

Third Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Legislative Affairs

Chairperson
Mr. Daryl Reid
Constituency of Transcona

Vol. LVI No. 4 - 6:30 p.m., Monday, April 25, 2005

ISSN 1708-668X

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS

Monday, April 25, 2005

TIME – 6:30 p.m.

Bill 13–The Milk Prices Review Amendment Act

LOCATION – Winnipeg, Manitoba

Bill 23–The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)

CHAIRPERSON – Mr. Daryl Reid (Transcona)

VICE-CHAIRPERSON – Ms. Kerri Irvin-Ross (Fort Garry)

WRITTEN SUBMISSIONS:

Bill 12–The Liquor Control Amendment Act

Mr. Leo Ledohowski, President and Chief Executive Officer, Canad Inns

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Ms. Allan, Mr. Smith, Ms. Wowchuk

Messrs. Cullen, Dewar, Eichler, Ms. Irvin-Ross, Messrs. Reid, Rocan, Schellenberg, Schuler

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Mr. Chairperson: Good evening, everyone. Will the Standing Committee on Legislative Affairs please come to order.

APPEARING:

Mr. Kevin Lamoureux, MLA for Inkster
Hon. Jon Gerrard, MLA for River Heights

This evening the committee will be considering the following bills: Bill 12, The Liquor Control Amendment Act; Bill 13, The Milk Prices Review Amendment Act; Bill 23, The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces).

WITNESSES:

Bill 23–The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)

Mr. Ted Mansell, National Health and Safety Director, Service Employees International Union (SEIU) Canada
Mr. John Doyle, Manitoba Federation of Labour

We do have presenters registered to speak to these bills. It is the custom to hear public presentations before consideration of the bills.

Is it the will of the committee to hear public presentations on these bills? *[Agreed]*

Bill 12–The Liquor Control Amendment Act

Ms. Deanne Olston, Rivercrest Motor Hotel
Mr. Gary Desrosiers, Brunkild Bar
Mr. Jim Baker, Manitoba Hotel Association

I will then read the names of the persons who have registered to make presentations this evening.

Bill 12: Mr. Jim Baker, Manitoba Hotel Association; Deanne Olston, Rivercrest Motor Hotel; Gary Desrosiers, Brunkild Bar.

Bill 13–The Milk Prices Review Amendment Act

Mr. James Wade, Dairy Farmers of Manitoba

On Bill 13: James Wade, Dairy Farmers of Manitoba.

Bill 23: Ted Mansell, Service Employees International Union Canada; and Darlene Dziejewit, President, Manitoba Federation of Labour.

MATTERS UNDER CONSIDERATION:

Bill 12–The Liquor Control Amendment Act

If there any other persons wishing to add their names to this list, please see the Clerk at the back of

the committee rooms to add their names to the list. Thank you.

Those are the persons and organizations that have been registered so far. Just a reminder for anyone that may be making a presentation here this evening that we would like to have 20 copies of your presentation, if possible. If you require assistance with photocopying, please see the Clerk at the back of the committee room.

I understand that we also have some out-of-town presenters in attendance this evening. Their names are marked with an asterisk on the presenters' list. Is it the will of the committee to hear from out-of-town presenters first? *[Agreed]*

My understanding is that we have an out-of-town presenter from some distance on Bill 23, Mr Ted Mansell. Is it the will of the committee that we commence with Bill 23 and hear both presenters to that bill, and then proceed to subsequent bills? *[Agreed]*

Before we proceed with Bill 23, I would also like to inform the committee that a written submission has been received from the following individual, Mr. Leo Ledohowski, President and CEO of Canad Inns. A copy of this brief was made for committee members and was distributed as the start of the meeting. Does the committee grant its consent to have this written submission appear in the committee transcript for this meeting? *[Agreed]*

I would also like to inform presenters that, in accordance with our rules, a time limit of 10 minutes has been allotted for the presentations, and 5 minutes for questions from committee members. As well, in accordance with our rules, if the presenter is not in attendance, their name will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, their name will be removed from the presenters' list.

I would also like to advise all in attendance that, in accordance with our rules, if there are fewer than 20 persons registered to speak at 6:30 p.m., the committee may sit past midnight. I would like to advise that as of 6:30 p.m., there were 6 persons registered to speak, therefore this committee may sit past midnight.

Just prior to proceeding with public presentations, I would like to advise members of the public of the process when it comes time for questions from

the committee members on your presentation. The proceedings of our committee meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be a member of the committee or a presenter, the Chair, myself, must first say the MLA or the presenter's name to allow it to be entered into the Hansard recordings. This is a signal for the Hansard to turn on and off the microphones from each member.

I thank you for your patience. We will now proceed with public presentations.

Bill 23—The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)

Mr. Chairperson: We are starting with Bill 23. Mr. Mansell.

Mr. Ted Mansell (National Health and Safety Director, Service Employees International Union SEIU Canada): Thank you, Mr. Chair and committee members. My name is Ted Mansell. I am the National Health and Safety Director for Service Employees International Union. I am here to speak to you this evening about Bill 23 that is currently before the committee. I will just quickly highlight the comments that are in our submission.

The first section of the act, section 45.1, talks about where hollow-bore or intravenous needles are used in medical workplaces. SEIU respectfully submits that there are nine broad categories of sharps, medical devices, and that the bill should be more comprehensive to cover all of those various devices, because of all of them, any one of them can give rise to a serious or even fatal injury.

Under 45.1 on the first page, we are recommending the language: "In any circumstance where a worker is required to used a medical sharp, the employer shall ensure that a safety-engineered medical sharp is provided and used" and "This section applies when a safety-engineered medical sharp is commercially available and appropriate for the specific task or procedure." Although it is not mentioned in the submission, committee members, the manufacturers in Canada tell us that, for every single conventional device that they make, they also have commercially available a safety-engineered version of the same.

* (18:40)

Then we move on. On the next page of our submission, "Where there is more than one type of safety-engineered medical sharp commercially available and appropriate for the specific task or procedure, the employer shall select the safety-engineered medical sharp that reduces to the greatest extent possible the likelihood of accidental parenteral contact." The reason why is that, currently, the criteria for safety-engineered devices, there are many different types, and is similar to saying what is a good car versus what is a bad car. Some safety-engineered devices actually require a two-hand activation which is more dangerous than the conventional needle that is only used with a single hand, so that you put the second hand in harm's way by having to use the second hand for activation. The reason we are suggesting this be in here is it is similar to other pending legislation in other provinces.

Moving down the page, we talk about Workplace Safety and Health Committee. Currently, Bill 23 does not address the very important necessity of having the Workplace Health and Safety Committee be a part of that selection and assessing process, so we are suggesting here at the bottom of page 2 in our submission, "An employer shall consult with the Workplace Safety and Health Committee" or rep, if any, for the workplace "before selecting appropriate safety-engineered medical sharps."

Moving right along, on section 45.1(2) of the current bill that says, if safety-engineered needles are not practicable, we would bring to the committee's attention that there are very rare circumstances, if any at all in this day and age, where it would not be practicable to now use a safety-engineered version of any conventional medical device.

With that said, we would also point out that our previous language in 45.1 on page 1 already says: "This section applies when a safety-engineered medical sharp is commercially available and appropriate for the specific task." So, if it was still felt by the medical community that any particular safety-engineered version in the workplace is not appropriate for that medical task, they would still have the right under this proposed legislation to stay with the conventional device.

Currently, the concern, quite frankly, Mr. Chair and committee members, is that this is a gaping

loophole in the way it is being proposed right now, in that "practical" is not defined. I could simply say as any employer not wishing to spend any extra money on safety-engineered versions, to say I do not believe it is practical to do so, therefore the law allows me to exempt myself from that provision. Clearly, that was not, I believe, the intent of Bill 23.

Following along on that, on my second page of the submission, we talk about instruction and training because safety-engineered devices do require some kind of in-house training so that staff is comfortable in how to use safely. There is no mention of that in the current Bill 23 as it is proposed, so we have at the bottom of our second page in our submission: "The employer shall ensure that any workers who are required to use a medical sharp," or who may otherwise come into "contact with a medical sharp, receive and participate in such instruction and training as being developed by the employer."

The second part of that defines what that instruction and training should be so that it is very clear to everybody that comes under Bill 23. They know exactly what the ground rules are, what kind of training has to be given. We have it listed there: "The instruction and training to be given shall provide information on, (i) risks associated with accidental parenteral contact with medical sharps; (ii) safety-engineered medical sharps and their use; (iii) workplace practices to reduce the risk of accidental contact with medical sharps; and (iv) any other information" that is relevant.

Moving along now to section 45.1(3) of the current Bill 23, Procedures—Needlestick Injuries. It is very important in most cases where there is an accidental contact by a conventional needle that the worker or the person who has been injured, be it a member of the public or otherwise, get prophylactic treatment within the first two hours of receiving that needlestick injury. Bill 23 right now does not specify this necessity and we need to revise that.

Also, what is important to remember is people who have had that needlestick injury must undergo testing for six months to a year to find out if what we call zero convert, in other words test positive, for any one of up to 33 deadly diseases that can even be fatal. We never know until at six months or a window in some cases for some individuals as to whether they can be cleared and be told medically

they have not contracted one of those horrible diseases.

What we are saying in our submission is that the workers who have endured this must now go home and look at their families, and their families wonder if mom or dad is going to die from this accidental needlestick injury. There is a horrific amount of emotional anguish already imposed upon that worker. We are asking that Bill 23 be revised so that if they have to endure this kind of medical testing, that they at least not be given an economic penalty by not being paid to do so.

In our submission on page 3 at the bottom, you will see there that we are saying "Post-exposure Protocol," that the bill calls for timely and effective medical attention to be provided to any worker who receives a skin-piercing sharps injury, including post-exposure evaluation follow-up. In accordance with the above, a clearly-established, post-exposure protocol, developed in conjunction with the health and safety committee be implemented and made readily accessible and communicated to all employees.

In subsection (b) at the very bottom of the page: "Where a worker cannot receive a vaccination and/or prophylactic treatment as referenced in clause (b) during the worker's normal working hours, the employer shall credit that time required for the vaccination and/or prophylactic treatment as time at work and ensure that the worker does not lose pay or benefits."

I have got to keep moving here because of the time constraints. Under 45.1(4), currently it says investigation and report required under Bill 23. It simply says right now, as it is proposed, the employer must "investigate and prepare a report." It says, really, nothing else in any kind of specific detail.

What we are saying is the fundamental purpose of this whole provision in Bill 23 is to find out exactly what happened and then make those recommendations so that accident never occurs again. That is the whole purpose of doing an accident investigation. Therefore, what has to be required here, in other legislation in North America, they specifically call for a sharps injury log.

