find a lot of this because, unless there was a paper trail, I don't think it's going to show up in an audit. You know, they followed paper and I'm not sure we're going to see a lot of this come forward unless it actually was, you know, something that appeared in a brown envelope. But my thoughts are that we're probably not going to be made aware of some of these instances.

You know, if a doctor was taken to some NFL game in the United States on a corporate jet, I don't think that's going to show up in an auditor's report. If companies are taking doctors for dinner at 529 Wellington, unless the minister and I go there on our own dollar and have dinner one night and look to see who we can see, I don't think we're probably going to find very much coming out of the Auditor's report.

And that's the problem with some of this. The—some of this may never show up in the Auditor's report but there's enough rumour out there that, somehow, there needs to be a way to track it. Because if there is discretionary spending within programs, you know, some of that discretionary spending, I'm told, could be about a quarter million dollars. And if they don't have to account for that, that could be a lot of interesting fine dining out there that we may never know about.

So, you know, I guess it comes back to, what's the WRHA's responsibility in policing this? What is their responsibility to ensure that it's managing this, that, in fact, people know what the rules are, very clearly, and that there aren't any abuse of the rules?

So I think a lot of this, you know—unless people are going to speak up, I don't think we're going to find out much about this type of abuse that's actually going on right now.

Ms. Oswald: Yes, there are a couple of things I'd like to say about it.

You know, first and foremost, I don't know what's going to be in the Auditor General's report yet, so I'm not going to declare it a failure before I see it. Certainly, we know that the Auditor General, you know, does a very competent job of looking at a variety of issues, and I know that this audit is taking a very close look at procurement practices and purchasing and use of funds and the allegations that came forward at—a few months ago, and so I would, as the member cautioned me a while ago about keeping an open mind, would suggest that we do just that until we see the Auditor General's report.

I also wanted to reiterate that, again, if there's discretionary spending in a department of a regional health authority, that has to be accounted for and would be picked up in the audits that are done, and so this would be routinely caught by auditing practices and the policies are, again, very clear on that front.

I guess the other point is that rumours that exist out there have a way of travelling into the member's world, but they also, generally speaking, don't stay in one sphere. Rumours are rumours by their very nature, and they get around also to people that would take great interest in knowing who may or may not be violating policies, and investigations take place, and people get asked questions. So rumours, by their very nature, have a way of being hurtful but have a way of being helpful in pursuing whether or not somebody is violating a policy.

I was conferring with a colleague. I thought I heard the member invite me out for dinner to 529. I may have been mistaken about that. Again, I might not have heard clearly. I think she said she was going to pay, which would not be in violation of the policy. But I, for one, know that there are indeed some issues that would be more complicated to police than others. People can be very skilful in efforts to get around the rules of the game, but I can say that there

are all kinds of efforts being made in the Winnipeg Regional Health Authority—I think that's mostly what we're talking about—to instil a rigorous policy where one that has a long history well back through the '90s of being pervasive, there's a very concerted effort going on to track and to police and to ensure that, of course, these policies are followed.

The WRHA, in fact, was under criticism from a number of folks for its refusal to accept value adds in ways that other jurisdictions routinely do, in that they wouldn't be able to receive equipment and extra training and so forth because under their policies and rules this wouldn't be accepted, and, even from within, the senior executives at WRHA are harshly criticized for not taking what they can get and running with it.

But it's been a decision by the senior administration to endeavour to police this practice. I think they're getting more successful at it every day, but, again, this is a process that involves the changing of a culture, and if the member has some suggestions about this particular process, I'm all ears. I'd be happy to hear it. Maybe we could talk about it over dinner.

Mrs. Driedger: And just let me be clear. It was—we were both going to pay our own way personally and not with our allowance money and then just people-watch and see who shows up at 529. *[interjection]* You've been there one more time than I have.

Now, one of the comments made was about the Auditor's report and that the minister wasn't prepared to declare it a failure. Nor am I, because I'm very anxious to see what she might have found out. I'm just indicating—and even in discussion with the auditors, they were even indicating to me that it might be tough to find some of these things out unless somebody comes forward or else they had a paper trail to follow. So we may still, even when that report comes out, still not have full information.

* (15:40)

Like something that still bothers me. A number of years ago, there was an internal medicine retreat to Banff. And, you know, three dozen or so people went on that. And the minister wrote me a letter and said that everybody, basically, paid their own way. I have a hard time believing that—Banff Springs Hotel, you know, rental cars. The meals there are very expensive. The liquor there is probably even more expensive. The rooms are phenomenally expensive,

and that's one of the, I think, the highest-end resort in Canada.

So the internal medicine retreat there just always made me wonder about what was going on. The WRHA said it had no records. The University of Manitoba said it had no records. And, basically, our last resort was to ask the minister, you know, what she knew about it. And, basically, she came back saying, that they all must have spent their own money to go there.

And that has always made me wonder a little bit, whether or not there had been any public money spent. We probably will never know. And that's why I'm saying that sometimes it could be hard if there's discretionary money. We may not always see it translate into something, you know, that obviously jumps out of the page.

So I'd like to ask the minister. She said audits are done. Can she indicate who sees those audits and who analyzes those audits, and how one could get their hands on those audits?

Ms. Oswald: Yes, just to address the first part of the question. I was just reminded about this particular question that she was asking about an internal medicine retreat, just before she mentioned it. So timing is everything, I suppose.

You know, there have been rumours that went around about this particular retreat, but, in going back and, you know, asking the questions, again, that the member asked, it was, indeed, self-funded through a tithe, the doctors each contribute into voluntarily their own money. There wasn't public contribution to the trip. You know, I'm not up to date on the prices of what happens at the Banff Springs Hotel. Perhaps the member's been there one more time than I have. But I can tell you that this was something that was funded through the docs. I have some reasonably, intimately clear information on what we're paying doctors these days, and I—it would appear to me that they could manage it. But, in that particular case, while rumours would abound, indeed, this was true.

And, if public money was being spent, again, the WRHA has to account for that money, and there are audits done routinely. And that would be obvious in the coming and going of money through the regional health authority, so there would be no hiding it.

And to the second part of the question, just one moment. To answer the second part of the member's question about where do the audits go, the audits go

to the board of the WRHA. They go to Manitoba Health, and to the Provincial Comptroller as well. So there are several sets of eyes that review these audits.

Mrs. Driedger: If the minister is referring to just the general audit of the WRHA, one can't find very much information in there at all. I get the audit too, and I look at that audit. But I'm wondering, when she indicated that these discretionary funds are audited, is there a by Manitoba Health auditors? I thought was what she indicated. And I'm asking if, in fact, those types of audits are actually done and available.

Ms. Oswald: I can let the member know that there are internal audits that are done cyclically, I believe the word was, and that information from these reviews that would capture things like discretionary spending are reviewed by the finance committees within the region, and they do, as well, go to the deputy and to finance in Manitoba Health, as well, for careful review and scrutiny.

So, again, if there were public monies being spent on jets to football games, we would know.

Mrs. Driedger: I don't think the minister was listening closely to me because in those instances it wouldn't have been public money that was spent; it would've been the company taking somebody in their jet. So we would never know that, or if the company—a company, like a drug company or a equipment company were to take doctors out for dinner, we're never going to know that, and that's where I'm indicating that those types of relationships may be very, very hard to track and not show up in the brown envelope audit that the government is actually doing.

I'd asked the minister—she indicated that there was this tithing that happens with doctors, and that would've been how they use money to go to Banff. Could she tell me then who would've paid for the vice—some of the vice-presidents of the WRHA to attend that conference?

Ms. Oswald: Yes. Just going back to the initial part of the question, admittedly, if a doctor or a professional in the regional health authority were being paid for by the company, that is more difficult to track, no question about that.

I believe in the earlier line of questioning there was a discussion about the expenditure of public funds so I, you know, gave my previous answer in terms of how that is allocated.

But the policies that exist in the WRHA now that didn't exist, you know, over the course of many years, well back into the 1990s, these newer policies are quite strict, and I think I read into the record the nature of the policy. And, again, could have very serious consequences for those individuals in the Winnipeg Regional Health Authority that would be violating those policies.

There would be, as I said earlier, a process through human resources that could range in how the person would be disciplined and could, indeed, you know, result in termination of employment. So a violation of these policies is a very serious matter.

Again, if the member has information concerning such things that she wishes to share with me and, you know, on the record, privately, whatever, I'd be pleased to receive that information and investigate.

It's more difficult to track if somebody is in violation of the policy, receiving perks from different companies, but it is exactly that—a violation and would be treated very seriously. And so, while more difficult, not impossible, and if there are accusations made, they are investigated.

And I'm just getting to the last part of the question, I think, about staff.

*(15:50)

Yes, thank you. Just to continue on with my answer, wanting to clarify on the discipline issue for doctors, it would be through the medical staff by-law that disciplinary action would be taken on doctors. And so, if I suggested there was a general HR process, which I think I did, I just wanted to clarify that doctors have a role that is separate from that, but—a venue that is separate from that—but certainly, again, if they are accused of violating the policy, you know, would have a process by which they would need to go through. And I believe that, again, on this issue of the internal medicine trip, I am informed, and, again, if the member has more information or different information, you know, I would be quite prepared to revisit the investigation that's done. But, again, it was funded entirely with the personal funds of doctors in internal medicine who regularly and voluntarily pool a portion of their pay.

The details of the trip, you know, did get taken by private citizens, and, at this time, we understand that those details aren't known to Manitoba Health or the WRHA. But if there are, again, any allegations that there was public money from the WRHA used

for this trip we would be happy to review what the member is raising, absolutely.

Mrs. Driedger: So the minister's indicating that the vice-presidents of the WRHA that attended that—I know Jan Currie was one and there were others—she's indicating then that they would have paid their own way or that this doctors' group would have paid their way. Is that correct?

Ms. Oswald: That is our understanding when we have initially—I think twice—asked these questions. But, again, we'll review for the member and get back to her. But it is our understanding that Manitoba Health nor WRHA monies were used for this trip.

Mrs. Driedger: I'd like to ask the minister some questions about *The Wave Magazine*, which is a joint project between the WRHA and the *Winnipeg Free Press*. And I understand that there is no cost to the WRHA for this, that the cost of producing and distributing the publication is borne solely by the *Winnipeg Free Press*. I understand that the WRHA does not have to pay anything, that the *Winnipeg Free Press* makes its money from advertising sales and there was never an RFP issued because it was a partnership that was entered into.

My question—first question on this to the minister is: Is there a contract signed between the WRHA and the *Winnipeg Free Press* on this?

Ms. Oswald: That is my understanding, but I'm going to review to—confirm that for the member.

Mrs. Driedger: Can the minister indicate whether or not she thinks this is an appropriate relationship for government to have with a media outlet?

Ms. Oswald: Could I ask—I'm being quite serious when I say this—could I ask the member to define what she means by appropriate relationship?

Mrs. Driedger: Considering that you have a WRHA which is under a lot of scrutiny and you have a media outlet that is—and most media, I think, see themselves as opposition, an opposition partner. [interjection] Well, they actually used to in the old days, but the media tend to see themselves as opposition—well, some media do, some media perhaps don't. But, when you've got, you know, a media outlet that is supposed to be, you know, reporting the news, holding, you know, government to account, does the minister feel that it's appropriate then for media to have a very close, monetary relationship with—between, you know, in this instance the WRHA and the *Winnipeg Free Press*?

Ms. Oswald: Well, first of all, on the nature of *The Wave Magazine* itself, I know that when the WRHA has done research and certainly when they have spoken to government about, you know, where they're doing well, where they need to be doing more work, one of the areas that consistently comes up is the importance of clear communication and the importance of providing as many opportunities to communicate directly with the public on a variety of issues. And I think that they are doing a better job every day in trying to make the system clear, trying to make topics of interest more clear and more understood by the general public.

And I know that when the decision came to pursue the opportunity of *The Wave Magazine*, it was certainly with the intent to be providing really important health information and, in many respects, information concerning prevention and health promotion. And I think that that was quite beautifully articulated in the issue that was published right around the time of H1N1. And there was really important information in there factually, important information about advice about health, about how to call Health Links, about when to go to the doctor, about protecting oneself and those around them through increased personal hygiene.

So, you know, we're going to get into a discussion, I think, about relationships and media and so forth, but I wanted to make sure we put on the record that it's my belief that the goal of *The Wave Magazine* to provide public health information and information about health services—I think they are doing very well at that and that we shouldn't forget the goal.

Now, do I think that there's a possibility that because there's a contractual relationship between the *Winnipeg Free Press* and the WRHA that they are going to get a free ride from the paper? All evidence to the contrary.

Mrs. Driedger: Does the minister have any idea of how much it would cost the *Winnipeg Free Press* to be putting out—well, producing and distributing *The Wave Magazine* each time it puts out a—one of these magazines?

* (16:00)

Ms. Oswald: That would be information that I would have to seek some further details on. No, I don't know at my fingertips, what the number would be.

Mrs. Driedger: One could certainly feel that, you know, there is a perception if there's a lot of money involved with this—because the *Free Press* makes money from the advertising—if they're making a lot of money from this advertising, it starts to draw into question, I guess, and, you know, the minister's alluded to it as to, you know, could the WRHA be given a free ride or could the government be given a free ride?

And the perception is out there; I'll tell the minister that. It's—I'm not the only one that's wondering about this, and that's why I wanted to ask the minister whether or not it would be possible to see the contract that was signed between the *Winnipeg Free Press* and the WRHA.

Ms. Oswald: Yes, thank you. First of all, I was hoping that the member could forward for me the large stack of clippings wherein the government was getting a free ride by the *Free Press* because I have missed them and would enjoy reviewing those at her earliest convenience.

I think it's also important to note that, you know, there are a number of other media outlets wherein the Winnipeg Regional Health Authority does advertising—healthy living messages, public awareness messages, you know, CJOB, other outlets come to mind. And again, not having a long list of recollections of biased and warm and fuzzy coverage from any of those, really—I'm trying to conjure one, and I can't seem to do that at this time. But again, I will, you know, say to the member that it's my understanding that indeed this contract does exist, and that I will endeavour to pursue a more specific answer to that question.

But the intent of the magazine to bring forward important health issues, make sure that good factual and helpful medical information is being provided to quite a large readership, is really important. And again, there have been a number of issues that have been raised. I think it's a very good magazine. I'm not a publisher nor a doctor, but as a citizen and one who reads the paper every day, I found it to be exceedingly helpful, have cut things out of it and taped them to my refrigerator for quick reference—things like Health Links and advice about children's ailments and so forth.

And again, I suppose that regardless of the situation, there would be question and query as to whether or not a relationship is appropriate or inappropriate, but with a larger view to getting important public health information to as many

people as possible, decisions obviously were made to subject itself, the region that is, to criticism with a view to improving public health.

