

**First Session – Forty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**Official Report**  
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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-First Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CHIEF, Kevin	Point Douglas	NDP
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 16, 2016

*The House met at 10 a.m.*

**Madam Speaker:** O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom, and know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Please be seated.

### ORDERS OF THE DAY

#### GOVERNMENT BUSINESS

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, as previously agreed, would you please resolve the House into Committee of Supply?

**Madam Speaker:** The House will now resolve into Committee of Supply.

Mr. Deputy Speaker, please take the Chair.

### COMMITTEE OF SUPPLY

#### (Concurrent Sections)

#### EXECUTIVE COUNCIL

\* (10:00)

**Mr. Chairperson (Dennis Smook):** Will the Committee of Supply please come to order?

This section of the Committee of Supply will now resume consideration of the Estimates for Executive Council. As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Mr. Wab Kinew (Fort Rouge):** Thank you, Mr. Chair, and good morning.

To begin, could the First Minister walk us through what some of the—what the cost of borrowing is for the Province right now? What are some of the interest rates that the Province is paying?

**An Honourable Member:** While we're—oh, sorry.

**Mr. Chairperson:** The honourable First Minister.

**Hon. Brian Pallister (Premier):** I'm sorry, Mr. Chairman. It's been a full 16 hours since the last session. I've already forgotten the rules. I'm sorry.

While we're digging up the detail on the interest rates, I'll just say that we do know that the interest rates are currently at historical lows, and so the borrowing that is being done currently is at lower rates than was historically the case.

We also know, though, that the cost of borrowing is somewhat higher as a consequence of our credit rating downgrade, which occurred last year, and the warning, of course, as well, the year before. These things impact on the cost of borrowing, as they do, as everyone who has ever levered money for a personal mortgage or, you know, a business—small business loan would understand that the higher the risk of the individual—I know my first loan was—I had the security of a nine-year-old used car, so my interest rate was a little higher than my brother who had my dad backing him on the farm. It was a—if I sound like I resent that, it's not true. I'm very proud of my brother.

But when the—when borrowing is done, it's important, obviously, for us as a Province to try to keep those rates as low as we possibly can.

So here's—I'll just read this into the record, I guess. I've got some—thank you very much.

**An Honourable Member:** Good timing.

**Mr. Pallister:** Yes, that was good. Thank you. Lots of eye trouble. The '16-17 public debt costs are estimated to be about \$230 million, an increase of \$10 million or 4.5 per cent from the '15-16 adjusted vote of 220, increase of \$25 million or 12.2 from the '15-16 forecast, which was 205. So, with—in other words, last year's forecasted debt was lower than is the case currently.

This is—and, of course, this increase is primarily due to the increased cost of deficit financing. Public debt costs are the net cost of interest and related expenses payable with respect to the public debt of Manitoba.

And just for further clarification, the number at the top used—I think it's approximately \$900 million—

is summary and what I just referred to is core, so it's two different subcategories. One includes things like Manitoba Hydro and the other does not, so that's why it's a lower number on the—the core number is lower.

So there's—there are—there's a lot more detail here, but I'll—I won't go on. I'll let the member go into more detail, if he wishes.

\*(10:10)

**Mr. Kinew:** Yes, I do appreciate the high-level summary provided and would like just a bit more detail, like in terms of the interest rates, like the rates that are being paid by the Province. And if the First Minister could provide some additional detail on that, it would be much appreciated.

**Mr. Pallister:** Well, the staff's digging around here to see if we can get it here, and if not, I'll certainly get back to the member later today, it would be my hope, at the latest, with detail on interest rates on that.

I think if we could also get some additional information for the members on length of time and so on, you know, on the bond terms, that would be also, I think, would be good information to have for committee members to know how long the various borrowings are that we are obtaining.

**Mr. Kinew:** Yes, I think it would probably be beneficial for everyone around the table to have, you know, a relatively full accounting of the various bond yields relative to the lifespan of each instrument. So as much as can be—detail as can be provided without being overly onerous burden on the staff I think would be beneficial. I had heard, you know, a 30-year bond made mention of in some other conversations around the building, so that in particular, I think, would be beneficial, but I think we'd like to see the others in particular.

And, I guess, just for greater specificity, you know, if we could also hear specifically what is the cost of the borrowing to finance capital projects. I think that would also be very helpful for our deliberations and conversations.

**Mr. Pallister:** Sure, so we'll get the member additional information and more detail on that. I look forward to further discussion on that as we can. If not, again, this morning, it would be this afternoon.

**Mr. Kinew:** Thank you, Mr. Chair, and, again, thanks for the undertaking to get that information.

I'd like the First Minister to share with the committee, you know, what his plan is with respect to using public-private partnerships going forward with respect to capital projects, what sort of role he feels that will play, you know, under this mandate.

**Mr. Pallister:** Good. I'll address that topic.

I want to just back up for a second and say I have some additional information here, too, if members are interested, that I brought. And this is information in respect to how the budget is designed that I thought might be interesting. This is the—so I was looking for information I thought members—all members might benefit from that I would have loved to have gotten when I came into the Legislature, quite frankly, and didn't, about how operating budgets are prepared, how departments put together their proposals for spending.

And I'm not trying to—I'm letting members know—members will have their own questions they want to ask. I'm not, you know—but these are—this is just other information that I wanted—I thought might be helpful to members, not just those who are new, quite frankly, because a lot of this information, after my first four years in the Legislature—I wasn't aware after four years how budgets are prepared.

So I thought it might be interesting. If we wanted to go there later on, these are some topics we could address. I brought some information also on how capital budgets are prepared, not just operating expenses—you know, the salary costs and that type of thing—but also the capital budgets. So that—and that, I guess, what twiggled me reminding me to mention this, is the member's question about public-private partnerships, because that is one approach that many governments have taken in respect of obtaining capital, getting capital investment into projects that benefit the public, but are not exclusively funded in many jurisdictions by the public.

Examples in Manitoba of what are commonly referred to as 3P—we'll get some more background on the specifics of the topic and I understand they can be designed any number of different ways. There were some 3Ps done by the previous administration. I know one example was Chief Peguis extension was done through a public-private partnership. As well, the Bill Clement bridge—I call it Moray—was a public-private partnership. I'm struggling to remember, but I'll get more background.

It's an interesting topic to learn more about. I've done a little bit of reading. Don't claim to be a

great expert on the topic, but I'm interested in how other governments have used—and this—and previous government used this approach to, specifically in these examples, to do infrastructure, invest in infrastructure and get, you know, because we have—we all know we have an infrastructure deficit. We have a massive number of proposals coming forward from individuals and municipal local governments, indigenous governments as well, on projects that they feel are high priority, and limited dollars to do this solely from the public sector point of view.

And so I gather this pressure is there elsewhere, not just exclusively in Manitoba or in Canada, but around the world. And so I know, for example, in Saskatchewan, they just proceeded with—this would be, I think, less than two years ago—a public-private partnership on a water-sewer major project in Regina, and they actually included—they gave the public the right to decide. They had—actually, had a referendum on the project and said what do you think? Do you want to go ahead with this project or not? And it was, from what I understand, a fairly close outcome and they decided to proceed. What I liked about that approach, I guess, at first blush, was that it included the people in it. It let the people have a say. They got a chance to decide whether they felt this was a smart approach to take or not. And so I tend—tended—tend to believe in those—some of those cases these things can work rather well.

So we'll get more detail for the member on the specific aspects Manitoba's deal. Oh, of course, phase 2 rapid transit—I should've thought of that—is also, of course, a 3P partnership as well, so, yes.

**Mr. Kinew:** So, appreciating, you know, the substance of the First Minister's previous response that, you know, he does want to take a look at some of the information further, can he share with the committee what he sees is the advantages, disadvantages of, you know, the public-private partnerships approach and how would that factor into his decision-making process about whether or not to deploy them under his mandate?

**Mr. Pallister:** Well, again, with the caveat that I—in giving a response to the member, I'm not claiming to have a Ph.D. in this issue. I'm simply an interested reader of information from whatever source I can find it. I think, like most of us, we're lifelong learners in this business or we become lifelong learners, anyway, with the sheets of paper—they get put on our desk.

So I just say I know there are pros and cons to any approach and, certainly, when—I think one of the arguments that opponents have made to 3P approaches would be that the private sector has to pay more to borrow money than the public sector, so it should be the public sector that does all the projects. Of course, the challenge with that is if you're borrowing too much money, you're—for infrastructure—you're not able to borrow as much money for other things.

\* (10:20)

So there are always priorities that have to be weighed in any government and, I suppose, right now health care would rank very high as a priority. An example might be the construction of personal-care homes, something we've committed to doing and believe, you know, is a clear priority for our government, something that may have been pushed down the list a bit over the last few years by the previous administration.

So the argument is that there, you know, if we can access some additional capital to do these infrastructure projects, share in the consequence of that, share in the obligations to the public, and the private sector gets some reward, the public gets the reward of having capital to be put to other priorities at the same time. And it's not—it doesn't have to be put towards the—those infrastructure priorities to the same degree it would have. So that would be the argument, simply put, as to why some would argue that the 3P projects assist the general public good. The argument against, I think, is principally that private sector entities shouldn't profit from the investment that they make in these types of endeavours because they are for the public good.

I know in Ontario they have—they use toll roads. If you've driven around Greater Toronto Area, you know you got tolled. And there are different approaches different governments take. I don't—I would not be inclined to say one is perfect, but I do think there are good arguments to be better understood on both sides of that debate.

**Mr. Kinew:** Is the First Minister contemplating using public-private partnerships to pay for the additional personal-care home beds that he is committed to adding in the province?

**Mr. Pallister:** What we're planning on doing is developing a model that creates a partnership, which is essentially what most health-care institutions in our province have done and are endeavouring to

do on an ongoing basis so that you have shared support network in the interests of all. Of course, traditionally, this was done, say, with hospitals in the old days before RHAs. If you were involved with a hospital organization, you know there were normally local associations that involved themselves in assisting in various ways in those facilities. There—well, you remember the old auxiliary model that's still in place in a number of hospitals with volunteer people assisting in a variety of ways.

You also had shared funding on a number of fronts, volunteer activity, very plentiful. These are forms of partnerships, capital investment too. Significant donations through hospital foundations from the private sector, including and not limited to the provision for additional equipment, additional supports, additional, you know, even TVs in the lounge, furniture, you know, things like this. This is a model that's not new to Manitoba, and I think Manitoba has a tremendous strength in the sense that we lead the country in supporting worthy causes, charitable causes. We lead the country in volunteering, frankly. Every Stats Can compilation of data since they started that stat shows Manitobans lead the way.

So partnership models like this suit our heritage. They suit our nature. We understand that you can't get a better province if you don't step up and help. And so our people tend to step up and help, and it's a good quality, I think, of Manitobans in every respect.

So for the personal-care home question the member asked, I don't think we should rule out that model. I know the previous administration enjoyed a fine celebration in Niverville when the Niverville personal-care home opened. There wasn't a partnership there in the sense that I think we could have one because there wasn't a dollar of government money in that facility. It was totally privately constructed. But it, of course, offered an opportunity for celebration because of the great work that people did, and there was—there were government representatives from the previous administration there for the ribbon cutting. And that was good because the government will assume the ongoing operating obligations that are important, but there also is a private—significant private sector investment that was made in that facility's construction. Folks who made that investment, many of them made an investment by volunteering, many by working, supplying goods at cost; others by simply using their skills to advise or to construct; others on an ongoing basis to volunteer in the facility

and to work with the seniors in the facility—beautiful facility, a fine end result.

I think probably the member would agree the key thing is to address the issue of the shortage of personal-care-home beds, and then we'll talk about different models to do it. But the key is to recognize it's a serious problem. It's a deficiency in Manitoba right now that we have to address. And, as I say, I see the challenge there. I also see a great opportunity for us to address it effectively. And I wouldn't rule out working with—in a partnership of some manner with private sector people. To me, private sector people means Manitobans.

**Mr. Kinew:** Yes, I think I share some of the observations the First Minister makes.

My old boss, now University of Winnipeg president, but who was formerly a deputy minister in the Alberta public service for a number of years, originally a Winnipegger from Transcona, upon returning to the province from Alberta, she often, in the time since, has shared the comment that in Alberta people often talk about what they have in terms of houses, recreational vehicles, you know, big boats, things like that. But, when she came back to Manitoba, she noticed that Manitobans often comment about what they're involved with in terms of volunteerism, in terms of, you know, time in the community, things like that. So, yes, I take seriously what the First Minister is saying and I do appreciate that.

Is there an accounting in, you know, the hands of the civil servants that show what the potential costs of borrowing from, you know, a private, you know, what a private partner in a public-private partnership would get, what the interest rates would be that they are currently paying?

**Mr. Pallister:** I think we could probably just phone a bank and find out. I mean, these guys are already working on the first question. I'm not going to undertake to get them to phone the bank.

We know that governments generally can borrow at lower rates than private sector companies. And I would be the first one to observe that. There are very rare exceptions, I'm told, in terms of, you know, incredibly large multinational corporations. We might be able to obtain some comparable data from the government of Saskatchewan because of the recency of their project; then it might be one we could dig up. But it would be historical data, right?

Obviously, the rates are going to change somewhat, though they've remained relatively low.

I say relatively low because I'm now flashing back into my memory and my first mortgage, which was 17 and a half per cent for five years locked in, which I thought was a great deal at the time. So we don't borrow at rates like that now, and that's really good. I watched what happened with those high interest rates, and that's partly my motivation in a recent trip the Finance Minister and I to meet with the bond-rating agencies, because we really want to be proactive on guarding against an additional downgrade on our credit rating, if we can.

It's interesting. People get complacent with interest rates. I did a presentation at the Winnipeg chamber recently and I asked the audience to put up their hand if they remembered—if they had borrowed money at, ever, at double-digit interest rates. And that audience revealed itself to be very, very aware of what double-digit interest rates were. About half the audience put up their hand. But the under-40 people didn't put up their hand, because they haven't ever had to borrow money at those rates.

And there is a danger with thinking that borrowing money because it's cheap to borrow it is a smart proposition in—from the standpoint of money management. It is not ever a smart proposition, because, of course, besides the interest serving costs—servicing costs, the capital has to be repaid, naturally, as well, and because excessive borrowing in any year can then erode one's ability to borrow in the subsequent year, and so what happens over time with that philosophy and money management practice is that, on a graph, the line slopes upward from the left to the right as obligations compound over time and the ability of people in a society to service that debt does not go up at a commensurate—at a corresponding degree—to a corresponding degree necessarily. So what happens is that there becomes pressure in terms of limited assets over a period of time on such a graph as I've described. Over time, the capacity to do the things you want to do is limited by the spending of the past.

\*(10:30)

Now, this compounds so that, for example, we know the Building Manitoba Fund commitment to government made to spend one seventh of PST revenue on infrastructure, doing so in, well, failing to do so in the first two years, but then succeeding in doing so the year before the election, sounds good in the short term. The trouble is, over time that

obligation accelerates and so the Building Manitoba Fund is overcommitted now. In the next couple of years there won't be extra capital for new projects because the projects that have taken up that money don't stop costing. It isn't a one-year thing. It's an amortized thing. So, over a period of time, capital projects compound, and as a consequence reduces the ability of future governments going forward to access capital to the degree they might want to for additional projects, for maintenance, for repairs, things like that.

So, just—I guess what I'm describing is just the catch-up factor of the way that governments catalogue their expenditures. They—when a government builds a bridge, it doesn't just show up as a cost one year and it's done. It's amortized, so like a mortgage. It takes 25 or 40 years, depends on the asset, and different assets are categorized differently on the books. But it takes an obligation in the first year, doesn't mean that there's no obligation in the next 24. And so the obligation continues and then, subsequently, it's happening again and again and again and again, and as these projects continue to be put on the books there is less capital available.

Now, compounding the difficulty is the consequence of interest rate increases because if an interest rate goes up, obviously, then the debt service component gets higher and you have even less money to spend in future years.

**Ms. Flor Marcelino (Leader of the Official Opposition):** Sorry, I didn't quite obtain a clear commitment from the Premier (Mr. Pallister) about Freedom Road. What is your government's commitment to freedom—building Freedom Road on Shoal Lake—in Shoal Lake?

**Mr. Pallister:** Well, we think it should be built.

**Ms. Marcelino:** Thank you to the Premier. That's a big comfort. That road is very, very important. Our First Nations brothers and sisters from Shoal Lake has endured so much suffering because of the absence of a road. They're marooned in an island as a result.

Also, I would like to, Mr. Chair, ask the Premier: Is he committed to maintaining the same level of funding for the all-weather road in the North?