You will see in 45.1(4) at the bottom of our page, "(a) Sharps Injury Log: The employer shall maintain a sharps injury log with detailed

information including: (i) date and the time of exposure incident; (ii) the type of device involved, the manufacturer brand and model;" This goes back somewhat to what we said on page 1 about the different kinds of safety-engineered versions that are out there.

There are basically two kinds of broad categories of safety-engineered versions. One is passive and one is active. The active type is less safe than the passive because the active means the user has to activate the safety mechanism manually in order for it to work. An example of that is when I use a needle, stick it in a patient, and then in one particular brand or make, it has what they call a safety glide. The worker pushes this little plastic tip to the top of the needle and it actually caps the needle so it cannot hurt nobody again. That would be what we call an active version because if the worker fails to do that last little action, you still have an exposed needle which is really no safer than a conventional.

A passive version, which is a superior safety-engineered version, is the type where you would depress the plunger. As you depress the plunger, there is a spring mechanism in the bottom of the device that automatically retracts the steel tip up inside the plastic barrel so that the worker does not have to worry about forgetting to activate the safety mechanism.

I am only going into this detailed analysis for the committee's purposes so they understand that even though they are considered safety-engineered, some are far better and superior than other safety-engineered. That is why we are saying this sharps injury log is so important because we would need to evaluate how that accident happened, what exactly kind of device were you using, brand, make and model, because we could find out, in fact, we were using a safety-engineered, and we still had an accidental injury.

I will not bother reading the rest of it. I think it is pretty straightforward. That is the kind of information most health and safety folks and health and safety committee members need to find out what exactly happened to make a proper recommendation to stop it from happening again. I think I have pretty much covered that all in terms of our submission of Bill 23.

I apologize for talking so quickly, but the time constraints require me to do so. I can answer any questions that your committee may have, Mr. Chair.

Mr. Chairperson: Thank you, Mr. Mansell, for your presentation here this evening.

Hon. Nancy Allan (Minister of Labour): Thank you very much for joining us this evening, and for your excellent suggestions in regard to some of the changes we might have an opportunity to look at. Thank you so much for coming out of town to be here with us this evening.

I was just curious. Maybe in your remarks in regard to the recommendation that you make in regard to 45.1(1), I am just wondering what other province is looking at that particular provision. You kind of mentioned that and, actually, your recommendation in regard to defining the instruction and the training, I find quite interesting because, actually, one of the reasons the bill is not being implemented until January 1, 2006, is for that very reason. It is really important there is a training strategy in place. There are 11 000 nurses that will be handling the safety-engineered needles, and we definitely have to a training strategy in place.

There was just one other comment I wanted to make. I am just curious about the consultation with an advisory committee because we are requiring a safe work procedure to avoid injury, so I just kind of found that interesting. We will have a look at some of these suggestions, and thank you very much for being with us this evening and for your presentation.

* (18:50)

Mr. Chairperson: Mr. Mansell, did you wish to respond?

Mr. Mansell: Yes, Mr. Chair, I would like to respond to the first comment of the minister. I can speak to 45.1, specifically, on the first page of our submission. What other provinces are contemplating this particular provision, as being proposed here tonight: Nova Scotia and Ontario, respectively, both have these before their legislatures, with this language.

Mr. Ron Schuler (Springfield): Thank you very much, Mr. Mansell, for coming out and making your presentation. I do not know exactly where you came from, but we have had individuals come from all over the country on other bills. I certainly appreciate hearing your presentation. Thank you very much for

you comments. From what we understand, some of this will find its way into regulations, so we are, obviously, eager to see the regulations.

Could you comment on one thing? The minister prefaced already, and it is an area that she and I, obviously, disagree on, and that is the last section. This act comes into force January 1, 2006. This is something that you have pushed as an organization. I have documentation as early as September 2004. Certainly, that is the first I received. Do you want to comment on that? Would you like to see it come into effect as soon as regulations are in place, or have you looked at that at all?

Mr. Mansell: We do understand that an implementation period is required. We have been hearing that in every province that we have been doing our campaign across in the country. In terms of an actual date, I believe each respective province would probably understand better, in consultation with their health authorities, as to what is a workable date, obviously, the sooner, the better.

We want to caution the committee that we would not want to rush into implementing an inferior regulation and ensure that the bill that is before us is done properly and thoroughly, so when we do implement, it is going to have the maximum effect possible.

Mr. Kevin Lamoureux (Inkster): You had indicated that the needle was one medical sharp instrument, and I am wondering if you could give just somewhat of your best guesstimate as to what percentage of work-related injuries would come from that particular sharp instrument, and if you could also give an example of what another sharp instrument would be. You mentioned, I think, six, possibly seven.

Mr. Mansell: My understanding is that a high percentage, between 40 and 60 percent, are basically caused by needles, but other medical sharps devices that are in the workplace that give rise to injuries are lancets, catheters, scalpels, even what is considered medical sharps now is any glass that can be replaced now with plastic, like the centrifuges and things of that nature.

I do not profess to be a medical expert, but in working with the manufacturers during this campaign, we have received a lot of information

about what devices are out there, and there are nine broad categories of safety-engineered versions. But the most important thing that I have to impress upon the committee that was impressed upon us is the manufacturers themselves have told us for every single conventional device they sell, they now have commercially available a safety-engineered version.

They are telling us that in terms of unit sales across the country, and it is just about the same in all provinces, approximately 10 to 20 percent of their sales right now are safety-engineered products, which means the other 80 to 90 percent of the products that they sell are still conventional. One other thing we have just discovered recently, this butterfly device, I am told, they now have a second generation safety-engineered and for some particular reason it has become very popular with hospitals and health care authorities. Just, without even the legislation in place, they have ended up selling more of the safety-engineered than the conventional, and the safety-engineered is now cheaper than the conventional butterfly, simply because of volume.

This is what they tell us happened in the U.S., when the U.S. passed this legislation in 2001, over 600 companies sprang up overnight because they realized there was a huge market now for safety-engineered, and with 600 companies competing against each other for sales, it drove the prices down dramatically. Of course, that is when we get into the business case issue, which I really do not like getting into, because this thing is about saving lives, not about saving a few pennies here and there, but the nice thing about this legislation and this conversion is it has already been proven that we can make a legitimate business case to actually save health care dollars in the process.

The Vancouver Island Health Authority, if I may, Mr. Chair, simply, did a conversion just last year, and they had estimated, using their health statistics in B.C., that the average needlestick injury now cost \$2,000 per injury. Based on the number of the thousands of injuries in B.C., they have already calculated that if they can save up to 90 percent of those injuries by converting to safety-engineered by mandatory use through legislation, it is more than a self-financing proposition.

Mr. Chairperson: Thank you, Mr. Mansell, for your presentation this evening. We are out of time, unless there is leave by the committee for further questions.

Okay. There is leave of the committee.

Mr. Denis Rocan (Carman): Thank you very much, committee members, for granting me leave. Just ask a particular question of you, sir, as much as we appreciate you coming out here this evening.

When you were finishing your presentation, you make reference to superior needles. The last few words when you were talking, you said superior needles, in response to the minister, 45.1.1, where the terminology gets to be safety-engineered needles. Now, I have to assume by safety-engineered needles, those are the ones that you were making reference to, whereas the nurse had to finish the movement somewhat to extend a cap over the sharp portion of the needle, right?

Mr. Mansell: Yes. If I understand the question, there are many different kinds of safety-engineered needles. They are classified as safety-engineered through Health Canada, but there are many different, very good safety-engineered versus not so good safety-engineered. My point was in the two different types of safety-engineered, there is passive and active. Active requires user activation to make the safety feature work. Passive, which is a superior design, does not require user activation. It does so automatically. It is better technology.

Mr. Chairperson: Any further questions by committee members? Thank you very much, Mr. Mansell for your presentation here this evening, and have a safe trip home.

Next presenter on our list for Bill 23 is Darlene Dziewit, President, Manitoba Federation of Labour.

An Honourable Member: Hey, Darlene.

An Honourable Member: Surprise.

Mr. Chairperson: Since we have just two presenters on this bill registered at this point, is there leave of the committee to have Mr. Doyle present on behalf of the MFL? *[Agreed]* Mr. Doyle, we have a copy of your presentation in front of us. You may proceed when you are ready.

Mr. John Doyle (Manitoba Federation of Labour): Unfortunately, Darlene is probably over North Bay right about now. She will not be landing here until 8 or 8:30, so she asked me to come down and present the brief that was prepared for her.

The Manitoba Federation of Labour (MFL) is pleased to present its views on Bill 23, a bill that is designed to reduce the number of injuries experienced by mainly health care and waste disposal workers from accidental punctures by used hypodermic needles. You will find that, in my remarks, I refer almost exclusively to hypodermic needles. That was the information that it was based on. I was not aware of the scope of the number of sharp objects that are loose in the hospitals these days.

For those of you not familiar with the MFL, we are an umbrella organization for Manitoba unions that are affiliated with the Canadian Labour Congress, our national level central labour body. Our 35 affiliates collectively represent about 95 000 working women and men in our province.

One of the MFL's roles is to assist our affiliates and co-ordinating in their campaigns. One such campaign was undertaken by the Service Employees International Union (SEIU) nearly five years ago to end the use of a type of hypodermic needle that injured health care workers by accidental punctures from used needles. Also vulnerable are workers who remove medical waste from health care facilities or process that waste where it is finally disposed.

The SEIU campaign enjoyed the support of other health care and waste sector unions, such as the Manitoba Nurses' Union, the Canadian Union of Public Employees and the United Food and Commercial Workers Union, as well as support from central labour bodies such as the MFL across the country.

It is our belief that this campaign has been instrumental in sensitizing legislators and responsible for bringing us to this day.

We commend the government of Manitoba for hearing the evidence presented on this topic and for taking swift action on it, resulting in Bill 23. When passed, it will be the first law of its kind in Canada, a ground-breaking lead that, hopefully, other jurisdictions will follow very quickly in the near future.

* (19:00)

It is important that this initiative take the form of legislation rather than through regulation. Enacting

legislation such as Bill 23 underscores, in a very public way, the importance that the government is attaching to this issue, and it sets a clear model for others to follow. Accomplishing these things is possible through regulation, but too often, new regulations come and go with little public notice.

The need for legislative action is well documented. Injuries caused by used sharp objects such as hypodermic needles are a significant risk for the transfer of blood-borne diseases such as HIV and hepatitis B or C. It is estimated by the SEIU that more than 3500 needlestick injuries occur in Manitoba each year. This is a conservative figure since we suspect that many injuries go unreported, perhaps close to 60 percent of the real number of injuries.

The cost of testing victims of needlestick injuries for any infection that may have occurred as a result is in excess of \$1.5 million per year. After testing, the victim must endure uncertainty anywhere from six months to a year before conclusive test results are available. The majority of these injuries occur in medical treatment environments such as hospitals and clinics where hollow-bore needles are used to take blood samples or administer medication.