Again, it's not my experience that the government or the WRHA is getting a free ride from the *Winnipeg Free Press* on health matters—not in the least.

Mrs. Driedger: I just want to indicate that I don't have any problem with the magazine. I think there has been some useful information in it, and that's not the issue at all.

But I do want to indicate that there is a perception. It's been brought to my attention that some people believe that it could be, you know, this relationship could be reaching a point where it gives the WRHA a free ride, or the government a free ride, in some instances. I am not saying that that is the case. I'm just indicating to the minister that the perception is there when you have a relationship where, you know, in this instance, the WRHA isn't paying anything. The *Winnipeg Free Press* is making money from advertising. It would be interesting to see the contract to see how that relationship is actually spelled out, but I'm just saying to the minister that there is a perception that it could influence a situation. So I'm just passing that on. I'm not saying that's the case. I'm saying the perception is there that it could be.

I'd like to talk about the joint operating division that is being set up between the University of Manitoba and the Winnipeg Regional Health Authority and whoever else might be involved.

I understand that there have been several meetings where recurring concerns have been expressed, and I've been told that management has been consistently evasive with the answers, thus, perpetuating mistrust from the front-line workers, and there are questions they have that nobody seems to want to answer. In fact, this whole thing has now become quite secretive and this issue has been brought to my attention by a number of doctors.

Could the minister indicate whether or not if this goes ahead with these changes to this joint operating division, would doctors remain or still have the ability to be incorporated?

Ms. Oswald: Yes. A very fast answer to that question would be, yes. But there are a number of items, as this conversation goes forward, that are still under negotiation and Doctors Manitoba is going to be involved in those discussions. But in terms of the

intent going forward, it is, yes, and some of those details continue to be worked out.

Mrs. Driedger: Who's driving this issue of wanting a joint operating division in Manitoba?

Ms. Oswald: Yes, I can tell the member that the prospect of the joint operating division is being led by the University of Manitoba and the WRHA, jointly, with a number of central intentions, certainly, creating an academic health sciences environment better co-ordinated, the breaking down of some barriers, creating a seamless approach to how doctors learn and how doctors must perform in the real world, creating—again, that seamless collaborative approach where the patient is ultimately at the centre and not conflicting systematic processes. So there's a view to, of course, improve patient care, but the—certainly, predicted consequences will also be creating an environment which will be easier to recruit into as well.

So the short answer is it's a co-led initiative from the university and the region.

* (16:10)

An Honourable Member: I'm glad you didn't say joint again on a day like today.

Ms. Oswald: I didn't.

Mrs. Driedger: Could the minister tell us who the brain child of this is?

An Honourable Member: The brain child?
[interjection]

Ms. Oswald: I hate to interrupt. [interjection]

I hate to get in the way of an old romance, but—

Some Honourable Members: Oh, oh.

Ms. Oswald:—in answer to the member's question, I—the word "brain child", I guess, is a bit complicated. I suppose one would have to identify brain children, and I, please, would ask that that term is not repeated to the individuals I'm about to mention, but if the U of M and the WRHA are leading this, then Dr. Postl and Dean Sandham certainly have been the driving forces in developing this.

But it has been, you know, my information, through the course of this development, that it—there has been a collaborative approach, and I think Dean Sandham and Dr. Postl would be very quick to say that there have been a number of contributors to the discussions and to the best possible way to go forward in developing an academic health sciences

environment that will be second to none in terms of recruitment and in terms of outcomes for patients. So I hesitate to name those two people as the only people, but I suppose if pressed to answer, you know, one would say those two.

Mrs. Driedger: Can the minister indicate who would be in charge of this, then, once it's up and running?

Ms. Oswald: Well, just as the name would imply, it is going to be jointly run, you know, between the university and the Winnipeg Regional Health Authority, and there will be a formal agreement, of course, that will be developed and signed between the two, but it will also require a formal agreement with the doctors as well. And so, in terms of who the, you know, the chief operating officer might be, those negotiations are still being worked out but, again, it is—it will be a jointly led initiative with formal agreements therein.

Mrs. Driedger: Are there any other programs like this in Canada?

Ms. Oswald: Certainly, we know that there are different iterations across the nation of academic health centres. It is, of course, a movement that is growing and gaining steam to really work to link academic studies and achievement with service delivery arms. But I am informed that this may, indeed, in the form that it's taking shape and in the magnitude it's taking shape, that this may be, at present, unique in Canada, at least in the form that it is taking now.

So either way, I think I could get that wrong in that, yes, there are other academic centres. So, if I say we're unique, then I'm not telling the truth, or, no, there are no other forms like this that are being taken. So I think it's a hybrid, and for that reason I'd say it's unique in nature.

Mrs. Driedger: Why was this slammed the Canadian Association of, I believe, it was University Professors? They were quite concerned about what this would do to academic freedom. And I think the—if I recall correctly—and I don't have that article or whether it was a letter to the editor or something, there was somebody that came forward and actually slammed this initiative. Can the minister give us a bit more understanding of why they would be concerned?

Ms. Oswald: I saw the same articles I think the member is referring to, and I guess, you know, at the outset, I would say, not meaning to be glib, that

change is difficult, and one of the most difficult things is that it inspires fear. And so there certainly has been brought forward a fear on this issue of the loss of academic freedom. And it's my view that some of these fears may be premature in that there are details in these formal agreements, as I mentioned in my previous answers, that are still being developed and worked out, and that there will be a formal agreement required with doctors. And the very core of those arrangements, of course, will involve discussions about the protection of academic freedom, which is a tenet that is held very dear.

So, as the region and the university work so diligently to do what I believe to be the most important thing that can be done, and that is put the patient first and to ensure that what is happening in our academic institutions has authentic and in the here-and-now reach to the bedside, so that people are getting the best possible care. I think it's a very noble pursuit that's being undertaken. It's not a small undertaking, and, indeed, there will be people that bring forward some very legitimate challenges like the member is raising, but that, I don't think, is reason to give up. It's reason to work harder, to ensure that the protections are in place for academic freedom and for creating an academic health sciences environment.

Mrs. Driedger: Apparently, the JOD management has been extremely evasive regarding answering questions that physicians have whether it's about what happens to their benefits or what happens to their autonomy. They're concerned about their employer-employee relationship. They're worried that JOD can unilaterally dictate their job description in all respects, including where you work, what you teach, what you do research in, and that these physicians would then simply become a body to fill a hole in a shift at any WRHA hospital. They're trying to get some answers to some of this. They're not sure if they will any longer be affiliated with the university or if they will just be considered employees of JOD. They're worried about loss of university benefits, dental plans, travel plans, pensions, et cetera. Now they've tried to get answers to this and the JOD management has been very evasive about answering questions and lately have opted to continue playing JOD without informing any of the doctors or having any meetings. And, you know, according to the doctors, given what has happened to date, most of them are very concerned about this, and now these meetings are all happening behind closed doors.

* (16:20)

So I would ask, and these all sound like fairly legitimate concerns, very legitimate concerns, why is some of this negotiation going on then behind doors and why aren't some of these pretty basic questions answered for physicians?

Ms. Oswald: Yes, and certainly the issues that the member is raising are indeed important issues and have been raised in a variety of situations. People have made their concerns known on this and, indeed, there are negotiations going on among the partners. And, of course, Doctors Manitoba, as always, is keenly positioned to protect the interests of doctors. And, you know, as the negotiation goes on with a view to solving all of these matters, you know, these meetings and negotiations need to take place.

You wouldn't want a negotiation, a problem-solving exercise to take place in a room with 300 people necessarily. You want to make sure that you hear the concerns, you work together in small groups to come to a satisfactory arrangement and then, again, as the member said, come back and provide information. But it is these—some of these matters that the member has raised, and more, that is part of the ongoing work to come to agreements that will come forward. And folks from the Joint Operating Division will seek further input to ensure that this very important initiative, that could be transformative in a very positive way for health in Manitoba, gets off to a very good start. And it will get off to a good start by having people feel comfortable with these agreements.

So there is work going on now. Not every single discussion is appropriately done as a large group. Some need to be done in a small group and then retested in a large group. So I just want to assure the member that this work is ongoing and that there are a number of concerns that she's raised which, you know, again I feel quite confident are at the table already. But I will commit to the member to make sure that they go there. We'll have them written in *Hansard*. And also the issues beyond the ones mentioned today. They're being discussed and worked through to a positive resolution for all, one would hope.

Mrs. Driedger: If the head of a program—if a program head decides to fire a service head, does that program head have to clear that with anybody? Or can a program head just go out there and fire whoever he wants to, and no questions asked? How does that work?

Ms. Oswald: Can I just clarify? Is the member speaking about in practice now or under the Joint Operating Division, just for clarity?

Mrs. Driedger: I imagine that what I'm speaking to is happening right now. It is something that with a Joint Operating Division could maybe morph into a common practice, but if you have a, you know—and I'm talking in, you know, in the arena of medicine—if a program head—if the head of a program decides that he wants to fire service chiefs, you know, maybe you've got two or three services, A, B, C, and if the program head decides that, for whatever reason, he wants to fire those three program heads, does that program manager have to clear that with anybody within the WRHA or does a program manager just have the ability to go out there and do whatever he wants, no consequences? Just maybe he doesn't like somebody and says, okay, you're no longer service chief. I'm going to strip you of whatever amount of money you were making as a—or a section head, I guess I should say section head.

So you've got a program manager that has various section heads, and if that program manager feels like he just wants to stir things up, make some changes, does he have to get permission from anybody to make those kind of changes? Or can you go out and say, no, you're gone, section head; you're gone, section head, and just make changes like that? Or, who is that program chief accountable to?

Ms. Oswald: I'm just wanting to make sure that I have the language correct. So program chief or manager, that term might be interchangeable. Potentially going out to fire a section head, if that's what the member's asking? Yes? She's nodding yes. Okay, just one moment.

So I am informed that certainly it would depend on, I guess, the nature of the contract. In these cases usually there are contracts that exist and, you know, the terms of those contracts and the details of it and the nature of the position would, by and large, dictate that there would be consultation between a program manager and likely a VP of either the region or of the site in which that individual would take place. It would not be a routine or typical situation, where someone would be summarily dismissed without conversation or consultation or discussion.

Having said that, you know, depending on the nature or the size of the contract, it's conceivable that it could happen, I guess, but it's my understanding that it's not something that would routinely happen without discussions with others involved.

Mrs. Driedger: Is there criteria in place when one is choosing a program head, for instance? Is there criteria in place that would help people to pick who that program head is, and the same then for a section head? Would there be criteria in place that, you know, everybody would be knowledgeable about in terms of what the qualifications and expectations are of these people?

* (16:30)

Ms. Oswald: I can inform the member that, indeed, for a program director position, a program medical director, whichever you want to call it, indeed, there is quite a detailed process for this, that jobs are posted widely, I'm informed. There, again, is a detailed process, especially in view of the fact that there would be a joint position between the university and the RHA.

For positions that are smaller than that, I—for lack of a better word, not the program medical director, I'd want to provide the member with more information after I did some research. There are likely—it's likely not as detailed a process, but I want to get the facts on what the process and specifics on how that transpires for the member.

Mrs. Driedger: And that's fair.

Can the minister indicate who appoints a program head? And I'll leave it at that for the moment.

Ms. Oswald: Yes, I can inform the member that in program head situations, there is a selection committee, particularly if it's joint, although I'm informed on either side that that would happen. And this committee would usually include, you know, VPs responsible for that area, you know, a COO responsible for that area. Typically, those would be the kinds of people that would be on that, but it is a committee approach.

Mrs. Driedger: Can the minister tell me when a program head is hired, is my understanding correct that it is a—two terms of five years each?

Ms. Oswald: Typically, I'm informed.

Mrs. Driedger: Has anybody ever been given an extended term?

Ms. Oswald: Yes, I am informed that it's not the usual practice, but it may—there may be a couple. But it's not common practice.

Mrs. Driedger: And I imagine that one—when one looks at this area, I guess, it's important that, in any

area of health care, that it's important for leaders, probably, to be moved around only because it keeps, you know, it brings in new ideas. It brings in new research ideas. It brings in, you know, new management styles. It refreshes a program. It keeps things moving and dynamic.

I'm assuming that that's part of the reason why they only want to keep program heads for two five-year terms is because it keeps the—a program much more dynamic and it doesn't allow anything to get stale, or it doesn't allow programs that maybe aren't doing as well as maybe they should be. You've got an out, then, to—you know, not be stuck with somebody that's not moving a program forward, or you're not stuck with somebody maybe that's not got the best leadership style. Is that why we would be seeing, you know, the university establish that we have only a max of 10 years?

Ms. Oswald: Yes, certainly, I would agree generally. That's what the leadership—or the literature says about leadership, generally, about the importance of having positions of leadership refreshed over time. And I think that, by and large, that's a good thing. I also think that there is something to be said for continuity, institutional memory, and so forth. So I think it always is a—in any situation, whether it's in the health system or any system, there is a delicate balance there.

I'm also inspired to note that the arrangement of the five-year and then five-year renewal. It isn't an automatic either, that there's a five-year contract and, if it is of the view of those involved evaluating that it would be better not to extend that person for the second five years, then that's absolutely fair baseball as well in this arrangement.

Mrs. Driedger: Who does the evaluating in those cases?

Ms. Oswald: Yes, I can inform the member that, in the case of the WRHA, there is a process of evaluation through the VP that would be responsible for that area. And, in the case of appointments, that would be joint; there would also be a process that would involve, obviously, both entities: the dean and a VP, or a COO that's responsible for that area. So it would be those individuals, with support from those that work with them, that the process of assessment and evaluation would happen.

Mrs. Driedger: Would this committee go out and interview doctors who have to report to the program head in order to get a better understanding of how

good a program manager is, or how fair a program manager is, or whether a program manager is intimidating or, you know, anything like—you know, how a person manages in that role? Would that interview committee actually go and ask doctors, you know, who actually have to report to that program head?

* (16:40)

Ms. Oswald: I am informed that, you know, certainly in the context of many of these programs, you know, there are program teams that are involved, and the discussions that would go on through the process of evaluation would involve discussion with team members, and, you know, based on some information that comes forward, perhaps more extensive consultation with people in the area or department for whom the individual in question would be the lead would be done. It's not a routine number of X people will be interviewed regarding the evaluation of Y. It does tend to adapt itself to the individual circumstance.

I'm gleaning, from the member's line of questioning, that she perhaps might recommend that more interviews are done, not less.

Mrs. Driedger: I think the minister, actually, had a good suggestion here that, you know, when you look at us as MLAs, I mean, every so many years, we are interviewed, so to speak. I mean, we're all held to account by all of the people that we work for, and that, you know, that's a fair process. It's a tough process, but, you know, I think it's a good process. And it would seem to me that, you know, in health care, that that would be a pretty fair process, too.

