

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

Official Report
(Hansard)

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authority of
The Honourable Daryl Reid
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 16, 2013

The House met at 1:30 p.m.

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

ROUTINE PROCEEDINGS

PETITIONS

Provincial Sales Tax Increase—Referendum

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

These are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

This petition is signed by S. Gillingham, H. Gillingham, O. Straud and many other Manitobans.

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

Further petitions?

St. Ambroise Beach Provincial Park

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

And these are the reasons for this petition:

The St. Ambroise provincial park was hard hit by the 2011 flood, resulting in the park's ongoing closure, the loss of local access to Lake Manitoba, as

well as untold harm to the ecosystem and wildlife in the region.

The park's closure is having a negative impact in many areas, including disruptions to local tourism, hunting and fishing operations, diminished economic and employment opportunities and the potential loss of the local store and a decrease in property values.

Local residents alike want St. Ambroise provincial park to be reopened as soon as possible.

We petition the Legislative Assembly of Manitoba as follows:

To request that the appropriate ministers of the provincial government consider repairing St. Ambroise provincial park and its access points to their pre-flood conditions so the park can be reopened for the 2013 season or earlier if possible.

This petition signed by L. Kiesman, J. Monchalin and—oh, boy—K. Sorenson, I [inaudible]

Provincial Sales Tax Increase—Referendum

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

And these are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

This petition is signed by L. Boleschuk, L. Hnatyshyn, W. Groinus and many, many, many more Manitobans.

Bipole III Routing

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

The background to this petition is as follows:

Manitoba Hydro has been directed by this provincial government to construct its next high-voltage direct transmission line, Bipole III, down the west side of Manitoba.

This decision will cost Manitoba taxpayers at least \$1 billion more than an east-side route, which is 500 kilometres shorter and more reliable.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to build the Bipole III transmission line on the shorter, more reliable east side of Lake Winnipeg route in order to save Manitobans from a billion-dollar boondoggle.

And this petition is signed by G. Theroux, R. Bazin, R. Philipot and many, many more fine Manitobans.

Provincial Sales Tax Increase—Referendum

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

And these are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

And this petition is signed by D. Truchil, T. Pow, J. Pow and many, many more concerned Manitobans.

Mr. Speaker: While we're reading petitions here, I'd like to remind honourable members—all honourable

members, in fact—that our rules are very clear. Rule 132(7): There is to be no debate on petitions. That includes the wording and editorial comments at the end of petitions, so I'd ask all honourable members to judge themselves accordingly in keeping with our rules, please.

Ring Dike Road—Ste. Rose du Lac

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

And these are the reasons for this petition:

The Ring Dike Road is a well-used gravel municipal road that is used as a secondary road in and out of the community of Ste. Rose du Lac.

Given this heavy pattern of use, there is strong interest in the community in seeing the Ring Dike Road upgraded to a paved provincial road.

It would be most cost-effective to upgrade the Ring Dike Road to a provincial road at the same time that upgrades are being undertaken at the junction of PTH 68 and PTH 5.

We petition the Legislative Assembly of Manitoba as follows:

(1) To request the Minister of Infrastructure and Transportation to consider upgrading the Ring Dike Road at Ste. Rose du Lac into a provincial road.

(2) To request the Minister of Infrastructure and Transportation to consider upgrading the Ring Dike Road at the same time that work is being done at the junction of PTH 68 and PTH 5.

This petition is signed by G. Malcolm, E. Desjarlais, V. Malcolm and many, many other fine Manitobans.

Provincial Sales Tax Increase—Referendum

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

And these are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

And this is signed by R. Gray, J. Gray, L. Miller and many others, Mr. Speaker.

Mrs. Bonnie Mitchelson (River East): I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

And this petition is signed by N. Leitch, L. Beck, C. McIntosh and thousands of other Manitobans.

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

These are the reasons for this petition:

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

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

* (13:40)

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

This petition is signed by E. Griffin-Boily, M. Spence, J. Surdersley.

Hydro Capital Development—NFAT Review

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

These are the reasons for this petition:

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister responsible for Manitoba Hydro create a complete and transparent Needs For and Alternatives To review of Manitoba Hydro's total capital development plan to ensure the financial viability of Manitoba Hydro.

This petition is signed by D. Jones, M. Smyk and J. Harrison.

Provincial Sales Tax Increase—Referendum

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

These are the reasons for this petition:

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

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

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

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

We petition this Legislative Assembly of Manitoba as follows:

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

Submitted on behalf of S. Warren, S. Walker, D. Danebrock and many other fine Manitobans.

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

And these are the reasons for this petition:

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

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

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

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

Therefore, we petition the Legislative Assembly of Manitoba as follows:

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

And this petition is signed by H. Mueller, H. Schroeder and E. Dew and many other fine Manitobans.

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

These are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by J. Berry, B. Berry, J. Stefanson and many other Manitobans.

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

And this is the reason—these are the reasons for this petition:

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

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

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

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

So we petition the Legislative Assembly of Manitoba as follows:

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

And the petition is signed, Mr. Speaker, by C. Unger, G. Koop, A. Price and many, many other Manitobans.

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

And these are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Mr. Speaker, this petition is signed by W. Friesen, D. Letkeman, E. Thiessen and many other Manitobans.

Municipal Amalgamations—Reversal

Mrs. Leanne Rowat (Riding Mountain): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

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

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse their decision to force

municipalities with fewer than 1,000 constituents to amalgamate.

This petition is signed by H. Kopetsky, R. Burla, G. Burla and thousands of other Manitobans.

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

The background to this petition is as follows:

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

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

This is signed by W. Schneider, S. Schneider, W. Parisien and thousands of other Manitobans.

* (13:50)

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us today from Faith Academy middle school 38 grade 6 students under the direction of Jeremy Pickel and Joanna Esselink.

This group is located in the constituency of the honourable Minister of Innovation, Energy and Mines (Mr. Chomiak).

Also in the public gallery today, we have with us groups today, Sisler High School's Dis For Dat student group, Rainbow Resource Centre, Pride Winnipeg, Dr. Catherine Taylor of the University of Winnipeg, Pluri-elles, the Canadian Museum for Human Rights, Energy 106 and members of the greater LGBT community, who are the guests of the honourable member for Burrows (Ms. Wight).

And also in the public gallery today, we have with us the Manitoba students' union, Al Turnbull, Susanna Ally, Christian Pierce, Amanda McMullin and Thao Lam, and from the Canadian Federation of Students, Bilan Arte and Briane Goertzen, who are the guests of the honourable Minister of Advanced Education and Literacy (Ms. Selby).

And also in the public gallery, we have with us students and coaches from Institut collégial Vincent-Massey Collegiate, who are the guests of the honourable member for Fort Garry-Riverview (Mr. Allum).

And also in the public gallery, we have with us today the president and CEO of Status4, Police Constable Kevin Gibson, and also Status4 instructor Gentil Misigaro, who are the guests of the honourable member for Concordia (Mr. Wiebe).

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

And I believe we also have in our public gallery this afternoon the former MP for Kenora-Rainy River and the former leader of the Ontario NDP. We welcome you here this afternoon.

I forgot to mention that the honourable guest that we have with us here this afternoon is the Honourable Howard Hampton, the former MP for Kenora-Rainy River. My apologies for neglecting to mention your name.

ORAL QUESTIONS

Tax Increases Government Intention

Mr. Brian Pallister (Leader of the Official Opposition): Let's recap what we've learned so far in this session in the spring of 2013.

We've learned that the government feels that flood victims who protest should be prosecuted to the full extent of the law. We've learned that they

don't feel the same way about a Finance Minister who breaks the law.

We also know that the Premier feels it's all right to break his word on the moratorium on VLT expansions. Add 40 per cent to the numbers, and it's okay because he gets 98 per cent of the net revenues from that.

We've also learned that the PST hike is not for flood preparation, not for infrastructure, not even for balancing the books. It's \$1,600 out of every Manitoba household with all taxes included over the last year, and it's for funding spendDP ribbon cuttings at previously approved schools.

Once and for all, I'd like the Premier to rise in his place and admit that the purpose of these tax hikes is to create a slush fund for his government to spend.

Hon. Greg Selinger (Premier): Mr. Speaker, we have indeed learned a lot of things during this session of the Legislature. We've learned that the Leader of the Opposition, the member for Fort Whyte, has said that we should never build hydro for export purposes. He's willing to put thousands of jobs at risk. He's willing to jack up the rates to market rates in Manitoba.

And it's very interesting that we have the former leader of the NDP in Ontario here today, and we can take a look at Ontario for what happens when we follow a Conservative program on privatizing hydro: higher salaries for people at the top, higher rates for people at the bottom, less jobs and less economic growth, Mr. Speaker.

PST Increase Request to Withdraw Increase

Mr. Brian Pallister (Leader of the Official Opposition): I just don't think it's right for the Premier to pick on Bob Rae and Howard Hampton in this House, Mr. Speaker—unfair.

What else have we learned this session? Well, we've learned that the Assiniboine and Red rivers massive flood scare was something the MLA for Thompson made up. We've learned that a thousand nurses getting laid off was actually something that 192 NDP communications staff made up. We know that the prebudget consultation was something that the MLA for Dauphin made up.

But we do know that the accusation that the Premier lied to Manitobans about not raising taxes—misinformed Manitobans, I—excuse me, Mr.—

Mr. Speaker: I'm asking for the co-operation of the honourable Leader of the Official Opposition to please withdraw the word lied that he used in reference to a member of the Chamber.

Mr. Pallister: I will, and I apologize to the Premier.

Mr. Speaker: Thank you.

Mr. Pallister: –misinformed Manitobans in respect of the raising of taxes. That's a fact that has Manitobans actually fed up, Mr. Speaker.

So I want to give the member opposite the opportunity to give up on his PST hike, which is going to be devastating to the families of this province. Once and for all, take it off the table.

Will the Premier do that today?

Hon. Greg Selinger (Premier): Mr. Speaker, at a time of global economic uncertainty—and I know the member likes to read the newspapers—we're seeing the triple-dip recession starting to occur in Europe right now. We're seeing a slower than anticipated recovery in the economy in the United States. In the midst of all that, we have a program to create a hundred thousand jobs in Manitoba, a program that will build flood protection for Manitobans that are at risk.

We won't do what the members opposite did. We won't go into a diversion that puts all the communities downstream at risk of losing their livelihoods, of losing their communities and potentially losing their lives.

We will build Manitoba that includes schools, that includes personal care homes, that includes training another 75,000 Manitobans to enter the labour force with our skills agenda.

And what are the members opposite wanting to do at a time of this global economic uncertainty? Indiscriminated cuts—

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

Taxpayer Right to Vote

Mr. Pallister: Well, there's a fundamental difference between these two parties. The Premier again—*[inaudible]*—and it is this: The Premier tries to take credit for being the creator of jobs. We believe that Manitobans with the income they've earned are the creators of jobs in this province.

This is a Premier who stopped listening to Manitobans. We learned yesterday he won't even

listen to NDPers on the hydro issue. He won't listen to women who are closing their businesses because of his tax hikes, young people who are leaving the province because of his tax hikes, antipoverty advocates who are telling him the devastation that he will wrought with his tax hikes.

Manitobans want the right to vote. They want the right to vote on this spenDP tax hikes, but he says no to that. But, to be fair, he has said he values the right to vote, and he wants people to know that they can really make a difference if they live in BC but not in Manitoba.

Will he allow Manitobans to vote?

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

Mr. Selinger: *[inaudible]* I have to say, Mr. Speaker, I had trouble detecting a question in that last little diatribe from the Leader of the Opposition.

But I will say this about democracy, Mr. Speaker. This is the government that banned corporate and union donations from the democratic process.

Let's contrast that. The Leader of the Opposition was part of the government sitting at the Cabinet table that perpetrated the vote—worst vote-rigging scandal in the history of Manitoba on the people of Manitoba. That's his respect for democracy: vote rigging.

We're banning corporate and union donations. We're bringing more people into the democratic process, and we will continue to do that as we grow the economy and provide opportunities for young people to get skills, to look after our seniors, to build those facilities that will care for Manitobans, including roads and infrastructure and, yes, flood protection. That's what we'll do for Manitobans.

PST Increase Call for Referendum

Mrs. Myrna Driedger (Charleswood): Well, this Premier talks about democracy, and yet he's denying Manitobans the right to vote.

Mr. Speaker, this government has stopped listening to ordinary people. They've refused to listen to 500 people who attended the rally to fight against the PST hike. They have stopped listening to the thousands who are signing petitions demanding that this government obey the law and call a referendum.

So I would like to ask the Minister of Finance (Mr. Struthers) to do the right thing, start to listen and call a referendum on the PST hike.

* (14:00)

Hon. Greg Selinger (Premier): Mr. Speaker, the Minister of Finance, as well as many members on this side of the House, were listening to their constituents, listening to the citizens of Manitoba, and that's why we're building a school in Sage Creek in the constituency of Southdale, because the young families there said, we need a school in our neighbourhood. Members opposite wanted to vote against that. They have voted against that. They wouldn't build that school; we will.

Members in southern Manitoba in constituencies represented by the members opposite said they needed new schools. We opened a new school in Steinbach. Did the member of Steinbach have the courtesy to attend that opening? No, he did not, Mr. Speaker.

We're building a new personal care home, the Tabor personal care home, in southern Manitoba. The members opposite voted against that.

Everywhere we go in Manitoba, we listen to the citizens of Manitoba, and then we respond with programs that make a real difference in their lives.

Mrs. Driedger: Mr. Speaker, a PST hike is going to cost ordinary Manitobans more. They're going to have to cut back on some family expenses in order to be able to afford this.

So I wonder if the Minister of Finance would care to tell families, what should they cut back on? Food, toys, a vacation, medication for a family member? What should a family cut back on?

So I would like to ask him: Why isn't he listening to ordinary Manitobans and calling a referendum on the PST hike?

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, right across the board, Manitoba families are getting more money in their pocket as a result of this budget and every budget that this government has put forward in this House.

A two-income family of four at \$60,000 is paying \$2,410 less today than when members opposite were in government. A two-income family of four at \$80,000 is paying thirty-three hundred and seventy-two hundred dollar-seventy-two dollars less than in 1999, Mr. Speaker. A two-income family of

four at \$100,000 is paying \$3,828 less today than where members opposite were in government.

When the Leader of the Opposition had his chance to support Manitoba families, he blew it.

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

Honourable member for Charleswood, on final supplementary.

Mrs. Driedger: Mr. Speaker, that is so rich coming from a minister who has broken the law and misled people in the last election. He has no credibility and he doesn't seem to care about families that are going to have to pay more.

He doesn't care that his PST hike is going to hurt families. All he wants to do is siphon more money out of the pockets of Manitoba families so he can use it for his own spending.

So I want to ask him if he'll do the right thing today, stop his antagonistic treatment of Manitobans, stop his dictatorial behaviour and call a referendum on the PST hike. Will he do that?

Mr. Struthers: It's very clear members opposite, in order to do what they want to do in this province, would deeply cut into health care and education and infrastructure, Mr. Speaker, health care in particular. What—there are consequences when you do indiscriminate, across-the-board cuts, and they impact Manitoba families.

This side of the House, instead of doing those kind of cuts, we put support for cancer-care patients front and centre. In this budget, that's the kind of support we put in place for cancer drugs in this province.

That's the kind of support we give Manitoba families. I'll take that any day over the mean, narrow view of members opposite.

PST Increase Impact on Low-Income Earners

Mr. Ian Wishart (Portage la Prairie): Mr. Speaker, Manitoba's most vulnerable population are those on income assistance, and they, too, are faced with higher taxes from PST and other tax increases imposed by this government.

A recent RBC survey found that 84 per cent of Canadians say that food prices have increased; one third say they will have a significant impact on their budgets.

Mr. Speaker, how can this government defend a spend increase to the PST to those on fixed incomes?

Hon. Peter Bjornson (Acting Minister of Finance): Perhaps members opposite should be paying attention to the budget, where we don't tax food, Mr. Speaker. Members opposite had, when they were in office, put taxes on baby products, on feminine hygiene products.

Mr. Speaker, members opposite clawed back the child tax benefit, \$48 million. They talk about being the new champions of the poor, but I need to remind them, perhaps, of their history where they cut \$150 per month from the benefits of people that needed the help the most. Single persons, nondisabled, reduced by \$40 in 1993, reduced again by \$14 in 1994 and yet again by \$95.60 in 1996.

It's no wonder, Mr. Speaker, the way the members opposite govern, that we had over 31,000 people leave this province—

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

Impact on Families

Mr. Wishart: Mr. Speaker, fully one third of Canadians say they feel a real negative impact from the rising food prices. Forty-three per cent say they will have to cut back on other expenses to make ends meet.

Why is this government placing the burden of its spending addiction on Manitoba families by forcing them to have to cut back on basic necessities?

Mr. Bjornson: Mr. Speaker, I'm proud to be part of a team that works every day to alleviate poverty in the province of Manitoba. I'm proud to be part of a team that recognizes the potential in every individual to be meaningfully employed in this province, and we are working with the new wraparound approach to provide opportunities for people on employment income assistance to get meaningful long-term employment.

Members opposite have never talked about training in the last four elections. They haven't talked about training, investing in training. We have invested in training each and every year, and where does that training get a good root? The roots for training starts in the education system, which, when I was teaching, Mr. Speaker, they cut funding to the education time and time again.

Education's a great equalizer. We invest in education. We invest in training. We invest in supports for people on the margins, Mr. Speaker, so they can all participate in our economy.

Impact on Manitobans

Mr. Wishart: Mr. Speaker, disposable income will be cut by—cut to Manitobans by the increase in the PST. Tough choices will have to be made by Manitoban households because of the arbitrary actions of this spend government.

How many Manitobans will have to literally tighten their belts so this government can feed its spending addiction?

Mr. Bjornson: Well, Mr. Speaker, let's also talk about education and the impact that we've had on education in the province of Manitoba.

You know, we do have students here, Mr. Speaker, and these students would know that when we came into office we cut the tuition fee by 10 per cent after it had risen steadily over the '90s. When the Leader of the Opposition was sitting in the Cabinet table, it went by 132 per cent increase in tuition in their tenure. We cut it by 10 per cent and we put in protection measures against dramatic increases in tuition, brought in the education tax rebate where these students can apply for rebates to their tuition, and in some cases they're actually receiving more rebates than they would have—it would have cost them for their education.

Education's the equalizer, Mr. Speaker. We're investing in education. They wanted to cut 1 per cent right across the board, 200 teachers out the door. We saw what happened in the '90s—

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

Wuskwatim Dam Timeline Adjustments

Mr. Ron Schuler (St. Paul): Wuskwatim currently loses \$9 million a month. Every day that the member for Kildonan refuses to listen, it costs Manitoba ratepayers \$290,000—every day.

The member for Kildonan scoffs at the PUB. He won't listen to his former boss, Ed Schreyer, and shuts the door on Tim Sale and Len Evans. Perhaps he will listen to other hydro jurisdictions and who, for economic reasons, scaled back construction.

Will he now listen to reason?

Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, the Leader of the Opposition talked about contrast. No better contrast is there in the dead-end, non-build party on the other side and the build party on this side.

Look to the west, look to Saskatchewan, where they have to spend \$15 billion to renew coal and go nuclear. What are we doing? We're spending \$20 million on hydro. It'll last a hundred years and will keep our rates the lowest in North America.

Look to Ontario, where they stopped building hydro, where they privatized hydro, and now what are they doing, Mr. Speaker? They're paying twice the cost for electricity that we are.

The dead-end party is not the way we're going, Mr. Speaker.

* (14:10)

Mr. Schuler: Mr. Speaker, Manitoba ratepayers lose \$290,000 a day on Wuskwatim because the member for Kildonan won't listen.

Other hydro-generating jurisdictions are listening to Ed Schreyer, Tim Sale, Len Evans. They're even listening to our own PUB and adjusting their timelines.

Why, when other hydroelectricity jurisdictions listen, why won't the member for Kildonan?

Mr. Chomiak: Mr. Speaker, the average monthly bill for a person living in Winnipeg is \$78.92. The average monthly bill for a person living in Halifax is \$154. The average monthly cost for a person living in Regina is \$134.

We are the lowest cost in the country because we built hydro. We built hydro and members opposite—I was there. I worked for Ed Schreyer. You put a commission in place. You didn't want hydro to be built then—

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

I would like to remind the honourable Minister of Innovation, Energy and Mines, please place your comments through the Chair. We do not want to personalize the debate here.

Mr. Chomiak: Yes, thank you, Mr. Speaker.

I worked for Ed Schreyer.

They didn't want to build hydro then. They don't want—

Mr. Speaker: Order. Order, please.

Been in the Chamber for a long time, I understand that these matters can get very intense from time to time, but I'm asking for the co-operation of the minister in this specific instance. I would not have recognized you for further comment if I had known that was going to be the case. So I'm—I was asking the honourable minister to please follow the practice of placing your comments through the Chair, and I encourage, in fact, all honourable members to do the same so we do not personalize the debate here.

The honourable member for St. Paul has the floor.

Mr. Schuler: And the member for Kildonan would rather slam the door shut on Ed Schreyer than listen to him. He shuts the door on Tim Sale, Len Evans and even our very own PUB. Instead of listening, the member would rather lose \$290,000 a day on Wuskwatim.

So the question is: Why do ratepayers have to pay \$290,000 a day for the export gamble addiction of the member for Kildonan when listening, Mr. Speaker, listening to reason would come at such a great saving?

Mr. Chomiak: Mr. Speaker, if we follow the flawed logic of the member opposite we wouldn't build schools, we wouldn't build hospitals, we wouldn't build anything, because you'd have to pay for it.

In fact, hydro lasts a hundred years, and the fact that we have the lowest rates in the country is based on the fact that we build hydro that lasts a hundred years and the costs go down as you amortize the asset over the years.

Mr. Speaker, I'll—[interjection]

Mr. Speaker: Order, please. I'm asking for the co-operation of the honourable member for St. Paul. He's posed a question and I'm asking for his co-operation to allow the appropriate ministers of the Crown to answer the questions.

The honourable Minister of Innovation, Energy and Mines, to continue.

Mr. Chomiak: We have to plan on the long term for hydro. We're going to run out of power in 2022.

Members opposite would rather have us do oil or coal and go back to the dark, dark ages of the Tory regimes where they didn't build hydro.

We'll go forward and build clean energy for a hundred years and make billions of dollars in profits while doing it, while helping with climate change around North America. That's a win-win, Mr. Speaker.

Manitoba Municipalities Government Relations

Mr. Blaine Pedersen (Midland): Yesterday in this House, the spenDP made it abundantly clear they're not interested in having a respectful working relationship with Manitoba municipalities; 36 spenDPers voted to continue to treat all municipalities in an adversarial and dictatorial manner.

Why does this minister and this spenDP government continue to destroy any semblance of a working relationship with Manitoba municipalities?

Hon. Ron Lemieux (Minister of Local Government): Mr. Speaker, it's absolutely false, you know, the member opposite talking about a working relationship that doesn't exist. We work every day with municipalities. We provided through this budget increase in spending, 8.5 per cent increase in spending. And, you know, the member opposite is trying to paint a tale that is truly false, quite frankly. We work every day with municipalities on many, many different projects.

Mr. Pedersen: Mr. Speaker, the mayors and reeves of the Capital Region have asked for a meeting with the Premier (Mr. Selinger). However, through a spokesperson, the Premier refused and is now going to send his Minister of Local Government.

So the question really comes, so when the minister meets with the Capital Region mayors and reeves, will he threaten consequences should they continue to raise their concerns?

Mr. Lemieux: We're providing 8.5 more per cent of spending and investment in municipalities, Mr. Speaker. The consequences are this. You know, through our investments in the province of Manitoba, Manitoba has truly improved greatly over the last decade.

When you take a look at the vision of members opposite, Mr. Speaker, with their approach to slicing and dicing, whacking and hacking, chopping and—the budgets that we're talking about, that's the consequences. Those consequences, you know, municipalities are very, very familiar with; they saw it before.

When the Leader of the Opposition was a Cabinet minister in the government in the 1990s, they made some drastic cuts, cuts across the board that had huge impact on teachers, on nurses, on personal care homes. Municipalities don't want to see those indiscriminate cuts ever again, Mr. Speaker.

Mr. Pedersen: So the Premier wants to run the City of Winnipeg. The minister calls municipalities dysfunctional. Thirty-six spenDPers vote to—in a vote in this House, vote to continue their adversarial and dictatorial relationship with the Manitoba municipalities.

Does this minister and the Premier realize the long-term damage they've created with Manitoba municipalities?

Mr. Lemieux: You know, Mr. Speaker, just yesterday we made the announcement with regard to recreation facilities, splash pads, water parks, tennis courts. You know, we have plenty—plenty of projects that we can point to, working closely with the City of Winnipeg.

The member opposite is totally incorrect. We have Disraeli, MTS Centre, the football stadium, many, many projects that they opposed quite clearly and, you know, Mr. Speaker, Manitobans know this.

I mean, they're talking in a way to try to paint this picture that there's a lot of differences between, quite frankly, a vision of many city councillors and this government, which is totally untrue. We believe in the same thing; we believe in a better Winnipeg, a better Manitoba, and, quite frankly, we have so many projects we can point to, as I just mentioned, Mr. Speaker, and we'll continue to do so.

The investments of 8.5 per cent increase in the City of Winnipeg—

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

Emergency Services Case Concern

Mr. Cameron Friesen (Morden-Winkler): Mr. Speaker, a few weeks ago, a 68-year-old woman suffered a terrible fall in her home. She sustained visible traumatic head injuries and she went immediately to ER. She was initially assessed and then she proceeded to wait and wait six hours without a single staff member to check on her.

After six hours of waiting in unbearable pain and worsening condition, she left the ER and she went home. She was found dead in her home the next

morning. The autopsy report showed that the cause of death was brain bleed due to head trauma.

My question for the minister: How could this situation have been allowed to take place?

Hon. Theresa Oswald (Minister of Health): Well, Mr. Speaker, I certainly—I will ask the member to share the details of the case with me so that I can investigate.

But what I can say generally is, of course, we want to ensure that our emergency rooms provide the quickest possible care. The way that we can do that is to ensure that those individuals that are not in an emergency situation but do need care have alternatives. Mr. Speaker, that's why we've worked to invest in access centres. That's why we've worked to invest in QuickCare clinics.

And again, if, in fact, the member is willing to share the particulars about this issue, I can assure him that we will investigate without delay.

Mr. Friesen: Mr. Speaker, the minister asks for the details of this incident, but she has the details. Her office has already responded, and her signature is on the letter back to the family.

Mr. Speaker, this woman sustained head trauma, and she went to the right place at the right time for the right reason, but she did not receive the right care. In fact, she did not receive any care.

* (14:20)

The minister knows that the WRHA's own report reveals that in the past year alone, over 25,000 patients have left ERs without being seen by a physician.

Will this minister explain in this case what went so terribly wrong and what measures she is taking to restore the confidence of Manitobans and keep these tragedies from occurring over and over again?

Ms. Oswald: Yes, Mr. Speaker, I think the member knows full well that we have to work together to ensure that I'm investigating accurate information, having names and particulars attached to it. Indeed, if I have, in fact, already communicated with the family, this a good thing. If there's more work that needs to be done on this front, he has my commitment to do it.

But, certainly, we know that the best possible way that our physicians and nurses and other health-care professionals can provide swift care is to ensure that we are focusing on only emergencies going to

emergency rooms, having those that need care but do not need an emergency room, that they're diverted to another environment, be it a QuickCare clinic, an access centre or a family doctor.

This is why we're working to build our health-care professionals, not—

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

Mr. Friesen: Mr. Speaker, the minister's right about one thing. She says more work needs to be done, and with that we agree. Manitobans want answers, and nothing in that minister's response gives any measure of comfort or confidence to this Manitoba family.

Bonnie Guagliardo's death was a tragedy that did not need to happen. Dorothy Madden's death in ER in 2003 was supposed to make changes to ER—to the system. Brian Sinclair's death in ER in 2008 was supposed to make changes to the system, but it remains clear that the system continues to fail.

So, Mr. Speaker, with Bonnie Guagliardo's family members and friends present in the gallery today, my question is for the Minister of Justice (Mr. Swan): Will you stand in your place today and will you commit to call an inquest into the death of Bonnie Guagliardo because of falling through the cracks of Victoria Hospital ER?

Ms. Oswald: I thank the member for sharing the particular information that will help us move forward to investigate further. I can certainly tell the family—*[interjection]* I can certainly say to the family that all members of the House would express sincere sympathy for the loss of their loved one.

Certainly, we know that if a critical incident investigation is required, that's exactly what will happen, Mr. Speaker. I can also inform the family that if we need to make contact with the College of Physicians and Surgeons about triage or assessment, that work can be done as well. We're committed to help this family in any way that we can.

Addiction Services Detox Facilities

Hon. Jon Gerrard (River Heights): Mr. Speaker, the NDP government, in its endless pursuit of tax grabs, is making liquor vastly more available across the province yet is not making it easier for Manitobans to get help for addictions.

According to the Canadian Centre on Substance Abuse, about 30,700 Manitobans are addicted to

alcohol and in need of help, but there are limited public services available and there are only two detox centres in Manitoba. The burden of alcoholism has fallen to our hospital emergency rooms and our justice system.

I ask the Premier: How many government-funded detox beds are available in Manitoba, and how many more beds is the government planning to make available this year?

Hon. Greg Selinger (Premier): I thank the Leader of the Liberal Party for the question.