These numbers and the associated hazards can be significantly reduced by adopting the following measures: replacing the traditional hollow-bore needle with safety-engineered needles such as retractable needles or shielded needles, although the previous presenter gave ample testimony as to which is the preferred route to go; the implementation of safe work procedures and practices in the workplace; the development and implementation of procedures to come into play if an injury does occur.

In addition to these measures, it is important that an employer be required to investigate and report on every needlestick injury that occurs in order to accurately assess the effectiveness of these measures, and to identify any further remedial action that is necessary. If there are any instances where it is not practical to use safety-engineered needles, safe work practices must be implemented for the continued use of hollow-bore needles, including the provision of personal protective equipment.

In closing, let me repeat our congratulations for presenting Bill 23 and taking definitive steps to make our hazardous workplaces safer for our workers. Our

affiliate, the SEIU, has shared with us some amendments to the bill that will make the law more effective. They are attached to this brief as appendix A.

Mr. Chairperson: Thank you, Mr. Doyle, for your presentation this evening. Questions for the presenter?

Ms. Allan: Thank you very much, Brother Doyle, for your presentation. I appreciate it. So basically, the recommendations you are making are identical to the previous presenters?

Mr. Doyle: This brief was meant to be a broad statement of support with the attached amendments requested by the SEIU attached.

Ms. Allan: Thank you very much for your presentation. I appreciate you taking time to be here tonight.

Mr. Schuler: Thank you very much for coming to committee tonight and making the presentation. Again, one of the things that we would have like to have seen is a bit tighter time on it. We are under the assumption that the regulations are basically ready to go. Hence, the legislation is here, but we are pleased that the government has moved ahead. I think it is important considering the amount of injuries that this legislation does proceed.

Mr. Chairperson: Mr. Doyle, did you wish to respond?

Mr. Doyle: Sure, I think the preparation of legislation and the enactment of it, along with the accompanying regulations, is important that it takes place in a timely manner. But as I understand from the minister, there is concern that there be a period where proper training can occur so the regulations and compliance with the legislation is carried out in a timely way that is effective and winds up in lower injuries. As the previous presenter said, sooner is better than later, but in an organized way, it might have to be a bit later than sooner.

Mr. Chairperson: Thank you, Mr. Doyle. Any other questions of this presenter?

Hon. Jon Gerrard (River Heights): One of the points you raised, which is the same as Mr. Mansell, has to do with where more than one type of safety-

engineered medical sharp is commercially available and appropriate for this specific task of procedure, the employer shall select a safety-engineered medical sharp that reduces to the greatest extent possible the likelihood of accidental parenteral contact. Where these are very close in cost, particularly in terms of where they may come down in cost, is what we are expecting from the view of mass production or wider use, but there could be a potential concern if you have a tenfold increase in cost for almost marginal in terms of increase in benefit. Do you want to comment on that?

Mr. Doyle: Seeking the devices that provide the most protection for workers is consistent with our approach to workplace safety and health overall. We believe that as much as possible, the safest devices be used not only in hospitals, but in any industrial setting where there are hazards. Cost must be a secondary issue to personal safety and the sometimes dreadful results that can occur from a workplace injury.

As I understand it, the replacement of hazardous sharp objects in medical centres and areas where these kinds of injuries are likely to occur is more than offset by the anticipated reduction in the number of injuries suffered through these objects. So I do not believe in my own mind that economics is a particularly inhibiting feature of the argument. There might be a marginal difference, but I believe it would be marginally lower to take the safe route than continue with the hazardous route.

Mr. Chairperson: Any further questions?

Mr. Rocan: Thank you very much, Brother Doyle, for making this presentation tonight. On behalf of the Federation of Labour, as we have become accustomed, your presence here has always been one where you are supporting the membership.

I happened to notice in your presentation that you presented here that the numbers that they show up with are 3500 needlestick injuries that occur each year in Manitoba. They also go on to say, as a result of this, it costs the province \$1.5 million per year for all these different accidents.

The presenter before you, Mr. Ted Mansell, makes reference to these superior needles which you very lightly touched on in your last response to the good doctor. Would it not be beneficial for the

province at this point in time, sir, to be promoting these superior needles that Mr. Mansell talks about, that have that spring that is built into the needle? Once the needle is used, injected, it automatically retracts. I do not believe anybody would have to be a brain surgeon in order to use that. It would automatically come back. I guess my question to you is if we would purchase or use said needles that are these superior needles, we could get on with this one right here, right now.

Mr. Doyle: I agree with that analysis totally. The fact that there might be a marginal increase in the cost of the initial outlay, I believe, is more than offset by the reduction of other costs related to that injury.

Mr. Chairperson: Any further questions of the presenter? Thank you, Mr. Doyle, for your presentation here this evening.

Are there any further presenters on Bill 23? Seeing no further presenters on Bill 23, that will conclude public presentations for that bill.

Bill 12—The Liquor Control Amendment Act

Mr. Chairperson: We will now proceed with Bill 12, The Liquor Control Amendment Act, and we have two out-of-town presenters on that bill.

Is it the will of the committee, since we only have three presenters registered in total, that we proceed with all three presenters with this bill, starting with the out-of-town presenters? *[Agreed]*

We will call forward Deanne Olston, please, Rivercrest Motor Hotel.

Good evening, Ms. Olston. Welcome. Glad you could join us this evening. We have copies of your presentation in front of the committee members, so you may proceed whenever you are ready.

* (19:10)

Ms. Deanne Olston (Rivercrest Motor Hotel): Good evening, I am Deanne Olston from the Rivercrest Motor Hotel in West St. Paul. I have read the proposed changes to Bill 12 several times. It appears rural hotels have either been completely overlooked or simply ignored. There is not one proposed change that benefits rural establishments in

any way. Twenty percent to fifty percent of our business was ripped away with the smoking legislation. The April 21 *Free Press* reported that the province plans to remove 1000 VLTs, and now we have been basically excluded from the current amendment that would have had the potential to benefit us. We were promised help and have received nothing.

The former Healthy Living Minister, Mr. Rondeau, indicated at the committee hearing of Bill 21 that he looks forward to working with the Manitoba Hotel Association in the future to move forward in this initiative, this initiative being an appropriate transition program for supporting businesses which may have difficulties. The deputy Health critic at the time, Myrna Driedger, urged the Minister of Healthy Living and his government to find common ground to work with those who may adversely be affected by this legislation. She stated, "I think that is absolutely imperative."

The present opening of the liquor act, more specifically Bill 12, is a great opportunity for the Legislature to deliver. The only proposed change that even affects a rural establishment is to extend the clearing time at the end of the night to one hour. I have spoken to over a dozen rural hotel owners and not one hotelier is in favour of this change. This is more of a hindrance than a help.

Rural hotels do not have a large nightclub life as in Winnipeg. In many cases we do not have access to buses, cabs, or other transportation. Safe rides are usually organized well ahead of time or, in some cases, owners or staff will drive patrons home. This extra half hour will provide more time for trouble to brew and be an extra expense to pay staff to wait around. I understand that once the bar is clear we can lock our doors; however, there is one in every crowd that will persist to sit and sip his drink or chat with others and spout, "I have an hour to finish my drink." We do not want or need the extra half hour to close, and doing last call a half hour earlier simply means a half hour less sales.

We request that this additional 30 minutes be optional, not mandatory. If a licensee wishes to give their patrons an hour, fine, and if one wishes to provide only 30 minutes to finish the last beverage, that is fine too. Just inform the MLCC of your hours and clearing times in writing or post them on your door.

Please do not overlook us. We are a small group of many. Manitoba hotels employ 7000 people with a combined payroll of \$125 million. Unemployment in the hospitality sector is the only sector that saw an increase as in the latest report. We are looking for ways to attract people into our establishments while providing a safe, regulated environment for people to socialize. Bill 12 has the potential to help us do that. I would like to suggest some changes to be added to these amendments or at least be considered for the next time the act opens for review.

Beer vendors should have the opportunity to expand their product line by selling wine coolers or spirits. If corner stores in rural areas can sell milk, bread and booze, then licensed establishments should certainly be permitted to carry other alcoholic beverages as opposed to strictly malt-based beverages. This would be a great opportunity to expand our bottom lines and make up for some of the losses the smoking ban has incurred.

I live in a community of 4000 people. I have a petition with 444 signatures supporting our request to establish a liquor store on our premises. People in our community have to drive into Winnipeg or out to Lockport to purchase alcohol other than beer. We end up losing sales because people buy their beer and liquor at a location that provides both.

We need tougher penalties for persons using fraudulent ID. Affordable, highly advanced technology has made it easy for people to create fake ID. The person using ID knows that it is false. On the other hand, the owner or server has a near impossible time discerning its validity. It is unjustified to fine the server or the owner, as they are not identity verification experts. The person using the fake ID should be subject to much tougher penalties; either fines or driver's licence suspension would be more suitable.

Providing an establishment is making the required food-to-alcohol ratio, it should not be mandatory to open a dining room on Sunday. Patrons are not coming in to eat on Sundays. They are stopping in for a drink, maybe play the VLTs or pick up a case of beer. They are not interested in dining out, and most patrons head home by dinner time. Opening a dining room on Sunday is nothing but a loss. We have to offer loss leaders to encourage people to order just to give the cook something to do. This is a revenue-neutral amendment and would save

the proprietor money and not cost the government a cent.

There should be more policing and tougher regulations of operating booze cans and home drinking parties. They are increasing in popularity since the smoking ban has cleared out the bars. They are not licensed, there are no regulations, minors are present, smoking is perfectly legal, gambling is occurring and over-consumption is common. The photo below—and I apologize for quality; I was having an ink issue—the photo below is an inside look at one of these establishments. Its source can be verified. People are setting up their basements, garages and sheds to simulate a bar environment at the expense of the local bar owners. This is damaging businesses and reflects a similar environment to the one during alcohol prohibition.

Every October for many years, our rooms and bar become very busy with American hunters and fishermen. Last year, we barely saw our guests outside their rooms. They stayed in their rooms where they could smoke and drink cheaper beer. They were surprised and disgruntled that they could not smoke in the bar, they could not buy a bottle of whiskey in the vendor, and that they had to pay over \$30 for a case of beer. How great for tourism is that? Our bookings for this fall are already down. Only two groups have booked so far. Usually by this time of year we are half full.

The act has not been opened to change very often. I hope that it will become more regularly, consider the needs of rural hotels different than that of urban ones and become more business friendly.

Also, I look forward to the day that The Non-Smokers Health Protection Act opens for amendments with the possibility of implementing DSRs in particular. Bill 21 is devastating rural communities. If the hoteliers work together with the lotteries commission, the liquor commission and the Legislature, we can repair some damage and hopefully find a happy medium in regard to drinking and smoking legislation. Thank you.