Considering that these program heads hold a lot of power and can do many things, you know, and sometimes without question, it might be good that when they're being evaluated, that people that report to them, if they could be guaranteed anonymity, have an opportunity to speak up.

And I think it's really important because, you know, if you have—if you happen to have a program head that is maybe a bully, if you have a program head that is unfair, you could have a lot of front-line doctors that are too afraid to speak up, and if they knew that they had a chance, with no retribution, to contribute towards a person's evaluation, that might be very, very valuable—a valuable process.

And so I think the minister's suggestion is a good one, and I don't know if, you know, all these front-line doctors have a chance to speak up. You know,

we saw what happened in DSM. They had no place to go, and so they were left in an environment where they felt they were harassed and bullied, and they had no place to take their concerns.

I would really hate to see this repeated anyplace else. And so, maybe, in a proactive way, maybe here—here's an opportunity that when somebody's five-year term is coming up that, you know, why should it just be the people at the bottom end of the ladder that are getting evaluated in the system and it should be perhaps those at the top, too?

So I like the minister's suggestion. I don't know if she wants to comment. I was going to move on to another topic.

Ms. Oswald: Just quickly, wanting to reiterate again that the individuals that the members are citing are evaluated but there are some recommendations being made about how to look at those evaluations. And I hear what the member is saying and value what she's saying about the importance of people feeling safe and having a voice.

There is a problem, though, with absolute, unbridled anonymity, and I think the member recognized that. That, fortunately, it's not very often, but it can happen that there are comments that can be made, you know, with malice of intent. And so there is a delicate balance there, too—wanting to ensure that people have an opportunity to defend themselves.

I mean, people that take on leadership roles, wherever they are in society, you know, often get some of the crummy jobs of having to tell other people that they need to do their jobs differently or they need to do things as simple as showing up on time and, you know, completing their paperwork properly, and all of those nagging kinds of jobs that, you know, that people don't like to have to do, but, in a role of leadership, you have to do them. And when you have to do that with some people once or twice too many times, there is, occasionally, a temptation to retaliate, and perhaps unfairly.

So, working to strike that balance where—when there's a legitimate concern about somebody that may be doing what the member is saying, intimidating and threatening or anything horrid like that, where somebody that can be protected and come forward and say things like that, finding a venue for that to happen, while, at the same time, balancing fairness for the person in that leadership role to be able to speak up and defend themselves against allegations that may be spurious.

So I hear what the member is saying and, you know, working towards as many respectful workplace policies as possible, and having multiple voices involved in evaluation I think is a good thing. The member makes I think a very legitimate comparison about how we get evaluated in our jobs as MLAs, and that's duly noted.

Mrs. Driedger: Can the minister tell us who funds eHealth?

Ms. Oswald: Manitoba Health.

Mrs. Driedger: Can the minister point to the line in the budget where we could find how much money is being spent on eHealth? If she could point to a line or page number.

Ms. Oswald: Yes. Manitoba Health funds eHealth through the WRHA, which I neglected to say before, and so the funding information would be in the funding tab marked under Funding to Health Authorities, which is page 102, 103.

Mrs. Driedger: Can the minister indicate if there's a clear, clean line there that actually says eHealth funding?

Ms. Oswald: There is not.

Mrs. Driedger: So then how would we know how much money is being spent on eHealth?

Ms. Oswald: Yes. I can inform the member that eHealth does an annual report from which that information can come, and I can provide it for the minister—or the member.

Mrs. Driedger: What they have in their annual report is their amount of spending. I'm not sure they actually account for what they were budgeted for, and I am wondering, you know, in the Estimates book is there an accounting for what is budgeted for, so that then it becomes easier to understand if they're over budget or under budget?

* (16:50)

Ms. Oswald: Yes, I can let the member know that within the WRHA there are a number of programs for which there isn't an individual line for how much every single program gets. But, indeed, we can provide for the member some more detailed information about what the budgetary line for eHealth, captured under the funding for the WRHA, is. I'll just—I'll need to get back to the member with that information.

Mrs. Driedger: So the government basically funds eHealth. Am I correct in assuming that the—that eHealth is accountable, then, to the WRHA or is there also a line of accountability to the government? Because it's really a—you know, it's that those lines of accountability are cloudy the way this is set up.

Ms. Oswald: Yes, Mr. Chair, I can let the member know that, indeed, eHealth is administratively housed and accountable to the WRHA, but, in addition to that, there is an oversight committee that includes the deputy minister of Health—so, of the department, the deputy minister of STEM—Science, Technology, Energy and Mines—have I got that—did they change it? Innovation, technology, energy and mines? I think they changed it. You know the one I mean. And also it includes the CEO of the WRHA that do rigorous work to review and, well, provide that oversight to spending and other issues of accountability within eHealth.

We know, of course, with some of the dynamics across the nation, on eHealth, that, particularly in Ontario, that we asked our department to very rigorously review what was happening within Manitoba eHealth. And this kind of oversight did provide us with very good comfort that there was rigour in our processes that appeared to be absent based on the review that took place in Ontario. And we are looking closely, of course, at recommendations coming from that process to increase the rigour with our eHealth.

It would seem that the construction of the two entities was very, very different between the provinces. Things like untendered contract processes that existed in Ontario just don't and never did exist in Manitoba. But, again, the WRHA does house them, and the program is accountable to them, but there is an additional layer of oversight for safety's sake there.

Mrs. Driedger: How much oversight is possible when that oversight committee only meets twice a year?

Ms. Oswald: Well, I can let the member know that, indeed, there's another committee.

There's a committee of stakeholders that's under that oversight committee, comprised of the deputy minister, the COO in charge, CEOs of regional health—or CEOs of DSM and CancerCare, that provide additional review for how eHealth is being administered and is functioning within the context of

the different environments in which it needs to perform.

Mrs. Driedger: I note from the financial statements for eHealth, and I'm hoping I'm interpreting it correctly, that in 2008 they spent \$37.6 million, in '09 they spent \$50.5 million. It's not clear what was spent in '07. So it looks like that over two-year period of time they spent in the vicinity of \$89 million. And I understand that eHealth is projecting an operating budget of about \$50 million, which, I'm assuming, is what they're accounting for.

And then on top of that there is capital as well. So that we're looking at capital of 40 million and operating of 50 million. So, for just one year, they're looking at \$90 million, and I understand they're also hoping for an investment of \$400 million over a 10-year horizon, I guess, related to capital.

Can the minister tell us if they are on budget, or have they reached any points of overspending?

Ms. Oswald: Mr. Chairperson, I can let the member know that certainly what is being projected on operating is within budget. In fact, I think they may have a modest surplus. On the capital side, you know, there are a lot of projects. It does vary. So, you know, as we get more specific into our questions, you know, we could endeavour to find more information for the member, but operating is looking very good.

Mrs. Driedger: I may not have had my numbers quite right. In fact, I've low-balled it. When I look further at their annual report, they're indicating an initial government announcement of 150 million over three to four years. And it—

Mr. Chairperson: Apologies for the interruption, but the hour being 5 p.m., committee rise.

EXECUTIVE COUNCIL

*(14:50)

Madam Chairperson (Marilyn Brick): This section of the Committee of Supply has been dealing with the Estimates of Executive Council. Would the First Minister's and the Leader of the Official Opposition's staff please enter the Chamber.

We are on page 29 of the Estimates book. As previously agreed, questioning will proceed in a global manner. The floor is now open for questions.

Mr. Hugh McFadyen (Leader of the Official Opposition): One of the issues in relation to the stadium announcement that was made a few weeks

ago that I didn't get a chance to—or I overlooked yesterday in the questions was just the use of TIF financing as a backstop on the Province's \$75 million in bridge financing, and I just wonder if the Premier can comment on the question as to whether he views the land at Polo Park that's proposed for the development as being property in need of community revitalization.

Hon. Greg Selinger (Premier): Thanks for the patience about getting started. The TIF legislation, the tax increment financing legislation, indicates that one of the purposes for which TIF can be used is for economic development, and the site of Polo Park has great potential for economic development if the stadium's not there.

Mr. McFadyen: The purpose of the TIF legislation as described by the minister when it was introduced was to allow for development in areas where development wouldn't otherwise occur, and while we acknowledge that legally under the statute it appears that you're able to take property taxes and transfer them in a way that's contemplated in the deal, it appears to us that our initial concerns about the TIF bill are being validated in that it's being applied to properties that would otherwise be developed in the absence of TIF financing. And I wonder if the Premier thinks it's appropriate to use TIF financing on any project that comes along as opposed to focussing it on areas in need of revitalization.

Mr. Selinger: The member—I'm looking at the TIF legislation under Bill 4, and under the purpose of the fund, it has four purposes: Revitalize communities or neighbourhoods, which I think the member is referring to; encourage economic development, which is what I'm referring to; enhance social and cultural development; or preserve heritage properties. So there are four purposes, and a TIF could be pursued for any of those, and it seems to squarely fall within at least (b). Depending on whether you include a stadium within social and cultural development, it could be arguably a part of (c), but for sure it seems to squarely fit with (b), encouraging economic development. And that was the dilemma with this site. It was hard to develop the site until the stadium was moved.

Mr. McFadyen: The problem with developing the site wasn't that it was a community in need of revitalization. We know there's a logistical issue in moving the stadium, but this is a site that would have been developed absent the use of TIF financing, and given the breadth of the economic development use

under that bill, then would it be right, then, the concerns we're starting to hear now from school boards—would it be right to say now that the provincial government has an unfettered ability to take money from school boards to fund its pet projects?

Mr. Selinger: No, that would not be right to say that. And, in addition, I think the member—it says revitalize communities or neighbourhoods. That's one purpose. Another purpose, distinct and separate, is to encourage economic development, and the third purpose is to enhance social and cultural development or to preserve heritage properties. So, by encouraging economic development, we have to bear in mind that the site yields zero taxes right now for school boards or for municipalities, and by unlocking the site by first moving the stadium and then allowing the old stadium to be taken down, it opens up the site for further economic development and a new source of revenue for schools and for the municipality, in this case, the City of Winnipeg.

Mr. McFadyen: There's a report the Premier probably knows going to EPC tomorrow on this issue, and that report indicates that the approval is on the condition that the subject property be designated community revitalization property by the Province. And so is it correct that the City's approval is contingent on you using the community revitalization provisions of the TIF bill, as it says in the city report?

Mr. Selinger: I haven't seen that report, but if the City's recommending that, that could be considered. Clearly, that's one of the objectives is for revitalized communities or neighbourhoods. Another one is to encourage economic development, and a third one is social and cultural development, and a fourth one is preserving heritage properties. I don't think anybody believes that the existing stadium should be preserved as a heritage property, so. It seems that it might qualify under either (a), (b), or (c). Squarely and clearly it fits (b). If the City thinks it should be designated for revitalization as a revitalizing communities or neighbourhoods, it could be considered under that category as well.

Mr. McFadyen: The question was not whether the City was recommending it. They're certainly not. What they're saying is that their support is conditional on it being designated community revitalization property by the Province, and so I'm just wondering if that is the basis upon which this proceeds.

Mr. Selinger: Well, the short answer is we'll have to see what the City passes in terms of their report and take it from there.

Mr. McFadyen: Back on the use of the TIF legislation, the—I understand that economic development is a separate category from community revitalization and so, I think, coming back to the question, then, we're starting to hear more and more from school boards, certainly as we're consulting with them on this issue, about the potential use of their revenue streams on properties that would be developed anyways for any project that the provincial government decides they don't have the money to fund.

And I wonder if the Premier can just address this issue for the benefit of school boards who we need to communicate with on this issue. Can he just indicate that anytime the Province has run out of money for a project that they're going to come after school board money?

Mr. Selinger: You know, that's the member's allegations. That's certainly not anything that we've contemplated in the way the member has described it.

There was discussions about how to unlock the potential of the Polo Park site, and clearly that required a mechanism to move the existing stadium and actually rebuild the existing stadium, or renew it through a new stadium and a new site which then unlocks the potential for the redevelopment of the site at Polo Park, and that will yield taxes which are currently zero on that site.

And so this opportunity is perhaps a unique opportunity but it solves a number of problems at once. It solves a—it builds a community asset, called a stadium, that'll be for the benefit of the university, and their teams, and be for the benefit of the public in terms of public assets. And, of course, it'll be for the benefit of the Winnipeg Blue Bombers who want to remain one of our primary sporting professional opportunities and in Manitoba.

It also creates the potential for the Polo Park site to be redeveloped because the stadium's no longer there. And the Polo Park site is considered to be an attractive site, an attractive site that will generate substantial revenues over time. And, if necessary, those revenues can be through the TIF legislation used to pay for the costs of the bridge financing but, in addition, once that is paid off, available to the

municipality—in this case, the City—and the school division, for their benefit, after that has occurred.

And that was the whole point of tax increment financing legislation, was to allow development to occur that might not otherwise occur and, in some cases, to make it happen in a more timely fashion, as is the case here, and to unlock the potential of that site.

It was very clear that this project was struggling with what they called the chicken-and-egg dilemma of how to get the ball rolling on this thing. And the solution that was arrived at was one that moved the project forward and allowed everybody to come out further ahead, whether it's the school division, or the City, or the community in terms of the new asset, certainly the Bombers and the professional teams, and the amateur teams that would use it and the university.

So the idea was to sort of look at a strategy that allowed everybody to see a go-forward position that would solve a problem that, in the absence of a solution like this, would've required further resources to maintain the existing facility, and those further resources were starting to add up and become quite significant in terms of their costs.

Mr. McFadyen: And the benefits of a new stadium are certainly not in dispute. The—it's something that lots of football fans, myself included, will like to see happen in the next short while. The issue really is the deal on the approach that's being used to move it forward.

* (15:00)

One of the concerns we have, looking at the report that's going to EPC tomorrow, is that under the heading of financial analysis, the report says, and I quote: It is difficult to determine with reasonable certainty the financial implications associated with this proposed transaction, given the number of unknown variables, end of quote. And this is the report the public service at the City is putting in front of EPC tomorrow.

I wonder if the Premier has any concerns, as the—at the provincial level of government, with the fact that EPC is being asked to consider a matter that—where they say they can't determine with reasonable certainty the financial implications, and also, that there are a number of unknown variables.

Mr. Selinger: I will leave the report that the city administration has provided to its Executive Policy

Committee to the determination of the Executive Policy Committee on how they wish to handle it.

There is, frequently, in any project, issues that need to be addressed as the project moves forward or not. And, in this case, there was collaboration among all partners to move this project forward for the benefit of the community and to have a backup position using the TIF in the event that the—Creswin decided not to follow up on purchasing the team by paying down the bridge financing on the new stadium. So there was consideration given to how to move this project forward, and, if the member has a better suggestion on how he would like to finance it, I'd be happy to hear it.