It is important that we provide addiction services, and we have dramatically expanded the amount of services for addictions treatment in the province, from \$14.4 million in 1999 to \$38.7 million as of this budget this year, Mr. Speaker.

And I can only say to the Leader of the Liberal Party, tomorrow there will be another announcement of the expanded treatment for people in detox centres in Manitoba. There will be a very specific announcement that meets a very pressing need in one of Manitoba's leading communities, and I hope that he pays attention tomorrow because it'll be again another example of how we continue to invest in looking after people that face these serious addiction problems.

Detox Facilities (Thompson)

Mr. Gerrard: Mr. Speaker, as we know, the government is so desperate for revenue that it's become extremely aggressive in promoting alcohol consumption yet slow to provide help to addicts.

Mr. Speaker, the only two government-funded detox programs available in Manitoba are in Winnipeg: Main Street Project with 25 beds, 11 at the Health Sciences Centre.

On many occasions, and very forcefully, of course, last November, Thompson Mayor Tim Johnston publicly called on the NDP to build Thompson's first desperately needed detox centre, but the NDP so far has ignored him.

I ask the Premier: When will the NDP provide the funding required for the desperately needed detox centre in Thompson?

Mr. Selinger: I thank the member for the question.

The local MLA and the Minister of Infrastructure (Mr. Ashton) and I were in Thompson recently. We met with city council. We met with the

mayor. We gave the message to the mayor that it proceed on the detox centre, and I think if the member will just be very patient, he will find that before the weekend arrives that there will be a very significant announcement with respect to detox services in the city of Thompson.

But I want to say this. We tabled legislation yesterday that improves social responsibility with respect to liquor in Manitoba. There is training programs now for all servers on responsible serving. There is new provisions in that legislation which makes facilities responsible for the behaviour, not just inside the facility but around the facility. There is provisions in that legislation which stops booze cans in Manitoba. There are provisions in that legislation which allows us to deal with online sales and super juice in Manitoba. There are provisions in that legislation that will put a stop to underage drinking. We will take our social responsibility—

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

Honourable member for River Heights, with a final supplementary.

Detox Facilities

Mr. Gerrard: Mr. Speaker, I look forward with enthusiasm if the government is finally, after many, many years, going to act in Thompson. You know, but the other question here is that detox centres are only the first step.

When Manitobans so addicted to alcohol can finally access the scarcely available government-funded detox beds, there's still up to several months waiting list to enter a residential treatment program, and, of course, they're expected to remain sober on their own for up to a week before admission.

I ask the Premier: Did the Minister of Health (Ms. Oswald) and the Minister of Healthy Living (Mr. Rondeau) try to stop him from making alcohol more available to Manitobans when the social and health costs of alcohol are so high?

Mr. Selinger: Mr. Speaker, if he does a careful read of the legislation, he will find some very strong social prevention measures within the new liquor and lotteries legislation.

But I have to say to him, he's saying the detox centre is just the beginning; that's one of the last places we want to see any Manitoban wind up, which is why when we invest in schools we have tools in schools now that train young people on how to

manage those kinds of issues. Whether it's roots to empathy, whether it's the PAX program, we want to equip young people and, indeed, all Manitobans on how to manage these many threats and challenges that we have in a so-called free society that we live in.

And people are exposed to this kind of opportunity all the time. We want them to be able to make responsible choices, which is why we are making continuing investments in our education system, which is why we've doubled our money for addictions treatment, which is why we will have another detox centre announcement before the long weekend occurs and which is why we're saying people that provide alcohol in Manitoba have a responsibility to serve it in such a way that nobody gets unduly intoxicated—

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

Health-Care Coverage Seasonal Agricultural Workers

Mr. Ted Marcelino (Tyndall Park): Mr. Speaker, I am proud to be part of a government that is focused on creating jobs, supporting workers and protecting health care. The Minister of Health (Ms. Oswald) has made a number of improvements to universal health coverage recently. The waiting period for health insurance coverage has been eliminated for military families, and Manitoba is picking up health coverage for refugees and RCMP officers after the federal government eliminated coverage for these individuals.

Seasonal agricultural workers are taxpayers while they live and work in this province, and they contribute.

Can the Minister of Immigration and Multiculturalism provide an update on the House on how health benefits have been extended?

Hon. Christine Melnick (Minister of Immigration and Multiculturalism): Well, Mr. Speaker, it's very nice to get a question about people who are coming to Manitoba to contribute to our economy, and there's no doubt that seasonal agricultural workers work very hard within the elements, and there is no doubt that they contribute to the Manitoba economy and the agricultural sector.

* (14:30)

I would like to thank the CCPA, UFCW and the Migrant Worker Solidarity Network for their

solidarity on working on behalf of seasonal agricultural workers.

And I was so pleased yesterday to be joined by several of my colleagues on the front steps of this Legislature to announce that within this growing season, Mr. Speaker, the Manitoba government will be extending Manitoba health coverage to all seasonal workers.

PST Increase Referendum

Mr. Ralph Eichler (Lakeside): This spendDP government has embarked on an undemocratic process of hiking the PST without the legally required referendum.

Rather than taking steps to address this mismanagement of the financial issues of this province, they play games of distraction, like asking Manitobans to nominate an official fish.

Perhaps the Minister of Finance (Mr. Struthers) should consider nominating the bigmouth fish, a bottom-feeder; it's representative of the government's effort to empty Manitoba's wallets.

Mr. Speaker, will the Minister of Finance admit that his government is sayin' a fish and yet they won't have a referendum? What's his priorities?

Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship): I'm so hard up for a question on the environment, I wanted to get up because I could smell a little bit of environment question as part of that. My heart's aflutter, I've felt so lonely waiting for a call.

But I think the member should know that there's a quarter-of-a-billion-dollar industry in Manitoba with fishing. And it's not just, of course, the commercial fisheries that are so important to the lives of so many Manitobans, but angling as well.

And I think just before we leave for the long weekend, I hope everyone goes out fishing and reels it in. And when they reel it in, they can think about what does best represent part of Manitoba's brand in terms of an official fish.

It's very important, Mr. Speaker, that—

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

Mr. Eichler: Mr. Speaker, the provincial government has mismanaged the finances of this Province time and time again. Of course, the

Minister of Finance wants to vote on Manitoba's provincial fish and yet they want to carry on without calling a referendum.

Mr. Speaker, I ask the Minister of Finance again: If it's so important to call a referendum on a fish species of this province, what is more important, a vote on the PST increase or the fish? Let's do the right thing and call a referendum.

Mr. Mackintosh: Mr. Speaker, I think I heard another environment question there. I'm up on my feet all the time with the opposition on the environment today. It's really a breakthrough, I think, with their interest in Mother Earth and her bounty.

But I do want to encourage—particularly, Manitoba schoolchildren and the school divisions will be invited to work with the classrooms so that children can learn, indeed, about the diversity of Mother Nature's bounty when it comes to the fish in Manitoba.

I know members opposite were very keen on an official soil and we supported them on that.

But it's important, Mr. Speaker, that the great diversity of fish, whether it's the walleye, the goldeye, the catfish, the sturgeon, the trout—I mean, these are amazing species in Manitoba, one of the most diverse fisheries in all of the country, over 95 species from which we would hope Manitobans will give us some ideas about—

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

Time for oral questions has expired.

MEMBERS' STATEMENTS

International Day Against Homophobia

Ms. Melanie Wight (Burrows): Mr. Speaker, tomorrow is International Day Against Homophobia. First marked in 2006, this rallying event offers an opportunity for everyone to come together in support of the LGBTTTQ community.

We are all too familiar with heartbreaking stories of youth suicides due to homophobia. Because of the bravery of community members, major breakthroughs have taken place. However, despite our strides forward, many individuals are still unable to be who they are or encounter difficulties when they try or render themselves invisible as protection.

May 17th is a significant day towards the improvement of the status of LGBTTTQ people

worldwide. On that day in 1990, homosexuality was removed from the International Classification of Diseases of the World Health Organization. By declassifying homosexuality as a mental illness the WHO ended the institutionalization of homophobia in the medical field.

While protection of LGBTTTQ Canadians is rightfully enshrined in the Charter of Rights, legal advances will ring quite hollow until complete acceptance of LGBTTTQ people is achieved. This is why the Manitoba government is focusing on tangible solutions. We have extended marriage and adoption rights to same-sex couples and included gender identity in the Human Rights Code. We will continue to support the Rainbow Resource Centre, OutWords magazine and Winnipeg Pride. To protect all students we will pass Bill 18 to address bullying in all of its forms.

In Manitoba we are continuing to work toward a prejudice-free world. We must keep challenging heterosexism, homophobia and all other forms of oppression. On behalf of the province of Manitoba, I pledge my support to the community.

Thank you to all of the activists who refuse to stay silent and hidden. As positive role models, supporters and mentors to LGBTTTQ youth, you are making the biggest of differences.

Thank you very much, Mr. Speaker.

Ian Borland

Mr. Ian Wishart (Portage la Prairie): Mr. Speaker, Ian Borland has been a proud citizen of Portage la Prairie for 49 years. During this time he has established a very successful business and a reputation as a dedicated leader and volunteer in a wide variety of areas.

Mr. Borland has belonged to a number of organizations within our community. He's been a member of the Masonic Lodge for 52 years and a member of the Portage la Prairie Lions Club for 49 years. Ian served on the committee that established the first phase of the Lions Prairie Manor in Portage. Years later he played another major role in the 50-bed addition to the manor. This was a three-year commitment on his part. He's played a role in the establishment of a new Lions Club in the neighbouring town of Oakville, and he was zone chairman for two years and started the first local Lions Foundation. Ian helped initiate the first Lions TV auction which has become an annual event for 28 years. He has also chaired this event. He has

chaired the committee whose mandate it was to create the first 55-housing-plus complex in Portage.

Several years ago he initiated a program to support building construction trades program at Portage Collegiate. In this program the Lions would provide building materials and the students would build the house, and the finished product would be raffled off to pay the bills and make a profit. Ian also provided an award to the top graduating student from the auto mechanics program at the collegiate.

Mr. Borland has served on many committees in the community, as well as vice-chair of the Portage recycling board for the past 15 years, the beautification committee which efforts include the Vopni park. He's also been on the Portage and district hospital board and has volunteered at Manitoba air show.

In July 2001 he was awarded Citizen of the Year by the mayor of Portage la Prairie, and most recently on April 24th of this year he was recognized by Volunteer Manitoba for an award for outstanding community leadership.

The mark of a true volunteer is working to improve one's community and asking for nothing in return. Ian Borland has been supporting his community in diverse ways for nearly 50 years and, without question, will continue to do so long into the future.

Thank you, Mr. Speaker.

Vincent Massey Collegiate Reach for the Top Team

Mr. James Allum (Fort Garry-Riverview): Mr. Speaker, today I want to share some exciting news about a superb accomplishment by a group of young people in Fort Garry-Riverview. The Vincent Massey Collegiate Reach for the Top team won the silver medal at the recent provincial tournament and has qualified for the Reach for the Top National Championship to be held in Toronto next week.

Reach for the Top is an academic competition that began over 50 years ago as a CBC game show. As a kid growing up in southern Ontario, my family routinely watched Reach for the Top when none other than Alex Trebek—now of Jeopardy! fame—hosted the program.

I knew from a very young age, Mr. Speaker, that Reach for the Top exceeded my own academic grasp and that answering snappers was best left to others, and so I am doubly pleased to acknowledge today the

tremendous efforts of the Vincent Massey team. As members will know, Reach for the Top involves teams of high school students competing against one another, answering questions on a variety of difficult subjects. Each year several hundred teams from across Canada face off against each other at the league level, the provincial level and, finally, the national level, with the ultimate goal to win the national championship trophy.

* (14:40)

Reach for the Top requires more than just knowledge, Mr. Speaker, but also speed, strategy, discipline and commitment. The Vincent Massey team has practised hard to get this far and their hard work has been justly rewarded. The Manitoba region had over 30 teams competing this year and Vincent Massey went into the provincial championship with an astonishing undefeated season of 17 and 0. They will now represent Manitoba and compete against other provinces to become national champions. By participating in this national competition, the Vincent Massey team are engaging in nation building by cultivating the knowledge, skills, attitudes and relationships that young people need to become active and engaged citizens in Canadian society.

I want to congratulate the Reach for the Top team, Elsie Tellier, Kieran Labossiere, Kiersten McLeod, William Harrison, Charlie Grimshaw and Mike Bagamery, as well as their coaches Dr. Marshall Carroll, Mr. Terry Klapak and Mr. Martin Balcaen for this incredible accomplishment. I ask all honourable members to join me in celebrating what they have achieved and wishing them the very best of luck in Toronto next weekend.

Thank you.

La Rivière Raptor Festival

Mr. Blaine Pedersen (Midland): On Saturday, April 6th of this year, I had the pleasure of attending the La Rivière Raptor Festival attended by Manitobans from across the province.

The festival is a daylong event to celebrate the return of spring and watch the migration of raptors, or birds of prey, for those who don't know, through the Pembina Valley. Approximately 350 Manitobans migrated from all across Manitoba into La Rivière settled—nestled in the Pembina Valley to celebrate the return of the raptors, or birds of prey.

It was also a day of education and learning about these beautiful birds. Display partners Bird Studies

Canada, La Rocha's Pembina Valley Interpretive Centre, Pembina Valley Conservation District and Manitoba Breeding Bird Atlas educated students and the public on the value of raptors and their relevance to the ecohealth. It also gave them the opportunity to encourage an appreciation of birds and the importance of habitat conservation.

As well, they highlighted the Pembina Valley as Manitoba's premier spring raptor migration corridor and an important habitat for other migratory birds. Special activities for kids included building bird feeders, crafting stick puppets and colouring.

A Swainson's hawk, a red-tail hawk, an American kestrel, a peregrine falcon and a burrowing owl were on display for young and old to observe and enjoy. The Pembina Valley is North America's top site for spring migrating raptors. Red-tail hawk annual counts frequently exceed 6,000. Bald eagle numbers can exceed a thousand annually, and in 2010, 95 golden eagles proved to be a Manitoba record.

The Pembina Valley is Manitoba's premiere spring raptor migration corridor, and it is used by many other birds during migration, strengthening the significance of this area. This was an opportunity for La Rivière to showcase its hospitality, community participation in welcoming visitors and to share their little slice of heaven with the rest of the world.

Congratulations to the community of La Rivière for, once again, hosting a successful raptor festival.

Status4

Mr. Matt Wiebe (Concordia): Mr. Speaker, to emergency responders in Winnipeg, the term Status4 means on the scene. However, Status4 has now also come to be known throughout the city, province and country as an inspiring community-driven, non-profit organization that is making a positive difference in the lives of our children.

Status4 was founded in 2011 by Constable Kevin Gibson of the Winnipeg police force. As a police officer, Kevin saw first-hand the challenges that youth face in today's society. His own passion for music and dedication to improving the lives of young people drove him to start an after-school music program for youth in the inner city.

Bringing new life and purpose to the East End Cultural and Leisure Centre, Status4 has been successful in connecting with at-risk and underprivileged youth in many different

communities. It provides opportunities that pique their interests, such as dance, music and recording in a state-of-the-art music studio.

The Status4 official mission, Be Yourself and Free Yourself, calls youth to be the best version of themselves that they can be. Dedicated staff, generous music industry professionals and volunteers help youth build confidence, learn new skills and strengthen the communities they live in and play in.

Mr. Speaker, Status4 is the type of organization that changes lives. Our government is pleased to be able to support this incredible initiative through our Neighbourhoods Alive! program. Providing opportunities for youth is one of the best ways to ensure that we are enriching their lives and building healthy communities.

Today, we are joined in the gallery by Status4 president and CEO Kevin Gibson, as well as volunteer instructor Gentil Misigaro. I'd also—I would like to ask all members of the Legislative Assembly to join me in thanking the board members, the volunteers and the youth who participate in this outstanding organization.

GRIEVANCES

Mr. Speaker: The honourable member for Lac du Bonnet, on a grievance?

Mr. Wayne Ewasko (Lac du Bonnet): Yes, thank you, Mr. Speaker, it's—and for allowing me to—this opportunity to rise today for the grievance.

While there's a lot to grieve in this government, I would like to rise today to focus on an issue that has far too long been ignored by this government: the lack of highway priority for Powerview-Pine Falls and the impact that this lack of infrastructure development is having on our town.

Time and time again, I have heard from this government that this year's budget will improve highway infrastructure. However, communities in the north like Powerview-Pine Falls who need new and repaired—continue to see no improvement or development in infrastructure in our community.

The picturesque town of Powerview-Pine Falls is located 132 kilometres northeast of Winnipeg, Manitoba. Home to lush forests and sandy beaches, Powerview-Pine Falls is surrounded by beauty and wonder that promises a quick retreat away from the city life with something for every outdoors enthusiast.

Founded in 1925, the town of Powerview-Pine Falls was once a thriving, privately owned town under the ownership of Tembec, a local paper mill. Both Tembec and the town were some of the largest contributors to the government of Manitoba's revenue for most of the 20th century.

However, in 2009, the once harmonious relationship between Tembec and the town became fractured in conflict. On September 1st, Tembec imposed a 40 per cent cut in wages and benefits on the mill workers. After the workers refused to accept these concessions, Tembec locked out all 270 of its employees. For three long months, workers, managers, shop owners, and community members grew anxious and worried. Tembec was a major employer in the community of Powerview-Pine Falls, and its closure would mean the loss of 270 jobs, impacting not only the factory workers in the town but the functions of everyday business and trade in northeastern Manitoba.

The people of Powerview-Pine Falls and the rest of northeastern Manitoba hoped for a government that would at least care enough about the community to help mediate the dispute to ensure that these jobs would not be lost, but their concerns fell on deaf ears. My predecessor, Gerald Hawranik, spent countless hours talking with workers along the picket line, meeting with community members, researching the issue, and writing letters to Tembec in Québec on more than one occasion to encourage a possible negotiation for provincial support. He brought up countless numbers of questions during question period and pressured the provincial government to meet with the people.

With great sadness, the minister of Labour never bothered to make the one-hour drive north of Perimeter Highway to meet with the locked out workers and hear the concerns of the community. In fact, it took the Premier more than 100 days of suffering in Powerview-Pine Falls before he was even concerned enough to travel just one hour north of the perimeter to visit and hear the concerns of Powerview-Pine Falls.

Mr. Speaker, maybe it was the state and the safety of the roads, but, by contrast, it took the Premier a mere four days to show up at Ochre Beach, a long-term NDP riding. This meeting was held far too late, and, unsurprisingly, after months of trying to get the government to act, Powerview-Pine Falls was informed that the employee buyout group decided not to purchase the mill, as it was no longer

economically feasible. It became clear that right from the start, Tembec had no intention to restart the mill, as many employees said in their meetings with the Premier and along the picket line.

Instead of listening and responding to concerns of the workers, the NDP insisted on making the \$2.1-million payment to Tembec, in the process failing to ensure that 270 Manitoba jobs would be kept. Even more disappointing, the NDP gave a million-dollar readjustment fund to support 53 workers, Mr. Speaker. Let's compare: the \$2.1 million gift from the NDP government to Tembec as opposed to the \$1-million readjustment fund paid to the community adjustment committee.

One million dollars is a mere pittance when compared to the amount paid to Pinawa adjustment fund, when it was announced that the Pinawa site of the Atomic Energy of Canada was shutting down nearly 15 years ago. The NDP government of the day provided a \$20-million community adjustment fund to assist in job development as a result of the planned AECL shutdown.

Compare this to the Tembec mill in Powerview-Pine Falls, where 270 jobs will be lost and none will be retained. The NDP government provided \$20 million nearly 15 years ago to Pinawa, yet this NDP government today has only offered \$1 million to the Powerview-Pine Falls community.

* (14:50)

Regardless, Powerview-Pine Falls is a resilient community and a self-sufficient community. Despite immense hardship, the community has withstood these economic struggles by actively seeking out ways to promote and expand tourism with the hope of diversifying and developing other industries. Central to this new strategy is to extend and improve Highway 11. Revitalization of Highway 11 would increase the amount of traffic that comes through Powerview-Pine Falls, paving the way forward for other businesses to develop in response to the increase in traffic.

However, in order for the economic growth in Powerview-Pine Falls to really take off, the highway needs to be repaired. The highway is in such bad condition that it deters from the overall appearance of the town, and the lack of proper shoulders for pedestrians is a cause for personal safety. More than just an eyesore, the crumbling infrastructure in Powerview-Pine Falls is a fatal accident waiting to happen.

As part of this project, a request has been made for proper signage that reflects a reduced speed of 50 kilometres and a danger-zone posting on the Highway 11 entrance into the township. This would allow for increased caution by drivers due to the hazardous sinking and cracking that is becoming increasingly more predominant and a risk factor at the high speeds that are evident along this stretch of roadway.

This project would not only be a—of tremendous economic benefit to the community but would also make the highway safer for the users. The bridge will need the financial support of the NDP government to get this community back in economic shape. A bridge was requested as a proper method for correcting the ongoing deterioration of the major section of the Highway 11 entering into the township.

Two years earlier, the 2010 Labour and Immigration Minister said that the NDP government would support tourism development in the area. From a government release in 2010, titled Province Working with Powerview-Pine Falls to Develop New Economic Initiatives, the Minister of Labour and Immigration is quoted as saying: "We will consult with the public, First Nations, municipalities and all stakeholders for input into the future of the forest resource in order to maximize the benefit in the region," and, quote: "We will also explore opportunities for the region such as tourism development." A report was also released, stating that the bridge would be a viable solution as such. The town expected for this proposal to be approved by the NDP government.

However, the people of Powerview-Pine Falls were once again let down by the NDP government. They were sent a rejection letter by the highways department, stating that the cost factor for the bridge was too high. Mr. Speaker, cost doesn't seem to be much of a factor for the NDP. Year after year the NDP government has spent tons of money developing infrastructure in southern Manitoba and in urban areas, while northern rural communities are denied access to proper and essential services as a result of crumbling infrastructure.

Highway 11 and sections of Highway 304 reconstruction need to be addressed sooner rather than later. Mr. Speaker, the NDP government's blatant preferential treatment toward the south is unfair and unacceptable. I cannot stress enough the importance of Powerview-Pine Falls' revitalization

plans. These concrete plans hope to increase tourism, economic development, residential growth and overall community appeal. The people of Powerview-Pine Falls need a highway and main thoroughfare that is safe, up to highway standards and adequately defined to meet the needs of the areas that it is responsible for servicing.

The actions of the NDP are grossly unfair to a town that is—has been a large contributor to tax revenues in this province. Powerview-Pine Falls was abandoned by the provincial government at their crucial time of need during the lockout. They are being abandoned again by the provincial government at an opportune time for economic development and community revitalization.

Mr. Speaker, the NDP is more than happy to raise taxes for all Manitobans and talk about how much money they are putting into infrastructure. However, time and time again, the revenue made from these taxes consistently go towards some Manitobans and not all. Infrastructure development in the north is an extreme problem, and the Powerview-Pine Falls case is just one example of the NDP's blatant disregard for people of the north. They have yet to support infrastructure development for the people of Powerview-Pine Falls, and I have my doubts that it ever will.

There is so much to grieve for the people of Powerview-Pine Falls. They have continuously been let down by their government, first, during the lockout, and now, during a time where they need government support to revitalize their local economy. These are people who deserve to be heard, and the NDP government has proven time and time again that they just won't listen.

The people of Powerview-Pine Falls want a repaired highway. They want answers. Mr. Speaker, my predecessor, Gerald Hawranik, worked hard to bring these issues to the forefront of Manitoba politics. Without him and his hard work the people of Powerview-Pine Falls would've been completely forgotten by this NDP government.

I'd like to thank Gerald and other Manitobans who are fighting for the strength of Powerview-Pine Falls to continue. The opportunity to improve the economy at Powerview-Pine Falls is now, Mr. Speaker, and this NDP government must act.

Mr. Speaker: Any further grievances? Seeing none, we'll now move on to—

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

Hon. Jennifer Howard (Government House Leader): Would you please call the Committee of Supply with the understanding that the Committee of Supply will also be meeting tomorrow morning at 10 a.m.

Mr. Speaker: We'll now resolve into the Committee of Supply with the understanding that the committee will also be meeting tomorrow morning at 10 a.m.

Mr. Deputy Speaker, please take the Chair.

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

* (15:00)

Mr. Chairperson (Mohinder Saran): Order. Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Health.

Does the honourable minister have an opening statement?

Hon. Theresa Oswald (Minister of Health): Yes, Mr. Speaker.

It's always a privilege to do any sort of work here at the Manitoba Legislature, and Estimates, without a doubt, it always our favourite. It is my privilege, then, to put a few words on the record to begin this section of Estimates.

Certainly, we know that all jurisdictions in our nation and, indeed, around the world are facing the realities of global economic uncertainty. And during that time, it has been our priority, of course, to focus on what matters most to Manitoba families in our efforts to protect front-line services, health care, of course, being chiefly among them.

Budget 2013 provides a 2.7 increase in funding for health care to ensure that Manitoba families continue to have access to our existing health services, as well as services that we intend to augment which would include helping more Manitobans find a family doctor, investing in even faster cancer testing and treatment, expanding the services of the STARS helicopter ambulance to 24-7, hiring more doctors and nurse practitioners and,

indeed, investing \$350 million, \$100 million more than last year, in building and upgrading our hospitals, personal care homes and other health facilities, as well as working very hard to buy advanced medical equipment.

We are continuing to focus on streamlining administration, increasing productivity and fighting for better drug prices and, of course, all of those efforts assist us in reinvesting savings into front-line care. Last year we, of course, announced that we would reduce the number of regional health authorities in Manitoba from 11 to five. We said that we would do it, and we did indeed complete that task. Through the course of that process we eliminated more than 100 board and executive positions from the health-care system. At that time we made a commitment that we could save \$10 million over three years as a result of the mergers, and I am happy to report that we have already saved \$11 million in the first year, two years ahead of schedule.

Nearly a decade ago Manitoba had among the highest hospital administration costs in the country, but today, indeed, as reported by the Canadian Institute for Health Information, we are among the lowest in the country. This is all part of our plan to protect universal health care. By focusing on supporting Manitobans to be healthier, developing even better health services, and achieving better value, we can ensure our health system is there for people who need it today and for years to come.

Last year we identified over \$45 million in savings that we are reinvesting into front-line care. This included productivity initiatives in our health regions; the work done, as I just mentioned, through our regional health authority amalgamations; and getting even better prices on generic drugs.

Generic drugs account for over 65 per cent of prescriptions in Manitoba, the highest use of generics in the country according to the Canadian Generic Pharmaceutical Association. Now, the Competition Bureau has recognized the strength of Manitoba's generic pricing strategy and cites it as one of the country's important developments in public and private plan generic drug policies.

The Business Council has been working in partnership with us, providing us with good advice, we believe, and when they came forward to, indeed, make suggestions over the last couple of years, we have worked very hard to implement—I think, it's each and every one of them. And regarding the

cost-controlling measures, Jim Carr of the Business Council said recently, we are seeing a continuing improvement on controlling cost escalation in the Health department. There was a real understanding that Health was on a trajectory that would crowd out other important government services, and now that trajectory has been flattened, and that's a good thing.

Mr. Chair, we're also working very hard to, while reducing cost, to invest in what matters most to Manitoba families. Our Cancer Patient Journey Initiative is a \$40-million comprehensive, aggressive and first-in-Canada cancer strategy, and this year we will continue to roll it out to deliver faster testing and treatment for our Manitobans living with cancer. The Home Cancer Drug Program benefits over 7,300 patients thus far, and has saved Manitoba families \$5.3 million.

In March we launched an advanced diagnostic machine to help determine the best therapy for breast cancer patients and to speed up treatment. This year we will introduce digital mammography machines across the province to speed up breast cancer testing.

Also, on Oncology Nursing Day, we announced that 500 additional chemotherapy treatments will be conducted every year as a result of the incredible dedication of our oncology nurses, who will put in time on statutory holidays, to provide this care.

We've made a commitment that all Manitobans will have access to family doctor by 2015. It's a very aggressive goal, Mr. Chair, but we're working very hard to achieve this. We know that this is good for families, but it's also important to help build a more sustainable health-care system.

Our plan includes training and hiring more doctors and nurse practitioners, as well as building over 20 more clinics. In the last two years, StatsCan has reported that 32,890 more Manitobans have a family doctor, and over 92,000 more have access compared to 2003. StatsCan reports that today, 86 per cent of Manitobans already have a family doctor which is the best in the west and above the Canadian average.

We committed to building 22 more clinics by 2015 and we've already opened six, most recently, the NorWest Access Centre. Sixteen more clinics are, indeed, on the way. The four QuickCare clinics that have opened already have seen nearly 30,000 patients, and the reviews coming from those QuickCare clinics for our nurse practitioners and nurses, have been exemplary.

We are committed to hiring 200 more doctors and 50 more physician assistants. We're also increasing training by adding 22 more medical residencies, including new family residencies in Brandon, Steinbach and Morden-Winkler—I'm sure the member opposite will be delighted to know—and doubling the number of nurse practitioners that we train here in Manitoba, from nine to 18 seats.

We have worked very hard to reverse the trend of the previous government and its lack of commitment to nurses by expanding nurse training, retaining Manitoba nurse graduates, and recruiting more nurses. We know that we have hired over 3,100 nurses net new, since taking office, and today Manitoba has the most nurses per capita outside the Maritimes and nearly 20 per cent more nurses per capita than the Canadian average, according to the Canadian Institute for Health Information.