**Mr. Pallister:** I should mention, back to Freedom Road for a second, if I could, just to further clarify for the member. I appreciate her interest in that project and I am very interested in that project. I've travelled to that community, I've recognized what the

member is saying. I wouldn't want her to assume that all problems and challenges faced by that community would be solved by a road necessarily, but certainly some would be addressed, for sure.

I think it's important to know that there's a discussion under way on that project and others including northern roads with potential partners. And in this instance, I'm referencing not exclusively the federal government, and so in terms of the—in terms of answering the question specifically, I can't do that honestly because I'm in the middle of those discussions with those partners.

As the member knows, the cost estimates on projects can change, and they do, and they have. And so, there's discussion and negotiation with partners that happens, as happened when she was in government on—not exclusively on infrastructure projects, but on many things. And so she's asking a question I can't answer just because of the reasons I've explained.

**Ms. Marcelino:** Repeating the other question, how about funding for the all-weather road in the northeast side?

**Mr. Pallister:** I was trying to explain that this is also an area of discussion, and as the member is aware, the arguments that I just put forward—they're not arguments, but the reasons, the rationale, apply with the East Side Road and with Freedom Road and with numerous other infrastructure projects where there is a federal government currently committed, as was the previous federal government, to investing more money in infrastructure. We're negotiating to obtain the maximum advantages for Manitobans, as we should, on these projects. So, not exclusively Freedom Road but many others as well are on the table.

So these things are in process. This is an ongoing thing. The previous administration was involved in these discussions. I've inherited the results of the discussions to April 19th and now continue with those discussions.

**Ms. Marcelino:** In the discussions by the government or the minister—*[interjection]*

Thank you. In the discussions with the East Side Road Authority, now non-existent, what happens to the community benefit agreements struck by ESRA with the local First Nations community? What is happening now with those community benefit agreements? Are they being honoured by the

Department of Infrastructure as they do the road building in that part of the province?

**Mr. Pallister:** Well, any community benefit agreements, or CBAs, negotiated in good faith will be honoured. That's the obligation of the Crown, I think. The obligation of the Crown in—historically, in many respects in dealing with indigenous people has not been met satisfactorily, and I think it's important that we restore stronger relationships of trust, and that would mean fulfilling the obligations of the Crown. And this is why I've long been a supporter of the duty to consult and of framing it, as we spoke a little bit about the other day, of framing it so that First Nations people, leaders, community members have a good understanding of what the obligations are. And also the Crown and private sector operations interested in working on First Nations lands or traditional lands have obligations as well. And the better job we do, I think, of framing those obligations and understandings is—it's going to be beneficial to helping communities move forward.

**Ms. Marcelino:** I thank the Premier (Mr. Pallister) for the answer.

Mr. Chair, through you, I would like to ask the Premier: Has, in his—I don't know how many times he has met or spoken with the Prime Minister. The Prime Minister, his new government is committed to helping build the all-weather road on the east side. Is that part of the conversation or future conversation that the Premier would like to undertake with the Prime Minister?

**Mr. Pallister:** I will say to the member, and I know she is the same, when I have private discussions with people, I keep them private unless I have permission from them to say what we've talked about. And so I would respect that with my discussions with the Prime Minister. That being said, I think it was reported already and I think the Prime Minister put out a press release about it, so I wouldn't be remiss in saying that we have had discussion on the topic she raises.

\* (10:40)

**Ms. Marcelino:** In the budget there's \$48 million cuts to infrastructure, can the Premier provide us a list of what is in those 48 million cuts out of those budgets?

**Mr. Pallister:** No, I think—yes, I was trying to figure out what the number was the member is alluding to, and what she's talking about is the difference between what the NDP ran on in the election on



spending and what we committed to spending, and that's not a cut. That's us keeping our promise, not keeping the so-called promise of the previous administration when they were campaigning for re-election.

Our budgetary commitment to infrastructure investment is approximately \$1.8 billion, and that is a very, very significant commitment. What is also very significant about the commitment is our commitment to continue it on an ongoing basis. This will allow us to get a much better result than the previous government's approach which was to make the commitment, underinvest in infrastructure by 20 per cent or more each year for the first four years of their mandate to the tune of over \$2 billion that was not put into infrastructure, but went into other department spending.

This was the previous approach, and what resulted from it was, of course, less value for money because the—as a consequence of it, we got less potholes filled. We had less faith in the process that the private sector in construction companies engaged in when bidding on jobs. Fewer participants in those processes meant higher bids generally would be awarded. Also, because of the lack of faith in the consistency of the government's ability to do what it said it would do, private sector companies did not upgrade their capacity to participate knowing that, based on the record, the administration likely would not follow through on its stated commitments budgetarily.

This would mean, of course, that—therefore, that companies' capacities were limited. Their ability to grow, to invest, to hire, to purchase materials and equipment were all somewhat suppressed as a result of this betrayal of the trust of the people, not just the industry, but of Manitoba.

Now, our commitment in respect of infrastructure is to do consistent investment. We anticipate that the consequence of that would be a restoration of some faith in the relationship among the—not just the heavy construction industry, though that would be a major part of it, but other industries, building trades and the like who all participate when encouraged to do so in a bidding process.

I would also point out to the member that the previous administration's lack of good faith in respect of these things was highlighted to me by many of the industry participants who shared with me their frustration at the government awarding—as the Auditor General had pointed out two years ago in

her report—untendered contracts that would go to a competitor in the industry, but not posting the information on—in the required manner so that—imagine your frustration. You know, you're in the industry. You want to compete. You're doing your best to compete. You find out the person you're competing against has been given a big job by the administration. You can't even get the details. You know, people got very frustrated with that and communicated on a regular basis.

So this is why we believe changing the system, improving the transparency, making public all the information on untendered contracts is the way to go, just as the Auditor General recommended and just as the law required. And the previous administration ignored the law. We will not. We will invest in infrastructure on a regular basis. We will do it openly. We will encourage the industry to participate through competitive processes whenever possible, and we will make sure that we get better value for the money we invest.

I don't know how many Manitobans took seriously the promises of the government in respect of infrastructure knowing that four out of five previous years they hadn't kept their word. I don't think many. But I want the member to know that what she was referring to in her preamble was unjustifiably labelled by her a cut and is not a cut at all. Our commitment is to invest, to invest consistently and to get better value for money for Manitobans. And we will do that.

**Ms. Marcelino:** I was informed by my colleague that he has requested, and it's now under advisement, a detailed list of the \$9-million reduction in the Education budget, right? Education—[interjection] spending.

Now, in the budget, the department's highway capital budget was cut by \$48 million. Can the Premier also provide us, under advisement, the list of—identifying the \$48 million as well?

**Mr. Pallister:** Well, again, because the member is wrong in her preamble, I can't provide her with information which doesn't exist, so I will not undertake to provide her with information to support a false preamble. She's incorrect. I will, however, outline for her in detail—and it is contained in the budget document itself—the investments we're committing to in our budget of '16-17, and she may review these in the budget document on page 12 as well.

In terms of core government infrastructure investment, roads, highways, bridges, flood protection and parks, under the category of highways and bridges, \$542-million commitment; water-related capital, \$45 million; parks, cottages and camping, 12; for a subtotal of \$599 million.

In terms of capital grants, maintenance and preservation—we all know how important maintenance and preservation is even though the previous administration focused almost exclusively on new projects involving ribbons and signs as opposed to maintenance and preservation—maintenance and preservation capital grants for Building Manitoba Fund, \$284 million; maintenance and preservation of highways, \$144 million; maintenance and preservation of water, \$10 million; subtotal 438, and your core government infrastructure total is \$1,037,000,000.

Under other provincial infrastructure as well, not related directly to the core government infrastructure that I just described, are significant investments in areas of health, \$442 million; education, \$241 million; housing, \$120 million; northern affairs communities, \$15 million; and the other provincial infrastructure total \$818 million for a total strategic infrastructure of one point—\$1,855,000,000.

**Ms. Marcelino:** I would like to go back again to my question yesterday, to my statement that a \$40,000 annual joint family income is not a high income or wealthy Manitoban.

Last night I received a letter, and I believe other members of the government may have received this letter too. It was addressed to me and I'd like to read it: Dear Ms. Marcelino, I'm a senior citizen that was counting on the seniors' education rebate this year that was scrapped by this Conservative government. Mr. Brian Pallister said on CJOB that he would honour the seniors' rebate as established by the NDP party. I was waiting on the phone with that exact question when a caller by the name of Allen asked me question—asked the question for me. That was the first lie on this issue.

\*(10:50)

The second lie on this issue is an email received from Jillian Currie on April 15, 2016, four days prior to the election. And I quote: Per your question regarding seniors property tax rebates; the PC Party will commit to ensure that seniors are rebated as they have been under the current government. End quote.

Who is holding this government accountable for the bare faced lie to seniors? How is it politicians can lie through their teeth just to acquire power and votes with no repercussions? I am a low income earner trying desperately to hang on to my home and the seniors' tax rebate in full this year would have made that possible. I am appalled at the lack of integrity this government has shown and they are barely out of the starting gate. I am attaching a copy of the letter I wrote to Heather Stefanson, MLA for Tuxedo. Subsequently I found out this \$470. amount wasn't even going to be deducted until Income Tax year 2016. Had they been upfront about this, I would not have voted for them. However if they won in spite of being of honest about the Seniors' Education Rebate, I would have at least known it was an honest win. Yours truly, Maureen McGregor.

**Mr. Chairperson:** Can I interrupt for a second here? Some of the language that's being used from that letter should not be brought forward. If you are going to talk about anybody, they should be used—name—their name should not be used, it should be their title, member or whatever it is.

**An Honourable Member:** I'm reading from an email I received. I cannot—[interjection]

Okay, could I ask—

**Mr. Chairperson:** Even though you're reading from a document, you should not be quoting any unparliamentary language.

**Ms. Marcelino:** Could I request my colleague to read it?

**Mr. Kinew:** The—my colleague from Logan has asked me to read the letter. I'll do so in a way that removes any unparliamentary language and personal references to members of the Legislative Assembly. Is that appropriate? Yes? Okay, thank you.

All right, so I'll skip over the date and address at the top of the letter.

**Mr. Chairperson:** Excuse me. Would a copy of this letter be available for us here? It's a private document, so I believe it should be tabled.

**An Honourable Member:** Okay.

**Mr. Chairperson:** The time has expired, so I will—the First Minister, the honourable First Minister to respond.

**Mr. Pallister:** So, first of all, it is beneath the member to read personal attacks and under somebody else's auspices. And it is unparliamentary,

as the Chairman noted, and disappoints me, especially because when we leave here all we will have is our reputation and our integrity and no one welcomes allegations put through a third party on the record or directly given. But the pure cowardice at reading into the record an accusation alleging lying five times in it is disappointing. It's disappointing because it does not reflect well on the member and certainly has no relevance to me.

I think the real point to be understood here is that our commitment to maintain the pre-existing seniors' tax rebate and to means tested is a principled and positive and well-supported endeavour to make sure that the people who need the support get it, and the shallow, callous, deliberate, politically motivated attempt by the previous government to purchase the votes of seniors who they had pillaged over the previous five or six years with massive tax hikes impacting on their take-home pay was despicable and beyond reprehensible. It was absolutely an assault on the senior population of our province.

And in the last days, last hours, before the election to go out and promise that they would quintuple the benefit and hope that people would actually believe it. They were preying on the naïveté of some in our province. They were preying on the very people that they had hurt with their endeavours, their tax—massive tax hikes, the highest in Canada, and most viciously their attacks on seniors were not appreciated by seniors.

Now the member comes here and she reads a quote attacking my integrity on an issue she agrees with, on an issue she says we took the right steps. She says, quote: We agree with that PC plan to introduce income testing of the seniors' education tax credit. Those who can afford I think a progressive taxation, those who can afford to sustain themselves should do, and those who cannot in society should help until these folks are lifted up.

I encourage her to have the integrity and personal authenticity necessary to stand up when people make accusations that are false and she knows it, to say they're false and not to try to obtain some petty partisan advantage from every interaction she has with those very people who she as a Cabinet minister took money away from.

Kate Kehler, executive director of the Social Planning Council of Winnipeg, hardly traditionally a right-wing think tank, welcomed the measure, calling it a very good move.

I mean, I could read into the record numbers of emails I've gotten from people saying congratulations on the courage of your endeavour and thank you very much for supporting us. As low-income seniors, we appreciate it. But I'm not going to do that.

I simply ask the member if she would like to have a discussion on issues of this nature, policy discussions, let's discuss the policy but don't bring into this place contrived quotations, real or not, from people and read non-parliamentary information into the record to attack my integrity. I do not appreciate that. I don't think Manitobans appreciate that. And I would encourage her not to do that.

I certainly have not mentioned a word about her experience with Health Canada; I've left it alone. She knows that. And I've done that out of personal respect for her and I expect the same respect back.

**Mr. Chairperson:** Before I continue, I'd just like to remind all the members of the use of unparliamentary language in this committee room.

**Ms. Marcelino:** I appreciate the response of the Premier (Mr. Pallister), and the Premier is free to bring up Health Canada. I have nothing to hide there, and, in fact, I would like it out because the real truth will come out.

Anyway, the point of that letter I think is, the Premier himself told Manitoba on CJOB that he intends to keep the seniors' tax credit. That's why this lady wrote this letter or emailed this, and I believe this is the same email that was forwarded to members opposite.

**Mr. Chairperson:** Are you tabling this?

**Ms. Marcelino:** I am tabling the letter and the email.

**Mr. Chairperson:** Thank you.

The honourable First Minister.

**Mr. Pallister:** No question, no answer.

**Ms. Marcelino:** My question is: The Premier is—it's not—the accusation is not from me. It was the Premier himself who on CJOB mentioned that he will honour the seniors' tax rebate. Will the Premier now in light of many people saying that we're not wealthy if we're in the \$40,000 annual income range, will the Premier consider giving back the tax rebate to seniors who are not wealthy?

**Mr. Pallister:** We're going to do as we promised in our budget and as I promised on CJOB: maintain the seniors' tax credit for those who need it most.

**Mr. Chairperson:** As previously announced, the hour being 11 a.m., this section of the Committee of Supply will now set aside the Estimates of Executive Council in order to consider the Estimates of the Department of Indigenous and Municipal Relations.

Is it the will of the committee to take a short recess? *[Agreed]*

*The committee recessed at 11:00 a.m.*

*The committee resumed at 11:05 a.m.*

## INDIGENOUS AND MUNICIPAL RELATIONS

**Mr. Chairperson:** Will the Committee of Supply please come to order.

This section of the Committee of Supply will now consider the Estimates of the Department of Indigenous and Municipal Relations.

Does the honourable minister have an opening statement?

**Hon. Eileen Clarke (Minister of Indigenous and Municipal Relations):** Good morning, everyone. I'm pleased to be able to make a few comments on the 2016-17 Estimates and discuss some of the important activities of the Department of Indigenous and Municipal Relations.

I'd like to begin by acknowledging the hard work of my department staff and the work that they do with indigenous people in communities, northern Manitobans and communities and Manitoba municipalities and important stakeholders like the Association of Manitoba Municipalities.

I'm honoured to be the minister of the new Department of Indigenous and Municipal Relations. This is a great honour for me personally, and I look forward to working with everyone in this capacity. My mandate is to work positively and respectfully with all communities across Manitoba, local governments, indigenous people and communities and important stakeholders.

I am in a unique position, giving my—given my background in municipal relations to facilitate these discussions and to deliver on our mandate and improve our service to the public. Our department is committed to a new way of doing business

with communities all across Manitoba, one that establishes new partnerships, reduces red tape to allow more efficient access to government programs and ensures that all budgeted infrastructure dollars are fully allocated and spent to benefit all municipalities.

Achieving our department's priorities cannot be done based on the status quo. A new approach is needed, and that is why we have strategically aligned areas of government that best meet the priorities of municipalities and indigenous communities.

With respect to indigenous relations, this new approach means working positively and respectfully with indigenous people and communities, to develop a new relationship build upon reconciliation. I've had the opportunity to meet with many Metis, Inuit and First Nation Leaders in my short time as minister already.

It is my intent to serve as a bridge between the indigenous people, local governments and industry to ensure that a common understanding is achieved. That's why I've already directed staff within my department to formulate a plan that will engage indigenous leaderships on establishing a duty-to-consult framework for productive consultations with indigenous communities. It's also why we will work to build respectful and effective partnerships involving all levels of government to responsibly and sustainably develop our natural resources, as well as encourage the federal government to enhance funding for those students on reserves.