Mr. McFadyen: Well, I think that there is a fair debate to have about the use of provincial funds on the stadium and there would be two approaches. One would be put money into upgrade of the existing stadium, and the second is to build a new stadium. Those are both legitimate options to consider. That really isn't an issue. My personal preference would be to see a new stadium than to continue to try to work with the old one.

But the issue is the approach being used to finance it and the misuse of TIF legislation, which is intended to generate new development in areas that would not otherwise be developed. Polo Park land is widely considered to be prime real estate for retail development and, as many commentators have said, it is a—and lots of really—people who are a lot more well versed on these issues than anybody in this room. Jino Distasio and other experts on these issues have advocated the use of TIF for areas that could not be developed otherwise, and that is clearly not the way it's being used here. And we would have preferred a more transparent and candid approach to the use of public money on it, as opposed to something that engages in all of the smoke and mirrors attached to this transaction.

Setting that aside and just moving over to Manitoba Hydro, I wonder if the Premier can just outline what analysis he had been presented with, prior to his September 20th, 2007 letter to the board of Manitoba Hydro with respect to the location of Bipole III?

Mr. Selinger: Now, first, just to return to the previous comments the member made. The member seems to think that he has a better way of financing it but he hasn't indicated on the record how he would finance a public asset called a stadium for the benefit

of the university, for the benefit of the Bombers and for community access.

And I ask him again, if he has a better suggestion, would he put it on the table, because that's what we're supposed to be doing here, is finding the best possible way to move these kinds of assets forward. By his own admission, he would prefer a new stadium. He thinks it's a good idea to have a new stadium but he has not indicated in any way, shape or form, how he would finance that. And I'd be interested to know how he would do that.

Mr. McFadyen: If he wants to be Leader of the Opposition, he's certainly welcome to pose questions to me. And so, if we want to reverse the procedure here, I'm very happy to refer him back to the two media interviews I've already done on that point. And if he goes back and reads his—if he goes back and reads the media comments I've made, he'll find the answer.

On Manitoba Hydro, can he just outline what analysis he received prior to September 20th, 2007 in his letter to the board with regard to Bipole III?

Mr. Selinger: Once again, before I get to that, the member hasn't actually given a straight answer in this House here. He refers to media interviews he's done on it. The only thing I heard in the media was is that he thought it should be privately financed even though it's a public asset, which leads to the question: Why would somebody do that unless there's something else that they're pursuing in relation to the—into the transaction, such as ownership of the Bombers?

So, again, I don't think he's been very clear about that. He's being quite evasive.

And, you know, we said we were going to go global this morning and have a dialogue, or a discussion, and I—it's not unreasonable to ask for constructive suggestions. The member seems to have them in other occasions, and if he has a constructive suggestion here, we'd be happy to hear it.

Mr. McFadyen: Well, I appreciate the role reversal that we're into here. I would just encourage the Premier to take a look at the media comments. He obviously wasn't briefed on them.

But what I would say is that it's his deal that calls for the privatization of the football club. It's certainly nothing we've ever put forward.

And, with that comment, I'm just wondering if he can indicate what analysis he had prior to

September 20th, 2007, with regard to bipole did he have in his possession prior to writing his letter to the board of Hydro directing them on the issue of the location of the bipole line.

Mr. Selinger: Well, just a final comment on the financing of a new facility.

The member is now saying that he doesn't think it should be a privately owned football club, but he hasn't said how he would finance the public asset of the new stadium. And I'd just be curious to know of what—if he has any constructive suggestions. If he doesn't, that's fine. If he thinks that they're on the public record elsewhere, perhaps he could just indicate in the House here what he has said elsewhere, just so we could be clear about that, and that would be helpful.

And I know he's made many other suggestions to us in the past in the House on how he would like to see things done. I'd encourage him not to be shy today on how he would pay for a new stadium.

Mr. McFadyen: Well, you know, I've said on the record that we—the amount of detail that we had at the time, we thought that the Doer—the Gary Doer deal that was worked out looked pretty good, and we prefer it to this one.

With respect to Manitoba Hydro, I wonder if he can just indicate what analysis he had prior to September 20th, 2007, in his letter to the board of Hydro, with respect to the routing options on Bipole III.

Mr. Selinger: I'll thank the member for the question. I'm going to have to check my notes on that. I don't have—I'm not sure that I have that information here on what specific analysis I had.

But I would say this, that if the member is saying he preferred the original deal on the stadium, he basically is saying that he did support the team switching into private ownership, because that was an integral part of the original relationship. So, I want it to be clear on what he really expects there and what he really was supporting there.

And he still hasn't indicated how he'd finance a stadium if it's going to be a public asset, which it is in this case, and so that leaves a massive hole, in terms of a legitimate alternative. One of the—usually, one of the requirements of anybody that criticizes how something is done is that they have a better way of doing it, and we still haven't heard that, because the original relationship or the original arrangement

wasn't working. It wasn't proceeding for a variety of reasons, and the result was is that there needed to be a second look at it and to find a way to find a go-forward strategy.

So I'll have to find out what analysis I did have prior to those dates that the member mentioned, and see what information I had available to me. I don't believe I have it in my notes here today.

Mr. McFadyen: And, as a general principle, I would just say that we would strongly oppose using taxpayers' money to privatize a public asset on any arrangement.

And, secondly, just on the issue of the decision on bipole, if he doesn't have the analysis with him, can the Premier undertake today to table any analysis that he had on the routing options on Bipole III prior to the letter he wrote to the board on September 20th, 2007?

* (15:10)

Mr. Selinger: As I said, just that I'd have to check in to see what was available. The routing options are still being considered for the west side. They haven't been finalized. There are three that are under consideration.

But what was clear was, prior to the '07 election, that there had been a decision to proceed other than on the east side. That an east-side transmission line was something that was discussed in the election and the results of the election was that there seemed to be a government elected that did not support an east-side alternative.

Mr. McFadyen: Actually, what the Premier has just said is actually just the exact opposite of what happened in the 2007 election.

In the CBC debate, Mr. Doer said—and that, very clearly, on this issue, he was very clear that, we're not planning to build it on the west, is what he said. The CBC Leaders' Debate, May 17, 2007, Gary Doer, here's the transcript of what he said: We're not planning to build it on the west. We're planning to build the power grid across the north. I've been to Poplar River. I've been to Poplar River. I've been to many of those communities. And that was what he said in his promise, we're not—not—planning, emphasis on the word "not". We're not planning to build it on the west. That was the promise made in the 2007 election, which was broken just six months later.

Can the Premier just walk through one more time just what was the rationale for ignoring the advice of Hydro and directing the board to run it down the west side?

Mr. Selinger: We dealt with this in question period today. The Farlinger report indicated that there were significant risks of putting the bipole down the east side in terms of the reputation of the Crown corporation; that there were also very significant ecological features on the east side that could be harmed and, on the other hand, indicated that, on the west side, that there was more development that had occurred there and less pristine, intact, boreal forest at risk. Certainly, there were other features that had to be considered, and suggested that in that report we should take a big-picture look at it in terms of public policy and offer our views to the corporation before they made their final decision, which we did.

Mr. McFadyen: I would only note that the—his letter was dated—to the board—that the directive was dated September 20, 2007, and we just note the Farlinger report was released in December of 2007, which was two months after the letter, and I wonder if the Premier can just indicate whether he had any analysis prior to the decision that was communicated to the board on September 20th, 2007?

Mr. Selinger: I believe the Farlinger report was available to us in government and to the Crown corporation prior to its release in December. So I think it was the basis upon which we considered our views.

Mr. McFadyen: The Farlinger report does say it's dated September 2007, which is the same month the letter was written. But it wasn't released until December 20th, 2007, on the eve of a committee meeting, and so we don't know exactly which date in September is being referred to. But it is interesting that no specific date was indicated and it wasn't released until the 20th of December '07, just around the time that the issue was being debated publicly.

Notwithstanding that, we do note that the Farlinger finds pros and cons for both routes, as you would expect any responsible analysis to do. It finds problems and issues on the east side. It finds problems and issues on the west side. It says that the west side—in fact, if you're dealing with facts—the west side has bigger issues but it doesn't have the same profile or emotional appeal of the east side. And so can the Premier just confirm that the decision was really not driven by facts or analysis but driven by emotional appeal?

Mr. Selinger: Well, again, I'm glad the member confirmed that the Farlinger report was dated in September because that would correspond with my recollection that it was available to us in September before any communication occurred from the minister of Hydro's office to the Crown corporation, and I was the minister at the time because I do recall having the opportunity to review the Farlinger report.

The Farlinger report indicates a number of things, which—some of which I've already put on the record during question period. For example, on page 12 it indicates the western corridor provides options and opportunities to follow existing transmission lines, rail lines or highways for most of its length. It also indicates on page 7 that the forested areas of the west route are much more intensively developed than on the east side with roads, rail lines, geotechnical survey lines and transmission lines, as well as forestry and mining operations. It goes on, on page 12 to indicate that the west side presents the best options for woodland caribou in Manitoba. We would not need to fragment additional caribou ranges, and would leave a large contiguous block of caribou habitat on the east side of Lake Winnipeg. Widening an existing transmission line corridor would reduce impacts relative to creating a new corridor.

So it does make a number of indications that the west side seems to have advantages to it, if you're going to put a bipole there, compared to the east side. And so that's some of the indications in the report that provided food for thought in our deliberations.

Mr. McFadyen: Can I just ask the Premier—he's also referred to the fact that there were many, I think, e-mails that they've received in connection with this and, at one point, he said that that was the reason why they went with this decision. And, yet the e-mails, notwithstanding repeated requests to have them tabled, have never been provided publicly.

Will the Premier undertake to table the e-mails that were the basis for the decision?

Mr. Selinger: Yeah, I don't actually recall saying that. So, if the member has some documentary evidence to that, I would be happy to receive it.

Mr. McFadyen: In fairness, it may have been his predecessor that made reference to them. I thought that there were several references to an e-mail campaign that—at committee. But we'll follow up with that and, in fact, the current Hydro minister did mention it publicly.

And so, if we could, in any event—whether or not he said it previously, maybe I'll just ask the question: Did they receive a lot of e-mails on this issue and, if so, will they table them?

Mr. Selinger: Well, again, I'd have to check the records to see what e-mails came in on this issue, and how many of them there were and whether they're the kind of information that could be tabled. But I'll take that under advisement, if the member requests that I look into that.

Mr. McFadyen: The—can the Premier just indicate—one of the points he just made about the west-side route is that it follows existing transmission lines. Can the Premier just address the address the issue around the very purpose of Bipole III, which is separation from existing transmission lines? Why would he consider it to be advantageous to follow existing transmission lines, which the west-side route does for a considerable length?

Mr. Selinger: The quote that I have on page 12 of the Farlinger report reads as follows: The western corridor options provide opportunities to follow existing transmission lines, rail lines or highways for most of its length.

So it simply indicates that there are corridors, whether they be rail, transmission or highways, that might be used as opportunities to put a bipole. And, as the member knows, a bipole is a—is different than an AC line. It's an HVDC line. It's a direct current line. It's developed for the purposes of moving power south, usually for export purposes, and is different from the function that AC lines play in terms of providing power on a regional level.

Mr. McFadyen: The western routing option shows the western line, Bipole III, running parallel to Bipoles I and II. And the entire purpose of building Bipole III is separation from Bipoles I and II. And I wonder why the Premier would want to compromise the reliability of our direct transmission—direct current transmission lines, by running parallel lines for a considerable distance along the existing bipole corridors.

* (15:20)

Mr. Selinger: Again, the—as I understand, the existing bipole corridors go through the Interlake, not on the western part of the province, and Hydro's job would be to identify the Bipole III option that they think would provide the greatest reliability on the west side of the province.

So I don't think there's any intention to put it in the same corridor as Bipoles I and II. If the member seems to think that maybe on the northern section that there might be some paralleling there, that's a distinct possibility, but we haven't seen the final configuration or recommendation from Hydro and how they would want to do that.

Mr. McFadyen: Well, the transmission lines originate, basically, due north of Kenora on the Nelson River. And the Premier is right, the existing bipole lines do come through the Interlake, but the first half of the route or so, they run south and west and then they cut south through the Interlake.

And the Bipole III proposal runs the third bipole line parallel to the existing two bipoles for the first, very significant percentage of the route before it diverges north of Lake Manitoba. And it's at that point that you see three different routing options.

And I'm just wondering if the Premier has concerns based on what the engineering advice is about jeopardizing reliability of the system by running the three lines so close to one another over the span of more than a hundred kilometres.

Mr. Selinger: Then, again, I would hope Hydro would be fully aware of that, and I'm sure they are and would propose an alternative that did not compromise the reliability of Manitoba Hydro.

I think the biggest compromise for Manitoba Hydro is not to have a Bipole III. And the do-nothing option didn't seem to be something that should be pursued any longer. And that was sort of the course of action the member's government took when they were in office. They didn't pursue anything in terms of an additional bipole for reliability.

And it seemed important to move on that, and it seemed also important to move on it, not only for reliability purposes, but also to accommodate additional power transmission as projects like Keeyask move forward.

Mr. McFadyen: Well, on the issue of the threat to the reliability posed by his decision on bipole, Hydro is well aware of the problem, and they have no other alternative perhaps other than to run the line over the North Pole, but to run parallel to the existing two lines. You can't cross bipole lines with one another, and so the only option to minimize the length of the route is to run parallel to the existing two lines for a very significant portion of it.

So they're well aware that's an issue. They have no alternative to it, and they are extremely concerned about the threat to the reliability of our power system as a result of that route.

And further to that, I wonder if the Premier can indicate what questions he's asked about the fact that he is requiring Hydro to run a major transmission line through the Red River Valley south of Winnipeg.

Mr. Selinger: Again, that's the purpose of the siting consultations is to look at all the various alternatives and to find a way to do it. I mean, that will minimize any negative environmental impacts for any of the folks affected.

And that's part of the consultations they're doing, as we speak, and I believe they're on the third round of those consultations and are listening carefully to what people say as they discuss it with them.

Mr. McFadyen: The route that is being proposed runs south of St. Norbert and north of Morris in a stretch of the Red River that seems to flood on a regular basis, and the response of Mr. Brennan at committee was that he wouldn't recommend running transmission lines through flood zones.

I'm just wondering why that perspective from Hydro has been disregarded.

Mr. Selinger: Again, the job of Hydro is to propose what they consider to be the best alternative in this regard and come up with ideas on how to do that. And we look forward to their recommendations and their comments on that.

Mr. McFadyen: And we actually have their recommendations already. Their recommendation is to run it down the east side as the only viable option.

And so will the Premier, since he's now interested in Hydro's recommendations, accept that recommendation and reverse the decision that, in our view, was one that was made hastily by his predecessor?