Mr. Chairperson: Thank you, Ms. Olston, for your presentation this evening. Questions of the presenter?

Hon. Scott Smith (Minister charged with the administration of The Liquor Control Act): Thank you for your presentation, Ms. Olston. Just in your

presentation, just reading your first page, about the sixth or seventh line down you mentioned, I am not sure if you mentioned, but it is in your brief here, "On April 21 the *Free Press* reported the province plans to remove 1000 VLTs."

Just to correct that, that was a report out of, I believe, Nova Scotia or possibly New Brunswick that they had considered doing that. We have not considered that in the province of Manitoba, so just for correction and clarification on that specific issue. I believe you are thinking about a different province's legislation that is being considered.

Just so I am clear, you would like to see the continued smoking in bars and liquor establishments. Is that something that you are mentioning in your briefing here?

Ms. Olston: I would like to see at least a smoking room for our customers. We have two in particular. Both have canes. They are in their eighties, and they stand outside in minus 40 to have a cigarette. I think it is a shame.

Mr. Cliff Cullen (Turtle Mountain): Ms. Olston, I appreciate your taking the time tonight to make the presentation. I think that it is nice that you have put those points very clearly forward and, certainly, appreciate that being very clear. Obviously, the rural bars have separate issues than what we face here in Winnipeg. I guess you have put those forward and, one thing you mention in your presentation was the transition. You were led to believe that there would be some kind of a transition during the smoking by-law?

Ms. Olston: I do not believe it was a transition. I believe there were a couple of occasions where it was mentioned that there would be help or there would be some consultation with the rural hotels to not be as devastated as they have been. It is actually in the notes on the Web site from when the ban from Bill 21 was discussed.

Hon. Jon Gerrard (River Heights): You are quite correct. As somebody who was on the All Party Anti-Smoking Task Force, that was clearly one of the recommendations that there be some transition support. Unfortunately, it was not put there.

I would like you to comment on a couple of things just to clarify. Selling wine coolers or spirits,

it would be, tell us how much of an advantage it would be to be able to sell wines and coolers, for example, and can you also tell us a little bit on this issue of the booze cans and home drinking parties. How would you regulate what would be acceptable and what would not be?

Ms. Olston: I do not know exactly. I have never sat and figured out how much opening our vendors to sell coolers or wine or spirits, but we know wine is a strong growing market, beer is a declining market. We know that people are buying and taking out more often because they are not spending the time they are in the bars, so there is an opportunity to sell them something that they would not otherwise be buying from us. Coolers are a very quickly growing segment of the alcohol industry as well. I think it would be a great way to expand our product line. We have not done that in years.

With the booze cans, I have been to a party myself. They have a beautiful garage. He does not even park his car in there. He has couches, nice tables, a lamp, they practise their band in there. One night at least during the week there was probably maybe 80 people when I was there one night. They had a bonfire outside, they had the garage full of people, fridge, coolers. It was a really fun environment. When I was there, it was still in control, but I know that these things are happening. This is actually not the photo of that particular night, but this is something else.

* (19:20)

I have a girlfriend who was at a party on the weekend. She phoned and said, "Oh, we went to this great party. It was somebody's birthday and you should see the beautiful poker tables he had made up in his basement. They are just amazing. I've got pictures of them." I actually said, "Well, can I get a photo of them when you get them?" She said it was really neat, and they had full-blown playing poker and music and everything in the guy's basement. So I know it is happening. It is obviously happening.

I think where we are hit the biggest is our late night crowd. We used to have two servers on Fridays until closing. Sometimes we only have a bartender after midnight.

Mr. Ron Schuler (Springfield): Deanne, thank you very much. I think it is always good to hear the

independent business person come forward and lay out the concerns. You certainly do cover an awful lot of ground in your presentation and others have picked up on other areas. I just want the committee to know I deny categorically that this is my basement. The member from Rossmere kept pointing over.

Again, just in that area, I think something we have to look at, as a committee at some point in time, is the whole fake ID thing. The concern is that, again, the onus is sort of on the small business person, and yet the ID gets better and better. The copies, the fakes become better and better. Staff, maybe it is not the best look at the ID, think it is right and it ends up being that the proprietor is charged.

Basically, I would like to thank you very much for a great presentation. It is very clear and concise and I know as the committee deliberates, you certainly brought a lot of different points to the table for us to consider.

Mr. Chairperson: Ms. Olston, did you wish to respond?

Mr. Olston: No, that is good. Thanks.

Mr. Denis Rocan (Carman): Thank you very much, Ms. Olston. Two questions I actually have for you; one, and I heard it from Dr. Jon Gerrard, I just want to see if I can get you to put it on the official record. I also was a member of the same committee that Doctor Jon was on. I was of the opinion that there were supposed to be resources made available for this transition support. Have your establishments or any establishments received any support whatsoever?

Ms. Olston: We received stickers to put on our doors, and we received posters to ask people to smoke outside. That is all I really can think of.

Just one more thing in regard to the question about the booze cans and what could be done. I did not say any suggestions, but I think you could certainly put forward legislation, maybe if you are having a home party and you are having more than 40 people, that you would need a permit. You have to notify someone if you are having more than 40 or 50 people in your home. If you have 10, you know that is a small party, but certainly, when you are up

in numbers of 40, 50, 80 people, that is affecting somebody's business.

Mr. Chairperson: Any other questions of the presenter?

Mr. Rocan: Another question I have. I am not too sure if you are aware of Leo Ledohowski's presentation. Have you seen it where he states that he is quite emphatic for the three types of licences, cabarets, beverage rooms and lounges, all allowed to open at the same time, seven days a week, and close at the same time, seven days a week.

It seems to be in conflict with your presentation, where you are of the opinion it should be, kind of, if you want it to be or not to be.

Ms. Olston: I do not know how that would directly affect us. I do not know what his legislation is on what he can open and can close. I know we can be open later on Sundays. We choose to close at midnight, some people close at six. You do not have to stay open as long as the hours are. I do not know that if his cabaret is allowed to be open until later in the day or not. I do not know if that would affect us. I know he has VLTs and lounges, and I am sure they are open in the mornings. I do not know if that would really affect us at all.

Mr. Chairperson: Thank you, Ms. Olston, for your presentation here this evening. We appreciate that.

Next presenter on our list is out-of-town presenter, Gary Desrosiers, Brunkild Bar. Mr. Desrosiers, please come forward, sir. Good evening, sir.

Mr. Gary Desrosiers (Brunkild Bar): Good evening.

Mr. Chairperson: As soon as we distribute copies of your presentation, you may proceed. Please proceed when you are ready, sir.

Mr. Desrosiers: All right, thank you, Chairman. I own a rural bar in a town of under a hundred people, a rural hotel. When I say hotel, really, it is a bar. Although I have to maintain rooms and I have to maintain a restaurant to keep my liquor licence to have the bar, make no mistake, the bar pays all the bills.

Recent changes to The Liquor Control Act and the implementation of The Non-Smokers Protection Act have damaged my business and unless we do some serious changes, a lot of businesses like mine are liable to fail.

I sell fun. Although a lot of people think bars are a place that dispenses alcohol to people, really what it is is a place where you can come and purchase fun. You can buy spirits or beer lots of places and consume them at home for a fraction of the cost. If I am to entice you to come to my bar, I have to make it worthwhile for you to pay \$3.50 for a beer. Large bars can hire expensive bands and entertainment and draw large crowds. With my seating capacity of 70 people, it makes it impossible to budget most entertainment in a profitable scenario.

My drawing card is that I am local and close by, and by providing good service and a friendly environment, I had become a meeting place for the surrounding towns, until they banned smoking. Now the crowds have thinned. The people, being herding animals, are less prone to attend because they have fewer people to socialize with. Even the non-smokers have tendency not to come now because they have no one to talk to anymore.

Although I realize it is not the forum to debate the smoking ban right now, I feel a need to make it clear that radical changes are in order to assist us in bringing people back into our bars. Recently, in surrounding towns, a number of unlicensed drinking establishments have sprung up. I have a picture attached to the back. It is actually the same picture as Deanne had. I actually took this picture in the garage when I delivered a pizza. It is very clear. You can see that is the inside of a garage, and there are all my expatrons enjoying smoking, poker and drinking, unregulated. It is 2:05 a.m. when I took that picture. Actually, if you look on my Web site, I have a picture of my bar at 11 p.m. the same night, and it is completely empty. There is not a single patron in the bar.

There is another town up the road a few more kilometres, where I know of two places like this. One of them has a pool table. The other one often brings in bands to play for their customers or friends who can smoke, drink, pretty much do whatever they want. Minors attend. There is no regulation whatsoever. How am I supposed to compete with that? Smoking, poker and all-night partying are

forbidden in establishments like mine. Decades of liquor laws designed to protect people by providing a safe, supervised place to consume alcohol, are being rendered moot by driving people from the bars into garages and sheds all over the province.

We need to be allowed to reintroduce fun into our bars, and here are some revenue-neutral suggestions for your consideration:

(1) Allow us to have Texas Hold 'em tournaments in our bar. This is a very popular pastime right now. The hotel would not make money off the poker, but we would just make money off bringing people into the bar to come and play poker together, and we could serve them drinks.

(2) Eliminate minimum pricing. I know when minimum pricing was brought in, it was meant to reduce binge drinking, but I have attached a graph on the back which comes off the MLCC annual report, which shows that drinking actually increased, per capita consumption of alcohol increased, when minimum pricing was implemented. As a bar owner, I can clearly see why. People are very price sensitive, and when all of a sudden the drink price goes up to \$2.25 or \$2.50 or \$3 where they are used to going down and getting it for less, now they do not come to the bar anymore. They buy the liquor and sit at home because you can buy a bottle of whiskey and drink liquor for under \$1 a shot, whereas in the bar the minimum is \$2.25. I think this really had an opposite effect. You drove people out of the bars and unregulated drinking, and they are drinking more now.

(3) Extending closing times, not just for consumption, but for service as well. In the country, we do not need or want a one-hour consumption period after last call. I have a bar of 70 people. I wish getting everybody out of there at night was my biggest problem. Not the case. I would rather see them extend last call until 3 a.m. and still leave it at one half hour. If a big bar has a hard time clearing out the bar, they can always do last call a little bit early. Same thing I would do if I had a full bar and did not think I could get everybody out on time. The extended last call on the nights that are busy, when you do have a social in town, or you have a big function, a wedding or something, that extra hour, you could generate a lot of extra revenue and you only get an opportunity to do that once in a while in a small, rural bar. You cannot do it every night. It is

not like your bar is full every Friday and Saturday, like in the city.