* (15:10)

We have promised to add 2,000 more nurses and expand nurse training by 100 seats, including doubling the number of seats for nurse practitioners. Our plan will also work to cover the costs of tuition for nurse practitioner students who agree to work in rural or northern communities, and we're creating more opportunities for nursing students to train directly in rural communities. More than 100 nurse practitioners work in various health-care facilities across the province.

And, Mr. Speaker, I know my time is coming to a close, but I would also add that we're working very hard to provide additional supports for our seniors by expanding personal care home capacity and supportive housing beds, and indeed expanding access to home care to meet the needs of the growing number of seniors. We continue to work hard to drive down our wait times across the system. This can be challenging work but we are committed to do it.

Mr. Speaker, with those few comments, I would conclude my opening remarks.

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

Does the official opposition critic have any opening statements or comments?

Mr. Cameron Friesen (Morden-Winkler): Health is the largest department of government in the Province of Manitoba. Health-care spending makes up 43 per cent of the provincial budget. It makes up

15 per cent of the GDP, compared to the national average of 11.7 per cent. We know that health care is of huge importance to Manitobans. Issues like timely access to care and the quality of care are tremendously important to Manitobans.

We also know that there's a lot of emotion and a lot of opinion and no end of anecdotal evidence by users of what's gone wrong and how to fix it, and I'm sure the minister would agree with me that the phone never stops ringing—sometimes to compliment about things that are going right and sometimes to make statements about what's not. And I have to say that since taking the role of critic for Health for the PC Party, I was unprepared for the volume of correspondence that comes with this territory. I know that the minister would understand what I'm talking about.

Manitoba has the second highest per capita health spending in Canada at \$6,249 per person, and spending for health in Manitoba has doubled since 2001 from \$2.4 billion to five—just over \$5 billion, and in and of itself that statistic doesn't mean very much. But, if the government was able to ensure that we were getting value for money in all of its health-care activities, we would simply have the best system of health care in the country, but the fact of the matter is we don't. Manitobans are worried about their health-care system. They are worried about the sustainability of the system and about the quality of the system, and some of their worry—a lot of their worry is not without cause.

In Manitoba, we continue to have unacceptably high ambulance emergency room off-load times in the WRHA and indeed all across Manitoba; so high that last year there were a million dollars of penalties assessed against the WRHA by the Winnipeg fire and paramedic service.

We know that we have some continuing and extensive doctor shortages throughout Manitoba, and, largely in rural Manitoba, we know that we are experiencing intermittent and ongoing ER closures in communities, not just smaller communities but larger communities as well, including places like Altona and Vita and others. We know that ER wait times in Winnipeg are so great that in the 2011-12 fiscal year, more than 8 per cent of patients who sought treatment at one of Winnipeg's ERs left before they were seen by a physician, and today, of course, we heard more evidence of the same.

We know that we have personal care home bed shortages and wait times that are unsustainable and

unacceptable to Manitoba families, and we know that we lack beds in acute-care facilities that are often taken up by individuals who are awaiting placement, and they are left to wait in hospital at a very high cost or in community.

And we know that our home-care system is enduring stress following major changes to the model last year, resulting in concern coming from both clients and workers. Wait times for surgery in this province are not acceptable in many cases, as the research continues to bear out.

But we know that the cost of delivering this system is exceedingly high—higher than the rate of inflation; it is higher than other departmental spending increases this year in the government's budget; it is higher than the government's ability to generate new revenues, and that is a problem. We should understand that working harder alone won't solve these challenges. Throwing money at the challenges will be insufficient. It reminds me of what Don Drummond said in his executive summary of the Commission on the Reform of Ontario's Public Services when he said, to date more money has not bought change, only more of the same at higher cost. And the minister continues to speak of efficiencies in the system—and indeed, efficiencies, finding efficiencies in the system is critical—but finding efficiencies in the system will prove to be insufficient. And we need to find substantive ways to change to ensure the long-term viability of this enterprise—that we have new ways of doing things, that we are challenging assumptions. And there are exciting things taking place in other jurisdictions, and we need to learn from those.

And indeed there are good things happening right here in Manitoba. As a matter of fact, just a few weeks ago, we had a chance in the Chamber to stand and talk about the community CancerCare program that began at Boundary Trails hospital in my own constituency. It began as a regional initiative led by some key doctors to help cancer patients get more successfully and efficiently and quickly from suspicion to testing to diagnosis to treatment to recovery. And that program is now having an influence across the province, and I'm proud of the work that was done—that was commenced there—at Boundary Trails hospital and the way that it's taken root across the province. There are strengths in our system; there are the people who work in health care in this province. They are the doctors and the nurses and the health-care aides and the home-care workers, the paramedics, the people in the Department of

Health, the technologists, the pharmacists—these people who are our friends and neighbours and relatives—and we know that they are dedicated and they are committed going into that job every day and making a difference in the lives of Manitobans.

As I said, I am new to the role of critic for Health in the PC caucus. I am pleased to have this opportunity in the departmental Estimates process over the next number of hours to bring questions to the minister and to her department about issues of importance to Manitoba, and I thank her for the responses that she will provide. I thank the deputy minister and the assistant deputy ministers and the staff for their assistance in these matters. I thank them for their attendance and for their commitment and their co-operation in these things.

And being new to the role, I do ask for certain indulgences of those present. I'm learning quickly, as you might understand, but Health is a large enterprise. It's a system of systems, as some people have put it, and there are many pieces to this puzzle and there is a lot to know and understand about the way that this system of systems functions. That's the disadvantage to being new to this role, but there are advantages, as well, and I trust the conversation that we have in this context will be productive, that it will raise questions, that it will foment discussion and generate ideas that will consider alternatives, because in the end we're all after the same thing, and that is a strong health-care system serving Manitobans. Thank you.

Mr. Chairperson: We thank the critic from the Official Opposition for those remarks.

Under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 21.1.(a), contained in resolution 21.1.

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

Ms. Oswald: It's my privilege to introduce Deputy Minister Milton Sussman and chief financial officer for the Department of Health, Karen Herd.

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

* (15:20)

Mr. Friesen: I suggest we proceed in a global fashion as it would save time.

Mr. Chairperson: Thank you.

It is agreed then the questions for the department will proceed in a global manner with all resolutions to be passed once questioning has concluded.

The floor is now open for questions.

Mr. Friesen: I'd like to start on page 10 of the departmental Estimates and start with some questions about the organizational chart and the roles and duties of the ADMs and the deputy minister. And so that's on page 10, and I'd like to begin by just perhaps asking for a list of all the Cabinet committees served by this minister.

Ms. Oswald: I'm sorry, the member asked me to list on which Cabinet committees I participate?

Mr. Friesen: That's correct.

Ms. Oswald: Yes, I am a member of the Cabinet. I'm a member of the Healthy Child Committee of Cabinet—that's not what he asked—and I'm a member of the Priorities and Planning Committee of Cabinet. That's correct. That's what you asked, right?

Mr. Friesen: I'd like to ask the minister to list all the political staff in her office including the name and the position and whether they are a full-time equivalent.

Ms. Oswald: Yes, the individuals working in my office at this time is—are as follows: Clare Cerilli, who is special assistant in my office; Brad Hartle is project manager; Cotelle McIntosh, project manager; Tim Smith is a project manager, and I think that at this stage I'm also required to list my executive assistant as well. Her name's Sandra Little and Rachelle Sorin is intake co-ordinator.

Mr. Friesen: Can the minister also clarify whether those are all full-time equivalent positions?

Ms. Oswald: They are indeed.

Mr. Friesen: I wonder if we could proceed to page 10 and have the minister indicate the list of ADMs she has working and what areas of responsibility they've been tasked with, and perhaps if any of them are present in the room she can point them out so I can put some faces to names.

Ms. Oswald: You might be new, but we seem to be a little rusty over here, and you did ask me about the org chart and the deputy ministers at the bottom. Is that correct?

Mr. Friesen: That's correct. Yes, if she could list them, the deputy ministers' positions and names.

Ms. Oswald: My apologies. So as it says at the bottom, Karen Herd, who's with us today, administration and finance associate deputy minister and chief financial officer; Milton Sussman, of course, as deputy minister; assistant deputy minister in charge of Health Workforce, Beth Beaupre; regional policy and programs assistant deputy minister, Jean Cox—neither of those last two are in the room right now—public health and primary care assistant deputy minister, Terry Goertzen; and provincial policy and programs assistant deputy minister, Bernadette Preun, and, again, neither of those two are present with us today.

As a little offshoot from the public health and primary health box on the org chart, you'll see chief provincial public health officer, that's what that means, and that's, of course, Dr. Michael Routledge.

Mr. Friesen: I wonder if the minister could also indicate why the change from last year's departmental Estimates. I just noticed that the office of the Chief Provincial Public Health Officer is indicated differently on the organizational chart. It seems to be adjunct now to primary health and primary health care, but it doesn't appear in the same place as last year's Estimates and I wonder what the reason for that is. And if she could provide that rationale.

Ms. Oswald: Yes, to clarify for the member, he'll note on the chart for this year the Chief Provincial Public Health Officer does appear just under the deputy minister, to the left, but also it is placed next to public health and primary care because the Chief Provincial Public Health Officer does serve as the medical director for public health and we really wanted to make an adaptation to the strength and the function of this particular office as it relates to public health and primary care as we are focusing very directly on all that we can do on primary prevention and good primary care. We want to ensure that our medical director and the province's chief public health officer has a very clear, distinct, role and influence on what it is that we're doing as we go forward on public health and primary care.

Mr. Friesen: I thank the minister for that answer and just to be clear, then, the change as it's shown now from last year to this year's organization chart, so, is it a change that's, that is mostly visual, designed to give clarity or is there actually a change to, in terms,

how the chain of command works and how reporting would work?

Ms. Oswald: Yes, thank you very much for the question. Just to clarify, indeed, to a certain extent there is merely a visual change, but there is one additional change in that the Chief Provincial Public Health Officer had considerable administrative function in the former structure and by moving the CPPHO over into public health and primary care, we've been able to streamline and take some of the administrative load off of their—the chief officer enabling him, of course, to serve and advise in his medical capacity to a greater extent. So we've done some streamlining and redirecting but certainly on matters of public health requiring medical direction, he was then and remains now, the chief adviser to the Department of Health on all matters concerning public health and would be the go to person for advice about how we would proceed on things like immunization programs, all the way up to and including how to manage during a pandemic. So, certainly, his role in no way in that medical capacity has been diminished, but, indeed, some of the administrative responsibility has been able to be taken into the primary care department and sort of taken off of his plate.

Mr. Friesen: I thank the minister for that answer. This may be redundant but I also notice the other change then, is that last year although that office, the Chief Provincial Public Health Officer, did appear at the bottom, it was not also repeated at the top under the deputy minister's position. So that might just be redundant but could we just clarify why we now—we see it adjunct to public health, but also we see it just directly underneath the deputy minister and opposite health emergency management.

* (15:30)

Ms. Oswald: Yes, so to clarify, in many respects, it is a visual change. If you look at the old version, certainly you can see—that is to say, last year's version—you can see the connection between public health and primary care and the office of the Chief Provincial Public Health Officer. There's a little, almost unnoticeable line connecting the two, and so this was an attempt to make that more clear. And evidently it didn't necessarily work that way, that the CPPHO was still very much connected to public health and primary care. But in both cases, last year's and this year's, you'll see that the CPPHO is a direct report to the deputy minister, and that has not changed.

Mr. Friesen: I thank the minister for that clarification.

Could the minister, then, also direct her attention to the top of the organizational chart and speak a little bit about the groups that also directly report to the deputy minister, and indicate who is acting in the capacity of the chief director in each of those cases?

Ms. Oswald: Yes, just to clarify that I understood what the member asked, you're looking at the chart above, and you're wanting to clarify who the directors of each of the units are: health emergency management, Leg. unit, Selkirk Mental Health—is that correct, the ones in that area?

An Honourable Member: That's correct.

Ms. Oswald: Yes, so under this particular section, we have Health Emergency Management Executive Director Gerry Delorme; Legislative Unit Executive Director Donna Hill; Chief Provincial Public Health Officer—as stated earlier—Dr. Michael Routledge; Selkirk Mental Health Centre ED is Danah Bellehumeur—I'm not sure I'm saying that right, forgive me; Health Workforce secretariat Beth Beaupre; and cross-departmental co-ordination initiatives, Marcia Thomson.

Mr. Friesen: I am going to jump around here a little bit, so I hope you don't mind the approach that might not be linear in fashion, but we'll just learn as we go, in regard to the organization of these departments.

I was wondering if we could just return to the ADMs. I neglected to ask earlier: Now, are any of the individuals and the ADMs here showing new to the role that they're currently in?

Ms. Oswald: Yes, new ADM positions include the position of assistant deputy minister and chief financial officer was changed to associate deputy minister and CFO, but Karen Herd remained in that position. It was just changed from assistant to associate.

The, of course, Chief Provincial Public Health Officer is Dr. Michael Routledge. The position of Terry Goertzen—he moved from Health Workforce—the former Health Workforce—over to Public Health and Primary Health Care, and Beth Beaupre was appointed to the position of Health Workforce. I think that's it.

Mr. Friesen: I thank the minister for that response. I see that previously we had in Public Health and Primary Health Care the ADM there was Ms. Perchotte—

An Honourable Member: Correct.

Mr. Friesen: —and I'm wondering—

Mr. Chairperson: First let me recognize.

An Honourable Member: Sorry.

Mr. Chairperson: Yes, honourable minister.

Ms. Oswald: Yes, that's correct. Marie Perchotte.

Mr. Friesen: And I'm wondering if the minister would be able to say if Ms. Perchotte has left or retired or re-entered the system or has a new position somewhere in this organizational chart that I don't see or if she's indeed left what were the conditions around her leaving.

Ms. Oswald: While she totally deserved it, I'm sorry to say she retired.

Mr. Friesen: We certainly don't fault her for that.

I want to also ask with relation to Mr. Goertzen's position now—I understand that he goes to that position because the former ADM there moves to a new position. Were these changes undertaken in a competitive process, or how do these changes actually take place? I'm wondering if these positions would have been vacated and then formally advertised and there would have been a wide competition or whether these people were indeed appointed to these new roles.

Ms. Oswald: The position for Terry Goertzen was a lateral move. It was the same classification. It wasn't competition. It was a lateral move to the new spot.

And the position of Beth Beaupre was also an appointment. That one was not competition. This is born out of work that Ms. Beaupre did and continues to do with the Health Workforce secretariat. She brings an enormous amount of experience and insight to connections between the university, the regional health authority, and how we need to in concert ensure that we are educating in order to fill the demand in various areas, and where there may be less demand that we're not necessarily working through the process of educating a bunch of health professionals in that area.

So she heads up the Health Workforce secretariat and functions as a liaison between the university, the regional health authority, the faculty of medicine and the—she's connected professionally in terms of working with the faculty and the Department of Health. All this is to say, of course, that this was a direct appointment.

Mr. Friesen: This maybe is just a small housekeeping thing, but I do notice as well that the title has changed there—or the area has changed from provincial programs and services to Provincial Policy and Programs. Why the change?

Ms. Oswald: Yes, just to clarify, you're speaking about Provincial Policy and Programs, correct? Or were you speaking about Regional Policy and Programs?

* (15:40)

Mr. Friesen: I was actually still directing my attention to the area that is overseen by Ms. Preun. And I see that the name indicated on the organizational chart from 2012 was provincial programs and services, and the name now is changed to Provincial Policy and Programs.

And with the exception of just the extra cost to the business card printer, I was just wondering why the reason for the change?

Ms. Oswald: Well, actually the role and responsibility did change. This isn't just a change for fun.

This particular unit that oversees drug programs, Pharmacare and so forth, is also now serving in a much more expanded role, in terms of developing policy about drugs in general—procurement, utilization management agreements. Of course, the member is aware that premiers across the nation have been very, very aggressive on developing, if possible, national generic drug policy. And so the work has really intensified as a result of the council of federation and their focus in this area.

So really this unit is doing considerably more work now than managing a program. They are doing a lot of research and development and policy development. So it was, indeed, a very deliberate switch.

Mr. Friesen: Continuing on the same line, that I do notice as well another change, just in terms of the title of the position for ADM Jean Cox, where it was previously listed as regional programs and services, now listed as Regional Policy and Programs—if the minister could just comment again for the reason for that change.

Ms. Oswald: Mr. Chair, certainly, this would have a—quite a similar change, in terms of responsibility in that unit.

Assistant Deputy Minister Cox does, indeed, oversee our regional health authorities and works with our regional health authorities but particularly through the journey of consolidation and amalgamation.

A lot of work that is done in this area now concerns the streamlining and the making-consistent-where-appropriate policies across the region. Going from 11 to five certainly did enable us to identify even more clearly that there were policies that could be adopted in a newly amalgamated region that might not have existed in part of it before.

So there is all kinds of work on—really working to standardize where appropriate and make more lean and efficient our newly created regional health authorities. And so that would involve a considerable amount of policy development and incorporation into our regions.

Mr. Friesen: Thank you and on the same subject then, so in both cases that I just mentioned, the word that's been removed from the title of those ADMs is services.

So I am just wondering where that function has gone, whether actually this change is not just in title—as the minister says—but whether there's actually been a substantial change in the duties and whether the duties for providing services in both of these cases would go to a different group, and whether there has been as a result any change in the scope of the operations of these places, whether there's been any decrease or increase in their role—or I should say in their resources in their budget—as a result of this change in title.

Ms. Oswald: The change in the name really was to reflect the role and the nature of the services that the department provides, and that role really is in the area of policy setting. And so that—there really hasn't been a change, but it more, I think, accurately reflects what the kinds of services are. Certainly, we know that our regional health authorities provide health services to our citizens, and the nature of the kinds of services that were being provided and perhaps not named as well as one might have was in the area of policy setting. So, these new titles reflect that.

Mr. Friesen: I thank the minister for that response. Now, I'm looking at this same organizational chart, and I see that one thing that is a curiosity to me—I'd like some further clarification of it—has to do with the creation of what I think would be the new Health

Workforce secretariat, and the head is named as Beth Beaupre as well.

Now, I'd like to ask the minister: Is this secretariat new or does this function realign somewhere? Was it existing already in the system and now it just appears differently in the new Estimates chart? So, if she could shed some light on this and indicate if this is new. And if it is new, what was the rationale for creating this new secretariat? What will be the function of this secretariat?

Ms. Oswald: Yes, so I can articulate for the member that the Health Workforce secretariat is a new entity. It is an integration of Manitoba Health, the department, our regional health authorities, and the university, and its function is to better integrate the work that's being done on recruitment and the education of our health professionals. So, certainly, this secretariat works in a new way to collaboratively strategize with our regional health authorities to help implement that strategy. This particular unit also does the work during negotiations, which apparently never stops, and also works very carefully with the university to discuss issues of supply.

If we are finding, you know, one particular kind of doctor specialist, for example, that is not in high demand versus a kind of specialty that would be in high demand to make sure that there's a better, clearer and more frequent conversation going on between those that are educating young, fabulous professionals that want to be gainfully employed in Manitoba to ensure that that process is being done in a way to ensure that these individuals will gain employment in Manitoba and in those areas where we find shortages so that strategies and residencies and so forth can be developed in areas where we really want to beef up that particular profession.

So the existence of the workforce secretariat is providing a much more integrated, connected kind of strategy and process among the partners so that everybody's needs can be met as best as possible.

*(15:50)

Mr. Friesen: Thank—I thank the minister for the answer.

What I would ask then, next, is I can't imagine that the function or the—that the work of the secretariat would be brand new. So I'm wondering where previously the work of this secretariat would have been housed prior to the creation of the new secretariat. Which of the ADMs would have been tasked with these kind of conversations and with this

kind of co-ordination between RHA department and university, as she says.

Ms. Oswald: So, certainly, this work was done under Health Workforce in the past. The fundamental difference is the integration of the university of the regional health authorities and Manitoba Health to really drill down and focus on supply, as I say, on—and all of these things are highly interconnected. But, really, in a very focused way these tables have all come together now and we are really starting to see the fruits of that kind of consultative, collaborative approach in terms of even how our deans of medicine across the nation are having conversations about the kinds of programs that need to be offered across Canada, you know, in relation to the kinds of work that's going on with this particular integrated secretariat.

Everybody was doing the work before and there was—there were conversations, of course, and discussion, but this is a formalized table at which three separate entities now sit and converse concerning matters of supply, implications of negotiations, strategizing and then actually implementing that strategy.

Mr. Friesen: Could the minister indicate when the secretariat commenced its work?

Ms. Oswald: I'm sorry. Can the member repeat that question?

Mr. Friesen: I wonder if the minister could comment, when did the secretariat office come into effect? When did it commence and start its work?

Ms. Oswald: Yes, certainly, the secretariat and this table have come together within this year. I would have to get back to the member to try to give you a specific date. I'd want to look at when specifically Ms. Beaupre started her post and began to do this partnering integration role. So I can get back to the member with the exact date, but it is within this year.

Mr. Friesen: Because I am new here, I have some latitude, so I'm going to just ask the minister to indicate, are those answers that can come back during the process of the Estimates, or would they be answers that might be provided after the Estimates period? If she could just clarify that.

Ms. Oswald: It usually depends on the question. Something like this I'm sure can be quick like a bunny.

Mr. Friesen: I notice across the page, on page 11, under No. 3, Health Workforce, under the

expenditure summary by main appropriation, that I do see a 7.3 per cent increase in the Estimates from 2012-13 to '13-14 under Health Workforce, and I'm wondering if the minister would confirm, would it be exactly the creation of the new secretariat that would account for the 7.3 budgetary-per cent budgetary increase?

Ms. Oswald: The increase there is predominantly regarding a partnership we have with Blue Cross and funding for a medical claims processing system. So there was an increase for the installation, is that the right word? *[interjection]*—for the development of the medical claims processing, so that would account for that increase predominantly.

Mr. Friesen: Could the minister indicate what the total cost was for that Blue Cross medical claims processing system?

Ms. Oswald: Yes, I will endeavour to have my folks do some digging to find the cost for that, and we'll come back as soon as we can.

Mr. Friesen: And so I would be right in assuming that we would not find in the Estimates book anywhere else, a line by line that would flesh out the cost of that initiative.

Ms. Oswald: That's correct.

Mr. Friesen: Okay, so we'll come back to that issue.

I want to come back across the page then. I just wanted to have the minister indicate, what is the title that Beth Beaupre has as the head of the Health Workforce secretariat, or is her title, indeed, head?

Ms. Oswald: I am informed that she is the assistant deputy minister and, indeed, the head of the workforce secretariat.

Mr. Friesen: With respect to the health force-workforce secretariat, does Ms. Beaupre now receive a top up for the additional work that she performs in her role as head of the Health Workforce secretariat, or does she simply receive the salary and benefits that she previously received as an ADM, now under Health Workforce?

Ms. Oswald: Ms. Beaupre is actually on secondment from the WRHA, so she—her compensation, you know, would be the same from that, and there wasn't anything additional for her taking on this role of head thereof.

Mr. Friesen: And there would be no other remuneration coming from other sources other than

the department or the WRHA that would result in a top up of any kind?

Ms. Oswald: No.

Mr. Friesen: I wonder if we could just ask where would the offices be for this new secretariat, or were, indeed, new offices created? Is that an area that would be here in the Legislature or nearby on Broadway? Were there additional offices created for the establishment of a secretariat?

* (16:00)

Ms. Oswald: Okay, so that was a long pause for me to say, no. Sorry about that. But, certainly, it is a collaborative table. But folks that are at this table from the university, they just maintain their offices at the university and Ms. Beaupre has, I think, a place where she can make phone calls and so forth at the university, but she does, of course, have an office at Manitoba Health. So there isn't a newly created geographic location of this secretariat.

Mr. Friesen: Have other contracts or positions been created, or have other secondments taken place in order to staff this office and meet the goals as articulated for this new secretariat?

Ms. Oswald: The answer is, no, in short form. The whole function of the new secretariat is to build a new kind of partnership that hasn't worked in quite this way in the past. So the folks that are involved in this work maintain their roles at the university or at the regional health authority and come together occasionally physically, often virtually, to discuss the matters that we spoke of earlier, chiefly focusing on supply and strategizing about building the workforce.

So, no, there haven't been any additional folks, beyond Ms. Beaupre who, because of her past experience and relationships is uniquely positioned to be able to create bridging conversations and dialogue about building our workforce in Manitoba in the most strategic way possible.

Mr. Friesen: So could the minister, then, just indicate, what would be the total envelope for costs, increased costs or new monies that would flow to the secretariat? Would there be anything at all that would then flow to this new secretariat in terms of a budgetary increase to Health Workforce or wherever it might appear.

Ms. Oswald: Again, I would reiterate that in many ways what Ms. Beaupre is doing—her function in this role is to get everybody who was doing a lot of very

great work already to work even smarter, and we are seeing, you know, good results, you know, developing in terms of this interconnectedness and this partnership. But these folks are coming to the table to have this new kind of dialogue from existing positions, and so there is no budgetary increase as a result of the existence of the secretariat. The secretariat is just getting the horses to run better.

Mr. Friesen: So then, not to flog a dead horse, but just to simply ask for one further clarification, then. When I see the new secretariat created up in its own box up above the level of the ADMs, does it also then result in any difference in terms of reporting or in terms of chain of command, seeing that it's most—more closely connected to the deputy minister in his function?

Ms. Oswald: The direct reporting to the deputy minister, that really doesn't change. The structure itself is really all about what we've talk about it, and that is improved co-ordination and collaboration. So, no, Ms. Beaupre, as an assistant deputy minister, you know, is a direct report to the deputy.

Mr. Friesen: So that I can understand a little better what the function and the role of this secretary is, now I noticed that on May the 3rd that the minister made an announcement about 15 more medical residencies and expanding doctor recruitment incentives in the province. And she announced, I believe, eight new residencies for rural Manitoba and seven for Winnipeg, and she'll correct me if I'm wrong.

I'm wondering if it's exactly this type initiative—of initiative that would have been undertaken by Beth Beaupre in the function of this new secretariat and whether this is an initiative that she has headed up.

Ms. Oswald: Indeed, Ms. Beaupre has provided advice, and this is exactly the kind of thing with which she and the members of the secretariat would be involved in terms of, you know, planning out an educational strategy as it relates to supply, as it relates to needs of Manitobans, and—oh, yes.

I'm also supposed to correct you, with the greatest of politeness, it's seven residencies for rural and the others, eight were for specialist residencies predominantly that take place in Winnipeg just because of the nature of the speciality, although there are some that travel outside, like pediatrics in Brandon, for example. So—but I think the best way to describe it, yes, was seven rural, eight Winnipeg.

Mr. Friesen: Thank you for that answer.

And then if we can just cruise around the organizational chart a little bit more, and so I can understand a little bit more about—let's turn our attention for a moment just to the advisory committees, appeal boards and panels. I notice that this particular group seems to report directly to the Minister of Health.

I wonder if the minister would indicate, because I'm not familiar in my day-to-day work as the critic for Health—I don't bump up against, very often, the advisory committees, appeal boards and panels. I might be familiar with their—some of the work they perform. I imagine what they do is they liaise closely with the minister.

But would she indicate please, how many committees, boards and panels we see here and how these would function with respect to her office and with respect to the deputy minister?

Ms. Oswald: So one example of a committee that would be advisory in nature comes from the ongoing work on The Regulated Health Professions Act, and that is the Health Professions Advisory Council. So they can function in a variety of ways, such as reviewing applications for—from professions to become regulated, such as paramedics or massage therapists. Those two are under review as we speak, and the Health Professions Advisory Council is doing that work now.

*(16:10)

Another example would be the Manitoba Health Appeal Board, and while I don't sit down, you know, and meet with them week to week, certainly they would hear cases and make recommendations that would come to me. But in terms of how many there are, we can provide you with a list, I guess, probably post-haste, of who these kinds of folks would be. But those are two examples.

Mr. Friesen: Yes, I would appreciate receiving an exhaustive list of those, not just the committees, but then at the same time of the appeal boards and the panels.

Could the minister just indicate before she—you know, tables a list later on, does she know how many advisory committees would be in existence at this point in time?

Ms. Oswald: Yes, we—I'll have to get back to the member with an exact number. I mean, certainly as we've gone through amalgamations of our regional

health authorities, as we have amended our health professions act, as we have, you know, certainly over time had different groups advising and developing a new mental health strategy, some of these groups, you know, had a beginning and an end. So, just in the name of accuracy, I want to make sure that I give him the most up-to-date list at this time. So I'll defer until I get him that list.

Mr. Friesen: And, to be clear, would there be any place where these committees would be publicly listed, either on the Internet or otherwise?

Ms. Oswald: I'll double-check. I don't think that they're listed in a comprehensive aggregate way. They may be listed under different topic areas, but I'm going to check to see if they're listed in aggregate anywhere. I'm not sure that they are, actually.

Mr. Friesen: And just to specify then, if the minister's going to provide that information, I thank her for that. If she would also indicate then the members of each of these groups so we could—have the names that are attached to these committees, boards and panels. Could we also supply the names?

Ms. Oswald: Sure.

Mr. Friesen: Now, I warned the minister that I was going to jump around, so now I'm going to jump around a bit just because I remembered a question from previously.

We were talking about Beth Beaupre, and I remember that name from last year. I know you know your people very well, but I hear names now and then. I remember her name being mentioned because I read the transcript from last year's Estimates. Is Ms. Beaupre new to the ADM position, or was she already in place last year at some point, perhaps in a temporary role, perhaps in a limited way?