This new approach will also benefit our ongoing work with respect to the implementation of Treaty Land Entitlement agreements in Manitoba, including garnering support for urban Aboriginal economic development zones in partnership with First Nations communities, continuing work on the terrible issue of murdered and indigenous women and girls and ensuring that Manitoba continues to play a leadership role in national inquiry that is about to begin, with a particular focus on the role of survivors and the families of the missing and murdered.

Ensuring that we continue to deliver funding for operating and maintenance costs for municipal services in 50 communities under The Northern Affairs Act, as well as loan act funding for capital initiatives in these communities such as water and waste-water projects, co-operating with the federal government and First Nations communities related to Interlake 2011 flooding, including negotiation and

trilateral comprehensive settlement agreements and above all else, return these people home.

In terms of municipal relations, our department's new approach means building a single-window system for local communities to access government programs and initiatives, as well as the development of a new partnership process with the AMM and the City of Winnipeg to establish a basket-model approach funding communities.

We will also work to ensure value for provincial dollars by prioritizing projects based on a return-on-investment model in advance of major capital decisions. One of our department's first priorities is to work with municipalities to hear their ideas on new infrastructure-funding approach. In other words, our priority is to give all municipalities a fair say in infrastructure investment. That's why we've committed to meet with municipalities within our first 100 days of our mandate. Our new government believes that municipal leaders are best positioned to determine local infrastructure priorities. They deserve a fair say in how infrastructure dollars are spent.

\*(11:10)

To date, municipalities have told us that the provincial infrastructure funding needs to be more flexible to address local priorities and that this funding needs to be easier to access with less red tape.

We're excited to consult with the AMM and other municipalities during these past weeks. These consultations invite feedback on key municipal infrastructure priorities and how current programming can be changed to better address these priorities. Similar consultations will also take place with the City of Winnipeg.

Also, ensuring that municipalities have a fair say will be one of my top priorities as minister and it will be a top priority of our government this year.

On a personal note, I'm proud to be in this newly elected government as the MLA for Agassiz constituency, as well as the Minister for Indigenous and Municipal Relations, working on behalf of all Manitobans. I will do so without prejudice of race, culture, religion or individuals' choice of lifestyle or their views and opinions on all issues facing government or society as a whole. I'm proud to be one of the 12 chosen Cabinet ministers in this government, and will work hard every day to

represent our government and the people we serve in a respectful and compassionate way.

We are often criticized and accused of not having a diverse caucus. I believe, of the 57 elected representatives in our Chamber, there are no two of us alike. I'm proud of my Mennonite heritage, the language we speak, the religion or faith we choose, and the traditions or customs we teach our children and grandchildren as taught to us by our parents and grandparents. Everyone deserves to be respected regardless of colour or heritage.

I'm also proud to be one of the 12 Cabinet ministers in our government that was selected not because it was required to have more women or persons of 'visible' minorities. For me, there would be no pride in being appointed to this Cabinet to fill a quota for the number of women, or if I was plugged into a position to meet a demand.

I was pleased when I first heard our Premier (Mr. Pallister) announce all Cabinet members would be selected for their qualifications and ability to perform their duties of the position. I have always had high expectations of myself to do the best job possible in an effort to exceed the expectations of others. I will do no less as I carry out the duties and mandate of this honourable position that I've been appointed to. I will do so with respect and compassion for all the people I work for and with.

I also want to make reference to the unfortunate incident that took place in our Chamber yesterday during question period. As elected officials, we are to be leaders and represent our constituencies and our province in a respectful manner. I found it especially disturbing to have to witness such a display of bad behaviour and bullying within our Legislature. The individuals in the gallery were visitors and represented thousands of hard-working people in our province that I know would not support their bullying and inappropriate comments that were shouted out. It was disrespectful to our Speaker and everyone else that had to witness their planned efforts to discredit the proceedings of our government.

Even more concerning was the fact that there were also a group of young children in the gallery that were subjected to bad behaviour of individuals of our society that consider themselves professionals. Is that what they want to teach their children and grandchildren?

We listen daily to questions and discussions of the wrongdoings and bad decisions of the past that are still causing so much pain and loss and frustration to those trying to cope and survive. We are accused of not doing enough to correct the past and show respect and compassion for all. What are we teaching our children now? Is it better than the past?

We need to do a better job as elected officials in our government, as we will lead by example. Hatred, bullying and lack of respect for all has to start at the top. It's time for all of us in government to focus on prevention and education of better decisions and behaviour to ensure a respectful and inclusive society for the future.

Thank you.

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

Does the official opposition critic have any opening comments?

**Mr. Wab Kinew (Fort Rouge):** I would like to begin by acknowledging that we are holding this committee on Treaty 1 land. So I acknowledge the Anishinabe communities here in Manitoba who are signatories to Treaty 1 and whose band communities are now scattered across southern Manitoba.

I also would like to acknowledge the Dakota people, who never signed a treaty here in Manitoba, on whose homelands we are also gathered and who now find many of their communities located in southwestern Manitoba, places like Canupawakpa and Dakota Tipi and Birdtail Sioux.

And I would also like to acknowledge the Metis Nation on whose land we are now located as well and say that it is a state of the art in indigenous studies that leading Metis scholars now view the Manitoba Act as a treaty with the Metis Nation, and therefore it is fair to say that the Metis Nation played a founding role in bringing our province into confederation. And so, in addition to acknowledging their territory, we also must acknowledge the crucial role that the Metis played in our politics here in this part of the world.

And by way of being inclusive and not leaving any indigenous group out, I would also like to acknowledge the Cree, the Oji-Cree, the Dene and the Inuit peoples, whose homes are also located around Manitoba. And, of course, we sometimes have fun specifically with our Ojibway and Cree

brothers and sisters as to whose territory is where and who has the rightful claim to this area, but, you know, we all recognize that the Aboriginal and treaty rights which are asserted by these communities take their force and power due to the fact that indigenous nations were here since time immemorial, and so I begin with an acknowledgement of that.

Also, having worked with, you know, the mayor of Winnipeg in a volunteer capacity, I have a profound respect for the municipal leaders across our province, and so I also acknowledge the work undertaken by some 137 mayors and reeves, I believe is the number, across our province. And, you know, be they the mayor of the City of Winnipeg who has to contend with, you know, serving the vast majority of the provincial population here in the provincial capital or, you know, reeves in the Interlake who have to respond to emergencies like flooding, you know, I fully acknowledge the great public service that many of those people undertake on all of our behalfs on a regular basis.

On a similar note, I congratulate the minister for her appointment as a minister of the Crown. It is certainly a great honour, and I'm sure that it's one that she will undertake with great seriousness and will carry out her duties with great integrity. And so I look forward to collaborating with her in whichever way I can. I'm here to work on behalf of the people of Manitoba, so however I can serve, I'm happy to do so.

In a similar respect, I'd like to acknowledge my colleagues, the member from The Pas and the member—actually, I should probably refer to him as our House leader, to be more formal, who will undertake to be critics in portfolios that are also overseen by the Minister of Municipal and Indigenous Relations (Ms. Clarke).

In particular, just as opening comments, I understand that these two—previously two different departments have been consolidated under the new provincial government. However, I would like to put on the record that there are some important differences between municipalities and indigenous nations. In particular—well, there's a number, actually, that we could go on the record with, but some of the more germane, I think, to the conversations in government: One is that indigenous nations have constitutionally recognized rights and also have title in many parts of the country, which are unique and are held collectively by indigenous communities and are the source of many of the

contemporary political norms and discourse with which we now engage.

For instance, the duty to consult, which the minister made mention of, arises in the discourse today as a contemporary legal interpretation of how to operationalize the section 35 affirmation and recognition in our Canadian constitution of Aboriginal and treaty rights. And so those unique rights, inherent rights, have to be paramount in our dealings with indigenous nations and indigenous peoples, and they ought to be respected.

\* (11:20)

Turning to—I guess the other key difference is that indigenous people disproportionately bear the brunt of the worst conditions of abject poverty and social dispossession in our province as well. And to me, I would assert, that given the fact that when you look at those affected by the child-welfare system, by those affected by the criminal justice system, those affected by poverty, those Manitobans that don't have access to clean drinking water, those Manitobans who live in what are sometimes referred to as third-world conditions that the, you know, vast majority of those Manitobans are indigenous. To me that highlights a great urgency to act to alleviate those conditions and to make sure that we are doing all that we can to uphold the honour of the Crown.

We know that the honour of the Crown is at stake and the duty to consult and—is implicated in the treaty relationships which govern many of the relationships with indigenous communities, but, you know, it's simply a matter of public service as well, in my mind. So that adds urgency to many of these discussions.

I know also that municipalities are unique in their own ways in different respects, and I note ever-broadening public discourse on what the role and scope of responsibilities for municipalities should be in our contemporary political landscape. So, we saw evidence of this in the recent provincial campaign where, you know, the AMM and, you know, specific mayors and reeves stood up to demand, in their words, a fair share and a fair say, and I note that the minister is committed to a fair say. So perhaps we can discuss what the fair share component might look like and where that would be implicated.

But I was also very curious to read over past months about mayors in different jurisdictions around the country also standing up and saying that

at some point there should be a constitutional recognition in our country of the role of municipalities, that currently under section 91(24) we have a recognition of a division of powers between federal and municipal levels of government, but that these mayors were saying that our constitution—I guess, the implication is that there is a blind spot there and that there ought to be a constitutional recognition for the role and the scope of responsibility for municipalities.

So, in my mind, this is a very interesting emerging field of political discourse, and I think it's one that it would behoove us to pay attention to because at the end of the day there is only one voter. There is only one taxpayer, ratepayer, constituent, however you choose to define the person and, you know, it is up to us as people in government to ensure that we are most effectively serving them across a broad measure of outcomes. So not just fiscal, but also outcomes of well-being, and things like that.

I would add a couple of comments just to some of the other points raised in the minister's opening statement.

One, with respect to performance of people from different—I see the yellow card again which always brings a smile to my face when the Chair raises it. I wonder when the red card will show up in these discussions. But soccer references aside, I just want to point out that, again, I would encourage, you know, the minister—tons of briefing happening, but perhaps over the summer, you know, could take a look at Malcolm Gladwell's book. I believe it was *The Tipping Point* where he examined affirmative action programs—the contemporary research on affirmative programs in the state and showed that, regardless of how people came in to programs at universities, it was no indicator of how well they performed in the life of their careers. So, specifically, that programs and decisions to create equity within professional environments will show in the future no correlation between those who entered by that and their performance as, you know, officials or professionals in that capacity.

So I would just offer that, as a counter, that there could've been gender equity in—

**Mr. Chairperson:** The honourable member's time has expired.

We thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 13.1.(a), contained in resolution 13.1.

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

**Ms. Clarke:** I want to thank the opposition critic for his comments, and I do enjoy and will look forward to working and consulting with you.

I'd like to introduce today Deputy Minister Fred Meier; Deputy Minister Robert Wavey; Nick Kulyk, policy adviser; Laurie Davidson, assistant deputy minister on the provincial municipal support; Ramona Mattix, assistant deputy minister for Community Planning and Development; Craig Halwachs, assistant deputy minister, financial and administrative services; Karlene Debance, executive director for the Canada-Manitoba agreements; Dave Shwaluk, general manager for Manitoba Water Services Board; Mike Sosiak, director, Municipal Finance and Advisory Services. Joanne Velez, acting director of the Financial and Administrative Services; Pavlo Motruk, acting executive financial officer; Rob Ballantyne, executive director of Indigenous Affairs secretariat. And—is that Chris?

**An Honourable Member:** Freda.

**Ms. Clarke:** Freda Albert, executive director for Local Government Development.

Thank you.

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

**An Honourable Member:** Global.

**Mr. Chairperson:** Is that agreed? *[Agreed]*

Thank you. It is agreed that the questioning for this department will proceed in a global manner, with all resolutions to be passed once questioning is concluded.

Just to remind all members, when—you're allowed the five minutes; when you're down to four—or, like, one minute left, at the four-minute mark, I'll just wave this around so that you know that you're getting a yellow card.

The floor is now open for questions.

**Mr. Kinew:** Thanks for the advanced warning on the yellow card once again.

I'd like to begin just by asking some questions with respect to the organizational structure of this newly consolidated department. Can the minister explain, does this department include what was previously known as northern affairs as well?

**Ms. Clarke:** Yes, that would be correct.

**Mr. Kinew:** So, when, you know, there's, like, a part of the province which is unincorporated, a matter pertaining to that were to come forward to the ministry, whose doorstep would that arrive that in terms of the organization?

**Ms. Clarke:** That is under the indigenous relations portion.

**Mr. Kinew:** I see that the Taxicab Board is under the purview of the minister as well. Are there any changes to the membership of the Taxicab Board being currently contemplated?

**Ms. Clarke:** There will be a reassignment of the chair of the board. Unfortunately, he passed away just this past week, so that, of course, will have to be looked at, yes.

**Mr. Kinew:** You know, I'm sure we would all like to put on the record our, you know, sympathies for the family and, you know, recognize the contribution to public service that the former chair made, the former chair of the Taxicab Board just for greater clarity.

What criteria will be used to select a new chair for the Taxicab Board?

\* (11:30)

**Ms. Clarke:** Yes, thank you for that question.

I think with the Taxicab Board, as with all boards that are appointed by government, we're definitely looking to somebody that has experience and a background in this taxicab industry, very important going forward. The fact that we are looking for a board chair, that is even more so a very high priority because we want somebody that totally understands all the business dealings of it, but also on the relations in regards to—there have been issues in the past and incidents. So we definitely would want someone that can work with the staff and with other boards members to ensure that we get the best quality of service in the city of Winnipeg or wherever the taxis are located.



This is a quasi-judicial board, and going forward we want them also to be aware of the indigenous aspects and issues that come forward. So they'll have to have a really good understanding of all those types of expense.

It's a service industry. So they are very much in the public awareness as to the operations and service provided. So, we definitely want somebody that works well within the department, but also that works well and relates well to the public.

**Mr. Kinew:** Could the minister explain what is meant by indigenous aspects and issues?

**Ms. Clarke:** I think we all know that in the media in the past, quite frequently there has been concerns as to how indigenous peoples are treated, perhaps, that concerns us and the board. We want to ensure that there's fairness to all participants and all those who are looking for the services of the taxis.

People need to feel safe. They need to 'beel' confident, regardless of who they are, that when they call for the service of a taxi that they're going to be well taken care of, they are going to be respected and they're going to arrive at their destination safely and be treated well.

**Mr. Kinew:** Are there other changes other than the chair position being contemplated to the membership of the Taxicab Board?

**Ms. Clarke:** The discussion that we most recently had was specifically for the chair board, which is a high priority and urgent. It's a very busy position and it's one that needs to be filled quickly because the previous chair was off due to serious illness and, therefore, there's a lot of business that needs to be conducted right now. At this point we are not aware of any other changes.

**Mr. Kinew:** What is the minister's take on how the Taxicab Board should intervene with respect to ride-sharing services in Manitoba?

**Ms. Clarke:** Yes, thank you for your question.

There is a study that is going to be conducted going forward. We'll be consulting with patrons as well as individuals and all those involved as well as all aspects of the taxi board industry. There's an expectation that this should be completed late summer, early fall. That's the projected timeframe. It will then be discussed with our government.

It is a—will be a really inclusive study so that we have a full understanding of any changes that could

or should be made that will enhance the industry. It will definitely include the ride-sharing program that you were discussing. Once this is—comes to government and can be discussed at that level, then next steps in regards to the industry will be considered.

**Mr. Kinew:** Just for the purposes of greater clarity, does this study have within its purview to examine large multinational tech companies that are in the ride-sharing space?

\* (11:40)

**Ms. Clarke:** Thank you for your question.

There is a consultant, a very qualified consultant has been hired to, as I indicated earlier, look at all aspects. There's a fairly inclusive terms of reference that comes with his mandate to do this. It also includes the current framework as well as all new services and the ride-sharing program. There's a focus on technology and everything that's being considered.

The level of service, of course, here is very important. It will also look at the number of licences and it will be completed, as I indicated, early this fall. So the time frame is relatively short so we should be able to move forward before the end of the year, I would expect.

**Mr. Kinew:** And, again, for the purposes of greater clarity, does this study include within its purview other, perhaps, more grassroots forms of ride-sharing services that have sprung up in the city recently, things—hopefully, I'm getting the names right, but things like Neechi safe rides and Ikwe safe rides, services that, you know, private individuals have undertaken to respond, in their view, to the safety concerns that indigenous women have faced.

So, again, you know, that bit of preamble as background to explain what I mean by more grassroots, quote unquote, ride-sharing services. Will that also be undertaken by this study?

**Ms. Clarke:** I think most definitely we would feel pretty confident when I say generally all aspects will be considered. These are all issues that we are, as a public, generally aware of. We see them in the media every day. There's lots of opinions and options out there now that we have never had in the past, and I think that's why this study and consultation is very timely.