* (19:30)

(4) Allow us to sell spirits in our beer vendors. I am constantly asked for spirits. The nearest liquor vendor is 14 kilometres away in Sanford. It is a lumberyard. They are closed at six and they are not open Sundays. Every week without fail, people are asking me either for coolers or for whiskey or for vodka, all of these things. To a lot of people, it just seems logical that a bar would sell it. From talking to my liquor commissioner, bars are not allowed to have liquor vendors no matter what, even if there is not one in any distance around because we already have another liquor licence. I do not understand that. I would be willing to even sell spirits for a higher price than what the liquor vendor sells it for. I would add an extra \$2 or \$3 to the price. I will even buy it from the local liquor vendor so I do not hurt his business, so I can resell it for a little bit more money to provide people the convenience. If they come by at eleven o'clock or midnight, I am open until 2 a.m., six nights a week. They can come and see me. Gladly, I would sell them a bottle of whiskey, and I know they would pay more for it from me than they would from having to wait until the next day. That kind of defeats the whole purpose.

Permit us to advertise drink specials on our outdoor signage. Right now, we are not allowed to offer, even use the word "specials" I do not believe, on the sign, we have to use words like "happy hour" and be very vague and generic. Allow us to offer specifics on the sign just like any other business can do to, to hopefully, maybe, draw some people in.

Bring back the shooter girls, or people who go and deliver shooters to the tables. These provided bars with incremental sales, and what I mean by that, is people are drinking, they are having their beer, but you can actually get them to buy an extra drink or two by having girls go around to the tables. Now, bear in mind, we still have a duty of care of to our customers, we are going to make sure that they do not get too intoxicated, but this is a lot of fun for the customers. It allows our staff to interact with the customers at their tables, and they are a lot of fun and were very beneficial for the bar. It would help bring back a pleasurable environment.

Basically, to summarize, I feel the primary concern to rural hotel owners right now is trying to

return patrons to their bars. This not only benefits the hotelier, but society in general, by reducing the amount of unregulated drinking that is beginning to proliferate in our cities and towns. In a hotel bar, security is maintained, sober staff monitor excessive consumption and are available to summon emergency assistance if required. To accomplish this feat, hoteliers need to be provided more latitude to run their business as they see fit and to be able to exercise discretion with pricing and operating hours, as most businesses are allowed.

When Winnipeg built the MTS Centre, special consideration was given to operators of the adjacent drinking establishment by providing a larger share of VLT revenue. This was done to ensure the financial viability of the operation. In small towns, the local bar is their MTS Centre, providing critical services to rural citizen.

Please realize the huge financial sacrifice made by these businesses due to smoking bans and other restrictions, and please find a way to offer us consideration that will help maintain our financial viability.

Thank you very much for your, hopefully, anticipated review of my suggestions.

Mr. Chairperson: Thank you very much for your presentation, Mr. Desrosiers.

Mr. Cullen: Thank you, Mr. Desrosiers, for taking the time to come in and make your presentation. Again, you certainly articulated some of the issues faced by the rural establishments.

A couple of quick questions, when you first started your presentation, you talked about the rooms in your facility. I know that is still part of the legislation where rooms are required. A quick question as to if you still use those rooms very often, and then just to summarize your presentation here, if I may, and you please verify this for me, what I think you are saying is that the regulation or over-regulation that we have of the industry, you see as increasing the per capita drinking, and you also see it leading to a decrease in your business. Can you just make that clear for me?

Mr. Desrosiers: Absolutely. The regulation and the business, when you raise the price of beer or liquor, I think the common thinking is that this will reduce consumption, but really it does the opposite. As a bar

owner, when you raise the price of beer 40 cents for a dozen, that raises my price a nickel a bottle, which means I instantly lose \$200 or \$300 a week, and in a bar that does more volume than mine, the loss would be much greater. That is literally money that is no longer in my till that was there last week. That makes me raise my drink prices. My drink prices go up, but every time you step your drink price up, more people do not come to your bar and they end up and going and buying at the vendor. I have \$20 to spend in the bar. You come to my bar, you buy five drinks. Now, say, you cannot smoke, or now you have decided that that is just too much to pay for a drink. You now take that \$20, you buy 12 beer at my beer vendor and you can go home, smoke and drink an extra seven beer around your kids. I do not see how that benefits anybody.

As far as the rooms go, I do not do \$1,000 a year in room rentals. I mean, occasionally a farm worker will come and stay there, or somebody gets trapped in a snowstorm, but, I mean, Brunkild is not exactly a place where people flock to in the summertime to have their holidays.

Mr. Gerrard: Gary, thank you for making a pretty clear presentation and for making some pretty positive suggestions.

I know that you are struggling. I have been out to visit you and know that this has been pretty tough. I think that there needs to be a much more effective transition approach and serious consideration of some of your suggestions and try to improve things. Thank you.

Mr. Chairperson: Mr. Desrosiers, did you wish to respond?

Mr. Desrosiers: Thank you very much for your comments, and I hope that we really do sit down and take a good long look at this because there are places like mine that, they are like a special place out in the country, and when they disappear, lots of times they never come back.

Mr. Smith: Thank you very much for your presentation. Certainly, I was on the committee. We went around the province of Manitoba with Doctor Gerrard and others and certainly heard the views of many people out there as well. You feel the impact of the smoking. Is it more of an impact on your establishment than any other factor?

Mr. Desrosiers: Absolutely.

Mr. Smith: Do you feel that there has been a positive impact on your business in terms of VLT revenue on Sundays? Do you think it is a positive thing that we established the VLTs on Sundays, and is it important to all rural bars in Manitoba to maintain VLTs in their bars?

Mr. Desrosiers: I personally feel that Sundays was certainly a positive business move for myself. I am quite happy to open up seven days a week. Many rural hotels would not agree with me on that, though. There are a lot of places that still stay closed on Sunday. So it has helped to some degree.

The new VLTs do definitely generate more revenue than the old VLTs did, but, to be very honest, I think it is taking more money from fewer people. They are very, very quick to take money from you and they do seem to pay out quite frequently, but I do not see as many people playing them, yet my revenue is much higher.

Mr. Smith: I guess my question is is it important to your revenue to maintain and keep those VLTs in your establishment. Do you feel it is important in other rural establishments to keep that?

Mr. Desrosiers: Absolutely. It is very important. I know for myself, I only have three VLTs. It is not as critical to me as it would be to some other bars, but many other bars stay afloat strictly because of their VLT revenue.

Mr. Rocan: Thank you very much, Mr. Desrosiers, for making your presentation tonight. I have to agree with Doctor Gerrard when he talks about the hardships that you face at your hotel, because I saw first-hand when I was at your hotel one day; actually it was before the smoking ban when the lady who was working for you showed me behind the bar and where the water was pouring through the ceiling and she had buckets on the floor, trying to catch the water around the bar and in the bathroom. I knew there was a dilemma. I knew that without a doubt.

What I do appreciate seeing and reading in your brief here today, because similar to—the year was either 1970 or '71 when the industry knew that there was a problem, the government knew there was a problem, and they dropped the drinking age from 21 to 18. What they were able to do at that time was

trying to entice the 18-year-olds to come to the bar because there had been a decline in the number of people making purchases at the hotel.

Again then, I believe the year was '91; then, the Filmon government, seeing the same sort of dilemma re-occurring, a drop in your customers that were participating in your establishment, and then they put in place the VLTs to try and entice more people to come. I have always made comments on these two special occasions because we, as a government, and you, as an industry, were looking for alternate ways of promoting from within to try and get other people to participate.

You have quite clearly identified several options here. I might not agree with the last one where you allow the shooter girls to participate. I just say that jokingly, but when you have several of them here this is what I believe a government has to take into account, that the industry is trying to revamp itself, renew itself with the general populous to come out.

You make special reference often to the smoking ban. Well, I would say to you, sir, every time I go to Nick's Inn, the place is just lambasted. The parking lot is full of cars and trucks. Obviously, Nick is doing something there. I do not know what it is, because he, too, thought there would be a decline when the same rules applied him on the smoking ban. I know we are not supposed to be dealing with that tonight, but there was something, whatever he did, he was able to get his clientele to come back in droves at Nick's Inn.

* (19:40)

You, sir, I know you are attempting, because three weeks ago I was going to walk in again, because there were 11 cars in your lot three weeks ago. There was a group, and I was going to go and congratulate you because, obviously, you were doing something. I do not know what it was, whether it was your Web site, whether you were trying to get rid of Denis Rocan, or whatever you were trying to do, but whatever it was—

An Honourable Member: Shooter boy.

Mr. Rocan: Shooter boy, whatever they want to call him. I just want to congratulate you for at least coming up with something constructive that the government and we will have the opportunity to look at.

Mr. Chairperson: Mr. Desrosiers, did you wish to respond?

Mr. Desrosiers: Certainly. I want to thank you very much for your positive comments. As a businessperson, I have really made an effort to expand my business. I have worked very hard. I saw the smoking ban coming for a long time and it frightened me, so I worked very hard in developing my vendor business. I also sell cell phone airtime. I have a little convenience store built there where I sell chocolate bars. I realize I sell 15 000 dozen beer a year. I thought if I could sell a chocolate bar to each one of those people that would be enough for me to take a weekend off, maybe, in two years.

So, I mean, there are lots of things that we as business people are doing but there is only so much you can do, because our revenue really comes from the bar. The obvious things that we hoteliers would like to see would be increased margins in the vendor or increased payouts from the VLTs. I mean, those are the things that obviously spring to mind, but I realize the government, as well as us, is in a cash crunch and that is not so easy to get.

All I am asking for is just give us the latitude to be able to make our own money and do our own thing and find a way to bring those customers back to our seats.

Mr. Chairperson: Thank you very much, Mr. Desrosiers, for your presentation here this evening.

Next presenter we have here on our list for Bill 12 is Mr. Jim Baker, Manitoba Hotel Association. Good evening, sir.

Mr. Jim Baker (Manitoba Hotel Association): Good evening.

Mr. Chairperson: Do you have copies of your presentation for committee members?

Mr. Baker, you may proceed when you are ready, sir.

Mr. Baker: Good evening and thank you for allowing me to make this presentation. I thank you because it is a rare opportunity for our association to be in front of a standing committee, reviewing changes to The Liquor Control Act. Rare, because in the past twenty-odd years, the act has rarely been open for significant change. In the summer of 2001, by way of a little bit of history, there was an

extensive review of the act, consisting of province-wide opportunities for public input and sessions specific to the input from stakeholders such as our association.

At that time, significant government resources were assigned to the review because, as was commented at the time, it was deemed necessary to do a detailed review of the act in order to bring it into the nineties. At that time, our association presented 11 suggested changes to the act; 6 became incorporated into the amendments or otherwise came to be. One seems to be partially included in the bill under discussion and four have not been dealt with. Further, in July 2003, the association presented government with 18 recommendations that the association felt would assist the industry; 7 of the 18 recommendations related to The Liquor Control Act or to the Manitoba Liquor Control Commission regulations or policies. These recommendations are still under discussion. Just previous, you have heard from two of our members who, I feel, fairly represent some of the thoughts of our membership as to how they can do business better. Some of their recommendations are, indeed, under discussion with the Manitoba Liquor Control Commission.