Mr. Selinger: And again, the member—we've debated this many times in the Legislature. The member may prefer the east-side line. He seems to have committed to be doing that immediately if he were to be elected to office. He has promised to cancel the west-side alternative and to pursue immediately one down the east side, a reckless decision on his part, I would suggest, and one that might compromise the future of Manitoba Hydro's reputation and ability to have a product that's

considered clean and green available to our customers, and that's unfortunate.

The reality is, is that as Manitoba Hydro builds more capacity and seeks to strengthen its reliability, they have to take a look at how to do that in such a way that they don't compromise other important assets that they have as a Crown corporation, which is a government business enterprise. And one of the things they have to do is make sure that their reputation is sound so that they can sell their product in the marketplace to customers that expect not only reliable power at a reasonable price, but power that is not controversial in terms of its environmental reputation or has negative impacts on things like significant chunks of intact boreal forest.

Mr. McFadyen: And just apart from the Premier's characterization of reckless, you know, I think the member for Minto (Mr. Swan) may have a very different view on that. I know he and I agree that the east side is the way to go and the east-side communities feel that way. Certainly, the engineers at Hydro feel that way and the environmental experts, but he does very succinctly state the position of the NRDC on the issue and I thank him for reiterating their position on our view on this, and if he wants to be a spokesperson for NRDC and the various interests that they represent, I encourage him to do that.

The position of the engineers, CEO and others at Hydro has been that this is not a good choice for the province or for the utility. And as they get further into their studies of the west-side routing options, public consultations, environmental studies and other issues, would the Premier undertake today that in the event that they return—that the corporation returns to the board with a recommendation to reverse the decision, will he give his board, the board he has appointed, freedom to accept that recommendation?

Mr. Selinger: I just have to say that's what I would call a hypothetical question. We deal in the world where the recommendation to have Hydro has been to proceed on the west side given all the information they've had in their—within their ambit of decision making, and I think it would be again, reckless, to set up a situation where you try to whipsaw the corporation because of your political interests. The reality is, is we're trying to find a solution here that will increase reliability, something that was neglected when the Conservative government was in power—they didn't move on that issue at all—and at the same time increase capacity for transmission of

new power that's going to be generated in the north as new dams are built and to do that in such a way that also creates the opportunity to pursue the UNESCO World Heritage designation on the east side and protect that what has been considered to be pristine intact boreal forest.

And so the whole public policy debate here is to find the right balance between all those objectives so that Manitobans can have both increased reliability, greater potential for export revenues to benefit the wealth of this province and at the same time the ecological and cultural opportunity on the east side, which also promises great future benefits, not just environmentally, but also in terms of ecotourism and sustainable economic development on that side.

So those are the considerations that are being factored into decision making, and those are the considerations that we need to think about as we move forward.

Mr. McFadyen: And we certainly—I certainly respect the desire of the Premier and the government to take into account all of the factors that he has just raised. The issue is that the decision isn't made in a vacuum, that you've made another decision, that which then has an impact on all of those issues: tourism, economics, sensitive ecological areas, populations, the finances of Manitoba ratepayers, the reliability of the power system and a variety of other factors. And it appears that as the empirical evidence comes in, as Farlinger pointed out, that the factual basis points to the east as being the better option, notwithstanding the emotion that may be surrounding the east side.

* (15:30)

And I just want to ask the Premier: In light of the gathering body of empirical evidence about the incredible problems associated with the west-side route, will his board—when all of that evidence is presented to his board, will he allow them to comply with their statutory obligations or is he going to politically direct them to stick with the decision which is going to be damaging to the corporation?

Mr. Selinger: Again, the member is repeating the same hypothetical that he repeated in his last round of questions.

The reality is, the member seems to draw from the Farlinger report a conclusion completely opposite than the other readers of the report have drawn, and that is that there are significant risks to pursuing a transmission line, a bipole down the east side. Very

significant risks, not only to the environment and to the ability to support and sustain intact, pristine boreal forests, but, also, very significant risks to the ability, even to build the line because of the potential controversy it would generate, and significant risks to the reputation of the product that Manitoba Hydro is producing in their export markets, and, therefore, risks to maintaining and consolidating contracts to make sales into those marketplaces.

And that is a major rolling of the dice that the member seems to want to single-mindedly pursue regardless of all these other considerations. And that's his view. He wants to suggest that we're pursuing something that is not good for Manitoba Hydro by disregarding all those important factors. And those factors count for something because they are real issues in other jurisdictions and they're real issues here in Manitoba that need to be considered in terms of the broader public policy considerations. And that's exactly what the Farlinger report said. It said that, given the larger issues, that the Province should have a view on this and express their view to Manitoba Hydro so that they could take that view into account in their decision making.

Mr. McFadyen: And the subjective issues that he's raised around reputation and controversy are matters of speculation as well. I think he has to acknowledge, and I think his speculation is grounded in the fact that they've—the NRDC has run an e-mail campaign and I guess there's a concern perhaps they could launch legal action and run a campaign.

But I think the Premier also knows that every major project—almost every major project meets with opposition of one kind or another based on vested interests and perspectives on the world, and the vested interests that are driving this decision are American. They are associated with people who are favourable to the notion of clean coal and they're at—the position of organizations that are on the record is very aggressively being opposed to clean Manitoba Hydro energy. They're opposed to generating stations, transmission lines and any form of Hydro development. They're quite well-documented, and so I think what the Premier is saying is that the—he's worried about reputational damage coming from people who have a vested interest in trying to shut down Manitoba Hydro. And I'm just wondering why he doesn't have the backbone to stand up to them.

Mr. Selinger: Well, the member—I've heard him do this kind of characterization before, over the last couple of years of debate on this issue. It's

unfortunate that he chooses that course of action because it seems to me that he always likes to take it down to that level as opposed to dealing with the broad public policy considerations here. He'd prefer to sweep those aside and talk about some e-mails that he may have received and suggests that he's a *mano a mano* if he stands up to somebody that sends him an e-mail.

I think, you know, we have to rise above those kinds of considerations and ask ourselves what's the best alternative for developing clean energy in Manitoba and protecting our ecological assets and pursuing cultural attributes inside of Manitoba that have enduring value.

And how can we both do that which will have a benefit for the province in terms of long-term sustainability and will have a benefit for the province in terms of having a UNESCO World Heritage designation, which, in other jurisdictions, is a significant source of value that generates ecotourism and generates recognition and a positive reputation for Manitoba and in other jurisdictions for—*who* pursues those UNESCO designations in their jurisdictions?

So those are positive things. Those are things worth pursuing because they provide permanent assets, enduring assets to the benefit of Manitobans.

The issue of Hydro itself, the member is correct, that Hydro can be controversial in some of the markets that we pursue sales, and, therefore, that is something that you have to take into account in how you develop the resource, not in a foolish way, but in a prudent way to ensure that the product is well received and is understood for the value it provides in terms of reducing greenhouse gases, for the value it provides in terms of reliability, for the value it provides in terms of cost affordability over a significant period of time and the value it provides in terms of allowing us to develop the resource inside the province in partnership with First Nations peoples. So, you know, you can have your take on it, we have another take, another take that we believe takes into account a broad array of factors that are important to the future of the province, its reputation, its economy and its Crown corporation, in this case, Manitoba Hydro, but also in terms of the well-being of Manitobans.

Mr. McFadyen: And the Premier has outlined his view on the public policy issues and I don't have any dispute with his right and responsibility to consider all policy issues, not simply what the view of the

corporation may be, but a broader policy consideration. And so can the Premier just indicate that the driver of this decision is really his conclusion about broader policy issues as opposed to what may be narrowly in the best interest of the corporation?

Mr. Selinger: Again, the Farlinger report suggested that it had significant impacts, this decision, beyond just simply the location of the line that had broader public policy implications and the Farlinger report understood those broader implications and tried to identify them in their report and suggested the government—it would be appropriate for the government to have a view on these broader public policy implications, and bearing in mind that the government is the shareholder of the government business enterprise, in this case Manitoba Hydro, and represents the—Manitobans as the shareholder in this corporation.

Mr. McFadyen: With the view that it's not driven particularly by the best interest of the corporation but rather broader public policy considerations, can the Premier just indicate whether he thinks it's the duty of the board of Hydro to deal with broader issues, or is it their duty to do what's in the best interest of the corporation?

Mr. Selinger: And I think the member is trying to draw a black and white distinction between broader public policy considerations and the interests of the government business enterprise. In this case, Manitoba Hydro. The Farlinger report indicated there was an overlap in those considerations that would impact on both the corporation itself as well as the Province, and that there should be some communication and dialogue between the government and the Crown corporation in this regard. And that was their view because of the significance of the issues at stake here in the decision of location of the bipole. And the interests of the corporation are important and should be considered as is the—and those interests are affected by broader public policy considerations, they're not separate, distinct from them, they're not two polarities, they're not two opposites, they don't live in separate worlds. The reputation of the corporation is important because it wants to provide a product at a good price that's reliable, and it's considered to be clean and green and that's an important set of factors for the corporation to consider in its decision making. It's also important for the government, as the shareholder, to take into account those issues as well which is what the Farlinger report recommended that the government do.

And so there's an overlap of interest there, there's an overlap of public policy considerations and they have to be considered beside each other and together.

Mr. McFadyen: And so in that consideration then, it seems what the Premier has done is to make a decision that he's already acknowledged is not in the best financial interests of Hydro, and not in the interests of better reliability, but in the interests of reputational factors and in the interest of environmental factors. Is that the way the analysis worked?

* (15:40)

Mr. Selinger: Again, unfortunately, the member has mischaracterized what I've said. I suggested that the broader public policy considerations could have a negative impact on the financial considerations of the corporation. It could lose them contracts. It could damage their reputation, which would harm their ability to export power and sell power to other jurisdictions. So there is a significant potential linkage between the broader public policy issues and the financial well-being of the corporation.

I would just ask the member to think about those things and see if there is any connections he could forge in his own thinking.

Mr. McFadyen: If there was a single expert anywhere on earth that had actually written a report backing up anything he's saying, I might be persuaded. Given there's not a single, knowledgeable person on the face of planet Earth who actually has written any analysis or reports that back up what the Premier is saying, and given that there are many, many engineers within Hydro, present and past, who have analyzed this thoroughly and come to only one view, and given that that's the advice put before the board of Manitoba Hydro, I just want to ask the Premier whether his government has indemnified the board members in Manitoba Hydro for the—for failing in their statutory duties on this decision.

Mr. Selinger: Again, the member draws conclusions and makes judgments not based on any facts. He suggests there's nobody in the world that might even have a scintilla of linkage to the views I put forward. I'm reflecting what I read in the Farlinger report, who himself is an expert and a well-respected member of the community, and tried to take a balanced approach in the way he wrote that report and identify a broad range of factors. And the Farlinger report, in my view, was quite clear on the fact that there were

broader public policy considerations that the government should have a view on and should express them to Hydro, and suggested that to be the case.

And it's important—it's important here to understand that the Farlinger report was an attempt to take a look at the broader issues that might affect a bipole routing decision from the perspective of Manitoba Hydro and what was in the best interests of Manitoba Hydro. That was one of the primary lenses through which the Farlinger report reviewed the information that they had in front of them and looked at the contextual factors that might have an impact, either positive or negative, on a bipole site location decision.

So I simply offer that as one person that might have views and expressed information and put perspectives on the record that I'm drawing upon here.

Mr. McFadyen: And the report that was released in December of 2007, two months after his letter to the board was done by CMC Consulting Inc. and Mr. Farlinger, and I wonder if the Premier can indicate how many major transmission lines has CMC Consulting Inc. constructed.

Mr. Selinger: Well, again, I'm not sure where the member's going with this. I think he—I get the feeling he might want to be attacking the credibility of the consultants that generated the report. That would be unfortunate, but not unprecedented in terms of how the member approaches these budgets.

The reality is, Madam Chairperson, that Hydro engaged Mr. Farlinger because of his very strong reputation, both as an engineer and as a person who has a broad view of public policy issues within Manitoba. And to me he was a very credible individual, an individual that I thought brought a lot of wisdom to these kinds of big picture, decision-making situations. And I respected his views as they were put forward in the report and I hope the member opposite would respect them as well.

Mr. McFadyen: Just in the preparation of the report, which runs contrary to the advice of all the engineers at Manitoba Hydro, many of whom spent their entire careers building transmission—designing and overseeing the building of transmission lines, I'm just wondering—and there are some good commentary in the report. It actually concludes that the forest on the west side is more in need of protection than the east-side forest. And it concludes that highways are a

bigger threat to caribou than transmission lines. It outlines a variety of concerns. There's no—there's nothing in the report that looks to be factually inaccurate. It makes statements that there are issues on both the east and the west side, which is what you would expect. And so that's what that report concludes.

And then, in addition to that, given that it basically comes out and says it's a wash, then you've got every engineer at Hydro saying there's only one option, which is the east side. And you've got years of study that went into that, and you now have a process under way which is rapidly concluding that the west side is untenable for a variety of reasons.

I'm just wondering, is the Premier going to be flexible enough to accept the evidence that comes forward through the current consultation process and the recommendations of the executives of Hydro, or is he going to continue down this path, even though it flies in the face of all of the evidence being gathered, that has been gathered internally over 20 years, that's currently being gathered by the corporation, and which is validated by a lot of the comments that are made in the Farlinger report. Will he accept all of that evidence and allow the board to reverse its decision, or is he going to continue to require that they make a decision that will be financially damaging, that will threaten the reliability of the power system and create a very large number of environmental problems?

Mr. Selinger: You know, if we substituted east side in the last statement the member might—made, I just might be able to agree with him because he seems to have made all the points I've just made but on a different side of the province. So there seems to be a complete reversal of views here.

You know, there seems to be substantial risks to the environment on the east side in terms of pristine boreal forest which has the possibility, a strong possibility, for both cultural and environmental reasons, to be designated a UNESCO World Heritage Site.

And the Farlinger report was quite clear that the west side presents the best options for the woodland caribou, whereas the east side prevented—because it would not need to fragment additional caribou ranges and would leave a large contiguous block of caribou habitat on the east side of Lake Winnipeg. So the Farlinger report seems to suggest that the caribou are best protected by not pursuing an east-side lines—transmission line. The Farlinger report states clearly

that the forested areas on the west route are much more intensively developed than on the east side, with roads, rail lines, geotechnical survey lines and transmission lines, as well as forestry and mining operations. So that is stated clearly in the report. And the member knows these factors are put in the report, and then seems to draw conclusions completely contradictory to what these comments are in the report and what these statements are in the report. So we seem to be drawing different conclusions, unfortunately.

I think the point here was to try and find a solution to increased reliability, which have not been pursued. And when the member opposite was a part of the government, he was pursuing other ventures with Crown corporations, but not this one in terms of reliability in spite of the fact that it was an issue that had come front and centre in front of them with some challenges with the existing bipoles.