Winnipeg definitely wants to be up to speed not just in Canada, but with, you know, throughout, and

ensure that we do have a really good taxicab service, one that is—one that can be respected for the quality of service that they provide and one that provides all the needs of the people we serve in the city of Winnipeg at affordable rates that people feel that they can afford, and also respectful of all their patrons and that—as, once again, that they do feel safe and have a choice of what they might like to use.

**Mr. Kinew:** And what is the fee paid to the consultant who will undertake this ride-sharing study?

**Ms. Clarke:** Yes, thank you for your question.

This consultant was hired by a tendered contract and it has been awarded and the contract price is \$100,000.

**Mr. Kinew:** Thank you for the, you know, prompt and direct response to the question.

And who is the consultant who's been under—who is undertaking this study?

**Ms. Clarke:** The contract was awarded to Meyers Norris Penny.

**Mr. Kinew:** I see that the Municipal Board is under the purview of the minister.

I was wondering if there's any changes being contemplated to that body.

**Ms. Clarke:** Thank you for your question.

We recently met, and I was advised by my deputy minister that there were, I believe, four positions that expired on May 31st. There's another, I think, five. I think it was a total of nine positions by the end of June that will expire, so they're—we're just going to clarify that for you.

Nine is the correct answer. I did good on that one.

**Mr. Kinew:** So the minister had observed, in an aside, that she wasn't sure about her memory, but it seems her memory serves her correct, so it's a good sign.

So could the minister just talk me through, as a newbie, like, what the process will be for filling those vacancies and who will be stepping into those roles?

**Ms. Clarke:** Thanks for your question.

Interesting that I have to bring forward to you what the Municipal Board should do. I'm usually on—

I have been across the table, on the other side of the Municipal Board, so a different role, now, for sure.

But, regardless of which side of the table you're sitting on, the Municipal Board is a very important board, and they make decisions when our municipalities or the people in our municipalities do not agree in decisions being made. And they come in to listen to both parties—the municipality, the councils and the public that are questioning decisions. So, without doubt, we would want this board to have—board members, as such, to have experience.

You know, they need experience on borrowing, because it's financial issues. They would also have to have some sort of background or some type of experience in planning, because these are normally planning issues. Experience on boards, I think, is also very important, and should be considered, also experience with issues and the process of hearings.

\*(11:50)

I think we want to ensure that for their time spent listening, and it's a relatively short period of time, so they've got to really have a good perception of what they're dealing with going into it so that decisions—their decisions for our municipalities are extremely important.

And as councils, councils want to be confident that they're going to get a positive decision regardless of which way it goes, but one that's going to ensure that, you know, whether it's the planning aspect, but that the proper—they have the proper information on The Planning Act, for instance, that the acts are followed, you know, as far as the government perspective, but also that the best interests of the taxpayers are met as well.

So the members, they sit to hear the applications, appeals, referrals pursuant to various statutes for our Province. The board consists of part-time members, including a chair, and they are appointed, of course, by the Province by order of council and there's also a full-time vice-chair.

**Mr. Kinew:** I'd like to return to the earlier comments about the fair say—or Fair Share Fair Say Campaign from the recent, you know, provincial election—I guess, picked up first on what the minister commented, that—which was the fair say portion of that.

So can the minister just provide us with a more fulsome explanation of what, you know,

the minister's view is of what a fair say for municipalities will mean to the current government?

**Ms. Clarke:** All right, yes, fair say—we heard a lot about it during the campaign period from the Association of Manitoba Municipalities. And having a municipal background, I understand their request for this because they are the, of course, the government that works directly with the people. They deal with them on a—on almost a daily basis, the elected officials. They live in these municipalities and they know what's required. And so consequently a good working relationship with the provincial and federal governments, most specifically the provincial government, is a really important one.

And I'm really happy that our government has taken their request very seriously in regards to fair say. I think a lot can be achieved by working together more closely as it does with our indigenous communities as well. I think listening to each other, I think working together, we're definitely a stronger province. And I'm really honoured to have that opportunity to work with the municipalities as well as our indigenous communities.

Now, moving forward in our department with fair say for the municipalities, we want their feedback. We're asking them for their feedback. They have 'reenings' every June. They're called regional meetings. There's seven regions within the province of Manitoba, seven municipal regions, and they meet in these regions normally in June. It's an all-day meeting.

And this is the opportunity for municipalities to meet with the AMM, who are their representatives that lobby our government. Also, municipal officials—I should have been at those meetings this past week, but due to this process, I wasn't able to go. My deputy, Fred Meier, has attended all of them on my behalf. He's there to present on our behalf the fair say package that we've put together for municipalities. I'm understanding for what he's told me and feedback from other municipalities that have already attended these meetings that it's being met very favourably. They are liking what we've put together for them.

They have the opportunity at these meetings, after the presentation is made from our department, to ask questions. They have opportunity to present their views. And they are all recorded, of course, at these meetings. They also have opportunities, because of the breaks, to meet directly, whether it would be myself or my staff or other government

officials. And there's officials that go to these meetings from planning, from assessment and all the different aspects of our department. And this is done annually. This is not their only opportunity, but this is one where they have a one-on-one with all government officials to discuss or ask questions.

I think the really important part of this is we're making a really important effort to reduce red tape that has caused a lot of frustration in the past. There's a lot of different funding opportunities for municipalities, but there always been individual little grants and programs, and it just seems you're constantly applying. And that's why they were asking for a basket approach whereby there would perhaps be one application where there would be four or five different grants and you can just make one single application. You know, the CAO's time isn't going to be tied up applying for a lot of different grants. And they're looking at this very favourably.

We also are planning on doing a survey this fall for municipalities in regards to the fair say. And further to that, there will be regional roundtables held so they once again have that opportunity to talk about, and discuss and ask questions in regards to the fair say. So, having these grants that have been there but bundled into one is probably one of the most favourable aspects of the fair say.

**Mr. Kinew:** Can the minister table the fair say package that was referred to?

**Ms. Clarke:** I'm getting the gong already. *[interjection]* I do. Yes, my term package is what we are presenting, and it is the discussions that are ongoing. There is not a package per se.

**Mr. Chairperson:** The time being—sorry, everybody, I had my mic turned off, so the time being 12 o'clock noon, I am interrupting the proceedings.

The Committee of Supply will resume sitting this afternoon following the conclusion of routine proceedings.

## HEALTH, SENIORS AND ACTIVE LIVING

\* (10:00)

**Madam Chairperson (Colleen Mayer):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Health, Seniors and Active Living.

As previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions; however, the minister has something to bring forward.

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Good morning, Madam Chairperson, and to my friend from Concordia.

So we committed to getting some responses to questions that were posed late in the day yesterday by the member. So I'll provide those.

Before I speak, specifically, to the number of employees within the RHAs, just want to caution that the counts of employees in the RHAs, of course, a moving target. There's—it's a large workforce, and, as with any large workforce, there are people who come and there are people who go for reasons that are of their own sort of personal choices. So I'll just put that into there. Also, the amounts can change based on new or alteration in the mix of the programming that happens within the RHA, which is largely determined, of course, by them, based on the needs they see within the health community and within the health resources. But notwithstanding that, I made a commitment to the member to provide the best information I could, and so I want to do that.

\*(10:10)

Within the Winnipeg Regional Health Authority, I'm advised by officials that there are currently 28,139 employees. Within Southern Health-Santé Sud, there would be as of today, or last night I suppose, 5,962. In Prairie Mountain Regional Health Authority, there would be 8,813; within the Interlake-Eastern Regional Health Authority, 3,318; and within the Northern Regional Health Authority, 1,994. So that represents a little over 48,000 dedicated staff who are working in RHAs to deliver the health-care services that the Manitobans need on a daily basis.

I do want to also note for my critic's information that this staffing complement would not include other provincial health-related entities such as diagnostic services, CancerCare Manitoba, Addictions Foundation of Manitoba, and the Selkirk Mental Health Centre. That staff involved with those entities would be over and above those that I've already described.

So I'd want to note that we currently have 2,508 physicians that are providing clinical services across Manitoba, as I mentioned yesterday those are largely fee-for-service physicians. And so as such,

they are private operators; they were private under the former government, they are private still today as they operate contractually in that way, and they're not then employees of the regional health authorities.

Another question was related to the salary of my special assistant, and I'm advised that her salary is \$98,096.25.

**Mr. Matt Wiebe (Concordia):** Thanks to the minister for providing the information.

And maybe this is information he also has or maybe he needs to dig in a little bit deeper, but what we were looking for as well within the RHAs was to get a breakdown of, I guess, of who those staff are, so how many are nurses, how many, you know, how many are doctors, and maybe I'm understanding him to say that all doctors are considered fee-for-service so they wouldn't be included in that number. But how many are doctors, how many home care aides, you know, all that sort of thing. So—and I can appreciate this is probably a fairly complex number to, or breakdown to arrive at. So I'd be happy if the member would take it as—minister would take it as notice and we could pick up on that tomorrow as well, or later in the day.

**Mr. Goertzen:** Right, so I've, my understanding is that it would be difficult to maybe delineate it on a bit of person-by-person, but we can certainly try to provide broad categories, you know, nursing and of course, different levels of nurses, or different categories even within the nursing profession. The doctors that I provided, the number provided were the fee-for-service physicians, so we can certainly, you know, take some—probably some digging to get the broad categories of every area within the regional health authorities but I think that we can certainly try to provide that to the member. I doubt it would be later today but we will, my capable staff will do the best they can.

**Mr. Wiebe:** Well and I can appreciate your very lean staff being stretched to the limit probably as is, so that'd be fine if this was something that was made available tomorrow.

The other category I guess we're looking at is administrative staff within each RHA, basically any kind of job classifications that the department tracks, if we can get breakdowns on those numbers, that'd be very helpful.

The other side that we're looking at is, of course, the management level in, within the regional health authorities. So just wanted to get a sense of how

many folks are in the, at the management level, and in each RHA and what percentage of the total workforce that they make up. And I guess further to that, what percentage of the staff salaries do they make up?

**Mr. Goertzen:** So there's a number of questions that the member had asked and I'll certainly give you the—I'll give the staff maybe a little bit more time than tomorrow to determine some of those. But we'll certainly do our best in the categories that are indicated by the member to try to provide that information.

He spoke a little bit about administration and trying to get the categories, we'll provide that as well.

Just for some of the detail related to administration costs, the most recent data that I have would be that administration in the Interlake-Eastern RHA makes up about 6.2 per cent of the costs that they incur globally; the northern RHA would be 5.9 per cent; in Prairie Mountain it would be 4.4 per cent; in southern the administrative costs as a percentage of their overall budget would be 4.7; CancerCare Manitoba is 4.2; and Winnipeg would be 4.2, for a provincial average of 4.4.

**Mr. Wiebe:** And sort of had a whole bundle of questions there, but I—I'm understanding the minister's going to take those and bring back a little bit more detail. Is that what I'm understanding?

**Mr. Goertzen:** Yes. In terms of the staffing that the member was asking about, we will get some information. The categories may be a little broader than he was indicating. I don't know they're tracked quite as granularly as he was indicating, but, certainly, within the categories that the department tracks staff we could provide that information.

**Mr. Wiebe:** I appreciate that.

So just to stay on staffing for just a little bit longer here, what percentage of the increase to this year's Health budget for this—in this budget will go to cover the staff increases in the RHAs?

**Mr. Goertzen:** So I understand the official is looking for that information and they'll likely be able to provide it shortly. If the member wants to proceed with another question, I don't want to use up too much of his time.

**Mr. Wiebe:** Has the minister developed a list or given the department any directive on which staff employed by the Department of Health or in the

RHAs would be considered front-line? Well, you know, we use this term front-line workers?

**Mr. Goertzen:** Well, it's an interesting question that the member raises, and I know there's been, you know, in the Assembly lots of questions regarding specific definitions. Certainly, I know in meeting and visiting some of the hospitals already in the short time that I've been the Minister of Health, that'll include CancerCare over at the Health Sciences Centre. I've been just tremendously impressed by all of those who are working to improve the health and well-being of those who are within our health-care facilities.

\* (10:20)

And, of course, that goes beyond our hospitals. There's many entities within health, whether that's diagnostic services or within the addictions field, where people are working on a very specific and daily basis with those who are dealing with many different issues and, often, more than one. And we sometimes forget the relationship between mental health and addictions, and I think it's important to recognize that there really is a close relationship between those two and to look at strategies that deal with them collectively.

In particular, to the member's question, I've not given any specific direction to the department as it relates to staffing in terms of definitions. There's been a lot of other—of course, key issues that are happening, but I certainly want to give the member every assurance that we value—very much so—the work that is done by those within the health-care department, and every day we appreciate the work that they do.

**Mr. Wiebe:** So is it—the intention, then—I understand the minister hasn't given that directive.

Is it the intention of the minister to give some direction when, you know, they're looking for reductions in staffing within the department, to give any kind of direction on who might be considered a front-line staff person or who might not be?

**Mr. Goertzen:** I mean, I think as there's—it can be problematic, sometimes, in terms of the question contextually when the member talks about direction on reducing staff. That certainly is—no direction has been given from me in that regard.

But he does raise an interesting point and I think a very good point about finding savings within the system. I wouldn't want to suggest, nor do I think

that he was trying to suggest, that the only place one could find savings is through staff reductions. There are many, I think, different places that one could look to try to find efficiencies within the health-care system, as within every system within government. And that was part of the commitment that we made during the election in terms of looking, really, across the board to try to find things that weren't working well or that weren't providing Manitobans with good value for money.

The member will be interested to know, and I'm sure he'll probably ask questions later on, that we will be proceeding with a health-care innovation and sustainability review, which is part—it's not—it's a separate part, but it's part of the overall commitment to have a review of government to try to find savings within the system. That'll happen as a separate portion of that review. There'll be more details released on that, I think, in the relatively near future. And my hope is that that review will find some of the efficiencies and savings that the member identifies, but I wouldn't focus specifically or exclusively on the issue of staffing. I think there are many different places where one can find efficiency, and I'm sure that the innovation and sustainability review will provide some of that.

And just as a—and I appreciate the patience for the member as we get some of the information he's been asking for. My understanding from officials is that as it relates to the current budget that's before the Estimates committee right now, that of the increase that is coming for the Department of Health, approximately 70 per cent would be for staff that would be allocated through the regional health authority. That would include hospitals, home care, medical and non-medical staff.

**Mr. Wiebe:** Well, and what I'm trying to get from that number is—and I guess that number isn't exactly what we're looking for—was with regards to the increase in the budget. So not the overall, not the percentage of the overall budget, but the percentage of the increase.

**Mr. Goertzen:** So, for clarification, then, if one were to look at the overall health-care budget, about 75 per cent of that overall health-care budget would be considered staff, medical and non-medical staff. The department advises that 70 per cent of the increase in this current budget to the health-care budget would also be for medical and non-medical staff. So the 70 per cent is related to the increase in the budget, but looking overall, 75 per cent of the

budget is related to staff. So they're relatively close in number.

**Mr. Wiebe:** Maybe I can ask this in a different way.

Would the increases that have been made within this budget, are they in line with the obligations of the collective agreements?

**Mr. Goertzen:** Right, and so, I mean, the member raises a good point in that obviously one of the challenges within the health-care system is that staffing is by far the greatest cost. And that's not entirely a surprise because human resources would be the most direct thing that would impact individual patients on a day-to-day basis within the medical system. And so that is—that's not unexpected, that you would find that the vast majority of costs would relate to human resources.

The member asked specifically first about the increase, which, as he knows, is three hundred—approximately \$335 million this year, of which 70 per cent, approximately 70 per cent would be for medical and non-medical staff.

He asked specifically about the labour agreements that are governed within the department. Of course, those agreements are contractual. And so the increase within the budget will certainly cover off the contractual obligations that had been duly negotiated by the individual collective bargaining units.

**Mr. Wiebe:** Can the minister give me a summary of the collective agreements that are currently being renegotiated or being renegotiated within the next, say, 12 months?

\* (10:30)

**Mr. Goertzen:** So there are a couple, I'm aware from officials at the moment, that are still in the process of negotiation. One would be Diagnostic Services within the Interlake region. I think the member's probably seen or heard some about that negotiation. CancerCare oncologists are also currently in the process of negotiation.

Looking forward a little bit, because the member asked a bit about that, the community support contract would be valid—ratified, until March 31st of 2018, at which point there'd be the ability for renegotiation. Facilities support, labour group, is ratified until March 31st of 2017. Maintenance and trades are ratified until March 31st of 2016. So that one is currently in—or, up for negotiation. The nurses' contract is ratified until

March 31st of 2017 and, then, professional and technical is ratified until March 31st of 2018.