Ms. Oswald: Yes, Mr. Chair, again, in the same vein of looking at when the workforce secretariat officially began, I'm going to have to go back and look at the timeline. I believe around this time last year we did have Ms. Beaupre on secondment but that may not have been established. She had been doing work on an initiative prior to that, called the joint operating division, which, you know, after considerable effort did not go forward in its existing entity. There were a few elements to the joint operating division with which doctors weren't happy, to be frank. And the nature of the initiatives that were going forward required a pretty substantial threshold of doctor approval. I think it had—I can't

remember the exact number but it was like 90 or 95 per cent or some such.

And because it was evident that that was not going to be achieved, she transitioned out of that role and came to us with a view to developing this collaborative approach that certainly wasn't going to go in the direction that the doctors had clearly said, you know, we're not really interested in this kind of a construct or a format but we are interested in finding a way to work collaboratively so that we have more hands on deck and we have the right hands on deck.

And so we certainly wanted to take the expertise and the work that Ms. Beaupre had done up to then and ensure that we could fold that into an initiative that would have the support of people across the system.

Mr. Friesen: And I thank the minister for that answer.

And at this point I would ask questions about the background of Ms. Beaupre except that I did read the Estimates from last year and I know that the previous critic and the minister spent some considerable time going through the backgrounds of the individuals.

So, if the minister ever doubts that the value of this exercise she can know that that information I found very helpful just to understand the background of some of the people who work in these capacities as ADMs. And I notice that there really aren't very many new faces at all on this list, so we have that information to go back to.

One thing I did want to clarify though and I thought it would be valuable to ask in this context would be then: At this point in time how many of the ADMs that appear and are named here are on secondment from the WRHA?

Ms. Oswald: Yes, thank you, Mr. Chair, I'm thinking that this line of questioning is going to lead—can you tell me who's on secondment in total? And I could do that right now if you want.

Mr. Friesen: I would welcome that information as well.

Ms. Oswald: Okay, so to answer the—from DM and ADM; Mr. Sussman is on secondment, Ms. Beaupre is on secondment and Terry Goertzen is on secondment.

And other individuals seconded from RHAs to Manitoba Health include Jeanette Edwards, who is functioning as special adviser to the deputy minister

on the Physician Integrated Network project and she has been seconded from the WRHA. Forgive me if I am repeating myself.

Betsi Dolin is functioning as a 0.2 FTE secondment for consulting and midwifery and maternal care. She is, herself, a midwife. She's from the WRHA. Oh, and just going back, Jeanette Edwards is 0.5; I neglected to mention that.

Coming from the WRHA Chris Rhule, 0.2 FTE secondment to provide advice to Manitoba Health regarding physician assistance. Also from the WRHA Dr. Lynne Warda, medical consultant to the medical officers of health.

Brian Bechtel, team lead for housing and community development. That's from the WRHA. That's in—sorry just to clarify, the—that's in the cross-departmental initiative CDCI. From the WRHA, Anita Moore, executive director in public health. Also from the WRHA, Bridget Tenszen, appointment secretary in the deputy's office.

From the WRHA, Manitoba eHealth, Tom Fogg, quality and innovation consultant concerning our work on primary care networks; from the WRHA, Debbie Panchyshyn, who is an executive assistant to the office of the Chief Provincial Public Health Officer. From the WRHA, Dr. Luis Oppenheimer, provincial director, clinical access and improvement; Joanne Warkentin, policy analyst and team lead in the cross-department co-ordination initiative. And, from Prairie Mountain Regional Health Authority, Dr. Alice Weiss, deputy chief provincial public health officer—I think that's it.

*(16:20)

Mr. Friesen: I noticed that for one of the positions that the minister indicated, she indicated it was a .2 secondment. Do I assume correctly that for all the other positions that she mentioned, for which she did not indicate a percentage value, that we could assume that's a 1.0 EFT?

Ms. Oswald: Yes. Just to clarify for the member, Jeanette Edwards at .5, Betsi Dolin and Chris Rhule at .2 and otherwise, that's correct; it would be full time.

Mr. Friesen: So, while we're on the subject of this, I just want to understand a little more how salaries and benefits are paid when we have a secondment. If I go to page 25 of the Estimates, for instance, I want to understand how this process works mechanically. Now, I see on page 25 under salaries and employee

benefits for executive support, for instance, that the managerial position of 1.0 EFT, which I assume is the deputy minister's salary, indicates a—an increase of, I think, \$5,000 in terms of the increase from the 2013 to 2014. Now, that's not a—I would assume that that would not be a top up, but that's just a straight salary increase. Can the minister confirm that that's just a straight salary increase and indicate what—whether any of this would have come from the department or would it simply have been still from the WRHA?

Ms. Oswald: Yes, while my folks are figuring out the arithmetic, I can fill in for the member the committees and such that would be captured under that area on the org chart. There actually are 38 in total because it would include the colleges, but I can quickly list them for the member and we can—you can have that in Hansard:

CancerCare Manitoba, College of Dental Hygienists, College of Dietitians—formerly known as the Manitoba Association of Registered Dietitians—College of Licensed Practical Nurses, college of medical lab technologists, College of Occupational Therapists—formerly known as Association of Occupational Therapists of Manitoba—College of Physicians and Surgeons, College of Physiotherapists, College of Registered Nurses, college of registered psych nurses, call—Denturist Association of Manitoba, board of directors for the Health Information Privacy Committee, Health Information Standards Council, Health Professions Advisory Council which I mentioned, the Hearing Aid Board, Manitoba Adolescent Treatment Centre, Manitoba Association of Optometrists, Manitoba Association of Registered Respiratory Therapists, Manitoba Centre for Health Policy and Evaluation, Manitoba Chiropractors Association, Manitoba Dental Association, Manitoba Drug Standards and Therapeutics Committee, Manitoba Health Appeal Board as mentioned earlier, Manitoba Institute for Patient Safety, Manitoba Pharmaceutical Association, Manitoba Speech and Hearing Association, the Medical Review Committee, the mental health review board, Provincial Imaging Advisory Committee, Provincial Mental Health Advisory Council, Rehab Centre for Children, Sanatorium Board of Manitoba, Seven Oaks General Hospital, regional health authorities including Interlake-Eastern, Northern Regional Health Authority Prairie Mountain, Southern Santé Sud and the Winnipeg Regional Health Authority. And as for

if and where they appear in aggregate, I'll get back to you.

Oh, and the answer to—sorry—the answer to the question you actually asked me—Yes. That number that he referred to, the \$5,000, I believe reflects the increase for the civil service salary. But Mr. Sussman, indeed, maintains his same salary, so no increase. Of course, he deserved it, let me say on the record.

Mr. Friesen: And I never implied otherwise. I'm sure he earns it every day.

I want to ask a question that I think we might need the assistance of your administration and finance associate DM for. This has to do—it's a technical question. Just so I understand, then, how the Estimates books are organized. Now I know that when I look through Estimates, we see on most pages an estimate of expenditures from the previous year and then comparing to this year. And then we find differences from time to time, stated differences, the ones that are actually indicated here as the estimates of expenditure for 2012-13, and then I find if I compare that to the book itself from the 2012-13 Estimates, that number changes; it fluctuates. So, if I come back to that same line for managerial support under salaries and employee benefits, and look back to the expenditures that we talked about, we saw an increase from 162 to 167, but the Estimates from 2012-13 in the book indicates that number at 155.

I just wonder if you can clarify for me why we find these changes. I think we find them throughout the book. What is that owing to when we see a difference between the stated Estimates in the new book and the stated Estimates in the previous book?

Ms. Oswald: Okay. You're totally right. You want the accountant explaining this, but I'm going to do my best.

So, as I understand it, every year—and I believe this is done with every department—there is a reconciliation that always appears in the same place in case there should be any changes or reorganizations, and, I mean, as is written, they are estimates, and so if there were—if there was a reorg like in last year's book, you can see that some functions got transferred, you know, from Healthy Living and Seniors and Consumer Affairs and other functions got transferred to Children and Youth Opportunities and so forth. So, in order to reconcile that, year over year, this particular reconciliation statement appears in the book, and I think you'll find

it for every department. Last year's example is a little bit better in that it helps me articulate what I'm trying to say. This year's example is just much, much smaller, and so doesn't, you know, there weren't that many changes across the board.

So does that explain what you're saying, or not quite?

* (16:30)

Mr. Friesen: Yes, that's actually very helpful. I know that there actually is in the departmental Estimates book at the back some kind of—there is a line where it disclaims exactly that principle and the fact that the reconciliation does take place. I forget where that is in the book, but I can recall doing the same thing last year.

But then, I guess, my only question resulting from that would be, then, could the minister then explain what the reason would have been for the reconciliation against the 2012-13 numbers where we saw, first of all, under that managerial support for 2013, stated at 155 and then reconciled as 162?

Ms. Oswald: In the interests of time, it—we could sit here for five more minutes while we look, but, certainly, I can tell the member that it does have to do with this transfer from Children and Youth Opportunities, and we do have a note on it. We're just not locating it quickly, but we can endeavour to bring that back to you so that we can move on.

Mr. Friesen: Could that be the line you're looking for on page 11, when it says allocation of funds from Children and Youth Opportunities at 400? Is—does that have something to do with that? I know that's not salary per se, but could that be a line that helps us somewhat with this question?

Ms. Oswald: Okay, so if you look at the book for this year where it says estimates of expenditure 2012-2013—[interjection] This is on page 25. So it's in the furthest column over to the right. It says 162, and if you look in the book from last year, estimate of expenditure, the column on the left, it says 2012-2013, 162. I think you might be looking at the '11-12?

Mr. Friesen: Thank you for that clarification. I think in this case you are correct. Let us move along.

There will be other places in the book where I do see a discrepancy, and from time to time I will draw attention to it. In most cases, I find that the amounts are so small that they don't actually—they're not significant in either way, some indicating an

increase, some indicating a decrease, and it seems to not result in any major change. But we will probably concern ourselves from just time to time with some of that appropriation and year-end reconciliation.

Now, the fact—while we're on page 25, the fact that we are seeing an increase to the total envelope of salaries and employee benefits would express to me—and I would look for the minister's confirmation on this—that indeed we are now past that MGEU agreement for the two-year pause on incremental increases for administrative salaries. Am I correct in assuming that?

Ms. Oswald: You are correct.

Mr. Chairperson: Order, please. I think, always address through the Chair instead of answering directly.

Mr. Friesen: My question to the minister, through you, would be then in terms of the increase that I see from the expenditures from last year to this one resulting in, I think, \$23,000, then am I correct in assuming that—well, I guess the question is who gets it. Is it professional and technical staff or is it administrative and political staff or is it both?

Ms. Oswald: It's all civil servants.

Mr. Friesen: I'm just looking at the list of questions that I've prepared; I see that some of the ones that I have here we've now gone through and we have answered. I wonder—this might be redundant. We might have answered this already. The total number of staff currently employed in the department, could the minister indicate that number?

Ms. Oswald: Yes, the number employed in Manitoba Health is 1,249, which is the same as last year, I believe, exactly.

Mr. Friesen: And while we concerned ourselves earlier with a request for the list of the staff at the minister's office, I think I did not yet ask for a list of all the staff in the deputy minister's office. Is that list also available, and could the minister provide it?

Ms. Oswald: I'll give you the staff that work in my office that are civil servants, the front-office staff and also the deputy minister's staff. I think that might be something you're going to ask me in a minute. So I'm reading your mind, she says, respectfully.

The—in my office, administrative staff include Linda Freed, Chris Dewar, Vivian Jack and Alice Steinbart. And in the deputy minister's office, you will find the deputy himself; Sharon Sveinson,

administrative officer; Bridget Tenszen, appointment secretary; Marilyn Warren, administrative officer; Glenna McClenahan, administrative secretary.

Mr. Friesen: I thank the minister for that answer. And could the minister also indicate are any of those positions or those individuals new to those roles?

Ms. Oswald: I don't believe so. I believe they were all there last year.

Mr. Friesen: I'm sorry. I kind of asked two questions at once, so then I'll just also ask this question. Were there any new positions created in either the minister's or the deputy minister's office? She may have already answered that.

Ms. Oswald: No.

Mr. Friesen: The minister indicated that the total number of employees in the Department of Health is static at 1,249. Is the vacancy rate of staff also the same?

* (16:40)

Ms. Oswald: Yes, the department uses the following assumptions for turnover when doing its budgeting: an allowable vacancy rate at Cadham lab and Selkirk Mental Health Centre is 5 per cent and an allowable vacancy rate at provincial nursing stations and the remainder of the department is 7 per cent. Currently there are 100.69 positions or 8.32 per cent vacant. That doesn't include vacancies at Selkirk Mental Health Centre, 57.2 or 11.6, and at Cadham, 8.1 or 8.4 per cent.

Mr. Friesen: If I'm correct, the total vacancy rate in the department last year was indicated at 5.6 per cent. Is the minister indicating that there has been approximately a 3 per cent increase in the vacancy rate in positions?

Ms. Oswald: Yes, so the department works to budget at an overall rate of 6 per cent, vacancy rate that is. And so when you read last year at 5.6 and then this year at 8.32 I am informed it's really, you know, a moment in time, but the target and the goal is to be overall at around 6 per cent. So that's what they're working towards now. There may be folks that have left and positions that have not yet been filled, but, certainly, the overall target for vacancy and what they've budgeted around that is is at 6 per cent.

Mr. Friesen: So 8.23 per cent you think is quite a bit in excess of the 6 per cent target. I'm wondering if

the minister could indicate, of the positions that are vacant—and I realize there are—this is a lot of employees we're talking about. But what would be the percentage? Could she estimate the percentage of those positions that are vacant because of either release, positions vacant because of retirement, positions vacant because of leaving positions unfilled, or whether it's just a result of internal attrition?

Ms. Oswald: So it would take us a little bit more time to drill down into some of these vacancies.

I can say that, you know, as we go through—as every jurisdiction is going through—ensuring that we're streamlining wherever possible, we do take a look at all positions and make sure that they are appropriate and we try to avoid duplication wherever possible. And, consequently, we've done a lot of this work and there aren't vacancies right now that are being deliberately held. There may have been retirements and something has not yet been filled, but I can get my department to do a little bit more work and report back to you in the days ahead about this. It's just not something they have at their fingertips right at this moment.

Mr. Friesen: I thank the minister for that answer. I would appreciate receiving that information, just to help me understand a bit better how to recognize this number.

I wonder—I realize that the last question was kind of fuzzy; ask a fuzzy question, get a fuzzy answer, and the CFO won't appreciate fuzzy questions because there's no way to really quantify it.

But I wonder if a better question to ask would be this: We're indicating a current vacancy rate of 8.23 per cent. In recent—in the recent past, has the department found itself at a place where it has a number that would approach or approximate or surpass this number of 8.23 per cent?

Ms. Oswald: Yes, Mr. Chair, the—certainly the department does keep track of this on a monthly basis, and if he was interested in talking about trend, they would have to go back and do a little bit of work on this. But it wouldn't be something that they would have at their disposal, you know, right this second, but certainly could endeavour to have a look at trend and to be able to answer that question about whether or not 8 point—I think it's 8.32—is an outlier or not.

Mr. Friesen: And we won't spend an inordinate amount of time on this, but I wonder if I could just

ask it in a different way and say, in anytime in the last 24 months, have the monthly reports indicated a number that would approximate or surpass 8.23 per cent?

Ms. Oswald: We'd have to check.

Mr. Friesen: I thank the minister for committing to provide that answer.

Now I need a changeup here, so what I'm going to do is I'm going to ask a lighter hearted question. That is, I seem to be missing in the Estimates—because I'm comparing last year's to this year's—a very helpful pie chart that used to appear on page 14. And this year, I think that page 14 is the part of the book where I should be doing my doodling, because there's one large, blank page on that site. Now, last year, I noticed that that page was the place where it could be found: Manitoba Health percentage distribution of expenditure summary for Health Services insurance fund.

I was just wondering why it was that we're missing a table, and whether that was just because it couldn't be supplied by the deadline, and whether that same information could be provided, because it is a helpful way to indicate information.

Ms. Oswald: The chief financial officer of the Department of Health says she will make you a pie.

Mr. Friesen: I hope by that, she means chart. And I would welcome receiving that information, but I'm also very partial to pies, and fruit are my favourite, so—I actually believe if I go back in time last year, there was some talk about the former chair for the school division in Winkler actually supplying pies to certain ministers in the NDP party, or the thanks for something, so I—there you have it. There's pies and fruit pies going both ways in this system.

* (16:50)

Coming back to the discussion about staff with the department, and with respect to that number of 1,249 employees currently employed in the department, could the minister provide a name of—because we understand, although the number is static, probably the—that would just be incidental in that people have left and people have come and there's been new hires made. And so could the minister also then provide the names of the staff that had been hired in the new fiscal year and include whether this was done through competition or appointment?

Ms. Oswald: Yes, we can indeed access that information through the Civil Service Commission and we'll endeavour to do the same—and I just want the minutes to reflect that I didn't get a pie and I have some questions about that.

Mr. Friesen: We'll take that under advisement, see what we can do about that.

Also, with the information that the minister has committed to provide, could she also indicate with that a description of any position that has been reclassified?

Ms. Oswald: Yes, we can.

Mr. Friesen: And with that same information, if the minister could also provide a list that would indicate vacant positions and what the name of that position is.

Ms. Oswald: Yes, we can.

Mr. Friesen: And coming back to the discussion about the 8.23 per cent vacancy rate, we understand that people in the department work very hard and that there's a lot of work to be done. So I'm wondering if the minister would comment on anything she has heard from the department in terms of the impact on their work as a result of holding this vacancy rate at 8.23 per cent.

Ms. Oswald: I'm reasonably certain that there isn't anybody in my department that will raise their hand and say, I'm not very busy. I know that these people work incredibly hard and they're really, really dedicated individuals who, you know, a lot of them work on a front line taking calls from folks that—well, let's face it. When you call the Department of Health things—chances are that somebody in your universe is not feeling well, and so things aren't going so great for those people and they have such compassion and empathy and they do their very, very best to do the work that they're doing. I, you know, I'm not getting a list of call—or of emails or calls from people saying that, you know, they're dreadfully overworked, but I suppose if given the opportunity, you know, they'd love to have more help.

Now, just to be clear, in the Conservative alternative budget, if we call it, I do recall the call for, you know, a pretty dramatic cut in the number of civil servants across government. And, you know, well, I actually think that the member and I are kind of on the same side of ensuring that people have enough help to do the work that they need to do. It just feels a little bit like this line of questioning sort

of flies in the face of a plan to cut civil servants. I'm finding this paradoxical. I wonder if the member might comment on that.

Mr. Friesen: On the contrary, what I'm trying to uncover is whether that the minister has seen the light in that she is indicating that, consistent with the Minister of Finance's (Mr. Struthers) pledge in last year's budget to achieve a 1 per cent across-the-board savings in core government, if there has been a willingness to indicate whether you can leave unfilled positions unfilled for some time, of course, attending to the work.

I guess, what I'm wondering from the minister is is there an intent to drive down this current—what I would say is a high vacancy rate as opposed to last year's, or actually does this—is this reflective of a strategy to realize some savings in an appropriate way by a leaving positions unfilled?

Ms. Oswald: Well, certainly, you know, we have declared that we would work really diligently within the context of the system to find waste, if there was any, to eliminate it and to do the best that we could to redirect those investments into front-line care.

We know, as I said earlier, that the merger of regional health authorities resulted not in \$10 million over three years, but \$11 million over one year. We know that the work that we've done on generic drugs has, you know, realized, you know, over \$12 million in the last year alone. Productivity initiatives, lean management, working to improve efficiency, improving procurement practices, working to avoid workplace injuries by, you know, caring about them not happening, even just reducing printing and so forth—all of those initiatives together have enabled the Department of Health to do, you know, exactly what Jim Carr said, and that was, of course, to bend the curve on spending and change the trajectory.

We know that when we first started, the annual increases for Health were substantial. You know, 6 per cent a year, 8 per cent a year, and they were absolutely necessary to deal with some of the damage that was existing in the system. We know that there were capital upgrades that were an emergency. We know that we had to try to rebuild a workforce that had been decimated, but now that a lot of that work has been done—you know, over 3,000 net new nurses, over 500 net new doctors, rebuilt or renovated capital facilities across Manitoba—we can start to see the cost curve in Health

appropriately being bent to an increase this year of 2.7 per cent.

And so, we absolutely made a commitment that we would look within and find a way to drive down costs, but we certainly didn't take what, you know, one might define as the easy hit or the low-hanging fruit and find a way to save money by eliminating nursing positions and eliminating doctor positions. And so I think that you will see, you know, year over year for the last few years Manitoba Health coming into balance—and coming into balance within the context of a percentage increase that is significantly lower than it was at the very beginning of our time in government. And so I don't believe that the health-care budget should be managed on the backs of front-line professionals.

There are so many needs in our community. We know we have—like everywhere else in Canada, we have a baby boom that is reaching a stage where more care is going to be needed. And we also know that if we're going to keep our population healthy that we want to be making investments on the prevention end of things wherever humanly possible. It's really what our plan to protect universal health care is all about—about having better health for Manitobans, getting better services to Manitobans and getting better value. And I think that that is a critically important pillar in what we're doing.

So I do think that we are consistently looking to find ways that we can eliminate waste, but it's not going to be our decision to do that on professionals in the system. Because when you make decisions like that, it can take you a decade to rebuild and restore and this can be, you know, a significant problem. So I appreciate the members question in—or line of questioning in asking about vacancy and vacancy management. And certainly, as I said, there aren't positions that are being deliberately held vacant. There are positions wherein there may have been some retirements and there's recruitment going on to fill those positions, but those positions are critically important whether it's reviewing Pharmacare, whether it's reviewing policies and planning in home care, whether it's being part of a secretariat that's doing doctor recruitment, I think that, certainly, all of those areas are positions that are extremely important, and our department and our deputy minister will continue to provide leadership.

Mr. Chairperson: Order. The time being 5 p.m.—order.

The time being 5 p.m., I'm interrupting the proceedings. The Committee of Supply will resume sitting tomorrow morning at 10 a.m.

FINANCE

* (15:00)

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

Any chance the honourable minister has an opening statement?

Hon. Stan Struthers (Minister of Finance): I won't take up too much time. We'll just—I want to say that I'm very pleased to be here to go through the second round of Estimates. The member for Charleswood and I were just speaking, and she referred to herself as a rookie. That was my status last year. That doesn't mean I know anything much more than last year, but maybe we can kind of find our way through this together.

I do, though—I do want to be sure that I put on record the amount of work that goes into providing Estimates every year, the amount of work that goes into preparing a budget, and the amount of confidence and respect I have for the people in the department who work so diligently day in and day out to provide us with the materials here and all kinds of information on a day-to-day basis. And the Department of Finance just doesn't do that at—in time for the budget or in time for Estimates. It's a year-round undertaking, and I want them to know, on behalf of all MLAs, that we very much appreciate the work and the time and the effort that they put into making it so that we can present a budget and that we can have debates in Manitoba.

And I do want to underscore my belief in the importance of the Department of Finance and the importance of presenting a budget on behalf of the people of Manitoba. In my view, that's the most important day in the legislative cycle. It's where governments put money—their money where their mouths are. We can make all kinds of promises. We can talk all kinds of things. But when it comes down to it, we need to put a budget together that makes sense for the people of Manitoba, and we have a lot of very good people who work very hard to make sure that that happens. So I want them to know that I believe that. I want to have it on record that I believe

that, and I think every chance we get to tell our officials that, we should do it.

So, with those few remarks, Mr. Chairperson, let's get started.

Mr. Chairperson: We thank the honourable minister for those opening remarks.

Does the official opposition critic have an opening statement? Please proceed.

Mrs. Myrna Driedger (Charleswood): Just some comments to echo what the minister has indicated, and certainly, as a rookie Finance critic, but also as somebody who's had to look at the Health budget over many, many years, I really do appreciate the amount of work and expertise and talent that goes into putting all of these numbers together—so I do appreciate that.

I want to acknowledge the work of the people in the department because it certainly is, you know, something I respect when people have the kind of talent they do to put together some pretty complex documents and everything that goes with it.

So, to the minister and to all of the staff that are in the room today, I am a rookie. I'm going to beg everybody's indulgence right at the beginning, and I hope that everybody will bear with me as I go through my questions, and I look forward to it. I'm one of those people that actually loves Estimates—maybe one of the only few, but it gives me a chance to learn my portfolio. But doing the research is also incredibly intriguing at looking at various nuances of policy, et cetera. So I'm looking forward to the Estimates and spending the next number of hours in Finance going through all of this. So, thank you.

Mr. Chairperson: We thank the official opposition critic for those opening remarks.

Now, you've all probably heard this before, but procedure is procedure. So, under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we will now defer consideration of line item 7.1.(a) contained in resolution 7.1.

At this time, we'd invite the minister's hard-working staff to join us at the table, and when they're settled in, minister, perhaps you could be so kind as to introduce them to the committee members.

Mr. Struthers: Sure. First person I'd like to introduce is Mr. John Clarkson, he's the deputy

minister of Finance—I think people have met John before around this table. Also is Barb Dryden, the secretary to Treasury Board—there's Barb. Lynn Zapshala-Kelln, assistant deputy minister, Fiscal Management and Capital Planning, Treasury Board Secretariat—Lynn is here to help us. And we're joined also by Jim Hrichishen, assistant deputy minister, Taxation, Economic and Intergovernmental Fiscal Research Division and former Dauphinite.

Mr. Chairperson: All right, last item just before we can get into the questions back and forth, pertains to how the committee wishes to proceed. Do we wish to do the Estimates for this department chronologically or to have a global discussion?

Mrs. Driedger: Well, I would think a global discussion is going to help us move through this a lot quickly—more quickly than if we went the other way, so I would recommend global.

Mr. Chairperson: Thank you for the suggestion.

Honourable minister, is that acceptable?

Mr. Struthers: That's perfectly fine by me.

Mr. Chairperson: All right, it is therefore agreed that we will proceed with the Estimates for the Department of Finance globally, and wouldn't you know it, the floor's now open for questions.

Mrs. Driedger: And the first comment I just have to put on the record in case there's anybody here from around Swan River and Benito—the minister did indicate his Dauphin connection, so I'll indicate my rural roots and my Benito connection.

* (15:10)

And my first question is around the area of budget consultations. Can the minister indicate how many budget meetings were held in the lead-up to the budget?

Mr. Struthers: I sure can. We had seven meetings in six communities. That was two in Winnipeg; we were in Gimli and Niverville and Flin Flon, the member's home area of Swan River, and Brandon.

Mrs. Driedger: Can the minister tell us how many citizens attended those meetings, excluding all the political and department staff that might've been there? How many ordinary Manitobans might have attended those particular meetings?

Mr. Struthers: I can get back with the details on that—on how many people attended. I will note that I attended each of them. We were joined by MLAs

from the areas in those meetings and I had two staff with me. I want to make sure that the—minimize the number of staff that I use for those meetings.

It's very helpful to have somebody there, though, who can meet with people and make contact and if there's any follow-up questions, then the staff do get back to them. So I will get back with a more fulsome answer than that when we can get the details.

Mrs. Driedger: I wonder if the minister would be able to make that commitment to get those to me tomorrow.

Mr. Struthers: Sure.

Mrs. Driedger: Can the minister indicate whether or not there were handouts given to the people there and any other documents that might have been given out to the attendees?

Mr. Struthers: There were, and actually the member for Tuxedo (Mrs. Stefanson) has a copy of it and flashes it in the House every day, so she wouldn't have to go that far to get a copy of the material that was presented. We always do that handout along with the slide show that the—of the slides, that is, handed out that the member for Tuxedo has.

We ask people to fill out a questionnaire, and we take that information with us as we go, so that we can consult that after the meeting and follow up with anything that comes out of that handout. So, if the member wants me to pass on a copy of that material, I can arrange for that as well.

Mrs. Driedger: I would appreciate if the minister could provide me with a copy of the handout, the PowerPoint, and the questionnaire.

Mr. Struthers: Yes, the handout is the PowerPoint, and that should be easy to locate that questionnaire for the member as well.

Mrs. Driedger: Can the minister indicate whether there were any written submissions that came in for the budget consultation, and if there were, how many?

Mr. Struthers: Does the member mean over and above the ones that we took away from us—from people at the meetings—over and above that?

Mrs. Driedger: I—my question does pertain to people that might not have made it to one of those budget consultations. But, I guess, was there an ability for people to make a submission over, you know, the Internet, for instance, or to mail something in to his office?

Mr. Struthers: Yes, we—the people of Manitoba had a chance to come to the meeting and hear the presentation, fill out the questionnaire. We have a question and answer period where we can have a discussion about advice that Manitobans want to give us. There was a couple of other ways Manitobans could get their message to us; one was online, there was an opportunity to send me, as their Finance Minister, advice that way; and there was a—they could send in a written submission, as well.

This year 888 questionnaires were received by email and about 300 in hard copy. These were the ones that were handed in during the community prebudget consultations. All together we got about 1,188 submissions.

Mrs. Driedger: In any of them, did anybody ask for a PST hike?

Mr. Struthers: They were very clear about—Manitobans are very clear about what they wanted us to do, and that was to not decrease support for health and for education. They were clear that we needed to invest in highways and bridges, schools and hospitals. They were very clear that we shouldn't be racking up a large debt in order to pay for that, that we needed to find a way to pay for the infrastructure that I think we all knew was necessary.

This is at about the time when the federal government was talking about a federal infrastructure program. A federal infrastructure program that we all knew was going to cost a lot of money, we all knew that we needed to participate in this program. So the people of Manitoba were very clear, that (a) yes, Minister, you should participate, and (b) we'd want you to find a way to pay for this. People of Manitoba know that you can't just wave a magic wand or sprinkle some pixie dust and, voila, there's a school or there's a hospital or there's a bridge. They get that and they were very clear to say that that was their number one priority.