It's also unfortunate that he seems to completely underestimate the potential reputational risk to the corporation in terms of pursuing an east-side transmission line and what that could do to our customers, and, consequently, what that could do for purchasing power from the corporation. That's unfortunate as well.

And he seems to also have information as to what the conclusions of Manitoba Hydro are in terms of what the current siting alternatives are being reviewed. He seems to have some insider's information or some special access to information that they are completely opposed to all west side alternatives and are going to recommend against all of them and to reconsider going down the east side. I'm not aware of that information. I don't know what special access he has to have that information, but he seems to have drawn all these conclusions which support his original position that's been on the record for an extended period of time now.

*(15:50)

Mr. McFadyen: And I'm not sure that he's reading the same Farlinger report that I'm reading, because on page 5 of that report it says, and I quote: Routing Bipole III along the west-side corridor would be the longest, most expensive and least useful for emergency operation in the event of the loss of one of the transmission corridors. It goes on to say, and I quote: "Unfortunately, due to its long length, its characteristics make it unsuitable to operate with either of the existing Bipole I or Bipole II converters, requiring it to have its own converters designed to

operate with the longer line. The Bipole III line and converters would not be able to operate connected in parallel with the existing Bipole I and Bipole II converters."

It goes on to say if the Bipole III line west were lost, the existing Bipole I and Bipole II lines would be able to carry the full existing output from northern converters. However, if the Bipole I and II lines Interlake were lost, the new Bipole III would only be able to carry its rated load, about 50 percent of the available output. Together with imports from tie lines, this may be sufficient to meet current peak load requirements for southern Manitoba but would require the advancement of a fourth HVDC line and converters, Bipole IV, to meet load growth expectations.

I'm wondering if the Premier read that section of the report, whether it had any impact on his decision making?

Mr. Selinger: Again, the Farlinger report did give a variety of perspectives on it. I'm glad the member is reading the report now. And all I can say is that—

An Honourable Member: Cheap shot.

Mr. Selinger: I haven't interrupted the member when he has been making his statements. I'm surprised that he would do something different than that, but not that surprised.

The reality is, is that Bob Brennan himself has said that both sides provide for reliability of the system which now is becoming a major issue for us, making sure that we have that additional line should the existing line go out, is extremely important to us. That's a statement he has made.

And, it—there are pros and cons to both sides in terms of the bipole and there is no absolutely perfect decision but there are decisions that need to be made to move the project forward. And the decision has been made to proceed on the west side because the do-nothing decision, which had been the case when the member opposite was part of the government, really isn't one that will enhance reliability in any way, shape or form and will also not provide additional transmission capacity as new power is built, when dams are constructed in the north of Manitoba.

So—and the cost of doing nothing would be in the billions. There would be security and reliability benefits lost and the export deals would be at risk as well. So there's big risk of doing nothing and there

are significant risks of proceeding down the east side, for the reasons that we've discussed quite extensively here today, and there are factors that have to be taken into account in going down the west side. But the reality is, is that we need to move forward and provide additional reliability in transmission capacity for Manitoba Hydro.

So these are the considerations that are being looked at as the corporation moves forward in considering siting alternatives.

Mr. McFadyen: I'm just wondering, is the Premier anticipating future load growth from northern generating stations?

Mr. Selinger: Load growth within Manitoba or load growth generally with the system? Is he asking the question, will there be additional power that needs to be transmitted from northern Manitoba south as a result of building new dams? If that's the question, the answer is yes.

Mr. McFadyen: Yeah, that is the question.

The Farlinger report says, on that point then, that there is a requirement for a fourth high-voltage DC line and converters, Bipole IV, to meet that load growth because the west-side route can't carry the same load as an east-side line. I'm just wondering where the Premier would propose to build Bipole IV.

Mr. Selinger: Again, we're in the midst of trying to build Bipole III and that has been a challenge to get that built and after that's concluded, then siting alternatives can be considered for Bipole IV, and, some of the factors that are present today in this discussion will occur.

But I've heard the CEO, president of Hydro say that Bipole IV would be an easier decision because you'd have Bipole's III, I and II in place already. So it wouldn't be as critical to provide an alternative to I and II, with Bipole III in place. So it would be an easier decision because there'd already be enhanced reliability in the system.

Mr. McFadyen: The—and I know that the CEO of Hydro has been very clear about the need for a Bipole III, and so that's not the dispute. Just the issue here is the Farlinger report. It says you need Bipole IV because of the inability to parallel out of the west-side route in the event that you lose out—you lose Bipole I and II.

And I'm just—obviously, any responsible premier and Hydro minister would be looking at that and then asking, since we now need Bipole IV, where is that

going to go? I'm just wondering if he's asked that question and what the response was from Hydro.

Mr. Selinger: And, again, I believe I've just answered that question in part by saying that Bipole IV, if and when it's required, would be an easier decision because you'd have Bipoles I, II and III in place and increase the liability already.

So it wouldn't be the kind of—it would be an easier decision, then, that could—there'd be many more alternatives on how to pursue it. And that's information that I've heard the CEO and president of Manitoba Hydro state.

Mr. McFadyen: Just picking up that response, what are—you said there'd be many other options available. Can you just outline for us today what—what those other options are?

Mr. Selinger: Well, again, you know, I don't want to get ahead of the curve here too far. We're trying to build Bipole III and the study alternatives for that are being considered at the moment, and once that issue has been resolved, then consideration can be given to Bipole IV.

So I think that's a decision that's quite a bit ways down the road right now. I thought we were trying to address ourselves to increasing reliability in the system over Bipoles I and II.

Mr. McFadyen: Well, the problem, of course, is that the decision on Bipole III has an impact on decisions related to Bipole IV, and so it's a relevant question. And I wonder if the Premier can just confirm that the plan on the books at Manitoba Hydro is to build Bipole IV down the east side.

Mr. Selinger: Again, I'm not aware of that. Again, I don't think that's actually a decision that's in front of us today. The decision that's being actively considered by the corporation is Bipole III.

Mr. McFadyen: Just to be clear then, the potential route of Bipole IV is not relevant to his consideration on the location of Bipole III then.

Mr. Selinger: And, again, as I said earlier, I've understood from the president, CEO of Manitoba Hydro that bipole—if there was a need—if and when there was a need for Bipole IV, that assuming that Bipoles I, II and III had already been put in place, there would be greater latitude as to how you could locate Bipole IV, given that Bipoles I, II and III had already provided additional reliability to the system.

Mr. McFadyen: Just on the process leading up to the decision, back to the time when he was Hydro minister and wrote the letter, can the—can he just indicate what would've happened in the event that the board disregarded the letter and accepted the recommendation of Hydro to proceed on the east side?

Mr. Selinger: Again, that's a hypothetical and speculative question and, you know, it's very difficult to sort of go back and pretend that that occurred, because it didn't. And so we're dealing with the facts in front of us at the moment.

Mr. McFadyen: I was just wondering if the Premier can just comment on the issue of whether it's his view that the board of Hydro has responsibility to respond to directives from the minister, or is they're responsible to make decisions that are in the best interest of the corporation?

Mr. Selinger: Well, the Farlinger report itself stated that the issues here were broad enough that the corporation should receive the views of the government on it and recommended that the government express its views on it, and that's the process that occurred.

The Farlinger report was considered by the government. Its views were expressed to Manitoba Hydro. Manitoba Hydro took those views into account in making its decision on pursuing a Bipole III. And that's not unusual for a shareholder to express its views to a corporation and it's not unusual for the governors of a corporation to take the shareholders' views in account and still do their due diligence and make a decision that they think is in the best interest of the corporation.

Mr. McFadyen: And I don't disagree that a board of a Crown corporation should take into account the views of the government. Is it the Premier's position that the board is bound by the position of the government?

* (16:00)

Mr. Selinger: Again, I've outlined the process on how the decision was made and those are the facts before us at the moment, but the corporation did take the views of the—obviously, was willing to consider the views of the government, but also had their own lively discussion, I'm sure, at the board meeting and made and listened to other views as well, including views of the corporation itself in terms of its officials and then rendered their decision.

Mr. McFadyen: Can the Premier just indicate whether he's aware of whether any of the current—or the board members of Hydro who were present at the decision have sought legal advice with respect to their statutory obligations?

Mr. Selinger: I'm not specifically aware of that, but that's not to say it occurred or did not occur.

Mr. McFadyen: And would the Premier, in the event that board members of Manitoba Hydro received legal advice that they were not bound to take the position of the government but were, in fact, bound to act in the best interests of the corporation, with all of the empirical evidence from engineers and others in front of them, would he permit those board members to reverse this decision or is he going to sack any board member who tries to change the decision of the corporation?

Mr. Selinger: Again, the mayor—again the member is pursuing a completely speculative line of questioning here, very hypothetical questions, and, you know, usually hypothetical questions are not ones that should be dealt with in the House. We should be dealing with the facts in front of us and the alternatives in front of us and what's the best course of action in terms of the interests of the corporation in the context of appropriate public policy. You know, the member seems to want to, I don't know, pursue a line of questioning that perhaps goes well beyond what's under consideration at the moment, so I think we—it's difficult for me to respond to those questions, given the highly speculative and hypothetical nature of them.

Mr. McFadyen: Well, virtually every element of this discussion is based on speculation about future impacts of transmission lines. Given that no work has been done on the line, our whole debate has been about speculation and I just wonder if the Premier can indicate whether board members would be protected by his government in the event that they want to reverse this decision, or will they be sacked?

Mr. Selinger: Again, my understanding is is that all board members are indemnified that sit on Crown corporations as a matter of course. That's standard procedure, and so there's nothing specific about that relevant to the questioning that the member is pursuing. But the reality is is that, you know, he seems to be trying to create a crisis situation that doesn't presently exist, and I'm reluctant to go into that kind of hypothetical crisis situation. I'd pursue it—actually find a constructive solution to allowing Manitoba Hydro to increase its reliability and to be

able to proceed on building new generation capacity and the requisite transmission capacity to support that in a way that not only protects the reputation of Hydro and enhances the value of the product but also gives us opportunities to pursue other ecological assets in Manitoba such as the UNESCO designation for the east-side boreal forest.

Mr. McFadyen: I'm certainly aware of the indemnity available for board members, but there may be board members who would prefer not to have to use an indemnity and would prefer to actually make a decision and avoid being sued, and I'm just wondering if the Premier will indicate today that board members of Manitoba Hydro are free to make whatever decision they believe is the right decision in their own judgement, or will there be some repercussions for any board member that may want to reverse this decision.

Mr. Selinger: I've answered this question two or three times already.

Mr. McFadyen: In fact, he hasn't. He said it was speculative and he didn't want to respond to it, but I just want to ask so I'll just ask him again. Will he protect board members who may want to reverse this decision in the event that they start to go down that road based on the evidence being put before them?

Mr. Selinger: And, again, I've already answered this question. Board members, as a matter of course, are indemnified.

Mr. McFadyen: And, again, that wasn't the question. The issue is related to their appointment—appointments, which are made by the minister for Hydro. And I'm just looking for an undertaking, either from the Premier or from the minister, that board members' terms will not be terminated and that there won't be repercussions for any board member if they decided that they wanted to revisit this decision. If you could just address that point rather than the indemnity, because I think most board members would rather not have to use an indemnity.

Mr. Selinger: Again, the member is pursuing a line of speculative and hypothetical questioning that I don't think is before us at the moment. I think the reality is is that there are board members appointed. They are serving the best interests of Manitobans by being on the board and they will proceed with their decision making, and they have at this point. And the member seems to be suggesting that he has inside information that they want to reverse that decision,

that—if he has some information in that regard, perhaps he could put it in front of the House today.

Mr. McFadyen: And, to be clear, I have no such inside information. I certainly—we certainly know from hard experience that—that even if we did, we're certainly not going to compromise people. But I just want to ask the Premier again whether board members that his government has appointed to Hydro have the freedom to exercise their own judgment on these decisions or are they bound by the directives of the minister?

Mr. Selinger: I've outlined the process based on the Farlinger report's recommendations about how the Farlinger report recommended that the government have a view on this because of the broader public policy considerations, which could have a direct impact on the best interests of Manitoba Hydro, and recommended that the government have a view on this that they would express to Hydro and then Hydro could take that into account in their decision making. And that was considered to be the best way to proceed by the Farlinger report itself, which was commissioned by Manitoba Hydro.

Mr. McFadyen: Just moving on to another issue. We had an exchange yesterday just on the issue of the net debt calculation. I wonder if the Premier can indicate where they subtract about \$8.5 billion in debt from that debt calculation debt, which is payable to outside financial institutions. If you were to receive an opinion from a professional chartered accountant that approach is inconsistent with GAAP, will they restate the balance sheet?

Mr. Selinger: Again, they're following the public sector accounting standards here. The Province currently issues debts specifically on behalf of Manitoba Hydro and also records a receivable for Manitoba Hydro for the funds borrowed. Summary net debt is calculated as total liabilities, which includes the Hydro debt. That's all financial assets, which includes the receivable for Manitoba Hydro. The net impact on summary net debt is zero. This is in compliance with the Public Sector Accounting Board, and I suggested that yesterday and I've confirmed that today.

Mr. McFadyen: Actually, yesterday you said that it was GAAP. You didn't say it was Public Sector Accounting principles and you also said that there was no receivable from Hydro. But he's contradicting both of those points today and that moves us a step closer to understanding what's happening. And so the Premier is saying that the Province has a receivable

for Manitoba Hydro with respect to that debt. Is it not the case, then, that the Province also has a payable to the financial institutions who advance that money?

Mr. Selinger: As I've indicated here, the Province issues debt on behalf of Manitoba Hydro and records a receivable from Manitoba Hydro for the funds borrowed. Summary net debt is calculated as total liabilities, and that includes Hydro debt less all financial assets, which includes the receivable for Manitoba Hydro. The net impact on the summary net debt is zero. This is in compliance with the Public Sector Accounting Board.

* (16:10)

I'm happy to make this clarification today because I think it brings a greater clarity to the circumstances as presented in the budget of the Province of Manitoba under the Provincial Borrowings, Guarantees and Obligations line on page 20. And, on that page 20, the 2010 Budget represents Hydro debt taken up by the Province on behalf of Hydro of 8.404 billion as well as the guarantees made by the Province for Hydro bonds and other promissory notes specifically for Hydro of 170 million.

The line below on the same page of 8.564 billion is meant to reduce the Province's debt by the receivables due back from both Hydro, 8.404 billion, and Lotteries, 160 million.

So that clarifies that. These two values will change from year to year as the first line represents Hydro only and the second line represents the recoverable amount from both Hydro and Lotteries.

Summary net debt is further reduced down the same page for the value of the guarantees the Province made to Hydro of 170 million in accordance with public sector accounting board accounting standards.

So, I appreciate the question, and I appreciate the opportunity to clarify that for the member.