**Mr. Wiebe:** Okay, well, that—and that's helpful. I appreciate the minister getting some information on that and—with regards to staff to follow up with a little bit more information later.

I did want to switch gears slightly now and just ask about an item that appears in our budget papers, C, with regards to the seniors' tax—seniors' education tax rebate. And on—within that section, there is an amount listed for 2016-'17 of \$44.5 million, but there is a note that—at the bottom—that talks about adjustments that are attributable to 2015-2016. So, \$37 million going forward but \$44.5 million for this current budget.

I'm just wondering what that 7 and a half million dollars is, exactly.

**Mr. Goertzen:** Just to assist officials, can the minister—or the member be specific on which part of the Health Estimates books he's referring to, or which page?

**Mr. Wiebe:** So we're looking at the budget and budget papers document. C1 is the page number.

**Mr. Goertzen:** So my officials are indicating that—I mean, that's probably a question that's better directed to the Minister of Finance (Mr. Friesen). That information would be more contained within his appropriation.

**Mr. Wiebe:** You know, I mean, I can appreciate the answer, but this is something that, you know, as I've raised a number of times in the House and raised a number of times with the First Minister, and with the Minister of Health and Seniors, this is an issue that affects seniors very acutely. And, you know, really, I'm just trying to get a sense. So maybe he's saying that he hasn't had a chance to look at what, you know, where these—what the reduction to the seniors' school tax credit looks like and how it actually affects seniors, you know, who were counting on that money, quite frankly, for this year. Maybe he hasn't had a chance to look at it or maybe he has. And I can understand he—that—you know, maybe he hasn't looked at this page in a few days. This was part of the original budget document papers that came out when the budget was tabled.

But maybe he can just give me his thoughts on his understanding of where that money, where that cut has come from with regards to this year's budget?

**Mr. Goertzen:** I thank the member for the question.

It has less to do with whether I've reviewed the specific portions of the main budget books and more to do with sort of how the Estimates generally work here within the Assembly. And he knows as well as I do, we both are relatively experienced members in the Assembly, that certain portions of the Estimates are contained within certain departments, and getting detailed information about those portions of the department are best in the department that they fall under. I believe that the Finance Estimates are still happening within the Assembly, and he could certainly go and pose that question in Finance. I'd hate to lose him at the table here. I'm not suggesting that he leave. But that option is open to him and exists for him if he chooses to go to the other Estimates committee.

You know, but he does raise an issue, I think, that's—that is important, and I don't want to dismiss it. And he raised—he's raised it in the Assembly and he's raised it here now in Estimates, about the seniors' tax rebate.

And, certainly, we know, as a government, that our seniors are very valuable members of our community. We spoke even just yesterday, on elder abuse day, about the importance of recognizing seniors and ensuring that they have safety and security within their homes and the different places that they live. So that is not an unimportant issue that the member raises.

I think when we went door to door, as the member would have done in his own riding, we would have heard from seniors. I heard from seniors in my constituency and a few others around the province, and the concerns that I heard from them related to—largely around health care, and so it's an appropriate question in this set of Estimates to ensure that there is accessibility for health care, but also sustainability.

I always want to remind the member that I think seniors in particular have a perspective that they look also back and see that the different lessons that they've learned over their life. And what I often hear from seniors is that we need to ensure that things are sustainable and that they're there for the future, as well. Many seniors, of course, raise the issue of health care for themselves today and ensuring that it's there in an appropriate way, but they also talked about making sure that health care was there for their children, and often, in particular, for their grandchildren because they recognize that a certain level of spending is just certainly not sustainable.

And so the member's question is a good question, not in the sense that I think it's the appropriate place for it to be answered in a granular fashion in terms of the tax credit. That's more directed under the department from which it falls. But he does ask, I think, a good question about seniors and some of their views. And I've often heard from seniors that they are concerned about the future of health care and they want to ensure that it's not only there for them today, but also there for their loved ones that they care about as well in the future. So from that perspective I do appreciate the question the member's raised.

**Mr. Wiebe:** Well, and I can appreciate from a technical standpoint that the minister may not be up to speed on every element of a tax rebate program. You know, I wouldn't profess to be an expert by any stretch of the imagination when it comes to taxes and tax rebates. But he is the Minister of Seniors as well as being the Minister for Health, and I understand this is a smaller portion of his portfolio, but I think it's an important one. And I think this is one of the elements that is most important for seniors is affordability, the ability to look after themselves, to live in their own homes, to be self-sufficient, and in that way take less—or put less of a burden on our health-care system.

\* (10:40)

So, I think there's—this is a question that I think is important and it is a lot broader than the minister is giving it credit right now.

And with regards to how this tax credit was administered, and, again, I'm no expert, but it was my understanding that, you know, this was an election commitment, as the Premier (Mr. Pallister) so brightly pointed out in 2011, that the seniors' tax credit would be extended to the full amount of the education portion of the property tax by 2016, and in fact it was fulfilled in Budget 2015.

In Budget 2015, which the House passed, which I recognize that the minister and the rest of his colleagues who were then in the opposition voted against that budget. But nevertheless, that budget passed through the House and was adopted. And in that budget was an amount for the calendar year of 2016 for seniors who were going to be receiving the full \$2,300 rebate for the education portion of their property tax. And I can understand that the government has charted a new course; seniors aren't happy about the new course, reducing it down to

\$470, limiting it to only a certain segment of the—of seniors who are eligible.

I can appreciate that the government has decided that's the course they want to take, but instead of just saying from this day forward we're going to reduce this amount and squeeze seniors, we're actually going to go back to the beginning of the calendar year. The portion of the year between the beginning of the calendar year and the end of the fiscal year, where in 20—in the 2015 Budget was an amount allotted for this tax rebate to be extended to its full amount for seniors, was something that was passed in the House, was put on the record, was talked about to every senior in this province. And then, when we knocked on those doors as the minister says—like to say, we knocked on those doors, we said you are now getting that rebate. And the fact they didn't get their cheque in the mail doesn't mean that that cheque wasn't owed to them.

And so, when the minister came in and said we don't prioritize seniors, we're not going to stand up for seniors, as the Minister for Seniors wasn't going to stand up for those seniors, he was effectively grabbing that cheque out of their mailbox and running away with it, and counting it as seven and a half million extra dollars in this year's budget to simply fit the narrative that they were saving money within the first month of coming into government, and it's a fiction. And it's a fiction based on changing what this House had passed in, as a budget line, that seniors were entitled to.

And so, when, you know, we bring seniors to the gallery, and there have been many that have called my office, when we bring those seniors to the gallery and they say they were counting on that money, that's because that money was owed to them, and it was simply taken out of their mailboxes.

And I'm simply asking the minister, he doesn't have to have all the details; he has to say that he's willing to stand up for seniors, he's willing to recognize the affordability is such an important issue, and that he's going to go talk to his Finance Minister, I invite him right after Estimates, go talk to his Finance Minister, say this is wrong and that we need to give that money back.

**Mr. Goertzen:** I thank the member for—I'm not sure that that was a question, but for whatever that was, I thank him for it.

You know, he raised a number of different points within there. One is he talked about that when



something passes in the Legislature, that it can never be changed. Well, that's an interesting sort of take on the Westminster model of parliamentary democracy that we have in our system, because, certainly, governments run on platforms and governments run on ideas, and they are mandated to be involved with those if they win the election.

I know that the member was part of a government in 2011 that went door to door, knocked on seniors' doors and many others, and looked them right in the eye and said that they wouldn't raise the provincial sales tax, or any other tax for that matter.

About a year after that, the member for Concordia stood in his seat and supported a budget that was the largest tax increase in the history of our province. And I'm not even talking about the increase of the PST; that was the extension of the provincial sales tax to a number of things that it didn't exist on before, including haircuts that many seniors would have received, including health—oh, sorry, insurance on homes.

Those very seniors' homes had PST applied to them that had never applied to before, that's not actually a 1 per cent increase, that's a 7 per cent increase, right out of the pockets of seniors.

And then, you know, one would think that maybe the member made an honest mistake that year, he didn't realize what he was doing when he voted for that budget. But, then, the next year, the very next year, when his government and his leader decided to increase the PST by 1 per cent across the board on everything from 7 per cent to 8 per cent, he stood in the House and he decided that he was going to support that.

So, I mean, I don't necessarily mind the discussion about the Westminster motto of Parliament that we have here, and what election commitments mean and what they don't mean. I think that's a healthy discussion, and I don't mind the member raising it, but it's a little bit difficult when the member was part of a government that so blatantly, so obviously, and so consistently said things to Manitobans and then didn't follow through on them.

And I would, you know, I would say humbly to the member that, you know, that the recent election result for his party was probably a verdict on that, probably a verdict on some of the things that his party had previously said they were going to do and then didn't fulfill. Now I'm not here to give the

member political advice. He'll come up with his own political advice and his own political strategy over time, Madam Chairperson, but, you know, in the interests of humility and being a friend of the member, he may want to just take a step back and think a little bit about that and think a little bit about the commitments that he made and that his party made.

And this is the time of reflection, you know. I've been on the losing side of a few campaigns. I don't want to remember every one of them in great detail, but the member would remind me of them I'm sure. And I think with each one of those, there was the opportunity to, sort of, step back and say, well, you know, maybe Manitobans are saying something and can we learn from that. And I think as a party, we did. And I think we looked at that as—not as a negative thing, necessarily, though you don't feel good about it at the time, but what positive can come from that experience. And I would challenge the member and his caucus, and the caucus that remains, to take that opportunity, to take a step back, to have some moments of reflection and to say what Manitobans said. We should look at that respectfully and wonder how we could learn from that and wonder how we can grow from that and how we can do things differently.

Because, as I've said it in the House before, I think a good opposition makes a good government. I believe that. I firmly believe we're talking about the Westminster motto of politics: That a good opposition makes a good government. But a good opposition starts with looking at itself and looking at what it can do to change and to earn back the trust of the electorate that it might have lost.

So I accept that the member wants to make a point, and I accept that he's trying to bring forward something that is important, but I think there's a responsibility on him as well to look at some of his own actions within his own party, and I hope he takes that with all the intention and the positiveness that I wanted to leave it with him—

**Madam Chairperson:** The minister's time is expired.

**Mr. Wiebe:** Well, I appreciate that the minister has now put on the record that they did, in fact, go back in time, that he tried to rewrite history here by going against the will of this House, by going against the budget that was passed by this House, and changing what the deal, effectively, that seniors had come to count on. So I appreciate that the minister has now

made that clear that that's in fact what they did, and that the seven and a half million dollars that they're now clocking for no other reason but to say that that number is—can now be recorded in their budget to make up some magic number of savings that they're trying to hit, some target that they're trying to hit, to only look at the bottom line rather than the bottom line of seniors. He's just admitted that that's in fact what they did.

\*(10:50)

So that's helpful and that does inform the conversation, I think, a little bit. But it does put the onus squarely on the minister to explain then to seniors why he didn't in fact honour the commitment that this House had made to the—to seniors of this province that they would, in fact, be receiving the full \$2,300 rebate for the beginning—at the very least the beginning of this calendar year, the end of the fiscal year, and at least honour that, because not only now are seniors waiting—or not getting that money, but they're also waiting now until the following year to be able to claim that on their tax bill and seek that rebate only if they're eligible. And this is the other key factor that the minister hasn't touched on, I think, is worthwhile pursuing, is the idea that the minister has said that they want to income-test the rebate but starting at \$40,000.

So I guess my question to the minister is whether he thinks seniors who are making \$40,000 are wealthy and aren't deserving of a break.

**Mr. Goertzen:** Well, you know, the member starts off with an interesting premise, and his premise was that a legislature can never undo something that a previous legislature had done, which is actually the exact opposite argument that this member and his party made in court regarding the PST, but so I'm—I can't square that circle in terms of the legal argument there. But what he's saying is that because the previous legislature increased the PST on every Manitoban, on every senior, on every young person, who is purchasing something, some sort of a good in the province, that that can't be undone, that it should never be undone, that when Bill 20 that passed as part of the 2013 budget that that should be locked in forever.

I mean, I don't—this would be an interesting point that I'd love to bring up in question period. If I didn't respect the member so much, I would actually like to give him the opportunity to rethink that position, because what he's put on the record here in this Chamber is that the increase of the PST should be

locked in and never should be able to be changed, which I don't even think is a position that his own party has taken. But he's indicated now that because the 2013 budget passed, after a very long summer, of course, as we all remember, but it did pass, and it passed in an appropriate and a legal way in this Assembly, even though we disagreed with it. But, because it is passed, he feels that it should never change, that the PST increase must be locked in.

Now, we don't govern ourselves by polls and that's not sort of the right way to govern any sort of a province or a country, but he may want to take an informal poll of his own neighbours to ask them whether or not that increase of the PST should be locked in forever because a previous government, a previous legislature passed in in their budget. That's the position that the member has put on the record.

And, again, I'm actually trying to help him here. I consider him an ally in this by asking him to reconsider what he's just said, because I actually don't think that's what he meant. I think he probably meant something else, but it came out very clearly that he feels that because a budget is passed that something can never be changed, and that means that the increase of the PST in his view, based on the words he put on the record, can never be changed because this Legislature in 2013, as a collective body, although not every individual member supported it and maybe he can clarify whether he really believes that the PST should never be able to be reduced because it was passed in the 2013 budget.

**Mr. Wiebe:** Well, you know, I'm no big-city lawyer like the minister here but—so I'm not going to comment on any kind of legal opinions.

But what I will say is that this was a deal that this House had with seniors, and seniors understood it to be that way. And he may not believe this to be the case; maybe he's not getting the same phone calls I am, I'm not sure. Maybe they can't find his phone number to reach him, but I certainly know that I'm getting phone calls of seniors who are concerned about this. We're getting letters, of course, that are published in the newspaper, seniors who are just wondering why the deal was changed.

And, again, not to put too much time on this because I do want to move off to other issues and we only have a limited amount of time here, but this is something that it's a little different when just because the money—the cheque hadn't actually been cut yet, that it wasn't something that was owed to seniors. So

that money was clocked, was put away in a safe somewhere maybe, I'm not really sure, and accumulated for seniors and they were just waiting for that application to come out so that they could apply for the money. The money was put aside for them and, at the last minute, was taken away. So I think the analogy saying that this money was taken out of their mailboxes is accurate. And that's certainly how seniors feel with regards to this.

So, you know, I'm going to continue to bring this as an issue forward. I think it is an important issue that Manitobans want clarification on and why, at the very least, why the extra amount from the beginning of the year was taken. And again, to just—you know, I don't think I heard an answer in there, that—why the minister, you know, does he feel that seniors who are making \$40,000 aren't deserving of a break. So—maybe I'll leave it at that and move off and just sort of switch gears once again. And I, again, I apologize for moving around a little bit, but I do want to make sure that we get to everything that we want to cover here.

And so I just wanted to move off and talk about the boards that fall under Health. And I'm just looking for a comprehensive list of all boards, advisory committees, appeal panels—appeal boards and panels—that fall under the purview of Health.

**Mr. Goertzen:** Well, you know, the member started off by saying something interesting. He said that somewheres in this building or somewheres in government, there's a safe that has all this money that's been put aside. And I'm not the Finance Minister. We've all—we've gone through that already, and if he has questions—if he has a question for the Finance Minister, he should bring it up to him. But I'd like to know where that safe is with all the money because when we came into government, we were told by the previous government that the deficit was originally supposed to be \$400 million. Then they revised that to \$600 million. And it turned out to be over \$1 billion, more than \$600 million more than the government—the former government initially said.

Now, I'm not a—I'm neither a big-city lawyer or a small-city accountant or a small-village actuarial, but what I do know—what I do know very clearly—is that when you have a deficit, it means that you don't actually have money, that when there is a deficit, that means you have less money, that there isn't actual money. So the member for Concordia said that somewheres in this building, there is a safe that

money has been put into for seniors or for someone else, and I'd like to know where that safe is. I'd even like to know what the combination is. And I'm going to, then, go to the Finance Minister and tell him that the member for Concordia (Mr. Wiebe) has acknowledged that there is a safe filled with money that's been set aside. And then we can certainly apply that to the deficit or whatever; it can be part of the savings. The savings can go from \$122 million to whatever is in addition in that safe.

But the fact that there is actually a safe filled with money in this building after we've inherited a \$1-billion deficit is very, very interesting, and maybe the member can clarify where exactly that safe is housed and what is the combination, so we can get at that money for the benefit of Manitobans.