The—we got—I think we had some very good suggestions at each of the meetings that we were at. We got some very good feedback about how the global economic situation is impacting Manitoba families. We've—I think we got some very good feedback on some local issues. The one that pops to mind is at Flin Flon where there's—there were some taxation issues that came forward, having to do with local taxation, and, in particular, taxation in parks. And I thought we had a very good discussion about that issue and it's an issue that has come up around the province at other times but particularly this time

around in Flin Flon that was something people really did want to talk about.

There was a lot of questions around transfer payments and some clarity on how exactly that works. I find there's a lot of misinformation out there about how transfer payments work. People were very, I think, very pleased to know that every province contributes into the federal pot of money for transfers and every province receives money from that pot of money. And that Manitoba is in the middle of the pack in terms of what we receive. We're not at the one end, where PEI is, but we're certainly not at the other end, where Alberta is, and that's a common misunderstanding, I think, is that, I think people assume that since Alberta's so rich they don't receive anything from transfers. But they do, and they were actually one of the big winners last year when the federal government made some changes capping equalization and putting Ontario in there, which hit equalization provinces hard, and then shifting money on a per capita basis to the Canada Health transfer to Alberta. So Alberta was—did quite nicely.

You know, the Finance Minister there, Doug Horner's a very decent guy, and the Alberta government's struggling with an unstable world economy as well. But—so I don't begrudge them, you know, revenues. But, at the same time, this—the transfer payment file is a Canadian file that is—needs to be based on fairness.

So there were a lot of things that came up in each of these communities, and I was very pleased to make our government available for that advice.

* (15:20)

Mrs. Bonnie Mitchelson (River East): I just was wondering, for clarification, whether the minister could indicate—he said that there were 800-and-some surveys that were returned by email and about 300 paper surveys. I would just seek some clarification on whether the 300 paper surveys reflected the number of people that would have been at all of the consultations, because he did indicate that that was the number that were submitted.

Mr. Struthers: We've undertaken to come back with a more precise number in terms of attendance. But the 300 number wouldn't be a direct correlation to who was there because there would be some that would have come to the meetings and not filled out the questionnaire, not left it with us, but participated in the discussion and then left. There were some of

those. So that's not an absolutely accurate number, but we've undertaken to get a number to the member for Charleswood.

Mrs. Mitchelson: Thanks, then, and if the minister could undertake to provide for us in—at which meetings—how many people were at each meeting? Like, we talked about a Flin Flon meeting. Were there, you know, 40 or a hundred people in Flin Flon versus, you know, a smaller or larger number in any other of the communities? So could we undertake to have that information provided?

Mr. Struthers: Yes, I think we can do that.

Mrs. Driedger: I'd like to ask the minister, I understand that the government spent \$350,000 last year with the advertising about the budget following the budget, and I would ask the minister how much their ad buy is this year to basically sell the budget?

Mr. Struthers: Yes, I want to make sure that the numbers that we are dealing with here are accurate. The number that, I think, that the member for Charleswood just read into the record, I think, is a little bit high.

When—for last year, in 2012, when all the bills were paid and everything is all tallied up, it was \$207,000. This year, of course, we don't have all of the bills tallied up yet, but we're projecting about \$235,000.

Mrs. Driedger: Well, it's interesting because I think I got my number out of FIPPA, but I can go back and I'll just double-check all of that.

Is the minister able to provide a list of where those ad buys are and the value of the ad buys in each of those locations and the—and how long the advertising campaign is running?

Mr. Struthers: Yes, I think what we usually do is we try to see if there's any space left in the media after the federal government does its Canada—what do they call that? The employment economic—whatever, whatever the feds are calling their plan. I think it'll be very difficult for us to squeeze in any time at a hockey game for example, as the feds take up all that space. *[interjection]* Yes, you know there's so many that—that's a good point. There's so many good things happening in this province that it's hard to squeeze in there sometimes but, you know, I think it's an important thing that we need to do.

So we will get our elbows up and we'll see if we can squeeze a little room in there, next to Canada's Economic Action Plan, in the middle of the Stanley

Cup playoffs, because we have a, I believe, a good story to tell in Manitoba. And we have some very important information that we have to get to people in the province of Manitoba. Taxpayers deserve value for their money and we think that we can give them value for their money by telling them what it—what is in the budget and where they can—where and how they can access many of the good programs that are provided in Budget 2013.

Having said that, I'll need to get back to the member in terms of an actual, more precise breakdown of where that money is going to, which media outlets and which forms of media we will be using.

Mrs. Driedger: Can the minister indicate why there was no mention of the increased PST in any of those ads?

Mr. Struthers: *[interjection]* But he's such a nice guy to speak with. He's always helpful.

We take very seriously our responsibility to make sure that the people of Manitoba know what's in the budget and all of the things that they can access, all the ways in which Manitoba families can improve their lot through Budget 2013.

The—I'm pretty sure that the people of Manitoba know that we've made a decision to increase the provincial sales tax by 1 cent on the dollar. I've heard from Manitobans who have said to me that they understand that that's a 1-cent-on-the-dollar increase. I've heard from Manitobans who understand that, you know, we've got infrastructure needs that need to be met. Manitobans deserve to know where that money is being spent, and the ads that—and the ad campaign that we, along with every other government today and in the past, has undertaken will make sure that Manitobans know exactly where the cent on the dollar is going. They'll see that in this campaign and through any means by which we can talk to Manitobans about where their money is going.

We said from the beginning that we would be transparent. We said from the beginning that we'd be accountable, and that's exactly what we're doing. There's been debate and even an amendment on Bill 20 already. That discussion makes it very clear where the money is going. It makes it very clear that it is all going towards infrastructure and, you know, not just—I should be more specific than just saying infrastructure. That's roads and bridges and that's schools and that's hospitals. That's the things that Manitoba families need.

* (15:30)

Of course, in that is a response to a billion-dollar report that came out suggesting that we need to be investing money into flood prevention, flood proofing, flood mitigation projects in every part of the province because we are at the—kind of the wrong end of a great big watershed that seems to get us into tough straits every couple of years.

So, Mr. Chairperson, we will take the ad campaign and we'll let Manitobans know exactly where that revenue increase is headed.

Mrs. Mitchelson: Just a question. Is all of the money for the ad campaign advertising the budget in the Department of Finance, or is there any other money in any other department that will go towards advertising the budget?

Mr. Struthers: The 235,000 dollar that I—dollar amount that I referenced, that is the total cost. We would pay all of that through Finance.

Mrs. Mitchelson: So, then, just to be very clear, there won't be any other government department that is doing any advertising as a result of budgetary decisions that were made in this year's budget.

Mr. Struthers: Each department will have—maybe I shouldn't say each department, but there will be other departments who have money set aside to promote their own programs separate from the budget. But the ad campaign related to the budget would be financed, as I've said, through this department.

If, for example, there's a farm program that comes up that needs to be communicated to farmers, then certainly you'd find that in the Department of Agriculture budget. If there is a housing initiative that needs to be communicated, then that would be—that funding would be located in the department of housing and co-operative development.

But the—but anything that's related to the budget and the advertising of the programs within the budget itself is the \$235,000 that we've talked about here through the Department of Finance.

Mr. Reg Helwer (Brandon West): I'm interested in something the minister said. He talked about infrastructure. Can you tell me what your definition of infrastructure is?

Mr. Struthers: Well, first of all, the—if we're talking about flooding and connecting it to the flood report that we received that would be different than the infrastructure definition that we use in tandem with

the federal government when it comes to Building Canada. Obviously, the flood report had some very specific kinds of things that we need to invest in to protect Manitoba families from future flooding. That definition is going to be a little bit different than the general definition that we use with the Building Canada Fund.

The flooding one is particular to flood protection and flood mitigation. You can envision, you know, the money that we spent on the emergency channel, which we will spend on the permanent channel to help regulate Lake Winnip–Lake Manitoba right in my own constituency. Well, actually, it's not in my constituency; it's the north end of lake Dauphin. There's been a lot of talk about making changes to the Mossy River dam as–and that was included in that report–to try to regulate the lake Dauphin levels, which is always a hard thing to do when you have so many interests on the lake, but, you know, it–we can improve our capabilities by dealing with that kind of infrastructure. So that's the kind of flooding side of it.

We have a definition that we use along with the federal government and the Building Canada Fund. You will note in the budget paper itself on page 16 it talks about infrastructure funding and our commitment to infrastructure funding by continuing to support public service structures and systems that benefit the people of Manitoba. So that includes–there's a list there on the next page, on page 17, that includes a list of things that would fall under that definition–roads and highways, including winter roads, universities and colleges and public schools, health facilities, Manitoba floodway and water-related infrastructure, housing, public service buildings, parks and camping infrastructure. Those are the kinds of things that Manitobans want us to move forward on. They don't want to see any of these crumbling and entering a period of–where they can't be used. We have committed to doing a lot of work in this province to make sure the infrastructure that I've pointed to here is kept up, is grown. This is good for service for Manitoba families, and, very importantly, this is one of the things that has stead Manitoba well.

And I would submit, you know, that the federal government, along with all of the Provinces, has done right in terms of stimulating our economy. When you see what's happening–you know, the Premier (Mr. Selinger) touched on it a bit today in question period. France is going into a triple-dip recession. The euro zone has six quarters in row now

where they've contracted. Even the German economy is cooling off, and it's the German economy that's kept Europe afloat. When you see that happening and the sluggish growth in the US, I think it makes real good sense to co-operate with the federal government in terms of stimulating the local economies and being able to provide the kind of employment levels that we've had in this province.

* (15:40)

When you're in a middle of an economic downturn–well, I hope we're not in the middle, I hope we're closer to the end of this because it started six years ago–but–five years ago–but the–what the government needs to do is invest in these infrastructures, provide that kind of stimulus to the economy, provide that kind of support for employment and also make sure that we have infrastructures in place that are there and they will last for generations.

So those are the kind of definitions, those are the kind of things that we work towards and the kind of things we make decisions on.

Mr. Helwer: So what you're telling me is you have no differentiation anymore between infrastructure and superstructure?

Mr. Struthers: Well, you might want to provide me with your definition of superstructure.

Mr. Helwer: My understanding is most governments deal with infrastructure, like bridges and roads; superstructure is schools, universities, that type of thing.

Mr. Struthers: Well that–for 13–no 14 budgets, our government has increased, year over year, every year, our support to infrastructure, whether it's superinfrastructure or otherwise.

In every category we have put more and more support into that. That is every year–every year meant more and more employment, more and more jobs, more and more economic activity, more and more long-term positive results for our province and for our province's economy.

So I'm not keen to get into definitional debates over superinfrastructure versus infrastructure; whether it's the little Mossey River Dam that can help Manitobans living up around Lake Dauphin. Or whether that's the Domino project which really helped our largest university be able to offer courses to students.

This government is committed to building and as you see in Bill 20, this government is committed to paying for.

Mrs. Driedger: The minister has indicated that every nickel of the PST is going to go towards infrastructure, flood proofing, hospitals, schools, critical infrastructure.

I would note that the PST hike is going to come in at \$277 million. Can the minister provide a breakdown of where every cent of that he—or every nickel as he said—is going to go towards these different projects?

Can he then make a document available to us that actually shows—and he said he's committed to being, you know, transparent with this—is there a document right now that actually shows where that \$277 million is going?

Mr. Struthers: What the member for Charleswood has put her finger on is that annualized revenue number at \$277 million. That would be a full year's revenue from this cent-on-the-dollar increase.

We've been very clear that every—as she says every nickel—is—will be going towards infrastructure in Manitoba. It's based on the good success of the gas tax and Gas Tax Accountability Act.

When we collect money off of gas then we believe it makes good sense to go back into roads and bridges and we can—through that Gas Tax Accountability Act, Manitobans know that every nickel of the gas tax is going back into roads. That's been what—that's been our practice as government, and it continues to be. That is the model for this as well. The—Bill 20 sets up the building and renewal fund that makes sure—just like The Gas Tax Accountability Act did—makes sure that that money goes towards infrastructure in Manitoba, infrastructure that includes flood protection and schools and hospitals, includes roads and bridges, you know, things like waste-water treatment plants, housing. There's a lot of infrastructure needs in the province. We've been clear that this revenue item will go towards that goal, and we have introduced legislation to ensure that.

The other level of government that benefits through that is the municipal level, which does see an increase through the Building Manitoba Fund. One seventh of the amount of money in this fund goes to municipalities. Some of the biggest winners in both the 2012 budget and 2013 were the—was the municipal level of government, not the least

of which is the City of Winnipeg who, while many departments were frozen—and projecting 11 departments to be either frozen or reduced, the City of Winnipeg actually received an eight and a half per cent increase, and if you look at transit and infrastructure, received about a 12 per cent increase in its funding.

So we also, through the Public Accounts process, we'll be—we were—we—it's part of the reporting mechanism. In Bill 20 our commitment is to be transparent and accountable. We're going to—we can show that every nickel goes back into infrastructure, and through the Public Accounts procedure, at the end of the year, the Minister of Finance puts forward the—a report that shows exactly where that money has gone.

Mrs. Driedger: But, if the government is going to go out and say that the full PST hike is going into this, would they not already have this put down in a document that outlines where all that spending is going? I mean, it would seem to me that that would be the most accountable transparent way to do this, not looking over the next year at where you might plug that money. Do you not actually have something right now that says where—because you're telling people that it's all going into these things, surely to goodness, in the budgeting process, that is already then outlined somewhere?

Mr. Struthers: Well, the report that we give is at the end of the year, and we will report to Manitobans exactly where every cent of that money went. Last year, we spent \$1.4 billion on infrastructure in Manitoba. This year we're projecting that we'll spend \$1.8 billion, and we will—I will stand and report to members across the way, to 1.2 million Manitobans, where exactly we spent that money. As we—as I've said, we're looking at roads and highways and universities and colleges and public schools. Some of that money will go to health facilities and floodway and water-related infrastructure. There'll be some housing projects that'll be as part of that, public service buildings, parks and camping initiatives. At the end of the—that reporting period, we'll be able to tell Manitobans where every one of—every single nickel of the one-cent-on-the-dollar increase is going—or has gone.

* (15:50)

Mrs. Driedger: Well, because this is a budget, why wouldn't the minister have all of that identified on a go—like, right now, going forward, knowing where that money is then going? Why is he doing it

backwards and where's the accountability in that? Because the minister can—is saying, you know, give me \$277 million more, let me spend it and at the end I'll tell you where I'm spending it.

You're trying to bring a PST hike in to the people. Don't you think they have the right to know—doesn't the minister think he has—they have the right to know from him what the breakdown of that is and where it's going?

Mr. Struthers: Absolutely, they do, and that's what we're doing. We—when—at the end of the year when I'll stand up and I'll say, here's the \$1.8 million—sorry, here's the \$1.8 billion that we have spent, and here's exactly where we spent it on. In this budgeting process we can tell people the exact places that the money has gone in—just like I just did—in terms of roads and highways and health buildings and schools. We can certainly say to the people of Manitoba that that's where the dollars are going, and then come back to the—to Manitobans at the end of that year and account for every nickel of that dollar, and be able to show that it has gone into the infrastructure categories that I've just outlined for the member for Charleswood.

Mrs. Driedger: Let's drill down, then, a little bit into this. If I look at the Estimates book and I am looking on page 131, it says flood mitigation initiatives. Now, the minister in earlier comments around the budget said that every nickel of this money's going to go to infrastructure towards flood-proofing. When I look at flood mitigation then, there's absolutely no change in the amount.

So is there no money going into flood mitigation initiatives? It hasn't changed at all from the budget last year.

Mr. Struthers: Okay, so the total number is achieved by looking at a number of different lines. One certainly is the line that the member for Charleswood is pointing to. That's the 3.677 number in the Estimates under flood mitigation. There are—that is basically an operating number. There are capital numbers that she would need to add into the mix as well. There are some emergency expenditures in the area of \$25.3 million; some disaster financial assistance money, \$1.9 million; \$300,000 for the Shoal lakes buyout—member for Lakeside (Mr. Eichler) would be very familiar with that one—some \$23.1 million for infrastructure and transportation programs in that department. There's Part A funding in the Manitoba Infrastructure and Transportation—some flood mitigation—oh, that's the 3.6 number

we've talked about already. Local Government, there's about \$15 million in municipal diking programs through the Building Manitoba Fund that would be made available.

In Part B funding, a number of different projects around the province through MIT, under infrastructure for \$35 million, and the—so that the—actually, and some more money in the floodway for \$9.3 million, a number of projects that are water-related: Assiniboine River emergency channel, Portage Diversion, Oak Lake dam, some other locations, totalling \$17 million.

The total under Part B would be \$61 million. So I would caution the member for Charleswood from simply taking that one line and extrapolating anything out there that implies that we're not actually supporting infrastructure in the province, because there's—that's only part of the answer.

Mrs. Driedger: Can the minister, with the list of things he just put forward, can he provide all of those to me in a document for tomorrow morning's Estimates?

Mr. Struthers: Yes, we can do that.

Mrs. Driedger: And can the minister also tell me what page numbers of the Estimates book could I find all of that information?

Mr. Struthers: We'll include that on the sheet that we give you.

Mrs. Driedger: Thank you. I appreciate that from the minister.

Can he indicate, out of all of those projects, how much is recoverable from the federal government?

Mr. Struthers: Yes, the—as the member knows, there's been a lot of discussion taken place between our level of government and the federal level of government, in terms of DFA and what expenses are cost shareable. The—to his credit, the Prime Minister has indicated to our Premier (Mr. Selinger) that they would go 50-50 on flood mitigation. And, to us, that makes perfect sense.

And there's examples all around the province, where for years, year after year, we got the communities together and we put sandbags together and we put sandbags up and then we lived through the flood and we took them all down again and we put—then the next year, we do it all over again. We put the communities through it, and it was expensive, and you know all that. So we think it makes much

better sense that we, that where we can, where it's what the engineers say it's doable, that we put in place some permanent structures that can actually do the work.

Now, we—I'm glad that the Prime Minister has said he would cost-share that with us. He said it would be 50-50. We need to make sure that the Prime Minister comes through on his word in terms of project by project, because I will say we've been experiencing some difficulties in getting the federal government to actually agree to put up their 50 per cent on individual projects. I understand some money has flown—flowed to us in that respect, but that there's many projects that they're saying they won't participate in. So we need to continue to work on that.

* (16:00)

We need to continue to work on the amount of money that the federal government owes coming out of the 2011 flood. That was a \$1.25-billion flood. Our government stepped up and provided money for farmers, for homeowners, for cottage owners, for businesses. That was a lot of money that the Manitoba taxpayer put up in order to help people who were hit by a historic flood. The federal government has paid about a hundred and sixty million dollars of their share. Their share is nearly a half a billion dollars, so they're far from coming through on their part of that money.

Our commitment to the people of Manitoba is to make sure that we take every—we make every effort possible to have the federal government participate with us, whether that be through the 90-10 DFA per cent split in that program or whether it be through ag recovery, 60-40 split; feds—60, us—40. The people of Manitoba pay tax dollars to Ottawa that sometimes end up going to other provinces to help them in their time of need. And there's nothing wrong with that except that if the federal money isn't flowing back to Manitoba when we put out the money to help Manitobans, then that just ain't fair.

So our commitment is that we're going to continue to work with the federal government at the officials' level, at the ministerial level, Premier to Prime Minister, as some discussions have taken place, to make every effort to make sure the federal government is at the table.

The—in terms of the numbers that I talked about in my previous answer, we believe that about \$9.6 million of—would be recoverable from the

federal government. Many of the programs that I talked about here were actually provincial programs in provincial jurisdiction. We don't make a habit of asking somebody else to pay the bills if it's a—strictly a provincial jurisdiction, but we do expect in areas that qualify under DFA or other federal-provincial programs, that the feds actually pay their bills.

Mr. Helwer: Well, then, it's kind of on the topic of flood mitigation, it seems, and DFA. Riverbank in Brandon went through a lot of damage, the—there's mould in the building and the application to remove that mould went through a fair dispute mechanism, shall we say—or not fair; fair wouldn't be a good word—a long dispute mechanism. Various parts of it were declined, some of it was seen to be improvements where it would reduce the risk in the future, so those areas were declined. The building is now apparently cleanable but possibly going to fall into the river—as you well know, the riverbank has been eroded. Any theory on changes there is long since gone because apparently I've been told that the Province has said, well, that was a bank erosion so we're not going to return it to the way it was with the ponds or anything of that nature; we're not going to allow any money for cutting down the trees that are damaged, many of which were floated downstream to the Portage Diversion now.

So can the minister talk to me about what will and what has not and what will not be able to apply for DFA funding in the riverbank area?

Mr. Struthers: I do know the area well. I think that's—that is one of the things that makes Brandon a great place to live and raise a family and have a business and all that. It's a very key part of Brandon and it was—and, you know, it was one of the areas that was hit hard in the flood.

The Department of Finance's role in this is a co-ordination role. We don't handle the questions in terms of those specific criteria. That would be the Department of Manitoba Infrastructure and Transportation. They'd be able—they're administering the DFA program. I don't mean to sound like I'm pawning the member for Brandon West off, but those questions should be addressed to my colleague who would have the staff and the Estimates in front of him to be able to talk to you about the criteria and that kind of specificity.

Mr. Helwer: Well, Mr. Minister, I was pawned off last year on a very similar question like this, and the answer was not forthcoming from that other particular minister and he suggested I talk to the

Minister of Finance because that indeed was where the answer should be forthcoming from.

So again this year the question comes back to you because you—your department was in charge of the dollars and did forward some of them and decline others. What are the dollars that were made available to Riverbank for repairs and what are the dollars that are—they were declined?

Mr. Struthers: I can sense the frustration in the voice of the member for Brandon West, but I think he understands that this isn't the department that gives thumbs up or thumbs down when those requests come forward. When those requests come forward they're judged against the guidelines of the federal DFA program. Those criteria are set by Ottawa. I think they consult with provinces in terms of that criteria, but it is essentially a program that is—has its criteria set by the federal government.

The Department of MIT, the Emergency Measures Organization is found within MIT. They provide the on-the-ground kind of adjudication, the on-the-ground kind of assistance for people who may or may not qualify or organizations such as this one that the member for Brandon West is asking about. So he would really need to pose these questions to my colleague.

Mr. Helwer: I—again, Mr. Minister, these questions were posed to your colleague and he pointed me back to you, and I did not ask whether you gave it the thumbs up or the thumbs down. If you look back in Hansard, you will indeed see that I asked what the dollar amount was that your department approved for Riverbank and what dollar amount you turned down.

Mr. Struthers: We didn't do either because that's not our job to do either. That's the Department of MIT. They make those decisions. I don't know what else I can say to the member for Brandon West other than that's not this department that makes those decisions.

* (16:10)

Mr. Helwer: Well, again, your colleague in EMO and MIT again pointed me back to you as the one that had charge of the dollars, shall we say. Proposition 27, is that a correct number that it all goes into as the merged account? And that was the one that they spoke about where the dollars ended up and that the Department of Finance did indeed know the answer.

Mr. Struthers: There is one. It's vote 27. It's expenditure management. That's the line in the budget. That's the overall large number that covers the whole province. It's not a number that we break down or decide upon for each individual project around the province. That money is made available for emergencies so that departments like MIT can access the money for projects that qualify. So we do reflect the number in vote 27, but that's not us making the decisions on exactly where every dollar of that vote 27 goes or in this case doesn't go.

Mr. Helwer: Well, again, Mr. Minister, I did not ask whether you made the decision or not. I asked what the dollars were. What were the dollars that were extended to Riverbank?

Mr. Struthers: The only number that we have that I can give to the member today is the number \$53 million, which is the overall number for the province. It's not what his project's getting in Brandon, but it's the \$53-million number.

That includes money that we pay out in terms of flood costs. That includes money for forest fires if we have a forest-fire season. That's where we access that money—any of those kind of emergencies. There was an ice storm a few years ago. What this department does is it makes available that large amount of money that is then dispersed from there given whatever emergencies we come across in the course of the year.

The dollar figure that he's looking for would be found somewhere in MIT. We deal with the \$53-million number. Other departments deal with the breakdown of that number into projects that qualify.

Mr. Helwer: So what I'm hearing the minister tell me is that he cannot drill down to the detail of that amount of money—that \$53 million. It's a lump sum—have no idea where it was spent.

Mr. Struthers: We provide the \$53 million, and ministers who are approached on a project-by-project basis and emergency-by-emergency basis would be able to tell you exactly where that money is going. They would have that kind of detail. You're just sitting at the wrong table, asking—you might be asking the right question, but you're at the wrong table.

Mr. Helwer: Well, again, I did ask this very similar question at this table and was told to go to the other table. Asked that question at the other table, was told to come back to this table so I'm looking for an

answer at this table. What amount of that \$53 million was paid out to Riverbank?

Mr. Struthers: Well, I'm not sure I can give an answer that's going to satisfy the member for Brandon West. I have given him every bit of information that is relevant to this department. It's—we're budgeting for \$53,242,000. I'm telling him that that's a projection, and it's going to be based on the kind of emergencies and the costs of those emergencies that we'll have over the next year. For further information, he needs to look elsewhere because I've given him all the information that's available to us here.

Mr. Helwer: Can the minister provide us with a breakdown by department of that money?

Mr. Struthers: We are projecting that we will spend, in 2013-14, \$53,242,000. That is going to—that will be dependent on whether there's a lot of forest fires this year or not. That'll be dependent on whether there's large rains and flooding or not. That number is our projection as to what it could cost us. For any more detailed information, if the member's interested in flooding, he would need to talk to MIT. If he's interested in forest fires and how much that will cost, he would talk to Conservation and Water Stewardship. If he's interested in any emergency expenditures in relation to agriculture, he'd need to go to MAFRI. Each of the departments will have figures, numbers on what their actual costs are this year in terms of emergencies. We provide the projection and the line in the budget; those departments are responsible for providing the level of detail that the member for Brandon West is looking for.

Mrs. Driedger: The minister in his budget said that every dollar that goes into the Manitoba Building and Renewal Plan will be spent on infrastructure. How much money, specifically, is going into the Manitoba Building and Renewal Plan?

*(16:20)

Mr. Struthers: Well, the—as we've indicated earlier the—on an annualized basis, the cent on the dollar PST increase would be about \$277 million; about \$200 million this year given the July 1st implementation date. We would—what we have said is that—well, we were already on the hook for the equivalency of 1 per cent as of last year. What we're saying this year is that we are dedicating this extra cent of PST towards infrastructure, so, essentially, what is happening is we have an equivalency of

2 cents of PST going towards infrastructure which for the 2013-14 year would total \$512 million.

Mrs. Driedger: Just to back up to keep the question more simplified, with the PST hike itself this year going up to 1 per cent, it's \$277 million. Is that what the minister is indicating is all of it is going into what he calls the new Manitoba Building and Renewal Plan?

Mr. Struthers: Just be clear, that 277 is the annualized number, the—around \$200 million is the number for this budget year that is being increased by—it is being realized through the 1 cent increase. When you take the 1 cent on the dollar increase and the previous commitment to a 1 cent equivalency, what we're saying is that a 2-cent equivalency will be going into the building and renewal fund, and that total will be reported on annually and that total will be \$512 million.

And just to refine it a little more, on an annualized basis, the \$512 million would actually increase to \$550 million. That's accounting for this year not having the full April 1st to March 31st year to work with. So it would annualize up to the next year into \$550—sorry, \$550 million.

Mrs. Driedger: What is the relationship between the Manitoba Building and Renewal Plan and the Building Manitoba Fund?

Mr. Struthers: The Manitoba building and renewal fund is part of the Manitoba Building and Renewal Plan. The plan is funded through the 2 cent on the PST equivalency that we've committed to, so, when it annualizes up, there will be \$550 million available that is funded by the 2-cent equivalency through the plan and it's retained in the Manitoba building and renewal fund.

Mrs. Driedger: If the minister is saying that all of this money is going to be spent on infrastructure, can he explain why in the 2011-12 Estimates of Capital Investment for the Department of Infrastructure, the amount was \$749 million; this year it's only 635—sorry, \$636.5 million, which is a decrease of \$112.5 million, or 15 per cent, over two years?

If he's saying all this money is going into infrastructure, why is there a hundred-and-twelve-million-dollar decrease in infrastructure?

Mr. Struthers: Well, the member for Charleswood has her fingers just on the one part of the overall commitment and—in terms of dollars that we've made.

The—we're going from \$1.4 billion for overall infrastructure, that includes capital—as I've indicated before, university and colleges and public schools, hospitals, parks and camping infrastructure, those sort of things—we're moving from \$1.4 billion up to \$1.8 billion. So it's an overall increase, including the numbers that she's used in road infrastructure, including capital for the other priorities that we've been talking about today.

Mrs. Driedger: I think the minister should be able to see how lacking in transparency all of this is going to be. That's why we have a concern that the \$277 million is going to be a slush fund because he can't, you know, provide us with a clear-cut picture because it's scattered all over the place.

Now he's saying last year, then, infrastructure spending was \$1.4 billion. Can he give us an itemized list of where that \$1.4 billion is? And, if he's saying that this year it's going to be \$1.8 billion, and he knows that, can he provide us with a list of that \$1.8 billion in infrastructure spending? Otherwise, why should we believe him then?

Mr. Struthers: Well, I would caution the member for Charleswood from throwing terms around like slush fund. That may fit into her own political narrative, but it's not the truth.