Since April 1904, when our association began, we have worked with government to bring about a system of distributing and serving beverage alcohol to the adults in the province of Manitoba. Not all of our recommendations are accepted immediately, but eventually all meaningful changes have occurred. In 77 years, I guess, you should get something done. Because our industry is face-to-face with the public, we believe we are in tune with the changing social acceptance of beverage alcohol products and services.

A prime example is the hours of service and it was mentioned by way of question earlier. Consumer habits dictate standardized hours between licence classes and the question, I think, that Mr. Rocan asked is the cocktail lounge, dining room and cabarets on Sundays are open at 11, can be open at 11, whereas the beverage room licence is at noon. So it is just an hour difference, but the standardization is something that, really, we have to attend to, because our industry and the culture out there is moving faster than the changes to the act, obviously.

We believe that we in the MHA serve the MLCC as the pulse of the industry and acknowledge that

change takes time. I mentioned the number of recommendations we had and simple math tells you there are still 12 recommendations from the MHA still not incorporated into the act or implemented by regulation or policy. On the surface, this could give the impression that the MHA might be frustrated at a lack of progress, but this really is not the total case because through working with the MLCC, various regulations and policies have changed, which have been incorporated from suggestions by the MHA, many of which have improved the viability and functionality of our industry in terms of dealing with the distribution and service of beverage alcohol.

Today I am here to say that our association is not opposed to any of the amendments included in Bill 12, but I am also here to say that our industry has experienced tremendous challenges during the past five years. Terrorism and disease have had a dramatic impact on world travel to Canada and to Manitoba. The farm economy, on which the success of our rural members rests, is at one of its lowest points in decades and social change in the form of smoking bans with unequal implications have impacted greatly on many of our operators. Indeed, preliminary survey results, which I just pulled together tonight, indicate that 20 properties feel threatened by closure because of the changes.

Not only the disease and the problems of tourism, but we also are continually under pressure for room taxes that would make our tourism industry less attractive. These suggestions keep raising their unwanted head, and a point that we are very sensitive to is that the government spending on tourism promotion continues to be one of the lowest per capita in the nation.

At a time when the Manitoba Liquor Control Commission has experienced a \$7-million increase in profits during the nine months ending December 31, 2004, our industry has seen profits stalled or reduced. Recent provincial budget documents show the income from government enterprises and Crown organizations is expected to yield \$161 million to the province, \$161 million. Bear in mind that it is anticipated that Manitoba Lotteries and the Manitoba Liquor Control Commission contribute a total of \$455 million. It is clear that liquor and gaming are vitally important to the finances of the province.

Our industry is the most cost-efficient generator of revenue from liquor and gaming. We sell over 87 percent of the beer in the province, collect 100

percent of the container returns and the VLT sites throughout the province contribute over half of the profit earned by Manitoba Lotteries. As was mentioned by Deanne, we employ over 7500 Manitobans, \$125 million of payrolls, \$130 million in taxes. We supply accommodation to virtually all of the tourists in Manitoba. We are a key component of a tourism industry that is a \$1.4-billion industry that employs 60 000 in direct and indirect jobs. We are real partners with the government of Manitoba.

One of our strategic goals as an association is to develop strategic partnerships. No partner can be more important than the provincial government. We want to build on our ongoing relationship. We want to be involved in change. Indeed, we want to lead change and we must have change, at least to increase profitability. Tremendously rising costs of operation, coupled with our geography and the people that are around present challenges to the viability of our smaller, rural members. Indeed, Manitoba began the VLT program in an attempt to maintain the viability of rural hotels. That program has kept the wolf from the door in many cases. In others it has prompted much-needed repairs and alterations and has stimulated the tremendous rejuvenation and expansion of accommodations and services throughout the province. The new hotels are being built primarily by Manitoba hoteliers, buoyed by the VLT program.

During our ongoing meetings with government, there have been indications that the act will be reviewed more frequently, and therefore there will be opportunities for our association to work with the MLCC and government to forge out a continuing, evolving act that represents the best for the people of Manitoba and for our industry.

Of course, we want a bigger slice of the pie and it is a slice that is deserved. Thank you.

Mr. Chairperson: Thank you, Mr. Baker, for your presentation this evening.

Mr. Smith: Just a few comments. I would like to thank Mr. Baker for a good, thoughtful presentation.

It was mentioned The Liquor Control Act over a period of some 20 years was not opened, and I know it was a good process with yourselves and the police association, Mothers Against Drunk Driving and many of the others that had a chance to make

presentations and recommendations, some hundred recommendations, as I recall, from a number of different areas. The one standardizing of the hours, I think, was a good, positive recommendation from you. Cabarets and others that have stayed open many hours past which the bars and the hotels have not been able to do. Certainly, the standardization of that gave a good, level playing field, and I know those recommendations were brought forth by yourself fairly strenuously, and others. I know you mentioned a bigger slice of the pie. It comes from a number of the restaurant associations and obviously the Liquor Vendors' Association, many others that are out there.

* (19:50)

I think this bill reflects both your association and the restaurant association. I must commend you, certainly, with working with the new president of the restaurant association on a number of the initiatives that you are working on together. Many of the small people you represent also have restaurants and other things this bill will impact in a fairly significant way, as well, in a positive way, I believe. Although you do not represent the restaurant association, I know many of your members have restaurants attached to their rural bars and liquor licences on that side, as well.

I would like to just, I guess, commend you for that working association with the restaurant association, and bringing your views generally forward both together. I appreciate that and continuing to work certainly with the Manitoba Liquor Control Commission in a meaningful way.

Mr. Chairperson: Mr. Baker, did you wish to respond, sir?

Mr. Baker: Yes, thanks, Mr. Minister, for those comments and just a little bit of added information relating to some of the comments you made. The hours, of course, are optional hours. That was mentioned by one of the presenters before, so it is not mandated, of course. If it suits that neighbourhood, that geographic area or that business, they are optional.

One of the things that has not been mentioned, and maybe it will come out in questions is that there is an increase in the vendor sales, but we make a 14% gross profit on the vendor sales. If you look at any business trying to make a go of it on 14 percent as a stand-alone operation, it is impossible. So that

says, yes, we have got more beer going out of our vendor than we are selling on table, but every increase is a loss to us.

About the restaurants and representing restaurants, indeed, every hotel must have a restaurant and we are very much in the restaurant business. We do have that situation as Deanne mentioned on Sundays in some rural areas. It is mandated that they have to have their restaurant open for certain hours, even though they are limited hours. It would be very helpful to have regulations changed to accommodate what is the real reality. Supposedly, when that restaurant requirement came into play, there was a thought that if people were going to be drinking, they better be eating. That really is not a scientific fact now. Indeed, the bar operations have more extensive menu items now because of the convenience food that is available and the equipment. So thank you for your comments.

Mr. Gerrard: Jim, thank you. Now we had quite a series of recommendations from Deanne Olston and Gary Desrosiers, and I just would like your comments on a couple of aspects. One, give us your impression, representing the hotel association, if we were to implement many or all of these, of what a difference it would make and how widespread that difference would be. Can you give us your view as to which would be the most important to move forward on?

Mr. Baker: When Gary mentioned that one of the things he is trying to do is sell a chocolate bar, you understand how desperate people are and also how finite they look at their operations because indeed, if you can sell a thousand chocolate bars, maybe you have got \$400 more in your pocket. It is very, very important for all operations to look at alternate revenue sources. You have to build your profit in many ways.

Indeed, the smoking ban we have just, as I said, compiled a survey and 58 results came in. Indeed, from the bar operations, it is universal that almost 90 percent, there has been a reduction. Those who have fared better with that are the properties that are more diversified. Indeed, because of their locale, perhaps, their restaurant is doing something, some places the restaurant does not do anything no matter what you do with it.

So you have to look at alternate ways to go about it. There were a number of comments. All

the recommendations that I heard from, those are members of ours, as well, are things we have in past discussed with the Manitoba Liquor Control Commission. As I said in my comments, change is slow, but, really we need more profitability. I mean, it was startling when you took a look at the preliminary numbers from the liquor commission where they increased their profits, was it seven or nine, but it is according to budget. During that period of time, an industry like ours that sells such a large percentage of the products the liquor commission deals with, it smacks of a little bit of unfairness.

What was perhaps a good gross profit margin at one point in time does not necessarily make it now, especially with rising costs, utilities and that type of thing. These are ongoing discussions with the liquor commission, but it is difficult because, as Gary said, we realize the government is pressed for dollars as well. We are trying to find things that are revenue-neutral that we can present. Hours are that, some flexibility. There was mention about shooters. It came in that shooters were a problem or perceived to be a problem when shooters could be sold. Maybe I am a little old on that because I had to be 21 as well, but clearly now with the responsible-server program that is mandated and the pricing structure we have now, the days of a lineup of shooters on a table in front of one person are gone because there are serious consequences to the server, to the proprietor.

What has happened in that regard, and I think probably the people from the Manitoba Liquor Control Commission can attest to this, is that their sale of those products, the liqueur products, has dropped dramatically since that type of sale where people would actually take a mixed shooter, a pink lady or whatever it is called, around the room and say, "Who wants one of these things?"

That was the place where you could build the volume for the liquor commission, and as I said, I think the liquor commission can offer some statistics to that. We want to be able to market better. We want a better gross profit. We want a contribution. We want some flexibility, and all of those comments they made I think stand that test.

Mr. Cullen: Thank you, Mr. Chairman, and thank you, Mr. Baker, for taking the opportunity to bring your ideas forward to the committee. I certainly like your reference to the important role that your

industry plays in tourism in Manitoba, and I think it is very valuable when we take that message forward.

You made reference to a survey you have done of your membership and you talked about 20 possible closures. The one question I have is in regard to if they were able to pinpoint reasons for those closures possibly going forward, and the second question would be, as part of that survey, did you survey your members in terms of their want or need to expand the products that they market.

Mr. Baker: Thank you, firstly on tourism and then the survey. Dunrea, Manitoba, now you might know where Dunrea is, not too many people do, but when I started this job five and a half years ago, I went to the grand opening. Laura had just bought the Dunrea hotel, so I had to look on a map for a city boy to find it. She has four rooms there and a bar. She has done things such as moving her pool table from the bar into the lobby, it is a small place, so that the local kids can come, shoot pool and have hamburgers and hot dogs and that. The four rooms, you know, when I drive, again, Mr. City Boy, I look and I say what kind of business do you have there because it is even further off the highway than Brunkild, at least Brunkild is on a main highway.