Mr. McFadyen: And to confirm, then, if there's an \$8.5 billion payable from Manitoba Hydro to the Province, is that 8.5 billion then included in the debt number that's shown for Manitoba Hydro?

Mr. Selinger: Well, again, Manitoba Hydro is one of five government business enterprises, and according to the PSAB standards, is included in the summary financial statements as one line net equity pickup. I—

example, their annual net income instead of a line-by-line consolidation of all individual accounts.

As a result, Hydro's gross borrowings as well as their gross tangible assets do not appear in the Province's summary financial statements, only their net equity, as well as borrowings made by the Province, specifically on behalf of Hydro, and the corresponding account receivable due back from Hydro appear.

So, I've explained that to the member and brought additional clarity to that today after getting information from the comptroller.

Mr. McFadyen: And so if the Province, then, has borrowed on behalf of Hydro and the Province has \$8.564 billion in obligations to whoever the lender was. Is that right?

Mr. Selinger: Would the member repeat the question, please?

Mr. McFadyen: If the Province borrowed on behalf of Hydro, and then, as a result, has a receivable back from Hydro for that amount, the Province then has a liability of \$8.564 billion to the lender of that sum. Is that right?

Mr. Selinger: On page 20, the description is under Other Obligations, Debt incurred for and repayable by the Manitoba Hydro-Electric Board and also the Manitoba Lotteries Corporation. That's how they describe it.

Mr. McFadyen: Yeah. I understand the description.

So, there's an \$8.564 billion receivable from Hydro because the Province borrowed money on behalf of Hydro.

Can he just indicate where the Province's \$8.564 billion in borrowings that it did on behalf of Hydro are shown under the list of obligations owed by the Province to outside lenders?

Mr. Selinger: If the member moves up that column under provincial borrowings, guarantees and obligations, he will see Manitoba Hydro 8.-8, 5.74 billion.

Mr. McFadyen: I just want to move into another area.

The issue of the—some of the expenditure decisions made in the budget, just in light of the greenhouse gas numbers that just came out showing the numbers moving in the wrong direction, can the Premier just indicate whether any of the expenditure

reductions to the Department of Conservation are expected to have an impact on any programs that are under way in that area?

Mr. Selinger: Again, those are very specific questions that I would have to get further information on from the departmental officials so they could either be pursued at the Estimates of the Department of Conservation or we could get more information for this discussion here.

Mr. McFadyen: Just on the issue of health care, can the Premier indicate, given the very significant budget increases in health care, can he indicate the issues that have arisen with respect to some of the delays or cuts in front-line programming, how that could be happening in the face of such significant budget increases?

Mr. Selinger: I'm not aware of any specifics that the member's referring to. Does he have some examples of that that he'd like to bring forward right now?

Mr. McFadyen: Making reference to—I think it's 17 rural emergency rooms that have been closed, as well as the cut to the addictions treatment facility that was announced two years ago, and also, the proposed wage freeze for nurses in the public sector.

Mr. Selinger: We discussed the wage issue yesterday in terms of seeking moderate wage increases. Those are a discussion about future wages and benefits. They're not, in any way, a cut of existing wages and benefits. And so I'm trying to answer that question and put it—an actual portrayal of it.

The other elements that the member mentioned, in terms of whether certain facilities are open or not, are decisions made by RHAs and their administration and boards in terms of how they can provide service to the community. If the issue is availability of doctors, I can only point out to the member that we are training a record number of doctors and have employed more than 360 additional doctors. So that's an attempt to increase the availability of doctors throughout Manitoba.

Mr. McFadyen: Can the Premier just, if—and he may not have this available, but just give an undertaking to just come back to us with the final costs on the new WRHA headquarters on Main Street?

Mr. Selinger: Yeah, again, I'll see what I can determine in that regard. And that's a question that

could also be asked of the Minister of Health (Ms. Oswald) who, I believe, is still in Estimates today.

Mr. McFadyen: Thank you, and the—it's obviously a significant issue for Manitobans, but if he wants to defer to the Minister of Health, that's okay.

The—on the issue of health-care expenditures, I wonder if the Premier can just indicate, in terms of tendering within the WRHA, whether they have made any changes to policies and practices on tendering what are very large and expensive contracts in the WRHA.

Mr. Selinger: Is he asking whether the government's made any changes in tendering practices?

Mr. McFadyen: Whether the government, as the body that appoints the WRHA, is aware of changes made within the WRHA on those matters.

Mr. Selinger: Again, I would ask: Is there any specific area of interest that the member would like us to pursue here or is that a very broad question? I mean—I'm just asking for a little more specificity in terms of identifying the information he would like us to provide him.

Mr. McFadyen: I think maybe it's a follow-up to some of the stories about tendering practices and the brown-envelope practices at WRHA. And, also, in light of more recent contracts entered into with respect to information management and technology in particular, if he can just provide some detail around policies employed and the size and scope of some of the contracts entered into over the past 12 months or so.

Mr. Selinger: On the—what he referred to as the brown-envelope situation, I believe that's under review by the Auditor General of Manitoba to get an independent look at that and to make recommendations on how to handle that. As I recall, the WRHA had stopped that practice, subject to the review.

And, then, if there is other specific areas of contracting that he's—that the member of the—Leader of the Opposition would like me to get him more information on, I'd be happy to do that. But I think I need a little more idea of what he's specifically asking me about here, in terms of tendering practices. He did mention the information technology. Is there some specific area there that he would like more information on?

* (16:20)

Mr. McFadyen: Maybe I'll take his reply to my question as notice and come back tomorrow with more specifics on that one.

Just on the issue of Crown corporations, we're seeing a repeated pattern of commentary from the Public Utilities Board about a lack of transparency and an inability on their part to analyze and understand the financials of Crown corporations, and the PUB, as the Premier (Mr. Selinger) knows, is in place to provide a safeguard for ratepayers in Manitoba.

I wonder if the Premier shares any of the concerns that have been raised by the PUB in terms of lack of responsiveness and lack of information forthcoming from MPI and Hydro.

Mr. Selinger: As I said in the House earlier today, we encourage any of our Crown corporations to cooperate with the Public Utilities Board to provide them the information that they're requested—that is requested of them. As I understand it, there are some times when Crowns, for commercial purposes or reasons, do not want to provide specific information, at least in the public domain, and, again, when that—when those kinds of incidences come up, it's the view of the government that the Crown corporation should work with the Public Utilities Board to find a satisfactory resolution to both providing the information and protecting the commercial interests they might be concerned about.

Mr. McFadyen: And we certainly have no disagreement with encouraging the corporations to comply. I'm just wondering if there are any consequences in the event that Crown corporations on a chronic and ongoing basis fail to comply with requests from the PUB.

Mr. Selinger: And, again, we believe that the Crown corporations should follow the requirements of the regulator to provide them information within the jurisdictional ambit of the regulator, and if there's a difference of view there, we encourage them to sort that out in the public interest.

Mr. McFadyen: And in the event that there's an ongoing inability to sort out those issues and an ongoing pattern of stonewalling the PUB, I'm just wondering what is the Premier's position with respect to his appointees to those Crown corporations.

Mr. Selinger: Well, I wouldn't want to jump to the conclusion that it's necessarily the appointees that are the source of the resistance to providing the information. I'd like to understand more thoroughly

what is the concern and what the basis of the concern is.

Mr. McFadyen: The basis of the concern is the commentary coming from the PUB on a very regular basis these days about a lack of transparency, lack of timely responses and lack of detail, and it's not all recent. It, in some cases, goes back several years, but it seems to be coming more and more frequent, and given that it's his appointees that are ultimately responsible for the governance of these corporations, if the resistance is coming from a lower level in the corporation, I'm wondering if the Premier is asking his board members to hold those people to account.

Mr. Selinger: Well, again, the member correctly identifies that board members are government appointments, and it's also the case that Public Utilities Board members are government appointments, and we try not to interfere with either one of their roles. We try to let the publicly appointed or government-appointed members of the PUB do their job, and we try to let the publicly appointed board members of Crown corporations do their job, and we try not to pick sides. We try to find a way to bring them together to find a resolution.

Mr. McFadyen: Just on to a new issue, there was a lot of fanfare and announcements on the part of the government at the outset of the Waverley West development process. I wonder if the Premier can indicate today how much of what was originally announced has actually come to pass.

Mr. Selinger: Again, he'd have to tell me specifically what he thinks was originally promised, so we can—I can get a better idea of what has, in fact, occurred.

Mr. McFadyen: It was a commitment to modern, dense urban planning and design as well as use of energy- efficient environmentally friendly energy sources within those homes such as geothermal.

Mr. Selinger: Again, I think the member will remember that there were some issues, technical issues related to geothermal installations out there with the salinity of the soil in terms of the underground infrastructure required that caused them to rethink whether it was a sensible thing to do, given the costs. And that was information that was in the public domain, I believe, a few years ago, and had to be thought about in terms of whether there could be any further opportunities for geothermal.

I think the Waverley West has tried to provide some other opportunities for geothermal, but those

original issues around salinity and the impact on the geothermal installation, I think, were quite compelling at the time, at least in the view of Manitoba Hydro, that seemed to encumber their ability to provide that—not necessarily Manitoba Hydro, excuse me, but Manitoba Hydro and the people developing Waverley West. They seemed to be a significant barrier to installing geothermal out there at the time.

Mr. McFadyen: The issues that arose subsequent to the announcement have caused the government to not be able to follow through on some of those initial commitments and so just summarize, and the Premier's saying, that there just wasn't enough due diligence done before those announcements and decisions were made.

Mr. Selinger: Again, you know, the member is drawing a judgment on that. That's entirely his right to do that, but Waverley West was intended as an opportunity to develop housing inside the city limits on a land bank that had been put aside to avoid exurban development, that would force development outside of the city because of a lack of available land, and he wrote the city's tax base as a result of that.

Waverley West was a project that was intended to allow for more housing development within the city limits, to provide a tax base within the city limits, and to provide an opportunity for new housing within the city limits and different alternatives to make those—the energy requirements on those housing units were considered and looked at, and they were found to have technical difficulties which made the cost of pursuing them prohibitive.

Mr. McFadyen: And so it was when they came face-to-face with reality following the announcements that changes had to be made.

The other question on Waverley West is just whether the Premier can just provide current status update just on the amount of money expended by the Province to date, and the amount so far recovered in connection with that project.

Mr. Selinger: And I'd have to get that information for the member. I don't think anybody in front of me here has that information at their fingertips. We'd have to pursue that for the member.

Mr. McFadyen: And could he also just indicate in connection with that whether any funds have already been collected and paid into the fund that was to be established for inner city housing, which was going

to be a fund that was based on profits from—quote, unquote, profits from Waverley West, whether there's any money in that fund currently and what their projections are for funds flowing into that fund that was established?

Mr. Selinger: I'd have to get that information for the member.

Mr. McFadyen: And, just in terms of the recommendations made by the engineers on the floodway expansion project, can the Premier just indicate if and when the Province ever intends to complete the work that was recommended by the engineers in order to provide the level of protection that was promised?

Mr. Selinger: Could the member just clarify for me what level of protection he's referring to? I was just chatting with officials here on his previous questions.

Mr. McFadyen: Sorry, the reference was to the commitment to one-in-700-year flood protection. That was the announcement that was made, similar to the announcement about geothermal and lots of other announcements the government makes. And the question was whether the Province has any plans to actually finish all of the work that was recommended by the engineers in order to achieve one-in-700-year flood protection for Winnipeg.

* (16:30)

Mr. Selinger: What—I'd just be curious as to what work the member is referring to specifically that might not be done at this stage of the game.

Mr. McFadyen: There were several bridges—and I can get the list of bridges that were cancelled and cut out of the project. And the engineering advice is that those bridges form a significant threat in the event of a flood of that size because they could be toppled and result in water backup. So those bridges haven't been done.

And there's also some work that would be required inside the limits of the city of Winnipeg in connection with primary dikes that were identified by engineers, both working for the authority and the City of Winnipeg. And that work hasn't yet been done, and I'm wondering whether that's part of the government's infrastructure plans at this stage or not.

Mr. Selinger: Well, again, I'd have to get information for the member on that.

The floodway has been substantially completed in terms of its one-in-700-year protection. Whether

those bridges that the member identifies would impair the ability to provide that one-in-700-year protection, I'd get—I will get further information for him on that. The member will recall that there was a decision made not to pursue all those bridges because some of them were not considered necessarily to be absolutely essential to providing that one-in-700-year protection. If the member believes that they would compromise that one-in-700-year protection, I'll seek further information that on for him.

And, with respect to inside the city of Winnipeg, the additional protection there, I'd have to find out further for him what the recommendations were on that and who was responsible for it.

Mr. McFadyen: And I think what—and in fairness to the Premier, it was primarily his predecessor that oversaw this file, and he and I had had fairly lengthy exchanges on this over the past couple of years.

But I think what the Premier will find is that it wasn't because of engineering advice, it was simply a matter of having run out of funds within the amount that had been established for the floodway expansion that bridges were—bridge work was removed from the project. But the engineering advice remains the same, that those bridges have to be either replaced—they have to be replaced in order to provide the level of protection that was originally promised.

And, in fairness to the Premier, if you could just come back to us with the current status on those projects and the position of the government on those, that would be appreciated.

Mr. Selinger: We'll look into it.

Mr. McFadyen: The concerns of some residents, both north of Winnipeg and south of Winnipeg, is—which seems to us to have significant validity—is that floodway operation has a negative impact on those individuals on their property, on their homes and on their communities.

Can the Premier just indicate as to whether he's been briefed on any of those issues and what his current view is in terms of the government's plans to help those residents north and south of Winnipeg deal with the impact of floodway operations?

Mr. Selinger: The floodway operates with a rule to respect the state of nature for the specific conditions under which it is being used. And that's intended to protect the people south of the floodway so that they wouldn't get any more negative impacts than would

otherwise occur if the state of nature was allowed to have—pursue its course, while, at the same time, providing additional protection to Winnipeg by opening up the floodway.

And there has been quite a few resources committed to the people north of Winnipeg in terms of Amphibexes and ice-cutting equipment and support to ensure that they don't have flooding issues there. And we would like to pursue additional protection for them in co-operation with the federal government to provide some permanent protection there as well in the event of future flood threats—that the member will know that we've already removed some of the housing units there in Breezy Point that were at risk every year. And we pursued that last year and, apparently, that was beneficial this year in terms of some of the flooding in that area, that people weren't at risk because they had already been moved and bought out.

So there have been substantial investments in the north side of Winnipeg to enhance the protection for that community, but there is more work that can be done, and we would like to pursue that.

Mr. McFadyen: I appreciate that response, and there are pretty comprehensive studies that have been done and views that the operation of the floodway south, for those who are upstream, creates some water backup in a flood situation. And that makes intuitive sense, and it seems to be backed up by some of the scientific analysis. And that north of the city, the added velocity of the flow of water is creating greater peaks and valleys in terms of water levels and more dramatic movement of water, which is doing a—creating more significant damage to the property north of the city.