All she needs to do is open the budget document to page 16-17—well, in particular, page 17—and she will see as transparent as can be, as accountable as can be—unlike any slush fund that has ever been set up—actual categories and dollars attached to those categories for the 2013-14 year, totalling \$1.799 billion.

The—she'll see, at the top of that chart, roads and highways, including winter roads, at \$622 million; universities, colleges and public schools at \$228 million; health facilities at \$350 million; Manitoba floodway and water-related infrastructure, \$48 million; housing, including third-party contributions, \$333 million; assistance to third parties, \$123 million; public service buildings, \$71 million; parks and camping infrastructure at \$24 million. That adds up to \$1.8 billion—that's more than last year. It's about \$400,000 more within—*[interjection]*—sorry, \$400 million more than last year. There's nothing about this that resembles a slush fund outside of the opposition trying to make political points out of this.

* (16:30)

Mrs. Driedger: Can the minister indicate, with the \$24 million that is allocated then for parks and camping, what is the breakdown of where that \$24 million is going to be spent?

Mr. Struthers: Yes, the \$24 million, that was part of the eight-year capital plan that the Minister of Conservation and Water Stewardship (Mr. Mackintosh) announced a number of weeks ago. He has the specifics on—in terms of what infrastructure and which parks are going to receive that support.

I will also say that any of those other numbers—if she's interested in health facilities, that would be the Department of Health; I think she can quite easily figure out which of those categories would be appropriate to ask in the Estimates of other ministers and get that kind of detail.

I will also say that at the end of the year when we report, we report on where the money is spent. We report on the outcomes related right back to these numbers that I just read into the record, that are found on page 17. That's our effort at—in being accountable and being clear with Manitobans as to where this money is going, because we are serious about showing to Manitobans that every nickel that we raise through the cent-on-the-dollar PST increase, does, in fact, go back to infrastructure, in the same way that we've been able to show that year after year with The Gas Tax Accountability Act.

I don't know if the member opposite sees that as a slush fund as well. I'm not sure Manitobans would agree with her on that. I'm not sure her own colleagues would agree with that, because I know that through that fund, a lot of highway development has taken place in places like Brandon West and Lakeside. We've transferred money to the City of Winnipeg to try to keep up with its pothole battle, so I don't believe that's a slush fund.

I believe that's a very good way to invest Manitoba tax dollars. I believe it will see investment return to Manitoba, and I think the very same model is what we'll be using in terms of the PST increase that is contained within this budget and accounted for through Bill 20.

Mrs. Driedger: So, with the PST hike—and the minister is indicating it is going into all of these various items listed on page 17. Is he then just going to say at the end of the year, he's going to just cherry-pick wherever he feels he wants to put his \$277 million? You know, I mean, he could say, well, we're going to take \$200 million and throw it into the

health facilities. We're going to take, you know, \$10 million and put it into public service buildings. How do we know exactly where the \$277 million comes, because I understand that the policy of this government is to fund all capital with debt funding?

So where, then, can the public see and know up front where that \$277 million is going? They can make up anything at the end of the year then.

Mr. Struthers: I'm very sure that the member for Charleswood won't let me make stuff up. And she'll be able to hold the government's feet to the fire because this government is committed, through Bill 20, through the legislation that we've brought forward, that in law, every nickel will—of the 2-cent equivalent—will go into infrastructure in Manitoba. We've made that commitment. We made that commitment very clear. We are going to report back just like we've done with The Gas Tax Accountability Act for a number of years now. We are going to report back to the people of Manitoba, and she'll be right there in the Legislature and be in a position to comment and to warn the people of Manitoba if that isn't actually what we're doing. I can tell the member for Charleswood that we are—we've committed to doing this. We've committed to being transparent and accountable, and that we're going to achieve that.

The only other comment I would make is that the member for Charleswood pointed out that we would be doing debt funding for this. Yes, there are borrowings that we do every year. Every government in the country—Conservative, Liberal, NDP, whatever—every government borrows. We are not going to take the position that members opposite have put forward in terms of only paying for cash, only taking those projects on that you have the cash at the time to pay for.

We have some very smart people who borrow money on behalf of our government. They get amazing deals. They get—do an amazing job of minimizing the amount of money that we have to spend in debt financing. Our numbers, as we've said in the House several times, stack up very well compared to what those numbers were in terms of debt servicing back in the 1990s. I don't want to go back to the days of spending 13 cents on the dollar like Conservatives did back in the '90s. I'll take our 5.9 cents on the dollar any day compared to that.

But my main point is that we're not going to ignore the infrastructure challenges that we have in this province by taking on a kind of a 1950s

approach, I guess you may say, from the Conservative members, that says you only do things that you have the cash in your pocket to do. Governments can't work that way. Farms don't work that way. Businesses don't work that way. People take mortgages all the time. I would hate to see what happened if people just decided the only way they were going to buy a house is if they had enough money in their wallet to do it.

We will be debt funding. We will be debt financing. We will be doing it smartly, and it'll be dedicated to those infrastructure projects that are important to Manitoba families, and we will do it in an open, transparent, accountable way, and we'll be coming back to the Legislature, fully reporting on the outcomes of our decisions, so that the people of Manitoba will know exactly where their money is being spent.

Mrs. Driedger: I think the minister needs to be corrected on some misinformation he just put on the record, and deliberately put on the record, about the position of the Tories would be to only cash-fund any infrastructure. Nobody has ever, ever said that, so he's making that up. The question was why doesn't he ever use some of the largesse he's had in the last decade and more to look at some cash funding, but it was never, ever said that there was no support for debt funding of capital. So I'm not sure where the minister is getting that information—again, maybe trying to go down the boogeyman route and create some scenario out there that is non-existent.

*(16:40)

So I would just indicate that I know CancerCare, for instance, in the late '90s there was funding, cash funding for that. Prostate cancer and part of that was cash funded. But I do realize that debt funding is the way because of good borrowing rates and a, you know, amortization over the years and everything else that goes with it, that that is a choice of governments. So for him to try to misconstrue some of that language is a little disingenuous. But the question does still bother me because he's saying that—and if we go back to page 17, those—that is where they're going to be spending their money; it's \$1.8 billion that is going to go into capital investment.

I'm asking him to help me understand, how will I know where the PST is going to be going in all of this? How—where's the transparency that's going to show me—I mean, after the fact, he can, you know, play around with the numbers all he wants. Upfront,

how can I tell where that \$277 million is going to go? Is there a formula he's using? Can he just explain how we can see this in a transparent way?

Mr. Struthers: Well, first of all, members opposite can run, but they can't hide from the positions that they take in the past. Mr. Chairperson, I have no control over members opposite standing up and talking about how they're going to fund capital spending in the province of Manitoba. They can decide that for themselves.

I'm reporting to this committee and to members opposite exactly what I heard Conservative MLAs talking about, and that is that we shouldn't be borrowing. We should be cash financing. Their own leader has said this, Mr. Speaker—Mr. Chairperson. So they can—as I said, they can run but they can't hide.

Now, making numbers up is when you come into the Legislature and you say that the PST increase is going to cost \$1,600 or \$1,200, whatever, you know, the member for Charleswood said that day. That's making stuff up. But, Mr. Chairperson, at the end of this reporting period, the member for Charleswood will know exactly where every nickel has been spent. She'll be able to trace it back to the building and renewal fund. The 2-cent equivalency will be there. Just as we did with the—have been doing for a number of years with The Gas Tax Accountability Act. Through the Building Manitoba Fund, she'll be able to see that one-seventh of the PST revenue will be going to Manitoba projects. She'll see which ones those are.

I will point out that the amount of money we're talking about, even on an annualized figure at \$277 million, or the equivalency at \$550 million, is a smaller number than the \$1.8 billion that we have committed to.

If memory serves me correctly, the bill actually says that if we come up short, we have to allocate more money, to make sure we do come up to the commitment that we've made. And that's right in the bill that's probably sitting in her desk in the Legislature. I would encourage her to check that out.

I shouldn't say it that way. I'm assuming she's read the bill. I'm positive she has, and if she needs a refresh there, I'm sure she'll do that, so, Mr. Chairperson, thanks.

Mrs. Driedger: I would like the minister—he's indicated he's heard comments about us only supporting cash funding. I'd like him to table that

document or those Hansard comments or wherever he's got that from. Would he make a commitment to table those comments tomorrow?

Mr. Struthers: Mr. Speaker, they're available to the MLA. She's part of that caucus. She knows their positions. She can defend their positions all they like. It's not my job to be providing rationale for their misguided policy pronouncements.

Mrs. Driedger: Not to belabour this, but the minister is making some allegations here that are untrue, unfounded. He's got them from somewhere. I'm asking him to table where he has heard those comments being made, to find the source and to provide us with that, or withdraw making those kind of comments here at this table when he is totally misconstruing the information.

Mr. Struthers: It's not my policy; it's hers. She can defend it if she likes. I'm going to be very clear in making our policies very well known, and that is that we will be providing accountability and transparency through the act of the cent-on-the-dollar increase that we've instituted in this 2013 budget. We will be employing, I think, very smart debt financing strategies to make sure that we can meet the needs—the infrastructure needs of the province of Manitoba, and I'll continue to be accountable to the people of Manitoba for that.

Mrs. Driedger: Can the minister indicate what the \$277 million in the PST hike—does all of that money go strictly for capital or is some of that for operating funds and does any of it end up in general revenue

* (16:50)

Mr. Struthers: Yes, the \$277 million, once that annualizes to that level, is collected into general revenue and then an equivalent amount is disbursed into the fund guaranteed to go towards infrastructure. The—that's of the \$277 million. The \$550 million is—would be in the same—would be used in the same way. That would be dedicated towards infrastructure in Manitoba. That does include both capital and operating. There are—you can't have capital without—it's unlikely you're going to have capital without operating. There are some projects, though, that may not fit into the—neatly into the capital category that could fit into operating, and, you know, we have—we need to finance these projects over a period of time. So, hopefully, that answers the question.

Mrs. Driedger: Can the minister give us a breakdown of how much is capital and how much is operating?

Mr. Struthers: Of the 277—what I can provide is a breakdown of the \$1.8 billion into operating capital. I don't have that with me here, but we can undertake to get back to the member on that kind of a breakdown.

Mrs. Driedger: Can the minister just repeat what he said—sorry—I'm—is he indicating to me that he's going to give me a breakdown of where the operating—or the amount that is going to be spent on operating and the amount that's going to be spent on capital?

Mr. Struthers: Yes, I—we'll—we can take the whole infrastructure program, which is \$1.8 billion, and I think we can break that down into what part of that would be operating, what part of that would be capital, and provide that for the member for Charleswood.

Mrs. Driedger: If the minister can provide me that level of detail on the breakdown then it tells me that he should be able to provide me with a greater level of detail on where all that then—\$1.8 billion is going in terms of what the projects are, what the capital costs are, what the operating costs are. Is he going to be able to do that and give me the breakdown of that 1.8 to that detail? I'll leave it at that.

Mr. Struthers: We—what we can give her is—and I want to be sure I can give her as much as I can. But what we have available to us to pass on is on a program basis of the list of those items on page 17 totalling \$1.8 million—\$1.8 billion. We can break that down into capital and operating. We can break it down in terms of each of those categories, capital and operating. What we don't have the ability to do is give the kind of—the detail she was asking about earlier in terms of those projects. My undertaking to her is to get as much of that information to her as we can from our end of it.

Mrs. Driedger: If the minister can go that far, can he also plug in there where we can expect to see the \$277 million go?

Mr. Struthers: Well this—as we've discussed before, this year we will realize about \$200 million in revenue this year, what's left of this year. It'll annualize up to 277 for next year, but what our commitment is is the—for this year is the equivalency of 2 per cent. Remember that's the 1 per cent equivalency we had from the past and the 1 per—1 cent on the dollar increase that's part of this budget for a total of \$512 million. That \$512 million will go towards these categories as part of the \$1.8-billion commitment that our government has to

infrastructure. That \$512 million will be reflected in those categories. It'll go towards the \$1.8 billion. That, of course, will be reported back, and all members of the Legislature will be able to trace, to make sure that there's—every nickel is going towards infrastructure of that increase.

Mr. Helwer: So, with respect to the information that you're going to provide to the critic, can you tell us when that would be made available to the critic?

And secondly, which of that particular dollars—which of those dollars will be spent this fiscal year, which will be spent the following fiscal year? When will these funds be expended?

Mr. Chairperson: Whoops, might help if I had the microphone on. Thank you. Sorry about that.

The time being 5 o'clock, I'm interrupting the proceedings. Committee of Supply will resume sitting tomorrow morning at 10 a.m.

EXECUTIVE COUNCIL

*(15:00)

Mr. Chairperson (Tom Nevakshonoff): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for the Executive Council.

Does the honourable First Minister have an opening statement?

Hon. Greg Selinger (Premier): I do. I want to say today in terms of introductory remarks that with respect to the Estimates of Executive Council they are for the most part pretty straightforward.

Staffing levels are comparable to last year. There are fewer staff positions in Executive Council due in part to the consolidation of our finance and administrative services with the Department of Finance and the Civil Service Commission. We have also eliminated two FTE positions as part of the government's broader staff reduction exercise. Three years ago, we decreased the budget for Executive Council salaries, operating and capital. We have remained at that level since and are projecting a reduction for 2013-14.

Total spending will be about \$2.6 million.

Mr. Dave Gaudreau, Acting Chairperson, in the Chair

Funding for the Manitoba Council for International Co-operation is from Enabling Appropriations, but is administered by Executive

Council. The amount has increased twice in the past six years from 500 to 750 thousand in 2006 and then to \$1 million in 2009. We are maintaining the core MCIC grant at that level this year.

From time to time we have also provided special funding to MCIC to distribute to member agencies dealing with disasters or charitable works overseas. This past year, for example, we made special contributions of a hundred thousand for disaster relief in the Philippines and \$50,000 for the All India Pingalwara Charitable Society to support their hospice work in Amritsar.

After a major shuffle of deputy minister assignments last year, there is just one change to report this year: the retirement of Barry Todd, the deputy minister of Manitoba Agriculture and Rural Initiatives; Dori Gingera-Beauchemin, another long-serving member of the department and well-known to rural Manitoba and the ag community, is the acting deputy minister of MAFRI.

The flood risk this spring has eased somewhat but as the events of the past week have demonstrated, there's always a risk from high—from ice or water damage while the levels of lakes and rivers remains high. I want to commend the efforts of provincial civil servants who work year round to enhance our flood defences and hundreds of more who are pressed into service when a flood hits and who work diligently with flood volunteers and officials from other levels of government to protect Manitobans. The present and future cost of fighting floods in Manitoba is one of the major challenges Budget 2013 addresses.

When our accounts—when all the accounts are settled, the flood of 2011 is expected to cost the provincial and federal governments over \$1 billion. Yet that flood demonstrated the wisdom of prior investments in flood protection, including, most importantly, the original floodway initiated by Premier Roblin, the expansion of the floodway recommended after 1997 and now completed, and the many flood defences built up in the Red River Valley post-1997.

The flood of 2011 pointed to the need for new investments in flood protection, in particular, along the Assiniboine River and its tributaries and in the Lake Manitoba-Lake St. Martin area. We now have a review conducted by Dave Farlinger and Harold Westdal, and based on an extensive set of consultations. It calls for added protection going forward with a total price tag of \$1.5 billion. Budget

2013 anticipates this necessary work and allows it to proceed over the coming years. If our previous investments in flood defence are any indication, the investments we make now will be earned back many times over through avoided damages.

Budget 2013 also addresses the need for investment in critical infrastructure such as roads and streets, schools and hospitals, projects which in many cases qualify for funding under the new Building Canada Fund outlined in the federal budget. Manitoba, however, will need to match the federal funding, and at the same time we will need to fund other capital projects for which there is no federal program. Many of these projects have been advocated for—by members of the opposition. I will take care to note whether these same members vote against Budget 2013 or whether they continue to demand, sometimes in the same breath, that the government both increase and decrease spending.

Those are my opening comments, Mr. Chairperson.

The Acting Chairperson (Dave Gaudreau): I thank the minister for those comments.

Does the official opposition critic, the honourable Leader of the Official Opposition, have any opening comments?

Mr. Brian Pallister (Leader of the Official Opposition): Just that we think it's quite possible to manage sustainably in spite of the fact that that isn't occurring currently—beyond that, no.

The Acting Chairperson (Dave Gaudreau):—your comments.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of remaining items referenced in solution—resolution 1.

At this time, we invite the minister's staff and the staff of the Leader of the Official Opposition to join us in the Chamber and once they're seated, we will ask the minister to introduce the staff in attendance and for the leader to introduce his staff in attendance.

The First Minister like to introduce his staff?

Mr. Selinger: I have with us Paul Vogt, clerk of the Executive Council, and Giselle Martel, the chief financial officer for Finance, as well as Civil Service Commission and Executive Council.

The Acting Chairperson (Dave Gaudreau): Thank you. Would the honourable Leader of the Opposition like to introduce his staff?

Mr. Pallister: Sure, I apologize. I missed your name.

* (15:10)

The Acting Chairperson (Dave Gaudreau): Sorry, we'll recognize the honourable First Minister.

Mr. Selinger: Giselle Martel.

Mr. Pallister: Yes, and I'm sorry. Mr. Premier, I'm sorry. I—

Mr. Selinger: Paul Vogt, clerk of the Executive Council, and Giselle Martel, chief financial officer.

Mr. Pallister: Sorry, I apologize for the—I'm—this is—the format's a little different from what I'm used to and so I don't mean to interject inappropriately here.

This is Elliot Sims and he works with our research team.

The Acting Chairperson (Dave Gaudreau): Thank you. Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

An Honourable Member: Global.

Mr. Pallister: Global would be fine.

The Acting Chairperson (Dave Gaudreau): Global's agreed. The floor is now open for questions.

Mr. Pallister: Mr. Chairman, just in reference to the Public Utilities Board, I was just curious and again, some of these things—I understand it's all right to have a pretty broad latitude of discussion, so I hope this—these questions are, you know, in the scope of that.

How many people are on the Public Utilities Board?

Mr. Selinger: First of all, I'll just make a couple of comments. I'm fine with a global set of questions ranging across government. I do hope the Leader of the Opposition understands, though, that if he wants very specific information like that, it's not contained directly within the Executive Council Estimate books, and so I will undertake to get that information for him.

There's—these are—the Public Utilities Board is a quasi-judicial tribunal. Members are appointed by Executive Council and serve at pleasure of Executive

Council, but—and I can get him a list of who those members are. There are several from around Manitoba, and some of them have served for a long period of time; some are more recent. But the Public Utilities Board is the responsibility of Minister Rondeau.

The Acting Chairperson (Dave Gaudreau): Sorry, the First Minister—just to remind that we call the person by their portfolio and not their name.

Mr. Selinger: Yes. I was referring to the Minister for Healthy Living (Mr. Rondeau).

Mr. Pallister: Yes, well, I accept that. I just—I'm hoping that we can exchange information here in a reasonable manner. The member opposite's been here for some time, and so I'm just asking how many people are on the Public Utilities Board. I'd just appreciate knowing how many people are on the Public Utilities Board. If he could tell me that, that would be great.

Mr. Selinger: Again, I'll undertake to get the number and the list of members for the Leader of the Opposition. It's in the order of 10, but, again, we'll have to get that specific information for him and subject to that, I would say about 10 members, and I'll verify that once we get the information.

Mr. Pallister: I'll accept that. I, of course, would appreciate the information.

I wonder how many of these are new members. I understand there was a number of appointments made in the last—say—year, and I wonder if the member opposite would have an approximate idea of how many members are new on the Public Utilities Board or how many have departed in the last year.

Mr. Selinger: I'll take that question as notice and I'll undertake to get that for the member. There is, from time to time, changes in the Public Utilities Board, and we'll identify who has joined the Public Utilities Board for the Leader of the Opposition.

Mr. Pallister: And the Premier mentioned earlier this is—these are Executive Council appointments, but I'm just wondering what are the criteria for selecting people to be on Public Utilities Board.

Mr. Selinger: I just want to correct it that these are Cabinet appointments by Lieutenant Governor-in-Council Cabinet, as we commonly think of it. So those are how they're appointed.

Mr. Pallister: Yes, okay, so does—so that being said then, who submits the names that are considered for appointment?

An Honourable Member: To answer the question of the Leader of the Opposition—

The Acting Chairperson (Dave Gaudreau): Oops, sorry. I just have to recognize you.

Mr. Selinger: Yes, the names are submitted by the minister responsible. In this case, the Minister of Healthy Living and Consumer Affairs.

Mr. Pallister: So would the Premier be aware of what criteria are considered by the Minister of Healthy Living before those names are submitted for appointment?

Mr. Selinger: Oh, well, again, we look for people that have broad experience in the community. For example, I have some of the members here now.

For example, the chairperson, Régis Gosselin, Bachelor of Arts; MBA; CGA—certified general accountant; master's of business administration; formerly worked for the Canadian grains services commission, which, as the Leader of the Opposition would know, is a regulatory body itself at the federal level with respect to the grain industry; previous experience with the caisses populaires movement in Manitoba, which is the francophone equivalent of credit unions; done work of community economic development organizations; he is the past chair of the Société d'assurance-dépôts des caisses populaires du Manitoba, which is sort of the reserve or stabilization fund for caisses populaires.

Another person who's on here is a Marilyn Kapitany, with a bachelor of science degree, honours, and a masters in science degree. That individual was appointed in July of '12; a former senior federal government executive responsible for the Western Economic Diversification of Canada; former regional director of Indian and Northern Affairs Canada; as well as a director of industry services at the Canadian Grain Commission, as it turns out; also has experience in the community as national—on the—as chair of the national board of the YMCA of Canada; and is a member of the Riverview Health Centre Board; and a former chair of the YM-YWCA Winnipeg board; and past member of Assiniboine Park Conservancy Board and the association of provincial executives.

Another member on the board is Ray Lafond, bachelor of arts degree; certified management

accountant and a fellow of the charters—chartered accountants institute; was the CFO, as well as the CEO, of the Catholic Health Corporation of Manitoba; the Grey Nuns of Manitoba Inc.; the manager for la caisse populaire de Saint Boniface; worked for—also at StandardAero; Canadian Co-operative Implements; as well as the St. Boniface School Division; and Manitoba Water Services Board; served on the boards of committees including University Grants Commission, under the former Progressive Conservative government of the '90s; St. Boniface General Hospital; St. Amant Inc.; Agence nationale et internationale du Manitoba, ANIM as it's known; Destination Winnipeg; Momentum Healthware; La Fédération des caisses populaires du Manitoba; and the Winnipeg Foundation.

Another member is the Honourable Anita Neville; Privy Council member; bachelor of arts degree honours; appointed in July of '12; Member of Parliament from 2000 to 2011. I'm sure the member opposite would remember her. I think they served with some overlapping periods of time; served as Parliamentary Secretary to the Minister of Heritage; and Chair of the Standing Committee on the Status of Women; also a member of several parliamentary standing and special legislative committees, including those focusing on community and corporate social responsibility, aboriginal affairs, defence, justice and human rights; participated as a long-serving member and chair of the board of trustees of the Winnipeg School Division; formerly employed with the government of Manitoba as an economic development consultant; director of Workforce 2000 when the member opposite was in government as a minister; and director of the Winnipeg Core Initiative Employment and Training program; and also served as a lay bencher of the Law Society of Manitoba; as well as a member of several community boards and task forces.

Another member of the PUB—Public Utilities Board is Susan Proven who has a home economics degree; appointed in June of 2000; this member is an owner-operator of a small business in rural Manitoba; a registered professional home economist; it says she's a former member—it looks like she still is a current member of the Public Utilities Board, a former teacher and writer-broadcaster—focuses on stories about rural people and communities. I wanted to just verify if she's still on there, because it seems to be some ambiguous language there.

* (15:20)

Another member is Larry Soldier, former chief of Swan Lake First Nation; serves on the board of directors for Youville Centre; former vice chairman of the Dakota Ojibway Tribal Council and Dakota Ojibway Child and Family Services; served on numerous committees, which include former chairperson of the small business management and development committee of Keewatin Community College, and past member of chiefs committee on treaties and self-determination; former chair of the regional advisory board Alcoholism Foundation of Manitoba; and also served as a city councillor for the city of Thompson; and a proprietor since-business owner since 2006.

Those are some examples, of people that sit on the Public Utilities Board.

Mr. Pallister: Thank you very much for that information, and I'll look forward to getting the complete list as was promised earlier.

Is there a nominating committee the minister uses or something to consider who—to consider appointments prior to selection or does like—what's the process for getting names gathered together? It sounded like some very accomplished people there.

Is there a nominating mechanism of some kind to come up with people to appoint to Public Utilities Board?

Mr. Selinger: Normally, the minister will canvas the community for good names and we also—as the member might know—have a website where people can go on and register their interest in serving on any board or commission in Manitoba.

So there's a variety of mechanisms. Sometimes it's a question of asking about the community of people that seem to have a broad range of experience and—could bring some specific expertise to an organization like this that regulates our Crown corporations and some water services in Manitoba.

Another member that I have here is Karen Botting—who's bachelor of arts degree, bachelor of education degree and a master of education degree; vice chair, former director of student services for the Louis Riel School Division; school principal, formerly, in River East school division; president of the student services administrators of Manitoba; and president of the River East Principals' Association; former vice chair of the board of directors of the Manitoba Lotteries Corporation, on which she served

for 12 years; many community boards including United Nations Association of Winnipeg; UNICEF; president of the Woodsworth House Historical Society; founding member of the NorWest health clinic and social services centre; and current president of the JS chapter of IODE's international Order of the Daughters of the Empire, and a woman of distinction from the YM-YWCA in 2012.

Mr. Pallister: Like the member for Fort Rouge (Ms. Howard) I understand, a woman of distinction.

This—so there's a mix of backgrounds and experiences there that seems very impressive: the private sector, public sector experience, experience in other boards, in other governance, in other roles in a governance responsibility as well. So it strikes me that that couldn't be haphazard.

So are the folks on the board—some of them you mentioned have other full-time positions; is that—that must pose a challenge or is—am I right in that observation? Are they—are these folks that are paid per diems when the PUB gathers, or they—are they expected to take time off work to participate in Public Utilities Board efforts, or how does that work?

Mr. Selinger: People that have to be willing to take time to sit during regulatory proceedings and be available on a somewhat flexible schedule. Some of the members that I see here do have businesses; presumably as a proprietor they have some flexibility of whether or not they have to be present in their business or can attend events that are required under the Public Utilities Board.

Some of these folks are retired and so therefore have more flexibility in that regard. So they are people that are—when they're canvassed to—as to their interest it's indicated to them the extent of the commitments they have to make and then they indicate whether or not they think they can fulfill those duties.

Mr. Pallister: And is it—am I correct in my understanding that a lot of the work of the PUB is done by subcommittees as well, so that would allow some flexibility within their membership as to who could and could not participate? Is that, you know, in that aspect of their work?

Mr. Selinger: The member is correct to the extent that the Public Utilities Board often will strike a panel with a subset of the full members of the Public Utilities Board, and that panel will deal with a specific regulatory matter, for example, auto

insurance rates or in some cases issues related to funeral home regulation in Manitoba, those types of matters.

Mr. Pallister: Yes, has there been—this gets into a difficult situation. But, potentially, has there been an example where someone's had to be removed from the Public Utilities Board in Manitoba or are you aware of one? Is the Premier aware of one, where someone's had to come off the Public Utilities Board or—because of incompetence or some issues around their capabilities, ever?

Mr. Selinger: I'd have to check the record on that. I'm not aware of any member that's had to be removed for those types of reasons.

Mr. Pallister: Right, which I think, if such is the case, supports the process of being—of considering fully the qualifications of people before they're appointed, I suppose, at least that.

In respect of—I understand there was just an OC issued on this NFAT review, Needs For and Alternatives To review, and the names Arthur Mauro and Mel Lazarek are on here as appointed to the PUB. I guess this is just—am I right in assuming this is just for the purpose of—purposes of this specific aspect of the work of the PUB as opposed to—they're not appointed to the PUB per se, is that correct?

Mr. Selinger: My understanding is they're appointed as members of the Public Utilities Board, but in this case they were—it was identified that they would play a specific role on a panel with respect to the NFAT, the needs for alternatives review, and then once that process is done if they were to be—not to continue on the board, that would require another decision of Executive Council.

Mr. Pallister: Sorry, now, I'm just curious as to—is the reason for their appointment because there aren't enough people on the PUB available to do this work? Is that the reason that we go to an outside additional pair of people added?

Mr. Selinger: It's simply done to add more qualified people to the Public Utilities Board processes, regulatory processes, and to add more depth to the responsibilities they have to regulate a variety of functions in Manitoba.

Mr. Pallister: So how many people from the—of the, what I'll try to describe as the permanent membership of the PUB are on this subcommittee?

Mr. Chairperson in the Chair

Mr. Selinger: Yes, my understanding is that three of the members that I read into the record serve on the NFAT committee, being the Chairperson, Regis Gosselin, as well as Marilyn Kapitany who I read into the record her background, as well as Larry Soldier, as well as these two people that the Leader of the Opposition has just identified.

Mr. Pallister: Was it Madame Kapitany that was just appointed last year?

Mr. Selinger: Marilyn Kapitany was appointed in July of 2012.

Mr. Pallister: When was Larry Soldier appointed?

Mr. Selinger: The—Mr. Soldier was also appointed in July of 2012.