When it comes to tourism, those rooms get booked by hunters. When she gets 20 room nights a year out of that plus she feeds these hunters and takes care of their dogs, that is tourism to Manitoba, and that is American money too. That place, I would say, without having any specific knowledge, is always very marginal. She works hard. It was her dream and she is making a go of it, but it is like, you buy yourself the job, and I think if you worked out your hourly wage, it is below minimum wage to do that. That is an example of how these small places benefit tourism.

The survey, as I said I just pulled it off tonight. We had some 20 questions that we asked members. Now, can I ask you again to clarify, what was the last question on the survey? The expansion of products is something, as Deane mentioned, has been in front of the government, in front of the liquor commission on numerous occasions. As a matter of fact, it is going to come up as a resolution in our annual general meeting a week from now, and the act as it states now, specifies that the retailer can only sell malt-based products, so there is a problem there.

* (20:00)

Just to expand on it for those of you who really are not too knowledgeable about coolers, Smirnoff Ice came out a couple of years ago and bang, it is huge. Many of our properties, because it is a spirit-based product in Canada, whereas it is a malt-based product in the United States, many of our vendors have signs up: "We cannot sell it" or "We do not sell it" or "Sorry, we cannot sell it." It is a lost opportunity, obviously.

I use the story that when they opened the new Taj Mahal liquor commission on River and Osborne, and you go into the beer section, you walk in and you will find coolers in the beer section because they are packaged like a beer product. Clearly, they are a product in consumer demand. We have the act the way it was written 400 years ago, or whenever it was, that prohibits that. There are other considerations when it comes to who distributes what, so very clearly, that is again a flexibility issue.

Mr. Chairperson: Thank you very much for your presentation here this evening, Mr. Baker. I appreciate you taking the time.

Are there any other presenters that might be present in the audience this evening that wish to make a presentation on Bill 12? If so, please raise your hand.

Bill 13—The Milk Prices Review Amendment Act

Mr. Chairperson: Seeing none, we will declare that public presentations on Bill 12 are closed, and then we will proceed with Bill 13, The Milk Prices Review Amendment Act.

We have one presenter registered to speak to Bill 13, and that is Mr. James Wade, Dairy Farmers of Manitoba. Would you please come forward, sir. You have a presentation for the committee members, I take it.

Thank you, Mr. Wade, for your patience here this evening. I appreciate that. You may proceed any time you are ready, sir.

Mr. James Wade (Dairy Farmers of Manitoba): Mr. Chairman, Dairy Farmers of Manitoba supports Bill 13, an amendment to The Milk Prices Review Act. Dairy Farmers of Manitoba is totally financed by and represents all dairy farmers in Manitoba.

Under The Farm Products Marketing Act, Dairy Farmers of Manitoba buys all of the raw milk produced in Manitoba and sells it to three fluid milk plants, and for cheese and butter processors. Processors buy all of their raw milk directly from Dairy Farmers of Manitoba, including 835 000 litres of milk per day and over 300 million litres of milk per year.

In March 2005, 503 dairy farmers sold all of their milk through Dairy Farmers of Manitoba for a value, I might add, to almost \$16 million for the month. Approximately 39 percent of Manitoba's total milk production is sold as fluid milk products such as homogenized, two percent, one percent and skim milk. The Milk Prices Review Commission establishes the raw milk price that dairy farmers receive for milk sold as fluid milk.

Dairy Farmers of Manitoba agrees that the commission should set the dairy farmer raw milk price for fluid milk. The present act is restrictive in that it prescribes the fluid milk price for dairy farmers must be set on the basis of a cost of production on farms in Manitoba. The commission needs additional flexibility to respond to other factors that arise from time to time. Interprovincial competitiveness is one such factor.

The Milk Prices Review Act and the decisions of the Milk Prices Review Commission are very important to all dairy farmers in Manitoba. A decision to increase or decrease the fluid milk price by one cent per litre increases or decreases dairy farmers' incomes by \$1.14 million per year.

In recent years, milk processing and food wholesaling in Canada has consolidated to a small number of large interprovincial companies. Milk and dairy products move freely interprovincially as there are no longer any interprovincial barriers to movement of milk and dairy products. Milk in consumer-packaged products travel from Manitoba to Ontario, from Québec to Manitoba and from Alberta to eastern Canada. Distance is no longer an isolating factor.

In 1997, Manitoba, Saskatchewan, Alberta and British Columbia milk marketing agencies recognized that these four western provinces are one economic zone as far as milk marketing is concerned. In that year, the Western Milk Pool was created by the milk marketing agencies and as we did so, processors requested one thing. They requested

that processors be able to purchase milk for any use at a uniform price anywhere in the Western Milk Pool. I might add that, in the last year, there were five occasions on various meetings with the Milk Prices Review Commission where the processors, all of them, have said the same thing. All milk prices except the Class 1 or fluid milk price have been harmonized since February 1, 2002.

There are two fluid milk price-setting mechanisms in the four western provinces, and they are administered by the Manitoba Milk Prices Review Commission and the Alberta Energy and Utilities Board. Saskatchewan, Alberta and British Columbia all follow the Alberta formula. Dairy Farmers of Manitoba is required by the act to follow the price decisions of the Milk Prices Review Commission. Historically, the two western formulas have produced similar prices.

Since August 2003, the differences have been greater and do not appear to be changing for the good. The following graph shows the history of the two formulas from 1999 to present, and you will note that as of August 2003 there was a rapid decrease in the price in Alberta and a rather flat price in the province of Manitoba. That difference of almost \$8 a hectolitre at the largest difference was quite disturbing to the marketplace, and many comments came from processors that it was no longer sustainable.

In Alberta, the fluid milk price is under review. There will be changes to the Alberta process for establishing price in 2005. The Alberta government, in its processes, is involving other consultations with agencies such as our own.

On March 31, 2005, the Western Milk Pool coordinating committee, which represents the milk marketing agencies across the west, established a fluid milk price task force to examine a number of options for harmonizing the fluid milk price in the west. The task force is composed of dairy farmers, processors and government representatives. The task force will make recommendations to the coordinating committee on June 22, 2005.

Bill 13 provides sufficient flexibility to the Milk Prices Review Commission to consider all methods of fluid milk price setting. The act today is specific and does not allow any other dairy farmer price-setting method except a cost of production on Manitoba farms. The Bill 13 amendment will allow

the commission to examine all other methods of fluid milk price setting and to ensure that interprovincial competitiveness is considered.

Dairy Farmers of Manitoba supports Bill 13 as it brings more flexibility to the act. We would be pleased to answer any of your questions.

Mr. Chairperson: Thank you, Mr. Wade, for your presentation this evening.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Thank you, Mr. Wade, for your presentation and for outlining the challenges that have resulted in pricing of milk between provinces because of the rigidity of our bill, versus what is able to happen in other provinces. You are accurate to say that there was tremendous pressure from the processing industry when they saw what the prices were in other provinces versus ours.

One of the things that we are required to do under the existing legislation is do a survey on the cost of production, and I wondered if you could tell us what the cost of a survey like that would be. We have had this discussion before, and every time we look at doing a survey, the cost comes into the picture. I wonder if you could outline for us what that would be and how it would be done.

* (20:10)

Mr. Wade: An estimate, Madam Minister, would be in excess of \$3,000 per registered producer that would be on the survey. Normally what you do is you look for a representative sample of farms. Our estimate that we have been working with lately is anywhere between \$175,000 and \$200,000 per year to do the cost of production study only.

Ms. Wowchuk: Thank you for that information and thank you for coming out. I appreciate the work that we have been doing for some time with the industry on trying to address this issue of how we can change the formula for setting the price of milk.

Mr. Ralph Eichler (Lakeside): Thank you, Mr. Wade, for the presentation on behalf of the dairy producers and all the hard work you and your organization have put in to making this bill become a reality.

You talked a lot about the Western Milk Pool. Is there any indication in regard to the eastern side? In

your first part of your presentation on page 1, you talked about milk coming in from Québec and Ontario. Is there a concern with your organization with respect to eastern milk coming in as far as their prices are concerned?

Mr. Wade: Mr. Chairman, in actual fact, if you were to look at the graph that is in our presentation, the Eastern Milk Pool price to the dairy farmer right now is \$80 a hectolitre. So you take that number right up above the scale that is even on this page, there is no large problem of milk moving in pre-packaged form coming out of the Eastern Milk Pool and moving into western Canada at the moment, other than some very specialized products coming out of one plant, in particular, in Montréal. But no, we are not concerned about the volume of milk coming from eastern Canada at this point.

Hon. Jon Gerrard (River Heights): Thank you for your presentation and your meeting that we had some time ago. My question to you is just in terms of gas prices. With the rise of gas prices, does this have an impact on any of these things? Clearly, there is an opportunity to make changes, but I would just get some clarification on that.

Mr. Wade: The effect of fuel price changes on the price of moving milk from the farm to the market is quite substantial. We do see changes on a regular basis. Lately it has been much more often than, say four or five years ago. Our total cost of moving milk from the farm to market this year is estimated to be \$6.3 million for the year. That is up about \$100,000 over last year. About half of that increase is due to the price of fuel. The Milk Prices Review Commission does take those reports from us on a monthly basis so that they know on a regular basis what is happening with the price of bulk milk hauling. As far as we are concerned, it is reflected in the thinking of the Milk Prices Review Commission at this point, as it is in other provinces as well.

Mr. Chairperson: Any other questions of the presenter? Seeing none, thank you very much, Mr. Wade, for your attendance here this evening and for your presentation. Good evening, sir.

Are there any other members of the public who wish to make a presentation on Bill 13? Please raise your hand.

Seeing none, then we will declare that public presentations on Bill 13 are closed, and that concludes the list of presenters we have registered

this evening. I guess we are in the position now to proceed clause by clause on bills.

Since we have the Minister of Agriculture and Food in the chair, is it the will of the committee to proceed with Bill 13 clause by clause?

Some Honourable Members: Yes.

Mr. Chairperson: Then we will proceed with Bill 13 clause by clause.

Does the minister responsible for Bill 13 have an opening statement?

Ms. Wowchuk: If I could, Mr. Chairman, I would just take a few moments to say it was after discussion with the milk producers and processors in this province that the decision was made that it was necessary to make amendments to The Milk Prices Review Act.

As was outlined in the presentation, the proposed legislation is intended to provide the Milk Prices Review Commission with the flexibility to establish a cost of production formula which will reflect the cost of producing milk for use as fluid milk in Manitoba including a reasonable return on investment for the producers of milk.

The commission I refer to is an appointed body that is responsible for compiling information related to the costs of milk production, processing and distributing of fluid milk. Currently, the commission must comply with the survey that I referred to, which can be to derive the formula that will be used for pricing milk. This has been in place since 1988.