**Mr. Wiebe:** Well, I'm so glad—I'm glad that the minister is so interested in paying out what's owed to seniors. So what I will do, then, is I'll let him go over to his Finance Minister—we've got about another hour here—and he's going to stand up and say, I am the Minister responsible for Seniors, I think—I understand that there is money owed to seniors, and I'm going to stand up for them. I'm going to make sure that what is owed to them is paid to them. And I understand the minister's going to actually stand up and do his job as the Minister responsible for Seniors, which is great news, and I'm sure seniors across the province are going to be very happy to understand that that's the direction that the minister is going.

So just, again, to switch paths once again, looking for an understanding of which boards—a list, a comprehensive list of boards, advisory committees, appeal boards and panels that fall under the purview of Health.

**Mr. Goertzen:** Well, and I want to assure the member, and he, you know, a couple of questions ago, he said something to the effect that seniors was a small part of my department. And I know what he meant there, and I don't want to ascribe any sort of motives or motivation to him. He meant, I think, in a fiscal perspective, that in relation to the overall department, that it was a relatively small part of that money.

\* (11:00)

But I don't want to leave it on the record that in any way that I feel that it's a small part of the department. I actually think it's an incredibly important part of the department. I've heard from

many that they feel it's good that the Active Living and the Seniors portion of the department has been brought together back into Health and there's some synergies there, that that allows a broader perspective and a broader look at things.

And I want the member to know that I very much take seriously the Seniors portion of the portfolio. I've had an opportunity to meet with some of the seniors' groups, not nearly as many as I'd like or that I hope to when this House recesses after December. But when we—when I have the opportunity to meet with those seniors' groups, I want them to know that it is very important to me and that I value their input, but not only their input today, but I very much value the contribution that they've made to the province of Manitoba historically.

So I don't want the member to—and I don't think he meant to suggest that it was a diminished part of the department or something that wasn't important. I know he was reflecting on the monetary value and, just on that point, I do think it is important to note that, if he looks on page 103 of the Budget Estimates, he'll see that the funding for the Seniors and Healthy Aging Secretariat has actually increased this year, which is a recognition of the importance that this government, Manitoba's new government, places on the issue of seniors and their contributions.

So I want to leave that for the record, but also to note that, you know, in terms of the tax credit itself, I think it was important that Manitobans can remember and recognize that the government and the Finance Minister worked hard to ensure that the tax credit would be available for those who needed it the most. And I know that his leader, his current leader, the interim leader of the NDP, had a very different perspective than this member did.

The interim leader of the New Democratic Party said, very clearly, that she thought it actually made a lot of sense to have this income tested, and she was pleased that the tax credit would be there for Manitobans who needed it the most.

So I don't know if caucus meetings aren't happening on a regular basis or what exactly is happening. But I would encourage him to speak to the interim leader of the New Democratic Party, who suggested that the income testing was not a poor idea, and maybe have that conversation. And they can come back here and they can have that, because he's at odds—he's at odds—with his own current leader.

Now, there's a history of being at odds with the current leader of the caucus and the NDP party. That history is very alive and recent for Manitobans who just want to look over the last few years. But I'm a little surprised that on an issue like this, when it comes to income testing for seniors, that he has such a starkly different position than his own leader did.

So I'm glad that our Finance Minister was ensuring that the tax credit was there for those seniors who needed it the most. I'm glad that we continue to invest in seniors generally within the department and through the secretariat and increased the support for that, and I'm also glad that we listened to many seniors who said that they wanted the health-care system to be there today and to be sustainable for them in the future. And I know that the member, when he talked about seniors being a very small part of this department, didn't mean it in a derogatory way, meant it purely in a monetary relational way. and I wanted to clarify his words on the record so that he wouldn't have anybody suggest that he meant it in any other way, because I want to certainly help the member out with that.

**Mr. Wiebe:** Any luck getting that answer?

**Mr. Goertzen:** Oh, yes, and I appreciate the brevity of the question from the member because it doesn't lead me to think of other things that I need to clarify the record for.

So yes, there are a number of boards and agencies that report to the—not directly report, but that are the purview of the Minister of Health, and I'll list them off here for you: CancerCare Manitoba, the College of Audiologists and Speech Language Pathologists of Manitoba, the College of Dental Hygienists of Manitoba, the College of Dietitians of Manitoba, and I'll just add in here that I had the pleasure of speaking to the national convention of Dietitians of Manitoba a few days ago. I could both use their advice but also appreciate their expertise, the College of Licensed Practical Nurses of Manitoba, the College of Occupational Therapists of Manitoba, the College of Pharmacists of Manitoba, the College of Physicians and Surgeons of Manitoba, the College of Physiotherapists of Manitoba, the College of Registered Nurses of Manitoba, the College of Registered Psychiatric Nurses of Manitoba, the College of Medical Laboratory Technologists of Manitoba, Denturist Association of Manitoba, Diagnostic Services Manitoba, the Health Information Privacy Committee, the Health Professions Advisory Council, the Hearing Aid

Board, Manitoba Association of Registered Respiratory Therapists, the Manitoba Adolescent Treatment Centre, the Manitoba Association of Optometrists, the Manitoba Chiropractors Association, the Manitoba Dental Association, the Manitoba Drug Standards and Therapeutics Committee of which there's a subcommittee of the provincial drug programs review committee, the Manitoba Health Appeal Board, the Manitoba Healthy Living Resource Clearinghouse Incorporated of Healthy Living, the Manitoba Institute for Patient Safety, the Manitoba review committee—sorry—the Medical Review Committee, the Mental Health Review Board, the Patient Utilization Review Committee, the Rehabilitation Centre for Children, the Sanitarium Board of Manitoba, Seven Oaks General Hospital, the Addictions Foundation of Manitoba, a Caregiver Advisory Committee, the Health In Common Committee, the Manitoba Council of Aging. And that's in addition to the regional health authorities, the four in rural Manitoba and the one in Winnipeg. Those are the boards that are under the Department of Health, as I'm provided.

**Mr. Wiebe:** Are there any plans to review or reduce the number of existing boards, to rename or refocus them in a different direction or to reduce the number of people who sit on these boards?

**Mr. Goertzen:** Thank you for the question.

They're, of course, you know, the long list of boards, I think, I would say in all honesty, that I'm still learning a great deal about what all of those boards do and what their specific roles and functions are. I would love to tell you that in the six weeks I've learned everything that every board does and everything that falls within each of their mandates.

Obviously, I know some of them more directly. As MLAs, we deal with regional health authorities, of course, fairly frequently. But a lot of the boards are boards that I'd either not heard of or not heard of in great detail previous to becoming the minister. And so I'm really in the process of learning what a lot of them do.

So there's not been consideration at this point about changing the nature or the structure of the boards. But I wouldn't want to suggest that that might not happen in the future.

**Mr. Wiebe:** Maybe, and I can appreciate the minister is still trying to get his—a handle on all of the boards, but maybe the minister could just talk about

what the process is for choosing individuals on these boards. You know, is this an external body that's making these decisions? And, if so, what is the role of the minister and his staff in sort of helping to fill these boards in a way that's productive?

**Mr. Goertzen:** Just for the member's information, at this point I've not made any appointments to the boards, any of the Health boards. I've not made any appointments to them.

From what I've learned so far, it's a bit of a hybrid, obviously, that there's certain boards that are very technical and that require a very specific sort of medical expertise. And a lot of those provide—get information provided either by their individual colleges or the individual areas of expertise where they make forward recommendations. Many of the boards, of course, have the ability for the minister to make appointments to them.

\* (11:10)

The member will know, for example, for the regional health authority, that there is a nomination process by which people can apply to become part of the Regional Health Authority by filling out a nomination form that I believe is available online that people can fill out.

So I could, if the member wanted to run through each individual board and the process by which they're nominated, but they're not all the same and it sort of depends largely on how much expertise is required on those boards, how many of them have to be specific medical professionals and what advice is provided by the college.

But certainly I would suggest without going into the minutiae of it that the vast majority of those boards will have some members that are appointed at the advice of the minister.

**Mr. Wiebe:** And can the minister just talk about the community health boards within the RHAs and the process that's used to fill those boards.

**Mr. Goertzen:** So I'm advised from officials that historically those boards have been appointed by a combination of factors, taking in consideration geography to make sure that areas are well represented, stakeholder groups or interests have some input within that, and then also of course, competency.

And I want to sort of stress that last one a little bit in that one of the things that I thought about clearly when I became minister is that, you know, the

issue of competency when it comes to the importance, or the appointment of boards is critical. And I'd certainly like to—for some of the boards perhaps that are more public—have a much clearer process for ensuring that the individuals who are appointed are done so on a clear understanding of competency, whether that's a particular matrix that's involved, but just ensuring that those individuals that are appointed to—particularly they're the boards that are more interactive with the public—that they're done so on the basis of their ability and that there aren't other factors that are predominant in that.

So I might be able to share more about that in the future with the member, but that's certainly something that's come to my mind initially and I look forward to sort of sharing more about that as we go forward. But at this stage of the game I've not made any appointments to any of the boards as minister, nor have any appointments been rescinded by myself.

**Mr. Wiebe:** So are—is there any plans for changing the way that the community health boards and the RHAs are—how individuals are appointed to those boards, has the minister given any direction on any changes to those boards or has the minister—does he have any plans, again, within the next 12 months to make any changes within those boards.

**Mr. Goertzen:** You know it would be my—if he's speaking specifically about the regional health authorities, it would be my expectation that we will look at how the boards are composed, whether or not they're the right size of the boards. You know, certainly that's happened already to a degree with—across government. The Crown corporations, I believe, have seen some reduction in the size of the boards. And so it would be my expectation that there'll be some changes, perhaps it'll come more so in the size of the boards. I wouldn't expect changes in the size of the regions.

That, of course, has already happened, and there's been significant challenges, I think, when there was changes to the geographic dimensions of the regional health authorities. And I know—not to speak about the value of it, one way or the other, I just know that it's been difficult for individuals within the regional health authorities to make the adjustments to the different size of the region. That's been a significant change for them.

I do think that they are sort of coming out on the other side of it in terms of the change, but, certainly, when we look at boards more generally, that's

something that will come to my mind. I don't want to suggest that all of the 40 or so boards that are under the Department of Health would undergo any particular change, but I would anticipate some change to the makeup of regional health authorities going forward.

**Mr. Wiebe:** Okay. Just wanted to switch gears once again. Just wanted to talk a little about capital projects.

Can the minister give me a list of capital projects that are currently under way in the Department of Health?

**Mr. Goertzen:** So I can provide the member the most recent information that I have, those projects that are currently under construction, as he's asked, and if I run a little over time because I provide some more detail, I can drift into the next question with it. We'll see.

So the Specialized Services for Children and Youth facility is under construction and, I believe, actually quite near completion. I did have the opportunity to tour that facility last week, and I know it's actually a facility that's been in the planning for, I was told, some 20-some years. That—during the 1990s, it was conceptualized and started in terms of the planning, and I'm glad to see it at the stage that it is. It's quite an extraordinary building, but I think it's a more extraordinary cause in terms of helping those children who need very specialized care. And it was certainly my honour to be able to be part of looking at it at a tour, and I encourage members, including the member from 'Concordian' and others, to—there's going to be an open house, I understand, with that facility and he may want to visit it as well, and maybe other members of his caucus would want to.

\* (11:20)

The Holy Family Home personal care home is currently under construction; the Grace Hospital emergency room is under construction; the Health Sciences Centre Women's Hospital; the Health Sciences Centre diagnostic centre; the Fort Garry ACCESS Centre; the Steinbach Bethesda Primary Care Centre, which I was pleased to be at to sort of help launch the construction of. And, of course, the member will know that—well, the member will know that as politicians, you know, we get to go and put on a hard hat and turn a shovel and then all the hard work really happens after we leave, and then when the completion of the project, we get to come and—sometimes—and help open the facility. But we get to

see the very beginning and the very end, but all the hard work happens in between. So that's going on right now. But that, I think, is a positive development, and I was pleased to see that move forward.

The St. Boniface General Hospital cardiac sciences expansion, the DSM pathology laboratory upgrade that's happening at the St. Boniface General Hospital, the primary health-care centre at the Ste. Rose—in the community of Ste. Rose, the MRI within Dauphin. There's construction happening on medical beds expansion in Brandon regional health-care centre in Brandon. In Thompson, there's the Northern Crisis Services for Youth. There's a new chemotherapy unit that's currently under construction within Thompson General Hospital. I'm advised that in the Flin Flon General Hospital, there is work happening within their emergency department. In Grand Rapids, the Cree Nation health-care centre is under construction. The Selkirk regional health centre which I know was many, many years and some degree of concern, but that is under construction. The Powerview-Pine Falls primary care and traditional healing centre, the Lundar primary health-care centre.

I don't see it on my list, but I wouldn't be—I would not want to leave off the new entrance at the Steinbach Bethesda hospital. How that did not make it on the list, I'm going to immediately ask for an investigation within the department. But I—even though it's not on the list, I know—driving by it, and not as frequently as I used to—I'm not as home as often as I once was, but when I am, I always make a point of driving by and I know that it is under development, and the community looks forward to actually being able to get into a hospital without having to push a button and wait for somebody to come out of the hospital and help them into the hospital.

And it'll be a great day when people who are sick and who are mobility challenged and disabled can actually enter a hospital without having to go through that process. And I look forward to that opening. The member for Concordia may even want to join me. I didn't always get an invitation from some of the previous Health ministers—or, I'll give credit though to former Minister Oswald, who was quite gracious on that—but I would be happy to invite him to the opening of the entrance of the Steinbach hospital.

**Mr. Wiebe:** Sounds great. Appreciate all, you know, any invitation the minister wants to pass along to any of the openings or announcements of great projects that are undertaken in health. And it's always good to know the status of these projects, and appreciate the very comprehensive list.

Although hearing that the ramp project was not in there gives me pause, so I guess if there is anything else that officials find at a later date that they want to pass along in the course of these Estimates, other capital projects that they may have omitted, please feel free to do that.

Can the minister give me a similar comprehensive list of projects that have been committed to by a previous—the previous administration but construction has not begun on?

**Mr. Goertzen:** That may be a little bit more difficult, and maybe the member could give me some clarity because I—there was confusion sometimes about what the previous government had committed to and what was sort of an election promise, and it was confusion, but what became an election promise at one point, the government said was actually a government commitment.

We experienced that in my community with some non-health-related projects where there was an uncertainty about whether something was an election promise or a government commitment, whether or not there was funding or not funding, whether there was an actual program or not program. I cannot give the member a list of all the New Democratic election promises. I'm sure that he could find that list faster than I could.

But I don't, you know, plan to sort of refight the last election.

**Mr. Wiebe:** Well, and—of course, I wouldn't ask the minister to talk about election commitments and there was definitely a lot of good projects that were talked about and committed to in the election. And, as he's well aware, there are, you know, big projects that take multiple years to develop and implement and finally get those shovels in the ground.

So I'm, certainly, not talking about new projects that would have been announced for the first time during the election campaign, but, instead, about projects that have been announced by a previous government as being a priority for Health capital projects.

Can he give me a list of those projects that would have been announced by the previous government?

**Mr. Goertzen:** I mean, I have to check more specifically. I think it depends even what the definition of announced is, because you know, there were times when the government announced—I hate to bring up the topic of Tiger Dams in this committee. I'd sort of made a commitment to myself I wouldn't, and here I am, breaking that commitment. But I know with the issue with Tiger Dams, there was an actual announcement where there were ministers who went to a community and announced the purchase of that particular product, of the Tiger Dam product, but it actually had not been something, at that point, that had been approved by Treasury Board.

So, you know, the status of that was sort of unclear—where a project could be announced politically, in a community by ministers of the Crown, so, you know, the community would expect that there would be a something behind that and something to that, as they would rightfully expect, and yet there'd not really been the legal authority for that announcement to have happened, because it hadn't been approved by Treasury Board.

So I'm a little unclear—maybe in the sense that I know that the previous government, prior to the election, was busy announcing everything, and anything anybody asked for, they said yes to. But, if a New Democratic MLA went into a community hall and somebody said, well, wouldn't it be great if you built this sort of massive whatever, you name it, and then the MLA said, yes, that's something we're definitely going to look at and do, I don't know if that, in the member's mind, constitutes an announcement.

I'm—certainly, for the people who are in the room, they would say, yes, that probably was an announcement by the government. But I'm not sure that is exactly what he's talking about, or is he talking about only things that may have had a news release accompanied with it?

**Mr. Wiebe:** Yes, and I can appreciate the wording maybe isn't as clear as I'd like it to be in terms of announcements and, I mean, I have to admit that I didn't follow every single announcement that the government made. I get them on my phone, and I did my best to keep up with, you know, with the great projects that were being worked on, you know, usually with community partners.