* (15:30)

Mr. Pallister: Is there any—given the recency of the appointment and the benefit of experience, I suppose, that might accrue to someone who's been on the PUB for a while, would there be any reason to be concerned that, with two new appointees plus the two members coming from the PUB having been recently put in this position, that there is some danger of inexperience in this case?

Mr. Selinger: Well, I—as the member knows, I read the experience and the backgrounds of these individuals that were on the board into the record, and I think they bring quite a good set of qualifications and experience as business people, as senior public officials, as people with specific qualifications with respect to finance and accounting. So all of these people that are appointed are people that have brought a depth of both public and private experience—private-sector and public-sector experience to the role of being a regulator, and we look for people that have that broad experience so they can bring judgment and maturity to these processes.

Mr. Pallister: So I'm gathering that there's transferable skills that these folks have obtained in their previous work experiences and life experiences that the Premier feels would enable them to better perform their job responsibilities within PUB. I'm—am I accurate in that assumption?

Mr. Selinger: You're accurate in assuming that we've tried to find qualified people that bring broad experience on decision making and public—with respect to public policy and regulatory matters. The—for example, the chairperson of the board has served on PUB itself since 2004, but the Leader of the

Opposition will note that in his professional career he also performed regulatory functions as well.

Mr. Pallister: Yes. No, I appreciate that. The issues just around—to help me further understand the NFAT process, so that process will not be looking at environmental impacts. Is that correct?

Mr. Selinger: The specific function that an NFAT panel performs is to look at the business case for alternatives versus what's being proposed by Manitoba Hydro. The environmental policy questions may enter into it as—with respect to that question, but they're not the primary focus of the panel.

Mr. Pallister: So—and also this panel will not look at the delivery route, Bipole III, as part of its undertakings. Is that correct?

Mr. Selinger: This process is about the need for the dams. There's a Clean Environment Commission review process under way with respect to Bipole III.

Mr. Pallister: Sorry, I wasn't clear on that. The—it's about the dams, but the bipole line takes the power the dams produce and transfers it. So is Bipole III in the considerations of this panel, or is it not in the considerations of the panel?

Mr. Selinger: And this panel is looking at the need for the generating facilities, the dams. The bipole routing issue is being addressed through the Clean Environment Commission review process.

Mr. Pallister: So I'm guessing the assumption is that the bipole line isn't really an issue that we need to discuss unless we have the dam approval first. Is that—does that make sense, that there's no need for the bipole line if the dam projects aren't approved? Is that the—I guess I'm just asking you, is that the logic behind leaving out the bipole line from the discussion?

Mr. Selinger: Actually, I think there has for a long time been proposed by Manitoba Hydro the need for an additional bipole, even before the new dam projects were able to attract and nail down sales for future power.

So that strengthened the case for a bipole, but the member might recall, I believe it was in 1977 that there was the potential for a very serious shutdown of the existing two bipoles, which run fairly close to each other through the Interlake, and that threatened the ability of Manitoba Hydro to provide about 60 to—or 70 per cent of the power that Manitoba economy and communities need, and out of that

experience where those two bipoles were almost lost due to very adverse weather events at that time. Since that time, Manitoba Hydro has been suggesting that we needed an additional bipole to provide reliability and security of the power within Manitoba's domestic economy.

Mr. Pallister: I am familiar with Mr. Mauro, but I don't know Mr. Lazarek. Does the Premier have any background on Mr. Lazarek who's been appointed a member, temporarily I guess, to the PUB?

Mr. Selinger: I'll take that question as notice and get him the information specific to Mr. Lazarek's background. I do know that he's been a successful businessman most of his adult life.

Mr. Pallister: Just for clarification. When an undertaking is made to provide information, is there a normal standard of response? How does that work? A time frame for responding to questions, is it?

Mr. Selinger: When we get the information, we'll provide it to the Leader of the Opposition.

Mr. Pallister: Good. On the bipole talk, which has been around—and I'm aware of it—for a long time in terms of the critical issue of safety, you know, assured delivery, it would seem important to understand where the source of the power was going to emanate from before one considered fully where the bipole route should actually be located. So it would seem logical if assured delivery was one of the criteria, and the other location is a given in the debate that this be part of this discussion, the discussion of a needs for and alternatives to analysis would seem—it would seem more logical that you would consider the location of the transmission line in the discussion around the source of the need for the transmission line, unless this is an entirely separate issue, which I doubt.

Would the Premier be in agreement that it would be beneficial to have the discussion around the hydro production include the discussion around the transmission line?

Mr. Selinger: As I indicated earlier, because of the events of around 1997 with the potential loss and almost near loss of the existing two bipoles, the question of reliability of Manitoba Hydro and the need for an additional bipole for transmission has been advocated by Manitoba Hydro for a long period of time. That case is strengthened by additional generating capacity being proposed to be developed for northern Manitoba with export customers having signed—having shown an interest in purchasing that

power in our export markets. So the bipole decision is being reviewed by the Clean Environment Commission for any adverse environmental impacts on any of the communities that are—through which that bipole will travel, and that has—is being dealt with on its own merits.

Mr. Pallister: So, that being said, then, the bipole case being strengthened by the presence of the potential need for additional hydroelectric production in two dams as proposed under this discussion, does that mean, then, that the need for a bipole line to be constructed for assured delivery of hydroelectricity is—was in existence prior to and would be in existence in the absence of the approval from the Public Utilities Board for these projects to go ahead?

Mr. Selinger: My understanding is that that would likely be the case that Manitoba Hydro has felt the need for additional transmission reliability because of the reality that the first two bipoles were built quite close to each other, and the experience in the late 1990s—'97, I think—I believe the member was still in office at that time if I'm not mistaken—and the risk that was inherent in having those two bipoles so close to each other that Manitoba Hydro has felt and believed for well over a decade now that they need additional transmission capacity separate and distinct from the existing two bipoles.

* (15:40)

Mr. Pallister: When did the discussions around—like the discussions and I can't honestly tell or affirm, confirm or deny my awareness of this discussion at the time I was serving in '97. I left in early '97, so I can't deny there may have been some discussion, but my memory is not clear on that issue.

I will ask, though, those discussions had been under way for a long time. The discussions around the appropriate design and placement of those lines been under way for a long time as well. When did the government determine that the west side was the best route for the line to take?

Mr. Selinger: I'll undertake to check the record on that, but I do know it was a subject of debate in the '97 election. So presumably the route would have been identified prior to that, as a policy preference by the government. The Hydro board, of course, has to make its own decision on what routing they prefer, so I—but I would suggest that it was in the run up to the '97 election, in that period prior to that, that the government decided that, from their perspective,

there was some value in having the route for the bipole down the west side of the province.

Mr. Pallister: Yes, there was a federal election in 1997. There wasn't a provincial election in 1997. I don't recall the debate at that point in time, but that's not the issue anyway. I mean really—

Mr. Chairperson: The honourable First Minister.

Mr. Selinger: I just want to correct the record. I was referring to 2007. Sorry, 2007. Thank you for that.

In 2007, it was the subject of an election discussion. There was a policy debate in the 2007 election, so I believe the decision, or the view of the government that it—that the west-side route should be considered was expressed publicly prior to the 2007 election, but I thank the member for allowing me to correct the record on that.

Mr. Pallister: Well, I might encourage the Premier to correct the record on a few other things, too, but we'll leave that alone. I'll just say the east side-west side debate, I do recall in that election campaign being one that was in the minds of some. What I'm trying to determine is when the government had made its determination. The Premier has said he'll undertake to tell me when that was, and that's appreciated.

I'm curious though, and I'm hopeful that he could recall what the critical assessment was that the government undertook to determine that the west side was preferable to the east. Was there a study done internally? What thinking went into determining the longer line to the west of the province was a better idea?

Introduction of Guests

Mr. Chairperson: Before I recognize the First Minister, I just want to acknowledge the presence in the gallery of a delegation from Fisher River Cree Nation from the Charles Sinclair School. Welcome to our Chamber.

* * *

Mr. Selinger: One of the things that happened that had a bearing on the decision on where the bipole should be routed was over 90 meetings with the communities on the east side of Lake Winnipeg, overwhelming majority of those communities being First Nations communities. There were meeting with—meetings with youth, there were meetings with elders, there were meetings with community leaders and one of the views that was expressed during those

meetings is that they wanted to preserve their land over there. They wanted to preserve the boreal forest. They wanted—they did not show a preference for having a hydro transmission line through their traditional territory, and that information was taken into account in the policy preference by the government not to put the bipole down the east side, but to put it down—consider putting it down the west side.

Mr. Pallister: Well, were these same communities asked about the relative intrusiveness of a road being constructed through these same lands?

Mr. Selinger: East-side communities have for a long time. First Nations communities, in particular, have expressed a desire to have access, transportation access to their communities. Many of them have only the ability to have a winter road at the moment. Still, in some cases many of them only have airport—airline access through landing strips that they've built close to their communities, and so the notion of having an all-weather road is something that's highly valued by First Nations and other communities on the east side of Lake Winnipeg.

Mr. Pallister: Well, put those two together, though, and what we have is concerns from communities as conveyed to this committee by the Premier about environmental degradation as a consequence of putting a hydro line in, at the same time a desire for access by way of road far more intrusive to the environmental concerns that people may have than would be a hydro line.

How does that—how do those arguments compare with one another? I fail to understand how, if the environmental concerns of people in one respect are considered of critical importance, they should then be discarded with the construction of a road which would have more environmental degradation attached to it.

Mr. Selinger: I think the relevant point for the member or Leader of the Opposition is in both cases the community expressed a desire not to have a transmission line, but to have all-weather road access into their communities. They did not ask for both or express a desire to have both. These are communities that have been isolated, really, for a very long period of time, certainly since the province of Manitoba has been founded and even before that. There were fur-trade routes through that area in times gone by when the fur trade was more a part of the Midwestern economy, in the Hudson Bay economy, but those communities have expressed a desire to have an

all-weather road and the East Side Road Authority is working in partnership with them to further that objective.

At the same time, when consultations were done with leaders in the communities, elders in the communities, youth in the communities, they were concerned about having a transmission line go through the centre of their traditional territory. There has been, for many years, a winter road through the east side of Lake Winnipeg for those communities, but there was an experience that the winter roads were not being able to service those communities for a longer period of time every year. The season for winter roads was shrinking with changes in climate, changes in the weather, and those communities were being served less and less by winter roads, and in some cases communities were winding up short of essential goods and services. Food, fuel was not being able to be gotten into those communities because of the change in the weather was not allowing those winter roads to function adequately to move all the supplies into those communities that was needed. And so the interest in an all-weather road became more important as these weather conditions changed and the winter-road season was smaller—was shrinking, and smaller and smaller.

Mr. Pallister: That's interesting, but not what I'm asking, of course.

When I asked the Premier what was the considerations that were taken into account when choosing a west route over an east, he cited the concerns of communities not to have environmental degradation, then followed it up by saying, let's build—you know, we built a road because people wanted a road. Then he went further and said we want a road, but we don't want a hydro line. Well, a hydro line is for all Manitobans. It's not just for the people along the route, and I think the Premier understands that.

So the question I guess I'm asking is if—is this the principal and sole concern that was took—taken into account when choosing to build a line, I understand, 300 miles in excess of the east-side route, on the west side, was that the sole consideration—the environmental concerns of the residents of some of the communities on the east side, or were there other concerns as well?

Mr. Selinger: The member said I didn't answer his question, and I would respectfully disagree with him. I answered his question exactly on point. He asked me why there was a difference between the east-side

communities wanting a road, an all-weather road. I explained to him very clearly that they wanted an all-weather road because the winter roads were no longer able to service that community adequately to get the essential goods and services into that community. That's—was a priority. The essentials of life are necessary for every community in Manitoba, and the people on the east side deserve to have access to goods and services as much as any other community does. And I explained to him also that the all-weather road is being proposed over what has formerly been the winter roads. So there is a kind of footprint there that is being used to put the all-weather road in. There's obviously some changes to make sure that the all-weather road is serviceable all year round, but they're trying to follow the existing footprint as much as possible.

*(15:50)

That is not the case with the hydro transmission line, and the hydro transmission line was something that they were not comfortable with on that side. That was some of the early indications that were formed—part of the considerations on whether the bipole should be on the east side or the west side.

Subsequent to that, there was a—Hydro commissioned a study which is known—which reviewed the broader public policy considerations on where the location of the bipole should be. And they looked at the east side alternative versus the west side alternative, and they indicated the pros and cons on both of those choices, and one of the things that—well, a number of things were identified in that, and I don't know if that's—is that information bearing on that?

One of the things that was bearing on that was—is that there was very clearly less development on the east side than there was on the west side, and the development on the west side was more suitable for additional transmission because development was already in place. There was an existing road structure; there was existing services and communities that were used to having a certain degree of development, unlike the east side, which had been more protected, or more isolated, over the years, depending on your perspective. So those are some of the considerations.

Other considerations were the idea that there was—the east side communities were pursuing a UNESCO World Heritage designation for the boreal forest. And experience elsewhere was that hydro transmission lines through UNESCO world sites was

controversial and would attract the kind of opposition that may, indeed, seriously delay whether any kind of transmission line could be built, whether it could be built at all. And so those considerations have been taken into account too. The reputational impact and the delays that could be inherent in having a controversial route chosen, and the reputational impact on an organization such as Manitoba Hydro which needs and requires a good reputation to export its product into other markets was a consideration that Manitoba Hydro had reviewed by this independent study that was done for them. So those were some of the additional considerations.

Some of the support for east-side roads came from, for example, the former Bloodvein Chief Louis Young, who said: For people on the east side, an all-weather road connection is a necessity. It would provide direct social and economic returns. Bipole III would not provide any, or he says in this case, no lasting benefits. It's a compromise to the area's environment that cannot be justified. That was put on the record by former Chief Louis Young on March 24, 2010.

Mr. Pallister: When was this hydro study that the Premier alluded to conducted? Can we get a copy of it?

Mr. Selinger: I will take that question as notice, and I will get the member a copy of it. I do point out to him that we do have an independent committee process in Manitoba that reviews Manitoba Hydro and can have direct input from the officials, including the chairperson of the board of Manitoba Hydro as well as the minister, and they can certainly ask questions of the minister in Estimates. I've agreed to global questions today, but if the Leader of the Opposition wants to focus on hydro, I would ask that he give me notice of that and I'll bring more information for him.

Mr. Pallister: I wasn't aware of the prenotification aspects of this. I guess I should have slipped a note to the Premier weeks ago and told him I was going to ask questions about hydro.

I'm going to ask questions about hydro now. Fair enough? Okay.

Now, on the issue of this study, the Premier alluded to the fact that part of the rationale for constructing on the west side was that it was less isolated, and I guess the timing of this study would be an issue because—and that it had fewer—the east

side had fewer existing roads. And I'm just curious as to the timing for obvious reasons. If the plan was to construct roads along the east side, that might have affected the criterial aspects of considering which way the bipole line should have gone. If the study was done before the roads were built, then, naturally, it would have determined there wasn't road access, which, of course, if it was in the planning already, the study should have known that and might have considered differently. I don't know that, so I look forward to reading that study and determining what the timing was of it because that would help me understand this a little more fully.

As far as the issues around the government's position, the Premier said he'll get back to me on when the government took a position on this issue. And perhaps the Premier could tell us who—if there's someone we could talk to from Manitoba Hydro now or, you know, a former employee of Hydro in a senior position, who could explain to us how Hydro arrived at the position, if the Premier's unable to.

Is there someone we could talk to with Hydro apart from the Premier, if the Premier's not aware as to the reasons that this decision was taken to pursue the west-side route? Perhaps he could help us with that.

Mr. Selinger: I say to the member, he wants to pursue a detailed review of Hydro decision-making. There is a standing committee of the Legislature that allows for that to happen, and he has full access to that committee as a member of the Legislature.

I'd be happy to get him any information I can today, based on a global review of the governance of Manitoba, including Manitoba Hydro.

Manitoba Hydro did commission a report; that report did provide a variety of information and analysis to the board of Manitoba Hydro and it was released publicly, so it was available to members of this House as well as the broader public, and that informed their final decision on where—which route they have chosen to build the bipole. And so I will get that information for him, as I have already said I would do—undertaken to do, and I will let him read that report and peruse that report for the insights that it provides.

Mr. Pallister: Good. There's—just got a copy of a letter to Mr. Vic Schroeder, dated September 20th, 2007, which says in part that—here we go—was announced during the recent provincial election, our government has also made a commitment to protect

the east side by introducing new legislation to be drafted in consultation with First Nations. The intent of the legislation, et cetera, et cetera—and it goes on to say we're also moving forward with our commitment to build the first leg of an all-weather road. That's all good news. And then it says, we—with respect to Bipole III, I understand your board directed the corporation to explore alternatives to the east side in 2004 and more recently contracted with Mr. Farlinger to carry out an external review of routing options.

And it goes on—and so on—to make the case for the east side against the east-side road, and repeats a variety of the arguments that the Premier has made. And it closes by saying, and again I quote: It is the policy of the Manitoba government to make its government decisions about development on the east side in a manner consistent with above-noted commitments and initiatives. The Manitoba government does not regard an east-side Bipole III as being consistent with these commitments and initiatives. We would encourage the corporation to move ahead with required consultations and planning for an alternative Bipole III route.

In essence, what this does is directs Manitoba Hydro to not look at the east side route. Is that what the Premier means about arm's length, or I need some clarification on this.

Mr. Selinger: I would ask the member to table the letter if he's quoting from it, so that we can peruse it and understand the contents of it.

Mr. Pallister: I'm sorry. Again, I apologize, Mr. Chairman.

It is from the Premier and it is to Mr. Vic Schroeder, and it is dated September 20th, 2007. Of course, I will table it for him.

It strikes me that the degree of influence that the government may have tried to exert over Manitoba Hydro on this particular issue has been somewhat understated by the Premier in his comments.

That being said, I'd like to move to another issue, which is the Public Utilities Board report of April 26th this year. Based on the Premier's earlier comments, I—it seems he has no doubt about the capability and competence of the members of the Public Utilities Board, so I will refer to some of their recommendations and comments in here and ask him for his feelings on these things.

To begin, on the issue of staffing levels, it seems that the Public Utilities Board is very concerned—this is in light, of course, of the application for rate increases—it's, I think, the third in the past year—and the reality that three quarters of Manitoba Hydro's costs relate to labour costs, which is not unusual in the operations of any company or government department, but the reality is that the—and they cite it in here, and I'll just—I'm sure that the Premier can get a copy of this document very easily or I can table this for photocopying if I need to, I guess.

* (16:00)

But it does make the observation on page 14 of the 62 pages in the PUB report. It says: Manitoba Hydro's cost-containment measures appear to be modest at best, and despite a hiring freeze, the utility's current projections reflect a growth in staffing of 243 from 2011 and '12 levels. Interestingly, though, Hydro's operations have grown in just the last four years since the so-called economic downturn, subprime meltdown, whatever terminologies one wants to use.

Hydro's operations increased by 25 per cent over four years, and staffing levels have grown by over a thousand equivalent full-time positions in that time period. So we're talking about a payroll increase just under \$200 million in a four-year period. The board expresses concern about that. I wonder if the Premier feels there's reason for concern as well.

Mr. Selinger: What I would say is this—is I would say that—and it's subject to seeing the report from the member so I can just put the quotes in context—I would say just on the prima facie information that he's put in front of me, that the Public Utilities Board is doing its job. That's what a regulator is supposed to do. It's supposed to review the operations of the Crown corporation. It's supposed to identify patterns, for example, in this case, expansion of staff, and then I ask questions as to whether that is absolutely necessary for the proper functioning of the organization. And the Leader of the Opposition will know that not only does the Cabinet appoint the members of the Public Utilities Board, but it also, through another minister, the Minister responsible for Manitoba Hydro, appoints the board members for Manitoba Hydro, as was done when the Leader of the Opposition was a member of Cabinet as well; it's the exact same practices. And in both cases you try to find capable people that can provide good governance and good regulatory oversight in the case of the public board, and good governance in the case

of the Hydro board in—to serve the best interests of Manitobans.

So, when PUB brings out a report after doing a review of a rate application or any other application put in front of them by a Crown, in this case, Manitoba Hydro, those comments are made, and what I am pleased about is that they are speaking and giving their opinion based on their analysis about issues that they believe need to be addressed or discussed, not only by the broader public—because the report is released to the broader public—not only by government and members of the Legislature such as we're doing now, but—and can be taken into further depth through the Standing Committee on Crown Corporations and Manitoba Hydro where officials for Manitoba Hydro can come and directly answer these questions.

I think that's all part of the democratic process is that we have this analysis; we have this public regulatory process; they file a report; they indicate issues that they've put under a microscope in their report that need further review; and then they ask that the people that are running the organization of Manitoba Hydro and those of us that are shareholders through this Legislature, take this information into account in further oversight of the—of this Crown corporation, in this case, Manitoba Hydro.

So I would call that a positive and healthy process. And when concerns are raised by the Public Utilities Board, I think we have to give them serious consideration, and I think the Crown corporation itself has to be able to give it serious consideration and have a plausible response to the issues raised.

Mr. Pallister: I share most of those perspectives and agree that a healthy process is beneficial to all. That being said, the part of the process that we engage in here is to try to have discussion around issues of importance to Manitobans and we have—the opposition has certainly been trying to raise questions and concerns about some of the things that have been echoed in the Public Utilities Board commentary and feel that they deserve to be addressed here and elsewhere.

One of the concerns is, of course, the reality of the, certainly, the North American and global energy market, and the board comments on page 40 of their report, that the integrated financial forecast first predicts export prices to rise above 10 cents a kilowatt hour after 2028. This suggests, I continue the quote, this suggests that a project such as

Wuskwatim would not be profitable based on export sales until after 2028, and possibly even later, if market prices do not rebound as predicted by the forecast. This would mean, essentially, in a simplistic way, I suppose, that we're doing a loss of business here for at least, by their commentary here, at least 15 years, and the nature of those losses, of course, is part of the reason for the application for rate increases that they've brought forward.

Is this 15-year loss, and the Public Utilities Board itself says that this could be—it could be longer than 15 years, is this not of concern to the Premier?

Mr. Selinger: Again, if there is a statement in this Public Utilities Board judgment, or document, that's put out that says there's going to be losses for 15 years, I would ask the Leader of the Opposition to table it in front of the House or in front of this committee today so that we can have a look at it.

I have now received the copy of these—of the document dated September 20th, 2007, to the then-Chairperson, Mr. Vic Schroeder of the Manitoba Hydro-Electric Board, and written to him by the then-minister responsible for Manitoba Hydro, myself. And a number of items are set out in this letter, and as the minister responsible, it is often considered a best practice for ministers to consider transmitting and writing to boards their perspective on things, so that a board can make an informed judgment, taking this into account as well as many other factors that may be presented to them by not only members of the public, but by senior management and other experts that they may have sought advice from.

So the letter in here identifies a number of issues, including broad area planning for the east side of Lake Winnipeg, and that was announced originally in August 2000. Our government announced our intention to initiate broad area planning on the east side of Lake Winnipeg.

Point of Order

Mr. Chairperson: Order. The honourable Leader of the Official Opposition, on a point of order.

Mr. Pallister: Yes, I guess. I don't need—I tabled the letter. I don't need the Premier to read it back to me. I tabled it.

Mr. Chairperson: Okay, well, the honourable member does not have a point of order, but we thank him for the information.

* * *

Mr. Selinger: Well, I thank you for the ruling that it's not a point of order.

The member selectively identified passages in the letter, and I think it's important to put other information pertinent to the discussion that was contained in the letter on the record so that all the information can be considered by those members of the public that wish to peruse Hansard in the future or want to enter into this public debate. I think it's only in the interests of the public that all the information be put on the record, or all the information we consider pertinent, not just what the member, the Leader of the Opposition, decides to select. So I hope he will have some patience, as I've had with him in the information he's brought forward.

The east side of Lake Winnipeg was chosen for broad area planning for many reasons. The letter says, including the area's unique and environmentally spectacular area containing a vast expanse of undeveloped contiguous boreal forest, one of the largest in North America. The east side is home to a population that is 96 per cent First Nation. The east side provides one of the largest habitats for the threatened woodland caribou, and is home to the Bloodvein River, a Canadian Heritage river, as well as the Manigotagan River, both renowned for their marvellous natural and recreational significance.

The east side is—also provides access to transportation networks and broad area planning was chosen because access to transportation networks and many economic opportunities are more limited than in other parts of the province, and the east side, like other remote areas, has already begun to feel the effects of climate change in reducing the viability of winter roads that bring in vital supplies and applying pressure on the boreal forest.

And it goes on to say, more recently, the east side has been identified as a prime candidate for United Nations World Heritage Site designation on the basis of both cultural and natural significance, one of only very few sites throughout the world to be nominated for both criteria.

* (16:10)

The letter indicates that the objective of the original East Side Planning Initiative, now known as Wabanong Nakaygum Okimawin, WNO, was to bring together local communities, First Nations, industry and environmental organizations to develop a vision for land and resource use in the area that

respects both the value of the boreal forest and the needs of local communities. As part of the planning initiative, the ministers and the Premier participated in community meetings throughout the region. In total, 80 separate east-side community meetings were held. Through this process we learned a great deal about the views of the east-side residents, their plans, their hopes, their concerns and their dreams about the future of their families, their communities, their traditional economies, their environment and their sacred and natural areas. It was clear through this process that there was no consensus beyond building a new HVDC bipole transmission line through the east side. This lack of consensus was subsequently reflected in the document entitled, and it's in quotes: Promises to keep, quote-unquote, towards a broad area plan for the east side of Lake Winnipeg, which was received on November 14th, 2004, and represents a framework for a broad area plan. As a result, we have been working with Manitoba Hydro to find routing—a routing option that respects First Nations planning.

I'll leave it there for now, but there are many other worthwhile quotes in this letter and other important pieces of information, and I'd be happy to indicate them later on for the member opposite.

Mr. Pallister: Well, thank you for that redundant explanation, and the reality is that in this letter the minister of the Crown makes it clear to Manitoba Hydro that the government's option—preferred option is the west side, not the east. Is that correct?

Mr. Selinger: Again, this is why the letter is important because it outlines the processes that influenced, in part, the government's broad view, and that's where the report that was commissioned by Manitoba Hydro also made a contribution. And one of the things that came out of the report that this letter references, as I recall, is that the decision—yes, it says in the letter: with respect to Bipole III—and this is myself as minister of the time writing to the chairperson of the time of Manitoba Hydro: I understand that your board directed the corporation to explore alternatives to the east side in 2004 and more recently contracted the CMC consultants to carry out an external review of routing options.

The study reaffirms there are routing options other than the east side that can provide desired system reliability enhancements and will also serve to accommodate future new generation. The study also highlights that an east-side routing for Bipole III would be problematic in several respects including:

an east-side route would dissect boreal forest that is significantly intact and of high ecological integrity; an east-side route has strong potential to undermine First-Nations-led efforts to achieve UNESCO World Heritage designation; an east-side route would be a suboptimal choice in terms of habitat for the threatened woodland caribou. There is already significant demonstrated opposition to an east-side route, which has the potential to translate into a long and divisive licensing process with unbudgeted costs and delays. An east-side route represents significant threats to corporate image including in export markets, and pursuing an east-side route for Bipole III would require the detailed routing work be carried out in advance or concurrently with First Nations land-use planning. This is clearly at odds with Manitoba's commitment to an approach of careful up-front planning first. Now those are just some of the contextual comments that were indicated in the letter.

Now I do have to say as well that the PUB report on page 12 that I believe the member is quoting, and I just have one small passage of it out here. It says, in quotes: there is—the increase is due to the—a growth in staffing levels and accounting policy changes. It goes on to say: the increase in equivalent full-time employees has been attributed to growth in Manitoba Hydro's capital program including new generation and transmission projects, such as Bipole III, Keeyask generating station, Conawapa generating station and Pointe du Bois generating station. To a lesser degree, Manitoba Hydro attributes the employee growth to operational support for various initiatives, including the commissioning of Wuskwatim generating station and the meter compliance program. So that information is part of the PUB report on page 12.

Mr. Pallister: Yes, thank you. I—my question—I was aware of that. My question was: Was the Premier concerned about the staffing levels increasing by a thousand people over the last four years at Manitoba Hydro?

Mr. Selinger: And again, honourable Chairperson, I would say this. We always want to be—any corporation that acts in the public interest such as Manitoba Hydro needs to be fully accountable for decisions it makes, including staffing decisions, and staffing should only be brought in when it's required for essential projects.

The quote from page 12 of PUB report indicates that Manitoba Hydro is undertaking a number of

very significant projects that require staffing in order to ensure those projects get done to meet, in some cases, contractual obligations for exports of power to other jurisdictions.

Mr. Pallister: Yes, well, my concerns are the concerns of the Public Utilities Board, I guess. The Public Utilities Board is expressing concerns. I'm asking the Premier if he's concerned, and I'm not sure that I'm getting an answer. I would again like to go back to this issue of—the argument that the Premier made initially was that the line would be needed regardless, I guess, of the projects, the hydroelectric projects going ahead because it had been discussed for some time anyway.

If the need is to assure additional transmission, why would one choose a line which, because of its additional length, is actually going to be about 25 per cent less capable of taking power down it than would be the case if it was on the east side? If the primary concern was for transmission and security of transmission, would it not make more sense to have a line that was capable of transmitting more effectively and efficiently, the power that one desires transmitted.

Mr. Selinger: Yes, these were some of the questions that were canvassed in the CMC consultant's report that was undertaken, and the technical efficiency of transmission is one very important variable and then some of the points that I've put on the record with respect to routing are also important variables. For example, that an east side route would dissect a boreal forest that is significantly intact and of high ecological integrity. That's a broader public policy consideration that needs to be considered along with the technical efficiency of lines.