For many years, the milk producers have expressed concern as to the accuracy of, and have requested changes to, the legislation. This request came to a head just this last year when we had the processors in this province expressing great concern about the price of milk in Manitoba versus the price of milk in other provinces, as is spelled out in that chart. That gave us concern that we could, in fact, be losing a processing industry in this province, and that was one of the reasons why we knew that we had to move forward. I am pleased that members of the opposition have had the opportunity to talk to the Manitoba Milk Producers and be informed as to the reason.

So, Mr. Chairman, the proposed amendments will enable the commission to undertake discussions

with other provinces, primarily Alberta, to look at the benefits of us establishing one fluid milk price across Canada. Both the Dairy Farmers of Manitoba and the processors have pledged support for one fluid price in western Canada, and the current legislation does not allow us that flexibility. So I am pleased that we have this amendment forward here that will bring stability to our industry, both to the producer side and to the processing side.

Mr. Chairperson: Thank you, Madam Minister, for that statement.

Does the critic for the official opposition have an opening statement? Mr. Eichler?

Mr. Eichler: Yes, we do, Mr. Chairman. With respect to Bill 13 and the presentation that was made by the Dairy Farmers of Manitoba, we on this side of the House would like to see the bill moved forward.

There are a number of producers that are going to be affected by this and hopefully sooner than later the survey will be done. We believe that the \$16 million per month that is being generated from the milk from these dairy farmers in the province of Manitoba is substantial. We want to make sure they stay competitive within the marketplace, and we would urge the government to go ahead and move the bill forward.

Mr. Chairperson: Thank you very much for that statement. We will move then to consideration of the bill. During the consideration of the bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass; clause 2—pass; clause 3—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 12—The Liquor Control Amendment Act

Mr. Chairperson: The next bill for clause-by-clause consideration will be Bill 12.

Hon. Scott Smith (Minister charged with the administration of The Liquor Control Act): It is a short one. Thank you, Mr. Chair. Thank you to all the presenters that had come out tonight to make comments on the bill.

This government is committed to creating new opportunities for those in the liquor industry while balancing the public's concern for responsible sale,

service and consumption of beverage alcohol in the province of Manitoba.

In June 2000, the panel of the public review of The Liquor Control Act recommended a number of amendments to the act. In August 2001, this government passed the first of those recommendations, which included standardizing hours of operation from Monday to Saturday and allowing for the sale of liquor on Sunday.

Bill 12, now before you, contains more of the changes recommended by the review panel plus new initiatives to keep pace with those changing times. The bill formalizes a serving of a complimentary sample of liquor at retail premises.

* (20:20)

It permits liquor vendors to sell liquor to licensees and to deliver the product to those licensees located in their trading area, thereby creating new opportunities for small liquor vendors and operators in rural Manitoba.

It also provides the ability for a specialty wine store to sell grape-based specialty spirits and grape-based specialty liqueurs.

The changes contained in Bill 12 enable a distiller to operate an off-sale store at its manufacturing site to sell spirits which it manufactures to the public. We have two distillers manufacturing in the province, Maple Leaf Distillers in Winnipeg and Diageo distillers in Gimli.

This change will allow them to better showcase their products and meet public expectations. The employees at the MLCC will be permitted to work elsewhere in the liquor industry such as restaurants or cocktail lounges where such additional employment would not create a conflict of interest. This amendment recognizes that people today often hold multiple positions in the business world.

To better promote responsible consumption of liquor and to address the serious consequences of drinking and driving, licence holders are being permitted with the option to recork wine served with a meal for a patron to take home and to allow the patrons an extra 30 minutes to consume their last drink. Extending the clearing time will allow a more orderly disbursement of patrons in time to make arrangements for a safe ride home.

Licence holders will have the option of offering these services as they are best able to determine the wants and needs for their own clientele. These two changes are the result of consultations with the hospitality industry associations, Addictions Foundation of Manitoba, Mothers Against Drunk Driving and police services throughout the province of Manitoba.

This legislation brings Manitoba in line with other liquor jurisdictions, addresses antiquated wording in the act such as liquor service by the glass and includes several minor housekeeping amendments. Bill 12 enhances our current laws and balances a responsible sale, service and use of beverage alcohol in our province. These amendments are a positive next step in implementing the recommendations from the panel of the public review of The Liquor Control Act. I would be pleased to answer any questions as we go into line by line, Mr. Chair.

Mr. Chairperson: We thank the honourable minister for the statement.

Does the critic for the official opposition have an opening statement.

Mr. Cliff Cullen (Turtle Mountain): Yes, thank you, Mr. Chairman. I too would want to thank all the presenters that were here tonight and I certainly appreciate their thoughts coming forward.

The bill does really reflect, I feel, fairly minor changes. I do not think there have been too many issues in regard to those seven areas of changes. I do think it is important to recognize the importance of this industry and the hospitality industry to Manitoba, not only to Manitobans but also in terms of tourism to Manitoba. I think it is important that we consider their input that we have heard tonight and we consider their input in moving forward. I think it does give us, as legislators, food for thought in moving ahead in any subsequent consideration on this bill. Thank you.

Mr. Chairperson: Thank you, Mr. Cullen for the statement.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order. Also if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages with the understanding that we will stop at

any particular clause or clauses where members may have comments, questions or amendments to propose. Is that agreed? *[Agreed]*

Proceed clause by clause. Clauses 1 through 3—pass. Clauses 4 through 7.

Some Honourable Members: No.

Mr. Smith: I do have a slight amendment. It is in French, just a clarification.

Some Honourable Members: Oh, oh.

Mr. Smith: I thought you would like it.

Mr. Chairperson: Mr. Minister, if I could have your consideration for just a moment. If it is the will of the committee, then, since clause 5 is the clause to be amended, clause 4—pass. Clause 5.

Mr. Smith: The replacement will be with Clause 5(2)(a). It is just to clarify in the terms, when you look on the French side, *vins*. The clarification will in this context show the clarification as outlined in the handout that I believe all members have now.

Mr. Chairperson: It has been moved by the honourable minister that the French version of clause 5(2)(a) of the bill be replaced with the following, here goes my French:

a) dans le passage introductif, par substitution, à « des vins », de « des produits »;

Pardon my French.

Mr. Chairperson: The amendment is in order.

An Honourable Member: In both official languages.

Mr. Chairperson: The amendment is in order.

Mr. Denis Rocan (Carman): I thank the minister for bringing this forward, and I would like to advise committee members that my translation of it is exactly as what the minister has stated. I do not see there would be any need for a translator to having done this. All the minister has done is put the "des vins et des produits" meaning several wines and several products. So we have absolutely no problem

with this interpretation or this translation. Thank you very much, Mr. Minister.

Mr. Chairperson: Any other comments or questions?

Amendment—pass; clause 5 as amended—pass; clauses 6 and 7—pass; clauses 8 through 10—pass; clauses 11 through 15—pass; clauses 16 through 18—pass; enacting clause—pass; title—pass. Bill as amended be reported.

Bill 23—The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)

Mr. Chairperson: Okay, we will now proceed with clause by clause for Bill 23. Does the minister responsible for Bill 23 have an opening statement?

Hon. Nancy Allan (Minister of Labour): I would just like to say that how pleased I am to bring in this legislation and hopefully we will be the first jurisdiction in Canada to bring in this legislation and show leadership to the other jurisdictions.

There are over 3000 needlestick injuries per year in Manitoba and we would certainly like to see those injuries reduced, particularly because some of them are around blood-borne pathogens. They are very serious injuries and particularly the treatment to cure them can be incredibly expensive.

It is our commitment, we made a commitment in 2000 to reduce injuries by 25 percent and this is another way that we can see workplace injuries reduced. This is another component of that strategy. I would like to thank the Service Employees International Union and the Manitoba Federation of Labour for making presentations tonight and we look forward to this bill passing unanimously in the Legislature.

Mr. Chairperson: We thank the minister for the opening statement.

Does the critic for the official opposition have an opening statement?

Mr. Ron Schuler (Springfield): Thank you very much, and, first of all, I would like to thank Ted Mansell, Service Employees International Union, and John Doyle representing Manitoba Federation of

Labour. I always appreciate when individuals come out and make presentations.

Again, the minister and I have discussed this bill and have debated this bill. There is a feeling in the opposition this could have been done probably far speedier fashion if there would have been a change in regulation and could have come in effect at such time as the old stocks were used up and new stocks would have been brought into place, but as the one presenter said, this has a lot to do with a public exercise. We know where governments go. It is a far bigger splash when you do it by legislation than when you do it by regulation.

So here we are. Again, we would like to see this come into effect as soon as possible and not necessarily wait until January. So, on that note, we would like to see it passed on and moved to report stage.

Mr. Chairperson: During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass; clause 2—pass; clause 3—pass; enacting clause—pass; title—pass. Bill as amended be reported.

Thank you to members of the committee. What is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: The hour being 8:30 p.m., committee rise.

WRITTEN SUBMISSIONS PRESENTED BUT NOT READ

Re: Bill 12—The Liquor Control Amendment Act

I would like to begin by apologizing to the members of the Standing Committee for not being able to make this presentation in person. Our offices were notified on Thursday, April 21, of the day and time we would be asked to present, and I was not able to adjust my schedule.

On behalf of myself and Canad Inns, I would like to take this opportunity to congratulate the government, the MLCC and all others involved with the extensive review of The Liquor Control Act.

We at Canad Inns are supportive in general terms with all the recommended changes.

The changes are proactive and will help our industry better serve the needs of Manitobans and visitors.

Mr. Jim Baker, president of the Manitoba Hotel Association, will be discussing a list of proposed changes brought forward by the MHA and not addressed in this review, and I must state I agree with the changes he will speak on, but I wish to highlight one of those proposals that I believe should be as an absolute "must change."

The change proposed is to harmonize the closing times of the three types of liquor licences on Sundays.

The three types of licences, cabaret, beverage room, and lounge, are all allowed to open at the same time seven days a week, and close the same time six days a week.

We are not suggesting a mandated opening, but the ability to open common hours, if the market warrants, that is, if there is a customer service need.

Sundays, and especially Sundays prior to a Monday holiday, are "recreation event days" across our province, from celebrations or concerts in downtown Winnipeg, to social, sporting, or cultural events in every community in rural and northern Manitoba. It has been established that all the services provided by our industry are appropriately offered on Sundays. It seems almost an oversight that the times are not standardized.

In addition to convenience for our Manitoba patrons, we believe this change also helps send a consistent message to tourists, tour operators and all of our visitors that we are truly rolling out the welcome mat.

There is no reason to believe standardizing the business hours for cabarets, lounges and beverage rooms will in any way negatively impact the public good, or is bad public policy.

I urge you to accept this recommendation as a positive amendment in the modernization of The Liquor Control Act.

Respectfully submitted,

Leo Ledohowski
President and CEO, Canad Inns