And so I, you know, I can't say that I may be using the right language here, but maybe we can get at this a little bit of a different way and sort of get the answer that I'm hoping to get, and that is, the Premier's (Mr. Pallister) talked, and I believe this minister has talked multiple times about review that's being undertaken with regards to projects, and could the minister maybe give me a list—just table a list of those projects that are included in that review?

**Mr. Goertzen:** I apologize to the member I wasn't quite—I listened to 70 per cent of the question and then I drifted on that last 30 per cent. Was he suggesting that we provide the announcements that were sort of formalized by the government through a news release?

\* (11:30)

**Mr. Wiebe:** No, no, and I was just sort of, you know, trying to help the minister to focus in on what exactly I'm asking for by not focusing on the news releases and the announcements and all that side of things. But the Premier has talked a number of times, and I think the minister as well has talked, about a review that's taking place of all projects to see which ones are worthwhile going forward. So maybe could the minister table a list of what those projects that are, that fall under that review—what would those projects be?

**Mr. Goertzen:** I don't know if I can find a list in the exact way that the member is asking for, but I do think it's an important question. And that there's a few different reviews that are sometimes being talked about. There's the core review that is happening within government itself, and so core departments, except for Health, which has been sort of taken out of that, where the new government has committed both during the election and now fulfilling on that commitment to have a value-for-money audit within those areas of government to find efficiencies and to ensure that money is being spent well.

Then there's the Health portion, and it's worth saying to the member because I think there was some confusion, not in the member's mind but I think maybe within the media, that why was Health not included. And, of course, it was always the intention to have Health undergo a review, but the feeling was that Health can be fairly specialized and has its own sort of unique dynamics within it and that it might take some particular expertise. And so that that review, which we're classifying as an innovation and sustainability review, should happen separately. And



so the member will hear more on that, I think, in the relatively near future. But that review will happen separately.

Certainly, the Premier (Mr. Pallister) has indicated that collectively all of the various announcements that the NDP made in the various forms that they made them—and I'll tell you that it caused some confusion within my own community on announcements. There was a particular announcement that was made by the former member for Dawson Trail—and I wish that member no ill; I got along with him well personally—but the reality is that he made an announcement in my community, I believe it was on a Christmas Eve. Like, at 4 o'clock on Christmas Eve, he phoned the mayor of my community and asked to meet at city hall at which he provided him a letter that he referred to as a letter of commitment from what I understand was from a fund that didn't exist, that was only promised to exist in a Throne Speech that had happened previously.

And then sometime after Christmas, perhaps before New Year, there was another letter provided that offered a commitment of the same project but from a different fund, but also not from the minister who was actually responsible for that fund, and then the former premier, the member for St. Boniface (Mr. Selinger), at some point before the election said: Well, it was really an election promise; it wasn't actually a commitment from the government and that it would all sort of depend on the election.

And so that caused a great deal of confusion within my own community when a promise was first made through a letter on Christmas Eve and then a subsequent letter coming from a different fund but for the same project, and then the former premier indicating that, well, in fact that is more an election promise than a government commitment.

And so, when the member asks for a list of projects that are under review, it's a little difficult to provide him with an exact list because it sort of depends on his definition of the projects. Certainly, I would suggest that all of the different forms of ways that the NDP made announcements to the public, whether that was through the strange process that happened within my own community, and I think the member for Dawson Trail (Mr. Lagassé) had a similar sort of issue, or whether it was through other ways that the government made announcements, all of those, of course, will be looked at to find the ones that should be prioritized earlier on.

**Mr. Wiebe:** Well, and I'm not, it's not my definition that I'm looking for here; it's the minister's definition. But, more accurately, it's the department's definition, and it's the department who I'm asking through the minister, through the Chair, let's try this, to get a list of what those projects are that are now under review, that the request has come in for funding to fund those projects, and now there's a process for review. And I'm just wondering what the, well, I guess, what those projects are.

First of all, I'd ask the minister. It should be a fairly simple list to pull together because these are projects that, again, how they came to be on this list is not for my judgment. It's just simply those are the ones that have come forward as requests or commitments and now what the process is for reviewing those.

Is that something that's done within the department—each department—and is that being done within the Department of Health with the minister having some input? Is it being done in a global fashion throughout government, of capital projects that had come in that the requests are sitting there and now they need to be reviewed in some way, and each minister, will they have some input on that?

So I'm just trying to understand the process of what this review will look like. And, again, not to get off track onto the other reviews that are happening, and we will get those—we will get to those, I think, in terms of questions, but this is important, I think, to just talk—to zero in on the capital projects that are now under review and what the process is for reviewing those.

**Mr. Goertzen:** I mean, certainly, you know, I expect that, as the Minister of Health I will have some input on these discussions that'll happen, you know, going forward.

You know, I want to say for the member, because he said in the House, and I don't think he means it in a negative way. I think it's just, you know, sometimes language that gets used by members in the Legislature, sometimes that the projects might be considered wasteful, and where is the government identifying wasteful projects.

I think, actually, the vast majority of projects that the public comes forward with have come forward either from individuals or from municipalities, I wouldn't classify as wasteful. The vast majority of them have value in their own communities, within their own areas. I've seen a

number of proposals in my short time as the Minister of Health from communities, and I wouldn't—I don't think I've seen one proposal that I would consider to be a wasteful proposal.

The issue isn't that. The issue is about prioritizing government spending, and how can you ensure that the limited dollars that the taxpayers—I don't like to even call it government funds—the limited money of—that taxpayers provide the government, can be used in the most effective way and to impact the most amount of people in the most positive way.

And as Minister of Health I think that's probably going to be one of my greatest challenges, is in terms of prioritizing those projects to ensure that the most number of Manitobans who may have the greatest sense of need in a particular area, region or chronic disease can get the largest bang for the taxpayers' dollars that are being collectively gathered within the province.

But that doesn't mean the projects that may not move forward immediately or in the near future are not valuable projects or are not good projects, but there are always going to be more good projects than the taxpayers collectively can afford to pay for, and I think particularly in the Department of Health, and I'm realizing this even at a very early stage in my time as minister, that that is true, that, you know, if it was purely about approving projects based on whether or not they bring value to the system in some form or fashion, then the majority of them would move forward almost immediately.

That's really not the issue. The issue is that taxpayers have a limited ability to pay for services, and you have to prioritize. If I have a criticism of the former government, and I might have a couple, but not to be overly political about it, it's that there was never that sense of prioritization about what are the projects that are the most impactful to the largest group that the taxpayers can afford, and then to look forward.

I mean, one of the greatest challenges that I'm having as the Minister of Health and that I suspect other ministers are having as well, is to grapple with the forward-funding model to ensure that not only is there money for capital for projects, because that's often the least challenging part on a financial side, but when those projects go live, when those projects actually start, there's obviously an operational capacity to that. And I think—my concern has been, coming in as minister, is that it's been a difficult

process to understand how the government was forward-planning on operational funding.

\* (11:40)

Capital is one thing and often there are those within communities who are willing to put forward the money to build things and to provide that capital, and we see that whether it's personal-care-home beds or other projects where there are—a foundation, sometimes they're—they're individuals who are private. I know the member doesn't like to hear that, but they're willing to bring forward their own individual money to help with the capital.

The larger—the concern that I face and the larger challenge that I think we face as a government is that ongoing operational capacity hasn't properly been budgeted and factored in. And so when we talk about reviewing all the different announcements that the previous government made in whatever fashion or form they made them and—again, there was many strange and odd fashions in which the government made announcements including in my own community—that's important not just because a building is going to cost X amount of money, but how does the department pay for the funding on a go-forward basis? So those—that review is important.

And to answer the member's question directly, yes, I absolutely believe and hope that as minister I'll have some input into that.

**Mr. Wiebe:** So am I understanding that the minister is taking this as notice to get me the list from staff as the first part of the question and, as a second part, is the minister saying that the process for the review hasn't been formalized, then, within government, and it's something that he still waiting for some direction on?

**Mr. Goertzen:** Well, no, I think a lot of work that's been happening sort of in reviewing the government finances overall—and collectively—started, frankly, before I became a minister. And there was a transition team that was put in place before we became government, before I was ever notified that I would be a minister within Executive Council, and that transition team began immediately to dig into the books and to find where things were at collectively to try to identify the various commitments that were made and then try to bring forward a budget, in a very difficult circumstance I would say. Not having been the Minister of Finance

or not on the transition team, I can only speculate on how difficult it was.

But I know that my own transition has been a challenge and one that is taking long hours and lots of reading and lots time away from home. But it's important work so it's valuable work and work that I'm willing to do.

But I do know that that process of review of the finances began almost immediately, and so it's—be a ongoing process as we start to now move forward toward the next budget. Obviously, this government was under significant constraints, not the least of which were time. One of the other hats that I wear is Government House Leader at this stage, and I can tell you that, even from an organization of a House perspective, this has been somewhat unprecedented, but extraordinarily difficult.

Now, I don't expect Manitobans or anybody on this committee to feel particularly sorry for anybody within government, and they shouldn't because this is the job that we ran for. This is the job that we wanted to take and nobody every believed that it was going to be easy, but we did believe it was going to be important. But I don't underestimate for the member how difficult the challenge is even from a House perspective, and that we still, of course, are in the Legislature and we might be for some undetermined amount of time yet.

So there's been a lot of ongoing processes that have been happening in terms of review of government expenditures and review of departmental expenditures. My deputy would tell you, I think, if she was in power to do so by the nature of this committee, that she's been working extraordinary hours—and I can tell you that because when I leave here often at 9 o'clock at night she's still here working and putting together a lot of the issues that relate to the finances. So that work began, I believe, the day after we formed government and before I became the minister.

**Mr. Wiebe:** Just very quickly on my first question. So can the minister table the list for the committee—or for the House?

**Mr. Goertzen:** Well, again, and I mean we need to sort of have a clear definition from the member as well in terms of the different projects that he's related to, and I don't want to hearken back to would it be a project, for example, that was announced on Christmas Eve within my own community? Would it be a project that was announced at a community hall

that a previous NDP MLA may have made a commitment to a community? Would it include projects that never have gone through Treasury Board, that have never had Cabinet approval or status?

I can certainly endeavour for the member to do my best to put together a list of the various projects and announcements that I'm aware of within the Department of Health. I might even require some of his assistance, because I don't know all of the different commitments that some of the NDP MLAs made within their own communities. I'm only finding out about some of those now as I meet with members within the health community who were told by previous NDP MLAs that they might be receiving this project or that project but they didn't necessarily have any particular status.

And so I'm certainly willing to put together as comprehensive a list for the member as possible.

**Mr. Wiebe:** And that's great. I mean, again, I'm not asking for a comprehensive list of every single commitment and, you know, word uttered by the previous ministers of Health with regards to capital projects or deals made on the back of napkins. All I'm asking for is—

**An Honourable Member:** There were a few.

**Mr. Wiebe:** And there might have been a few, as the minister points to, and I think that's maybe how a lot of good projects start, from my experience.

But I'm simply asking for a list of projects that are now part of the capital review that he would consider. You know, looking for value for money, I think, is the language that they've used, and which projects they would count as part of that review. So that's the—again—the first part.

And the second part is just to understand a little bit more about what the process will actually look like. And, again, I understand maybe the minister just hasn't, you know, gotten into that level of detail on some of these projects.

But is this, you know, is this process happening somewhere else? Is the process being undertaken? Is the review being taken—undertaken by another, you know, group, or, you know, another level, I guess you could put it that way? Is this being directed out of the Premier's (Mr. Pallister) office? Is it being directed out of, you know, a policy unit? Exactly where is this review being undertaken?

And, I mean, this is something that I think we're looking for just, you know, transparency on. We're looking for an ability to say, you know, as the minister said, that they need to make—they need to set priorities for themselves. And I think Manitobans understand that. But they want to see what the priorities are and they want to understand what the factors are on the table.

And, if these are the right decisions, I think Manitobans are going to say, well, you know, we understand you're not doing it this year, you're doing it next year. This is maybe something that, you know, they could sell to Manitobans as being the right course forward. But without that information on the table, it's just difficult for people to know, you know.

And this government's talked a lot about transparency and openness. Well, you know, I'm asking the minister to be as transparent as he possibly can and making sure we know what all the variables are and what all the factors are that are on the table.

So not only can—you know, I understand I can expect that list as best the minister can prepare it, but also any other information he has with regards to the composition of the committee that's reviewing this, or the individual who's reviewing this, and what his role as minister will be in that decision-making process.

**Mr. Goertzen:** I thank the member for the question.

I mean, I expect that my role as a minister would be comparable to the other ministers within government in that they will certainly be a part of the process, along with their departments, in providing the needed information. Much information has already been provided by the individual departments, certainly on the finances of their areas.

That process began, I understand, the day after the election. Again, wasn't part of it then because I was not notified that I would be in Cabinet. I think I was on the backyard of my deck, barbecuing with the early spring, uncertain of what my future would be at that point, and it was several days, many days, before I even knew that I would be a part of the Cabinet. And so it wasn't something that was top of my mind at that point, as a lot of people sort of waited to see what their roles would be within the new government.

\* (11:50)

But I certainly do understand that that work was happening almost immediately after the new government was formed. And on a go-forward basis, we know that—or, certainly in the recent past, the department officials during that time of transition were involved with providing as much information as they could on the current finances within the Department of Health.

And, you know, I want to say that they're challenging, and I don't want to leave any sort of impression that they're not challenging, that they're not going to be—decision's going to be easy. I think that every Health minister across Canada—and I had the opportunity to speak to them via conference call a couple of days ago—I think that every Health minister across Canada is grappling with some of these issues, and some of the challenges.

My hope is that, as we move forward into renewed discussions on the Canada Health Transfer payments—and the member might have some questions about that down the road a little bit—that we'll be able to find that the federal government is as willing a partner in the health discussions as previous governments have been. But that might add to some of the challenges.

So, of course, there's a lot of moving parts, but I want the member to know that the parts started moving immediately after the election and have continued to move since then. And I expect that, as minister, I'll have input into priorities within the department.

But I don't want to leave on the record any sort of impression for the member that, you know, if—that any of the projects that have either been asked for within communities or announced by previous ministers or pseudo-announced in community halls by previous NDP MLAs are not good projects, and they don't have value to them. The term value for money is an important term to use and is often used in an accounting fashion. I understand—I have some accountants right nearby me, and they would say to me that that's an important form of discussion within the accounting realm. But I also want to say that, within the Department of Health, the projects that have been brought forward, I wouldn't want to classify any of them as not having value and not being valuable. It's more a question of the priorities that we can do, as a government, because we recognize that Manitobans only have a certain ability to pay. And we can't continue to go and ask them for

more than they are able to pay, than more than they're able to afford to pay.

So we have a dual obligation to Manitobans. One is to provide them with the best and the timeliest health care that we can provide them today. The other obligation on that is to ensure that the system is there for them tomorrow. And, then, I would add a third prong to that obligation, and that is to ensure that they are not so fiscally burdened that they aren't able to achieve the things that they want for them and their families. So that's—those are—three things are not easy to balance. It's a bit, I suppose, like being a juggler, that you got to keep a few balls up in the air.

But those are, certainly, the priorities that I think of when we're looking at the health-care budget. How do we ensure that it remains affordable for Manitobans, sustainable for the future but also there for Manitobans today?

**Mr. Wiebe:** Can the minister comment on what the status is of the Concordia health and fitness centre?

**Mr. Goertzen:** My understanding, from officials, is that that particular project was never formally submitted to the department. It hadn't received Cabinet or Treasury Board status or approval, so it would be one of the projects, of course, that would be looked at more globally.

I know the member would have a particular special interest in the project, as would other members. And, from the—what I've seen of the project, again, it would fall into one of the categories of a good community project with people with all the right intentions to better their community, and to bring forward the idea, and to put up some of their own money to ensure that it's an idea that's advanced for the betterment of their communities. And there are many communities and individuals around Manitoba, who are doing things that are similar, who are trying very hard to ensure that they can find ideas and feel needs for their communities, and I appreciate that.

And many of those, of course, are private dollars, and I note that the previous government never liked to talk about that, that there were private dollars involved in health care at all, but I can tell you from even my own community, many projects like the CancerCare hub had a great percentage of the dollars, far greater than 10 per cent that would be ascribed under the community contribution portion,

of private dollars put into them, sometimes as much as half or more, to ensure that they actually happen.

So that particular project is one of those projects; we would normally see a project like that advance, I think, through its local regional health authority and then be prioritized by the local regional health authority, but, as mentioned, I don't believe it's become a priority of the respective regional health authority. It wasn't my understanding from officials brought to Cabinet under the previous government. It wasn't my understanding brought to the Treasury Board under the previous government, but, certainly, it's one of the projects that we would consider reviewing for the future.