The issue of whether it would undermine First Nation-led efforts to achieve a UNESCO World Heritage designation, which is a designation of an expanse of boreal forest which is not only intact ecologically but contains 96 per cent First Nations people.

Those are important public policy considerations as well because, as we know, throughout the world that the ability to sustain forests, which are huge carbon sinks, which are creators of clean water, which are creators of clean air, is something that is of concern not only to Manitobans, not only to Canadians but to citizens around the world, as we see climate change having a greater and greater impact on weather events including flooding, including the

volatility of when spring and summer arrives and when winter arrives and when it ends.

And we did note on the east side in some of the original consultations with people there that the ability to sustain winter roads was becoming a very significant issue which cut off those communities from getting access to the essential goods and services that they need and that all Manitobans need.

So there are a number of factors that go into it and the Hydro wisely commissioned this report from CMC consultants to canvass all the factors that needed to be taken into consideration including technical factors. And one of the factors that was identified in the report by CMC consultants was that an east side route would present significant threats to corporate image including export markets. And pursuing an east-side route for Bipole III would require detailed routing work be carried out in advance or concurrently with First Nations land use planning. This is clearly at odds with Manitoba's commitment to an approach of careful, upfront planning first.

So these were just some of the many factors that were taken into consideration, and it's important that all these factors be put on the record and considered as part of the overall decision of what's good public policy in Manitoba and what's good public policy for this global community that we're members of.

Mr. Pallister: I appreciate that review of previously covered information, but if the Premier is, in fact, referring to a document that he's promised to give me, I'd ask him to table it so I could see a copy, too, if that would be all right. Appreciate that.

Mr. Selinger: Yes, as I said earlier, I will get him a copy of the document. I'm simply referring to comments that were made in the letter that the member has tabled with us today, and I'm just identifying those comments for him.

Mr. Pallister: Thank you.

The—with respect to the demand-side management approach of Manitoba Hydro, the Public Utilities Board has expressed in its report on page 41—did we make a copy of this available to the Premier? Would that be helpful if you—if—

* (16:20)

Mr. Chairperson: The honourable First Minister.

Mr. Selinger: I think in the interest of time I'll take the question; I'll try my best to answer it subject to

giving a report but—because if—I think if we take this report out of the room now, it'll take 10 minutes to get back.

And so I'm going to take it out as a flyer and I'll always make the condition that my response will be subject to further verification when I read the report. But I'll attempt to answer his question.

Mr. Pallister: I appreciate that undertaking and I—again I—I'll use my rookie naïveté as an excuse here, but I would have made copies of these in advance if I'd known that was going to help the process at all.

On the issue of their concerns about the Power Smart program, specifically, that Manitoba Hydro's filed an update which lowers their spending by about 20—about—approximately 20 per cent on Power Smart.

And I'd understood, I guess, was hopeful, as we all were, that the program was working pretty well and that it was actually a success for Manitobans in helping—in particular I like the idea of helping lower-income families reduce their energy costs and thought that Power Smart was doing a good job of that.

So I'm naturally concerned when I see—and I recognize this is Hydro's call, but I'm just asking the Premier is he somewhat concerned?

Public Utilities Board says in here something like this—I'll just look if I can find the right line—oh no—they—okay they cite in their report that comments by the Consumers Association' here. Saying Consumers' Association in the Green Action Centre—and I'm just quoting from page 41 of the report—Consumers' Association of Canada, Manitoba, RM and Green Action Centre express concern about Manitoba Hydro's reduction in Demand Side Management programming and EEG Power Smart, especially in light of increasing electricity prices.

It goes on to say Power Smart is costing the utility 1.8 cents per kilowatt hour but could create 8.5 of additional revenue and that it could be in the public interest to—anyway—to continue with the program.

So I'm—I just wanted your thoughts on this observation by the PUB wondering if you share the concern that this—the Power Smart program has generally been a desirable program and one that—I'm just curious as to why Hydro would be dropping an investment in a program that's done so well.

Mr. Selinger: This may be a rare moment of convergence between the Leader of Opposition and myself on Power Smart programs.

I do think that Power Smart types of programming is extremely important for a variety of reasons, particularly because it helps Manitobans retain and improve their cost of living in Manitoba and lower their daily living costs—I think that is correct.

I do know note for the record that when we came into office there was no residential Power Smart program in Manitoba. The previous government had not done anything in that regard and I just put that on the record as a matter of information. There was some work being done with some of the larger industries in the province to help them become more efficient.

We did launch a number of Power Smart initiatives with Manitoba Hydro and we're very supportive of energy-efficiency programming broadly. We think that that is one of the best ways to shave growth and demand, allow existing capital to serve the public longer, give us more time for exports to pay down the cost of new capital before we need it. And the longer the time before the new capital is needed and it's being paid for by export revenues to lower the cost to Manitobans when they finally take access to this.

So I think this is an area where we may be able to find common ground in terms of the advice that we would want to give from an arm's-length position to a Crown corporation.

And I know the member doesn't want me to interfere too much and we try not to. But we do have a responsibility as legislators and policy-makers to indicate where we think our government business enterprises should go in terms of how they can best serve the public. We don't try to micromanage them, we don't try to tell them specifically how to do things, but we do try to give them sort of a sense of what we think the public interest would be and what good public policy would be.

I do point out for the member that recently last spring we introduced new legislation in Manitoba called Pay As You Save—PAYS it was called. And this legislation is a new tool for Manitoba Hydro to provide opportunities to Manitobans to be able to reduce their energy consumption while retaining comfort in their homes and comfort in their businesses and institutions with a scheme that allows

a financing arrangement to be put in place, such that when you adopt new technology, when you bring in insulation, when you do other things to reduce your consumption of energy, that you are able to realize those savings up front and see that, even after the cost of the investment, your bill go down on a net basis.

And so I'm very interested in these kinds of measures. I actually do think Manitoba has—when we first came into office, Manitoba was ranked No. 10, i.e., the bottom of the ladder on energy efficiency programs, and recently has been ranked No. 1. And so, again, I think that the Public Utilities Board is doing its job here, I think conscientiously, by raising questions about why there is a reduced investment here and whether that makes sense, and whether there might be some long-term benefits from further expansion and further investment in Power Smart initiatives. So I again say to the Leader of the Opposition, this might be an area where we have a common interest in furthering the public interest in Manitoba through energy efficiency opportunities for Manitobans.

Mr. Pallister: Well, given the preponderance of other rankings that aren't quite so good, I'm sure there's a reason for celebration with that ranking, but the—just to put the numbers on the record, the Power Smart plan that had been proposed by Manitoba Hydro had a \$34.4-million spending budget for '12-13, \$34.7 million for '13-14, but in their general rate application, they filed an update that lowered that estimated spending to twenty-eight five this fiscal and \$28.8 million in '13-14. So it isn't just a drop of 20 per cent, it's actually a widening drop next year. And, again, I just—I want—I'm glad we have a point of concurrence. I am genuinely pleased. But I do think that this is an issue that is important in particular. And I know the government celebrates, as they deserve to, the reality of a low hydro rate. I think that that is an understandable thing to be celebrating, but I want us to be able to celebrate that years ahead, too, and so I'm concerned about this.

Given the proposal from Manitoba Hydro before the PUB to increase rates by—double the rate of inflation until 2030, the decline in demand-side management savings, which would ensue as a consequence of reduced support for Power Smart types of programs, and I use that as a generic to describe the demand-side approach, is a matter of great concern to a lot of people. I note in the PUB document it says the Consumer's Association says that they're very concerned as does the Green Action

Centre. Their witness actually made the statement that the board—his benchmarking study, he cites—this is on page 42—indicates that comparable utilities across Canada are targeting between 1 and 2.6 per cent savings per year in reduced consumption through their Power Smart types of initiatives, and Manitoba Hydro is targeting 0.3 per cent.

So, again, other jurisdictions are looking at conservation measures to reduce hydro consumption between 1 and 2.6 per cent savings, and we are looking here—and Manitoba Hydro here is looking at 0.3. This will—if this is true, of course—and, of course, hydro users are all over the map as we know in terms of their—their socio-economic status, but if this has a ripple-down effect on people in low-income families, it does concern us.

I just would say, the board, and I read from the page 44 comment by the board: The board does not agree with Manitoba Hydro's decision to cut demand-side management spending and targeted savings. And they go on to elaborate on that. So the board is in disagreement with Hydro management on this particular issue.

They also go further, and it says here in the third full paragraph down in section 13(2), it says: The board further notes that demand-side management may have a role in limiting future load growth, and the board notes that Keeyask could be delayed several years and Conawapa could be delayed indefinitely with an increased focus on demand-side management. It's the bottom of the third full paragraph in 13(2).

* (16:30)

Again, the concern here that we're rushing ahead—I don't want to—you know, let's just say the government's agenda is clear on pushing for additional hydroelectric investment. That's clear; there's no disputing that. Manitoba Hydro is advertising to promote such.

Yet at the same time, we're cutting funding for Power Smart. I'm wondering about the wisdom of that and I want the Premier to comment on that, if he would.

Mr. Selinger: I think this is a productive area of discussion in the Legislature here, and I thank the member for the questions.

I do note, just to start the discussion parenthetically, that the federal government has eliminated all its green-energy measures and all of its

support for energy conservation in Canada, including Power Smart type initiatives or demand-management initiatives, and that's, indeed, unfortunate. And that has had an impact here in Manitoba too. So they've entirely eliminated any measures in that regard at the federal level.

In Manitoba, it is a good point that, I think, the Public Utilities Board has raised of whether further innovation in demand-management for energy consumption in the province would pay long-yield long-term benefits. And I think the Leader of the Opposition and I might agree that there—that avenue should be fully explored. They should not reduce their interest in that area too dramatically, and I think the PUB raised that question with the commentary that's been read into the record, which is why the government itself has tried to provide new tools to Manitoba Hydro and new tools to Manitobans to continue to pursue reduction in consumption of energy, which is why we brought in the Pay As You Save legislation, which is unique in Canada and probably unique in—fairly unique in North America. I think a few other jurisdictions have done it.

But what's unique about the Pay As You Save legislation is that the investment made in reducing energy consumption stays on the meter. In other words, it stays with the property, and that that will stay with the property even when the ownership of the property changes.

So it allows you to amortize the interest and costs of the innovation over a longer period of time over the life of the asset that you've invested in, whether it's a geothermal unit or insulation or better technology in terms of how the house operates, including the control of the electronics that are used to control the energy consumption. And it also scopes in water, because water consumes electricity, which allows a homeowner or a residential or a commercial operator to find even more ways to save on the consumption of electricity and water—water consuming electricity as well when it flows.

So I think there are innovations that we can continue to ask Hydro to consider. I think the Public Utilities Board has done a very good job on raising this matter with the Crown corporation, and I think it speaks well of the members of the Public Utilities Board that we've appointed, that they've identified this as an issue and have pursued it. And I think it goes back to some of the qualifications of the people that we put on the board, that they're pursuing this and—line of inquiry with diligence and insight.

I do believe that reduction in consumption inside of Manitoba would extend the life of existing facilities to serve domestic purposes and give us a greater opportunity for export revenues to pay down the cost of capital of building new facilities.

But I do say to the member opposite that Manitoba is a growing economy and, as a growing economy, it will continue to demand greater energy consumption in Manitoba, even in the face of very, very vigorous Power Smart or energy demand-management initiatives, and so we want to shrink our footprint in terms of carbon emissions. We want to reduce, on a unit basis, consumption of energy to become even more efficient in Manitoba. But at the same time the economy continues to grow, and it would be folly and foolishness to delay these projects and only see the cost rise and potentially put ourselves in a position where we might have to be a net importer of energy with the growth of our economy at a time when we would need clean energy. And that's when the rates would go up dramatically, and we would see the cost of doing business in Manitoba would become even more expensive, whereas right now, it's among the most cost-competitive places in North America to do business, and we demonstrate that in the Manitoba Advantage every year in the budget.

And I can give the members—the member opposite information in that regard as we look at the budget. You can see that there are some very significant savings for a business inside of Manitoba. When you take a look at the manufacturing sector, for example, and you take a look at the internal rates of return for a large manufacturing firm, which by definition uses a lot of electricity, Brandon reigns No. 1 among a sample of cities in North America, both on the internal rates of return for a small and large manufacturing firm. The city of Winnipeg remains No. 1 for a small manufacturing firm in cities over 500,000, and No. 2, for a larger manufacturing firm in cities over 500,000.

So affordable, reliable, clean, quality energy is a very important part of the equation of the future economic growth in Manitoba and building hydro for future domestic consumption. But building it ahead of schedule, so that export profits can pay down the cost of that capital, is a proven formula that the—unfortunately, the opposition has opposed at every step and every era and every historical period in Manitoba, and the government has had to support hydro in its desire to build more capacity, and it has always proven to be extremely beneficial for

Manitoba, the Manitoba economy and Manitoba citizens.

Mr. Pallister: The Premier alluded to extra profits. What is the payback that he anticipates then? I mean, the Public Utilities Board has said that it's 15 years, at least, of losses. Where does this profit enter into the picture? Is it a speculative profit that may occur as a consequence of a future upturn in the price of hydro? Is that what he's referring to?

Mr. Selinger: Again, it's based on the reality that when you build a hydro asset, it's always very capital intensive up front. Same as when you buy a house. Most people buy a house, and they have to put a mortgage on it to have the opportunity to live in that house while they're raising their family and building up their own careers, and going through that part of a life cycle. And if they waited to pay for it in cash, two things would happen. One, the price would go up of buying the house, and they may have more cash, they may not, depending on what their rent was for where they were living elsewhere, and the future of the economy in terms of their ability to retain employment.

In this case, Hydro assets are built for 70, 80, 90, a hundred years. Some of the hydro assets that Manitoba Hydro has under management right now have been in operation for a hundred years. They fully paid off the cost of the capital.

Limestone was a good example. It cost about \$1.6 billion to build. It paid itself off within 10 years and has been generating benefits to Manitobans ever since, of clean energy and power within Manitoba, at a very affordable price, as evidenced by the hydro rates that are paid by Manitobans and by Manitoba manufacturing and commercial users.

So it's a long-term play, hydro, it requires a vision. It requires a desire to support a growing economy and it requires the ability to plan long ahead of time. The member says that we're rushing. I would say to the member opposite that it's a steady-as-she-goes approach that needs us to think long term and to move forward on a steady-as-she-goes approach with a clear vision of how we can grow the Manitoba economy.

The desire by the Leader of the Opposition to halt these projects, I think, would be extremely detrimental to the future economy of Manitoba, to the future citizens of Manitoba, to future business in Manitoba, and I think would result in a much slower rate of economic growth in this province and much

more difficulty in having businesses maintain their competitiveness here because hydro rates would be higher when you had to import power into Manitoba.

Mr. Pallister: That was a lot more rhetoric than fact in that statement, Mr. Chairman, and the reality is, of course, quite different from what the Premier outlined in many respects. Wuskwatim, this year, will lose over \$100 million. So his arguments about extra profits kind of fall aside in the face of that loss.

I'm all for vision. That's how I found whatever success I found in my life. So I think it's important to respect and listen to others sometimes who have also had some experience in these fields.

For example, former Premier Ed Schreyer, who was pretty much an architect of some major hydro projects, thinks that it's a bad idea to proceed on this one, at this point in time, and says there's time to have a good full discussion and analyze the numbers around this. He says it wouldn't be prudent to proceed right now, but it would be prudent to wait five to 10 years.

I'm curious as to what the Premier says about the comments from a former colleague, and a person who, I think, we all have great respect for in regard to his point of view on this issue.

* (16:40)

Mr. Selinger: Again, I think one of the great things about democracy in Manitoba is that people with experience and expertise get to express their views. They get to put them on the public record. They obviously have the right to present at hearings with respect to the future of Manitoba Hydro. They can come to the Legislature. They can speak in public forums such as the one held last week by the Manitoba business council.

But there is a process in place that looks at the viability of future hydro development and it's one that starts with Manitoba Hydro itself making a business case for that based on the contracts that they've identified with export customers, based on their projections of future economic growth in Manitoba, based on alternative sources of energy, which may or may not be available to them over the long haul. And I have to say that one of the great things about Manitoba Hydro is the most expensive day for Manitoba Hydro is the day the dam opens. And with amortization and interest the actual unit cost of hydro goes down as amortization and interest is retired, and so it's a product that actually gets cheaper over time, as opposed to more expensive.

Many other sources of conventional energy, including carbons, tend to get more expensive over time; whereas, Manitoba hydro actually shows a reduction in cost per unit of energy over time because all the capital is up front and costs are relatively fixed after that except for the obvious cost of continuing to pay staff to look after the facility, etcetera; but the capital cost itself tends to be at its most expensive point when the facility is opened and then amortizes—amortization and interest tend to reduce over the life of the asset and makes the asset a very competitive long-term investment that, in the case of the Manitoba, the rates in Manitoba hydro speak for themselves. They are among the lowest in North America, which provides a great benefit to Manitoba businesses and a great benefit to the customers to buy the product.

Mr. Pallister: On two points: I mean, first of all, because we have a Manitoba advantage with hydro is surely no reason to squander that advantage. On the second point, in respect of the benefits to buyers, I think, the reality in the market currently is that we are providing a tremendous benefit to buyers but not to the people who invest the money to produce the commodity for export. The reality is our alternative providers of energy alternative products are booming in our market. So wind power is up over 500 per cent in our export market; that's nine and a half Conawapa dams. We're competing—we're flowing, according to the Premier, what we're proposing to do is flow an export commodity into a market that is well supplied by shale gas—more than 25 per cent increase in production in recent years in shale gas alone. And I don't respect anyone who puts misinformation on the record. Our position has never been anything except that this should be considered fully and given the debate and full debate it needs.

To purchase, you know, as—to take a position as the government has done and advocate for it is certainly their right and they have the right to do that, but to condone advertising it in advance and promotion by a variety of mechanisms of a project which hasn't gone through the Public Utilities Board process or Clean Environment Commission processes is not on. And the government has certainly done that.

Now I, again, ask the Premier to consider the comments of others, the former ministers, Mr. Evans, Mr. Sale, who have also been on record as expressing concerns about this and saying it is ill-advised. Does he respect their point of view? He references the, you know, the benefit of a democracy

as being a place where we can have fulsome debate. Let's try to have that debate here.

Would the Premier comment on the concerns of Mr. Sale in respect to the lack of diversification initiatives in this province under Manitoba Hydro and how this focus on export to a foreign market is off base?

Mr. Selinger: The first thing I have to say, it's the Leader of the Opposition that has taken a very clear policy position that no hydro should be built for export. That is a very unwise decision, that goes against all the historical success that we've had building Manitoba Hydro for export purposes—very unwise decision, and I would like to know the basis upon which he made that decision. Where did he develop all that wisdom and knowledge to make that declaration just after returning back to this Legislature? I think that is foolishness in the extreme, I have to say.

Now, the reality is, is that when another former colleague of this Legislature weighs in on a public debate that's usually taken quite seriously because these are people of experience in the political process and, in some cases, have been ministers or premiers and their views do deserve serious consideration, alongside the views of the proponents, the proponent being Manitoba Hydro, the proponent being Manitoba Hydro who has developed export customers for the product, and the export customers are prepared to pay a price which will generate profit for Manitoba Hydro.

And the member opposite talks about wind power and shale gas. Our export customers want a diversified supply of energy. They do not want to rely on coal exclusively or nuclear exclusively or natural gas exclusively or wind exclusively. They want a diversified platform of power that they can draw upon for their customers, and Manitoba Hydro is one of the sources of energy that they desire to have. And, as a matter of fact, they make the case that having Manitoba Hydro makes it easier for them to build other renewables such as wind power because, when you have a relationship with Manitoba Hydro, it gives you the ability to store intermittent sources of power like wind power.

Intermittent power has a disadvantage—a couple of disadvantages: One, the efficiency rate is about 40 per cent at best, often 38, 35, 33 per cent. So the efficiency is usually about a third to, you know, maybe 60 to 70 per cent less than Manitoba Hydro, sometimes 80 per cent less than Manitoba Hydro,

less efficiency. And then, secondly, they have the issue of where they store that power because it is only available when the wind 'bine'-turbines are turning, for example, or when the solar panels are attracting solar energy. Then there's the storage issue. By having a relationship with Manitoba Hydro, for example, Minnesota Power has the ability to store wind power in our dam system until they need it, and then have a more consistent basis for providing clean energy to their customers.

So they see multiple advantages in having a contractual relationship with Manitoba Hydro for our power; it's a long-standing relationship that we value as a government. I know Manitoba Hydro values it; I know Minnesota Power values it. And we're part of that Midwest power corridor where we work together to provide clean energy to our customers, and we will continue to do that, and it provides us with a revenue stream that will pay down the cost of new hydro generation and transmission that we're building, which will keep costs low in Manitoba and allow us to provide clean power in other jurisdictions that will be an offset to other sources of power, whether it's natural gas—it's still a carbon, natural gas. It still has a much larger carbon dioxide footprint than Manitoba Hydro does. It still has a greater impact on climate change than Manitoba Hydro does.

So they see the value in a clean, reliable, affordable cost of energy by having a contractual relationship with Manitoba Hydro, and we would encourage Manitoba Hydro to go forward and build the resources they need to provide that customer with the power they're asking for.

Mr. Pallister: Well, these export prices and these deals are so hot, why is PUB being asked to double the rates for Manitoba Hydro over the next 18 years or so?

Mr. Selinger: Again, this is an important question, and the member has to ask himself what's happening with power rates in other jurisdictions in Canada, non-hydro jurisdictions. The rates are going up much more rapidly because all jurisdictions are confronted with growing economies with the demand of how to grow their power base, how to provide energy to their growing economy, and Manitoba Hydro remains a tremendous competitive advantage in this province because by building it before the domestic economy needs it, we get to pay down capital with export revenues, which then makes the supply of energy to domestic customers more cost effective,

more affordable and more competitive. And other provinces are facing this challenge as well with their growing economies, and they're investing in carbon sequestration, very expensive, and it's a technology that if it works effectively, could dramatically reduce carbon emissions for coal and lignite, which are sources of energy in other jurisdictions.

Other jurisdictions are consuming natural gas as a primary source of energy or different forms of oils. In eastern Canada they consume a lot of oil for energy and home heating and residential purposes. And all of them are finding a challenge right now with rising energy costs. Manitoba's energy costs are rising lower than most other jurisdictions in North America, and we verify that annually through a commitment we made in legislation that we would keep auto insurance rates, home heating and electricity rates the lowest in Canada as a bundle over the next four years. And, on the first anniversary of that commitment in legislation, we met that test, and we're very optimistic that we can meet that test in the future, subject, of course, to some unforeseen circumstance that may throw Manitoba Hydro off course. And there are risks in any source of energy, but Manitoba Hydro has consistently outformed the alternatives available to us in this marketplace.

* (16:50)

Mr. Pallister: So, Wuskwatim. What year was Wuskwatim when it started, back when? *[interjection]* 2007, and the minister can probably clarify for the Premier if he doesn't know, but I'm not sure. It's 2007, I think, Wuskwatim, and, going online right away—power of how much for export? How much power will they have for export, 900—*[interjection]* So there'd be 1,500 gigawatts for export from Wuskwatim. It's been in the planning stages or under construction for several years, and, from the Premier's remarks, he's asserted that there's lots of buyers out there. So how much of the production of Wuskwatim is spoken for with contracts so far? What percentage—

Mr. Chairperson: Honourable First Minister.

Mr. Selinger: One of the things I just have to say, with the growing of Manitoba economy, Manitoba has—Hydro has already identified they're going to need Wuskwatim for domestic purposes very soon within—*[interjection]*—within the next few years. So it would have been a 'hummungus' mistake not to build it, because we're going to need it for domestic consumption.

Now, I just have to indicate to the member opposite what the difference is, the Manitoba advantage, with respect to having Manitoba Hydro built. The rates on a kilowatt hour basis in Manitoba are about 5.77 cents per kilowatt hour. In Québec, they're 6.32 cents per kilowatt hour; in Louisiana, 6.61; all the way up to Minnesota, where we provide 10 per cent of their energy, 9.31 cents; Wisconsin, 10.65 cents.

So we provide a very competitive product, and I think the member—the Minister responsible for Hydro in question period today gave some indication of what a monthly bill is, on average, in Manitoba. It's about \$78.92. In Minneapolis, it's \$121; in Regina, it's \$131; in St. John's, Newfoundland, it's \$134; in Vancouver, it's \$89. They have BC Hydro; that's helpful. In Moncton, it's \$118; in Halifax, it's \$154. It's more than double, or close to double, what it is in Manitoba.

So there are very significant advantages from the formula that Manitoba Hydro has followed for many decades: to build power generation before they need it, to contract with exports customers to pay down the cost of capital, and then to have the assets available for domestic consumption at a lower rate per unit of energy consumption than in just about any other jurisdiction in North America.

Mr. Pallister: Yes, and so all the more important that we don't squander that advantage we now have, and, with respect to Keeyask, then, I take it from the comments of the Premier that the principal reason for Keeyask, because Wuskwatim's needs, or its anticipated Wuskwatim's needs, are for domestic purposes, that Keeyask is for export. Is that a fair statement?

Mr. Selinger: All the power being built in Manitoba has the ultimate purpose of being to serve Manitoba's domestic purposes. By getting ahead of the curve and building it earlier than anticipated, we allow our—we allow us to sell that power into export markets before we need it and pay down the cost of capital.

One of the things we've noticed in Manitoba is that the economy has done, performed, quite well relative to other economies across the country. We've been in the top three for economic performance for probably the last decade, certainly the last five years, and probably for the last decade. So that's a positive story for the Manitoba economy.

It's gone from about \$34-billion-a-year economy when we came into office—I think it's projected to be

in the order of \$62 billion a year this year. That's very strong growth in a North American context where a recession has wreaked havoc on the largest economy in the world, being the American economy, which is showing signs of recovery now, not as rapid as anticipated, but is showing some signs of recovery, which we're all very optimistic will continue.

So the answer to the question is: all dams are built ultimately for domestic consumption. If they can be built and brought on line earlier than the domestic consumption required—requires, then we can get export profits that pay down capital, and this relates back to the point of—that rare point of convergence that I had with the Leader of the Opposition on demand-management programs. If we have good energy-efficiency programs in Manitoba, we can reduce the growth in domestic consumption demand within the province and allow those dams to be available for export profits for a longer period of time, which will pay down more capital and allow us to be more competitive when we finally have the need for that power.

Mr. Pallister: So that model was correct and we don't have current need domestically. But the Premier said it earlier, it's better that we didn't enter into contracts for providing export markets. Then he must be anticipating that—I'm assuming then that Wuskwatim losing \$117 million projected this next fiscal year is a good deal for Manitoba Hydro owners. Is that correct?

Mr. Selinger: Wuskwatim is a project that has been built in Manitoba and the ultimate destination for which is domestic consumption. Domestic consumption, Manitoba Hydro is saying, will be—it will be needed and required for domestic consumption earlier than originally anticipated, which will allow Manitoba Hydro to provide that power to people in Manitoba and businesses in Manitoba with our own-source power.

In the absence of Manitoba Hydro building Wuskwatim, they would have had to import power. That would have been much more expensive than Wuskwatim is.

Mr. Pallister: Or conserve power, as we've agreed in our rare moment of agreement earlier.

The estimate from the witness at PUB was that we could actually have—if we moved ahead with the Power Smart investment, can serve approximately as

much power as Keeyask is slated to produce over the next few years.

Which again, I guess, raises the question about the conservation investments. Is it correct—does the Premier agree? Well, I guess we've agreed already I don't need to ask him—we've agreed that the savings from conservation are a multiple of the benefits to Manitoba Hydro owners being all of us, Manitobans.

I'm curious as to what's changed, then. If the government's position was, in respect of—and was clear, I think, back five years ago that this was a good model to pursue. Has anything changed in terms of the analysis that we could—you could share with me that would help us better understand, then? Illuminate how the plan has responded, if at all, to changing realities.

The government speaks about, quite frequently, global economic uncertainty; we all understand that energy markets are changing, production in the US and the shale area is—has been increased enormously. The actual estimates on reserves now are much larger than they were a few years ago. The competition in our market—our market export area is higher than it has been. And certainly that's evolving. So what has changed in the government's plans since 2008?

Mr. Selinger: We've seen our customers come back to us and reaffirm their desire to have Manitoba Hydro as one of the products in their mix of diverse energy sources.

The member is correct that shale gas been a new and coming source of domestic energy within North

America and many different parts of North America. And that is a welcome development from, particularly American perspective, because it gives them the ability to 'reluse' their reliance on imports.

But it is also the case that shale gas is a carbon fuel, and the climate change continues to be a growing—there begins—continues to be a growing scientific evidence that climate change is having a big impact on the global lifestyles that we all lead.

And, in particular, we saw before Christmastime Munich RE, which is largest—one of the largest reinsurance companies in the world, come out and say that North America is one of the continents most impacted by climate change. And I believe the number they said of costs that were reeked of—damage costs that were reeked on North America through severe and unpredictable and more frequent weather events is in the order of \$140 billion.

So we see the present administration in the United States, led by President Obama, looking for ways to strengthen the American ability—the American economy's ability to reduce carbon emissions while continuing to have a good, clean source of domestic energy for growing their economy.

Mr. Chairperson: Order.

The hour being 5 p.m., I am interrupting the proceedings of the committee.

This section of the Committee of Supply will now recess and will reconvene tomorrow morning at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 16, 2013

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