These are unintended consequences of the floodway project. The floodway, all of us agree, has been a great step forward for the city of Winnipeg, but some of the unintended consequences have been that there have been others outside of the protection of the floodway who have not fared as well. And I would just say to the Premier that I think that he would be doing the right thing, he would have our support—and I know he would have the appreciation of those individuals and municipalities affected—if he can be proactive on that point. And I'm not offering that as any kind of criticism; this is an evolving issue that needs to be dealt with based on current science.

Mr. Selinger: I just want—if I could before I try to answer that, on floodway bridges, there is now one-in-700-year protection, so I just want to correct the

record on that. The protection is provided by additional channel excavation as opposed to replacing bridges. The floodway authority and its engineers reviewed the project and determined that channel capacity and flow for a one-in-700-year level of flood protection can be provided within the budget by shifting the focus from bridge construction to channel excavation at certain points. So, as well, bridges with the most hydraulic impact were replaced. Bridges at PTH 15 and PTH 44 have now been put back in. So an additional \$20 million was spent on channel excavation to ensure that one-in-700-year level was provided.

Mr. McFadyen: I'm not sure whether the Premier is reading from something provided by a professional engineer or whether that's something that's coming from the floodway authority, but the engineers have said that even with widening and excavation of the channel, that there is still constriction that exists because of bridges that are lower than they should be and there's a narrowing of the channel as the water flows underneath those bridges. It was very evident last spring—during last spring's flood when there was ice jamming up against the bridge on Highway 200 at St. Mary's—on St. Mary's Avenue and the impact that had on the Province's ability to operate the floodway at the time, and I think the concern about the bridge on Highway 200 is echoed with some of the others that weren't replaced. And I just wonder in light of what we saw happen last spring, which was not a one-in-700-year flood, and yet we had people having to sandbag within the city of Winnipeg. In those circumstances that quite clearly the reality of what happened is not lining up with the theory of what's being said or what's being announced, and so if you've got sandbagging, flooding inside the city of Winnipeg in a flood that's significantly less than a one-in-700-year event, then quite clearly there is something wrong. And I wonder if the Premier will ask for a new engineering advice and act on that advice.

Mr. Selinger: And I just—certainly, we will see what the member I think might be—there's a couple—I think he's referring to inside a city of Winnipeg risk issues, and I said I would follow that up for him. But the information I have here is that there is one-in-700-year flood protection through additional channel excavation and that the hydraulic—the bridges with the most hydraulic impact were replaced and the bridges at PTH 15 and 44 have now been put back in so that there is going to be money to ensure that they can help meet that one-in-700-year protection. If the

member is asking about bridges inside the city or properties inside the city, we'll have to find out more information on that for him and what the risk factors are there.

* (16:40)

Mr. McFadyen: And, just to be clear, it's not bridges inside the city, it's just impacts inside the city that I'm making reference to as a result of bridges over the floodway channel not having been replaced. And so, just to be clear on that point—and I would just ask the Premier just to, you know, regardless of any claim that there's current one 700 year flood protection, to just do some additional due diligence on that point because the experience of last spring would suggest otherwise.

On the issue of matters within the city of Winnipeg, we are concerned about the lack of scientific basis for the nitrogen removal directive. And we've asked many questions about that already—and I know the City has also raised that as an issue—and, in particular, the thought, or the possibility that several hundred million dollars could be spent on nitrogen removal, and the effect of it, according to some scientific theories, in any event, could be that the blue-green algae problem on Lake Winnipeg gets worse rather than better.

I wonder if the Premier can just indicate, in light of—in the face of that advice, why they would proceed with an expenditure when some scientists, who seem to be very credible, are concerned that it may make the problem worse.

Mr. Selinger: This is an important question that links science and public policy together, and we've asked the Clean Environment Commission to take a third look at that. They've weighed in a couple of times now on their review of the scientific evidence, and they've also looked at factors beyond the blue-green algae considerations that what the impact would be on diversity and what the best technology would be in, their view, to address ammonia issues, as well as phosphate issues.

I think there is pretty broad-spread consensus that phosphates need to be removed. Then the question becomes, what is the best way to remove them? Do we remove them through a chemical treatment process which creates a sludge which goes into the landfill, or do we remove it through a biological nutrient-removal process which then makes the phosphates available for reuse on the land—phosphates being a very limited element in the

world, but an essential element for the ability to—for the land to be productive? So that's one issue.

And then the second issue is what's the best way to treat ammonia, which has very negative impacts at certain concentrations on fish in the water? And so the question is, is there a better way or a preferred way to treat ammonia? And there is some suggestion, I believe, from the Clean Environment Commission. They think that biological nutrient removal is also a good method for treating ammonia.

And then there's the third issue of what's the—whether or not nitrogen should be treated, and at what levels. And so all three of those have to be considered, and there seems to have been a very large focus on suggesting that, if you remove nitrogen, it's going to cost in the order of \$300-plus million. And underlying that question is still, what is the best method for treating ammonia and phosphates? And all of those three questions have to be answered at the same time.

I do understand the member's point that there are some—there is some very important and very well-respected scientists that have concerns about nitrogen removal, and that it may be counterproductive in view of the fact that green algae can fix nitrogen out of the atmosphere. But there's also been argument that's been made that are other forms of algae that need to be addressed in terms of nitrogen removal and other forms of biodiversity that might benefit from nitrogen removal.

And this is an important area that all of us who are not necessarily pursuing this kind of scientific research require advice on as to the best way to proceed, and so we've taken a careful approach in asking the Clean Environment Commission to take a look at that again. And I do acknowledge also that there is some scientific controversy out there.

There are some scientists that believe quite strongly that nitrogen removal would be beneficial for the health of the lake and our water system—Lake Winnipeg, I'm referring to—and that even though phosphates have been removed, that there are still serious issues of nutrification going on in the lake that nitrogen might be a factor in. So I think we need further advice from the Clean Environment Commission in this regard, and we need to be careful about how we make this decision.

But I do note that in the first two reports of the Clean Environment Commission, that when they've looked at the best method to treat sewage in other

jurisdictions, the biological nutrient removal has been selected by most of the other jurisdictions as the preferred technology for treating this kind of sewage.

Mr. McFadyen: I thank the Premier for that response and, in particular, just for the level of detail that he's provided, and his understanding of the issues is identical to ours. None of us being scientists, we have to rely on the scientific advice and look at the financial realities and make certain judgments. And, just for the record, I want to say that we support the phosphorous mandate—the phosphorous removal mandate. That is an undisputedly good step to take, and on the issue of nitrogen, and we recognize that ammonia, which is a nitrogen compound, is an additional issue that needs to be looked at.

But just so I fully understand the response, is the Premier saying that the Province as the regulator is still open to the possibility of revisiting the nitrogen part of the directive that's been provided to the City?

Mr. Selinger: Again, I've requested of them to take a third look at it, and they are doing that.

Mr. McFadyen: I thank the Premier for that. I think that it shows a level of flexibility that's appropriate in the circumstances. As we look at the financial issues, water rates having gone up by over 11 percent in 2007, water bills for an average Winnipeg household right now being in the range of \$775 and rising, it's obviously a significant issue for a lot of families and I think that they'll appreciate your flexibility in taking a second look at that issue.

If we can just come back to questions with respect to infrastructure priorities, can the Premier just indicate what the Province's position is on their hope for timing of the extension of bus rapid transit from Jubilee to the University of Manitoba?

Mr. Selinger: That's a discussion that has occurred with the City, and there was agreement to proceed with phase 1 of bus rapid transit and that phase 2 would follow after that. And is there a hard date on that? I'm not aware of that, but there was, I believe, a public perception that phase 2 would follow phase 1.

Mr. McFadyen: Just back to flood mitigation for a moment. The Premier is aware, and I just want to reiterate my thanks for the opportunity to accompany him to communities south of Winnipeg just a couple of weeks ago. The Premier, I think, is aware since he came to occupy his current office, and would have probably looked at the financial implications of some of the proposals in his earlier role, he's aware that

there are significant issues south of the city in addition to those which have already been addressed—and full credit to government since 1997 for the steps that have been taken in terms of community dikes and other measures that have been taken to protect communities.

Can the Premier just indicate what the current thinking of the government is with respect to raising and rehabilitation of roads, strategies with respect to Highway 75, which seems to be closing more frequently than anybody would like it to, and other outstanding issues that have arisen over the past couple of years in light of the new reality that we seem to be into which is more frequent Red River flooding than what may have historically been the case?

*(16:50)

Mr. Selinger: Well, as the member knows, we did visit Morris and we know that there's been, I believe, \$75 million-plus spent on upgrading Highway 75, and I believe additional money in this year's budget to take it up to around 90 million of investment in Highway 75. And there is a hydraulic study being looked at in terms of how to address the issues around Morris, Manitoba, which is traversed by Highway 75. And it's a complex problem there that requires some careful thought as to how to address it, and that research and engineering work is being looked at as we speak. As I understand it, those—that is being looked at now.

The member and I were out there, and we saw the bridge which was still open. And I believe it stayed open this season, fortunately, but we also saw that the water was quite high around the bridge, and if the situation would have gotten worse in terms of precipitation or run-off, it could've overflowed again. So there is a challenge there to find a way to keep the road open and still provide a roadway through the community, which the community seems to want to continue to have. They don't want necessarily the road to go elsewhere. It provides commercial opportunities for the city. And so there's been a—there's a variety of takes being examined there on how to best to address that, and the member will recall we went both east and west in Morris and saw some of the dips and valleys there and some of the challenges there, especially with the Letellier Bridge.

And we had many suggestions made to us which seem to offer the possibility of quick fixes, but none of those are necessarily able to be done as one-offs.

It has to be probably part of an overall solution, how those issues are tackled. So the engineering studies will probably give up some good ideas on the best way to pursue that, but it is being pursued. And it—nobody's been able to suggest that it'll be anything but probably in the tens of millions of dollars to address that problem,

Mr. McFadyen: And I wonder if I could ask the Premier as well—and this is an issue that I'm raising with him for the first time, so I wouldn't expect him to have all the details on this at his fingertips, but just a—there are similar issues arising on different waterways through the province with more frequent and more severe flooding with changes in climate and other things, problems not created by this government but which are ones that are confronting this government today.

And one of those areas is in the Pembina Valley along the Pembina River, Rock Lake, and many of the property owners along Rock Lake, particularly lower lying areas, are experiencing frequent and serious flooding in that area, and there are other issues throughout the chain of lakes from Pelican Lake through Rock Lake and all the way along, which are having quite significant impacts on cottagers and other property owners in those areas.

And, again, it's not this government that is creating some of these issues, but, obviously, they're ones that need to be addressed and I'm wondering if he could share his thoughts on those issues.

Mr. Selinger: Again, I think the member is correct. There are infrastructure issues related to overland flooding that are occurring in other parts of the province, and the causes of that are several. The member has suggested some of them. Drainage itself can create some of these problems. Rapid drainage can create some overland flooding issues; the loss of wetlands. Those are examples. Climate change, the member mentioned as well, and volatility in the weather systems which creates more—extreme weather events can create very sudden influxes of water.

So all of those are factors that—you know, it's anecdotal evidence. I don't know that there's absolute evidence to support it, but I think the member is correct in suggesting that there seems to be an increasing frequency of that, although I don't have any study on that to confirm that in Manitoba, but the reality is is where those problems are occurring, that where they're drawn attention to the attention of the government, the government takes a

look at what can be done to mitigate some of those problems.

For example, last year around Melita, I know a permanent dike was put in place as part of the spring flooding exercise to protect that community, and that hadn't been previously considered, but it was put in place last year and remains in place. And so, as we see opportunities to further protect infrastructure and the ability of Manitobans to move themselves back and forth between various locations in terms of access to goods and services, we'll take a look at what we can do there.

And, if the member has a specific area where he thinks there's a concern—he's saying around Rock Lake and the Pembina Valley, I'll have to get further information on—for him on what the situation is there and what—how it might be addressed.

Mr. McFadyen: Thank you, and two specific areas, anything that—any information he can provide in connection with the chain of lakes along the Pembina River—that would include Pelican Rock and, as well, the communities in the Interlake part of the province which are experiencing more severe overland flooding in recent years, some of which may be related to water levels on Lake Winnipeg—if he could provide some feedback on current plans and thinking on those areas, that would be appreciated.

If I can just—we're getting close to the end of the day now, but just want to come back on a question related to MPI. The decision by MPI to acquire the building that its offices are located in at City Place, can the Premier just indicate what due diligence was done by MPI leading up to that transaction, whether he's satisfied that the ownership of a building, which is significantly devoted to retail operations, is an appropriate investment for a Crown corporation like MPI?

Mr. Selinger: Yes, I think—just to put it in context, MPI had been a tenant in that building for up to 30 years and had to make a decision—well, didn't—had to make a decision, decided that it had an opportunity to make a decision to get a permanent location for itself other than just being a tenant when the property came up for sale, and had some independent analysis done on whether it was a wise decision to buy that, and the cost of that, whether it was a cost-effective decision to buy that. And I believe they got advice from people knowledgeable about properties like that and other alternative properties that they might have to move to, that that

would probably be a prudent investment for the corporation.

I would allow them to have a permanent home and to be able to have predictable costs for that home by being the owner of it. And so I think they sought advice and, after the due diligence, the management recommended to the board that they proceed to acquire that property.

Yes, there are some other tenants in that property that are providing retail services to people that are in the area and want to avail themselves of those services. And if the member's asking is it appropriate for a Crown corporation to have within its premises other opportunities for smaller business to provide services to Manitobans, it's an interesting question.

I know Hydro has some retail tenants in its new building on Portage Avenue as well. As long as they're doing it on a commercial basis and not trying to, in any way, undermine normal market decision-making, I don't know that it's a gigantic problem. But—and I understand that it is being conducted on a commercial basis, and so I see no obvious problems. If the member has any specific issues he'd like to raise with the way business is being conducted there, I'd be happy to review.

Mr. McFadyen: Just the specific question is if the Premier can just consult MPI and provide us with the

current vacancy rate within the building and also provide us with any data on revenue generated from the commercial and retail leases within the building.

Mr. Selinger: Again, we can endeavour to find that out. I'll see what I can do on that, and the minister will be available in Estimates for those questions as well.

Mr. McFadyen: I'm looking at the clock.

An Honourable Member: Would like the member like me to give an extended answer?

Mr. McFadyen: Or I could ask a—and it certainly wouldn't be without precedent—a rambling, long question too.

Let me, well, let me just say for now I think I've asked all the questions I need to ask for today and maybe we could just, I could talk very, very slowly and we could revisit—

Madam Chairperson: Order. The hour being 5 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour now being 5 p.m., the House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 20, 2010

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