**Mr. Wiebe:** So the minister's then saying that this is a project that is under review. Can the minister comment on what the timeline for the review would be in terms of giving some direction to the board, who, I understand, is, you know, has gone to the bank literally—not figuratively, but literally—with the commitment that they received from the previous government to start this project?

**Mr. Goertzen:** Yes, and certainly that's a process that'll take place over the next several months. I don't want to, you know, provide a specific date in terms of a drop date because, of course, the member will then be doing a countdown to that date, and we don't want to either raise or lower expectations for anyone who is going to be looking at a particular project other than, I mean, the—what I know of the project is that it is a—has value; it is a project that's—the community, I think, has brought forward because they believed it would better the community as the many projects that have come forward from communities across the province, I think, generally are. I find very few projects that I wouldn't consider to be valuable, and so that process will be happening.

I do know, and not to be overly political, because I try to not go overly political, but when you look back over 17 years, 17 years this project wasn't a particular priority for the government. It didn't make its way to Cabinet. It didn't make its way to Treasury Board. It didn't find its way on to the priority lists, I believe, of the Winnipeg Regional Health Authority, which it would fall under. And so I don't want to diminish in any way the project because I think that there are good people behind it with all the right intentions, but I also know that it didn't become a priority for the government, a government that, you know, a rough calculation, would've spent over \$200 billion in its time in

government, over two hundred—more than \$200 billion in its time in government and didn't find that project to be a priority.

So I would not suggest that it's not a good project; I think that it is, and it's got good people behind it with good intentions, but I wonder why it didn't become more of a priority for the government previously.

**Mr. Wiebe:** That's just factually incorrect, Madam Chair. Of course, this project wasn't around for 17 years. There were a number of projects that were around for 17 years at the Concordia health—

**An Honourable Member:** Table a list.

**Mr. Wiebe:** Well, I can table a list for the minister, things like the Hip and Knee Institute, which has been a roaring success. People from across the province come to the Concordia health campus to receive hip and knee surgery.

**Madam Chairperson:** The time being 12 o'clock noon, I am interrupting proceedings.

The Committee of Supply will resume sitting after—this afternoon following the conclusion of routine proceedings.

## FINANCE

\* (10:00)

**Mr. Chairperson (Doyle Pivniuk):** Will the Committee of Supply please come to order.

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Finance. At this time, we invite ministerial and opposition staff to enter the Chamber.

We'll now ask the members to introduce the staff in attendance.

The Honourable Minister, could you introduce your staff, in Finance?

\* (10:10)

**Hon. Cameron Friesen (Minister of Finance):** I have at the table with me today, Deputy Minister Jim Hrichishen, for Finance. I have at the table Secretary of Treasury Board Lynn Zapshala-Kelln, and I have Executive Financial Officer Chester Wojciechowski. Thank you.

**Mr. Chairperson:** As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Mr. James Allum (Fort Garry-Riverview):** I just wanted to get some information from the Finance Minister as we left off yesterday. I'd asked if he would be able to provide a list of all political staff working in government and what their—what they do and what salaries they make.

Will the Finance Minister confirm that he will provide such a list?

**Mr. Friesen:** First of all, I will just put on the record from yesterday at the close of the day when the member for River Heights (Mr. Gerrard) was asking a question and we indicated that we would get the answer back to him today and we are just waiting for Hansard to be published so we can see the exact language that was used in the question. And then we will endeavour, perhaps, if this—if these proceedings are under way in the afternoon, we'll endeavour to provide that answer.

Also, I'll take this opportunity to make one correction in terms of an item that I mentioned yesterday and was referring to the wrong line on information I was citing, and I had been talking about tax increases since 1999 in millions of dollars and I inadvertently indicated that there have been \$37 billion of tax increases. Now, I noticed that the member didn't challenge me on that number, but it may be because he and I have both heard that number in this Chamber, but it's cited in a different context, of course, when we talk about the summary debt. We've used the number of \$37 billion. Yesterday we spoke about the net debt at \$21 billion. The number I should have cited as the total of all budgetary tax increases since 1999 should have been stated as \$8.177 billion. The 37 was referring to million dollars and that is another item pertaining to the Seniors' School Tax Rebate with the modifications—one moment—so the number I cited was a cumulative total number, but I should have stated it as \$8.177 billion, inclusive of approximately 16 budgetary years, 2000 through 2015.

At this time, in response to the member's other question where he had requested a list of all technical officers, I promised him that I would have the department work up a list for him, so I have inside Manitoba Finance, I have a the list of all technical officers who are right now employed. Of course, as I mentioned to him yesterday, he would have to go to the other Supply committees, but he could ask there specifically of a, you know, Education Minister, Minister for Growth, Enterprise and Trade. I believe

this question probably came up in the Growth, Enterprise and Trade, Committee of Supply, and he—I would encourage him to get that information directly. I'm responsible for these appropriations and these—this committee is considering these appropriations.

So I will table for the member multiple copies listing the one, two, three, four, five, six technical political officers who are currently employed in the Department of Finance. This includes Priorities and Planning Committee of Cabinet secretariat.

**Mr. Allum:** So, if I understand him correctly, he's prepared to provide the information on the political staff in Finance department, which is good, and he's tabled that for me, and I thank him and appreciate him providing that information.

But I also heard him say, no, he will not be providing a list of all political staff in the government. But I would suggest to him, as Finance Minister, he has responsibility for the books of the entire government of Manitoba, and that kind of information should be readily available.

So we'll be taking that matter up, I would think, in more detail with him, and in other ways. But I heard a flat refusal to provide that information, and I want to put that on the record that the Minister of Finance (Mr. Friesen) has refused to divulge information that's of public interest in terms of the number of political staff hired by the government, which is, of course, natural. You would expect that. And then, also, to articulate what their positions are, and how much money they make. And what I heard him say was a flat refusal of that.

So that's something that we'll be proceeding if he's going to—we'll be looking at further in different ways, but I find that hard to understand and I want to put that on the record.

Yesterday, as well, we asked, toward the end of the day, how many people had lost their positions at the seniors' tax rebate office, for lack of a better term; I'm not sure that that's the exact term. And he indicated to me that one FTE had been relocated in a different office, but he didn't tell me how many term employees had lost their jobs.

So could he tell me today how many term employees lost their jobs at the tax rebate office as a result of changes he's made to increase taxes on seniors?

\* (10:20)

**Mr. Friesen:** I'm endeavouring to help the member here who is trying to convey into the record that somehow I'm taking an obstructionist approach, and I want to assure him that I'm not. I've sat in the same place where he is seated now. I sat there, I believe, first when Ms. Jennifer Howard was the Finance minister. And I know we had lively discussions around what was in scope and out of scope for the purposes of this discussion, but I'm not suggesting to the member that he cannot go somewhere to get the answer that he is seeking.

I know that, Mr. Chair, you have a responsibility in this Chamber as well, in these proceedings, and that is to ensure that the consideration undertaken today is on the subject of Manitoba Finance. So, when I turn inside the Supplementary Information for Legislative Review for 2016-2017, you'll see first, on page 3, the Responsibilities, under Finance, and then you see on the next page, on page 5, the Statutory Responsibilities of the Minister of Finance. So I'm endeavouring to help the member, providing answers in consideration of questions pertaining to those areas. However, as the member also knows, I am the Minister responsible for the Manitoba Civil Service, and it would be my strong assumption that those—that that Committee of Supply will convene at a different time during the Estimates process inside of the 100 hours for consideration.

So, if I look inside that particular set of Estimates, there I see the responsibilities of the Minister responsible for the Civil Service. So I think my best recommendation would be when the Opposition House Leader and Government House Leader (Mr. Goertzen) negotiate when the Civil Service Commission Estimates will be under consideration, then I would ask the member to take the opportunity to ask the question then, with that responsibility. Then we can provide that information, because he's asking a question about global government in terms of technical officers.

If he doesn't want to wait for that opportunity, of course, he can attend the other Estimates or even send colleagues of his into the other Estimates to ask that exact question.

Now, in respect of his question on the Seniors' School Tax Rebate, and he's asking about employees there, first of all, I would want to state again that there was only one full-time employee in that Seniors' School Tax Rebate administration office, if I can refer to it that way, an office that was formally

located, I believe, just on Broadway, in a separate standalone office.

By the way, I would mention to the member that was not an office where the public would go. I believe that all of those phone numbers and all of that accessibility, by the public, would have still been done through the normal channels, through Manitoba Taxation. However, this was—think of it as a processing centre. Now, there was only one individual full time in that office. That individual is still in the employment of the Province of Manitoba. They have gone back into a Common Recruitment eligibility pool, and I could check for the member, if he was interested to know—if he'd want to know if that person has now been assigned or not. Other than that, there are a few other individuals who were seasonal, casual employees. And the member will understand that those casual employees would be no different than casual employees that would work for, like, Canada Revenue Agency.

And I know some of those individuals who worked—who work for Canada Revenue Agency over off of Lagimodiere Boulevard, a very, very large federal processing facility for applications. And those employees work on a seasonal basis, and then they take their leave and they come right back in the next year. The vast majority of these seasonal casual workers have gone straight back into the common recruitment eligibility pool, even in respect of the Seniors' School Tax Rebate office.

But, of course, I do reject the idea, somehow, that—he mentions, somehow, that we have cut this program. We haven't. We're very proud of the fact that we have been able to maintain the Seniors' School Tax Rebate but, making sure, as well, that it is there for those seniors who really need it by applying that income test. But remember, as well, that the member continues to argue against the arguments put on the record by his colleagues who have spoken in favour of the Seniors' School Tax Rebate, including the interim Opposition Leader.

**Mr. Chairperson:** Before we continue, I just want to let everyone know, in the Committee of Estimates, here, that the minister was correct. The civil service question—that should be asked when Estimates continues in 254—and that's what the Estimates is going to be with civil servants commission. And that's going to be later on in the Estimates process.

**Mr. Allum:** So, just a point of clarification on what you just told me is that the question that I just asked him, to provide a list of political staff, as Minister of

Finance and minister responsible for the Civil Service Commission is, somehow, out of order?

**Mr. Chairperson:** The question that's related to Finance is definitely in order, but for the information—when it comes to the civil servants information, that's all going to be done in the—later on in the committee room—254.

**Mr. Allum:** Okay, Mr. Chair, of course I want to respect your direction in that regard. I'd point out to you that, in his own Estimates book, under responsibilities, it says the Minister of Finance is chair of Treasury Board and, through the department, manages and administers the Consolidated Fund, and directs the financial affairs of the province.

To me, the hiring of political staff constitutes managing the financial affairs of the province—in one small component, admittedly, but still nevertheless. So I'll respect your ruling. I'll get off that line of questioning. But I want to put it on the record that, really, this is a question, as far as I'm concerned that—he's Minister of Finance; he's minister responsible for the Civil Service Commission and with this concurrence, he would be the same person answering. It seems like a colossal waste of time for him to suggest to me that I should go from committee to committee to committee to get the kind of information that he could have easily provided. So I'll leave that alone, for now.

So why don't we move on to the—talk about the Seniors' School Tax Rebate just a little bit more, because it strikes me that the minister's been quite inconsistent on it from the get-go. But, on June 9th, a June 9th press release, the government claimed to have found \$44 million in savings from their, admittedly, surprised decision to cut the school tax rebate. We've had any number of emails from seniors who are relying on that rebate, and any number of indications of their disappointment for, really, what was not being candid during the election campaign when the Premier (Mr. Pallister) said, quite clearly, they wouldn't touch it. And then they did.

However, in the sub-appropriations on the Education Property Tax Credit, it only shows a \$21 million difference, not the \$44 million that he has claimed. Where did that difference come from? Why does—why do you claim \$44 million when, in fact, the books only seem to show \$21 million?

\* (10:30)

**Mr. Friesen:** I believe I can help the member with the question he's asking. I'm referring to page 67 of



Budget 2016 under the Estimates of Expenditure and Revenue. And there, in the section on net tax credit payments, the member's referring under that 7.7 section to Education Property Tax Credit. Now, in that area, the Estimates of Expenditure from '15-16 to '16-17 is a difference of \$21 million; he's correct about that. Now, the question he's asking, then, is how do you then rationalize that you're able to reduce the deficit by \$44 million in respect of the Seniors' School Tax Rebate. Now, that is not the difference between the—in this book, between the '15-16 and '16-17 as specific expenditure. It is the difference between the outlook—sorry, the update brought by the opposition party now on March 8th and Budget 2016.

So the calculation that the previous government would have made would have been one in which they would have—and we've made clear as well. It is our opinion, and it's the opinion of Manitobans, that the NDP tried to induce seniors to vote for them, a desperate party that was in their—in a last-gasp effort to shore up their failing election fortunes. They tried to procure votes from Manitoba seniors by more than quadrupling the value of the rebate that all seniors would receive.

We said that was neither principled nor practical for a government that was staring down a \$1-billion deficit. Even by their own numbers, the significant deterioration between the budgeted deficit and the update provided on March 8th saw the numbers move from 442 to 666 on core—you know, a \$250-million slide or thereabouts.

So we said we simply could not proceed on that basis. We took a principled approach, and we maintain the Seniors' School Tax Rebate at the \$470 where it was at. But the member will understand, then, his outlook would have reflected this exorbitant increase of \$2,300. The difference, of course, is that, by maintaining that program at \$470 and applying the income test for a household income using that same calculation of \$40,000 household income and applying that at 2 per cent, the difference is that \$44 million.

I believe I'm correct in stating, as well—and my officials will correct me if this is not accurate—that the additional savings that we have realized, as a result of the administration of the program through CRA, is a separate calculation outside of the \$44 million. But I would also just add to the record that the member talked about perceived

inconsistencies in our messaging around the Seniors' School Tax Rebate.

I would suggest to the member that the inconsistencies started on March the 31st, when his opposition interim leader went into the hallway and said to members of the press that, from her conversations with many low-income earners, some are in the minimum wage bracket; they are not affected by the 1 per cent PST. And then she went on to say that, in general, she supported the actions of our government to apply the income test, calling them fair, and that she had no problem with them.

I would also remind the member, when it came to consistency of messaging, it was the member for Fort Rouge (Mr. Kinew) who tweeted out: How does raising the PST help grow the economy? How is a tax, which takes a proportionally bigger slice of poorer people's incomes fair? This was a statement by the member for Fort Rouge. So, when it comes to consistency of message, clearly, the fluctuations are happening on that side of the House, about PST increases and about this issue.

Clearly, the issue becomes this: my question for the member would be, would he be willing to put on the record whether he supports, in principle, the idea of a progressive tax system? We have put in measures that reflect a belief in a progressive tax system. Does he or does he not support it? It sounds to me like his leader does, and he sounds like he's suggesting that he does not.

**Mr. Allum:** Well, the inconsistency we were referring to and—is, actually, more than an inconsistency; it's breaking faith with the people of Manitoba when the Finance Minister and the Premier (Mr. Pallister) say that they're not going to touch the seniors' tax rebate publicly and in messages to constituents, and then they do. When the Minister of Finance (Mr. Friesen) goes out and says he's not—hasn't raised any taxes when he had had a \$44-million tax hit on seniors in this budget, which he refuses to concede.

So there are matters of inconsistency here that are, in fact, more than that, Mr. Chair. They're breaches of trust.

But, in the budget papers—C1, actually, on the first page, it says that the \$44.5 million includes, a quote, "adjustments that are attributable to 2015/2016," unquote.

\* (10:40)

What part of the \$44.5 million, specifically, is from 2015-2016? And are you taking money that was owed to seniors from last year's budget for the first few months of this calendar year? And, if he is doing that, how is that allowed, since we passed last year's BITSA into law?

**Mr. Friesen:** I'm going to reflect again upon the fact that doing these Estimates in the Chamber does not afford us a lot of real estate—table room, and so we're endeavouring to move a lot of papers around the desk, so I appreciate the additional time just to accomplish that.

Just before I give this answer, I did want to go back to one I provided earlier, and the member had expressed concern for that one permanent full-time employee who was previously at the Seniors' School Tax Rebate administrative office. I have been advised that that employee has a new job and has been reabsorbed into the Tax Assistance Office. So there was—there's that answer and update on that issue.

Now, on this particular item, which is important to discuss, the question that the member brings needs—it needs to be understood the difference between a fiscal year and a budgetary year, like a tax year and a public accounting reportable year. So, when he refers to the Seniors' School Tax Rebate, his government brought a measure that they said, we're going to raise the Seniors' School Tax Rebate dramatically, not according to any kind of rationale but because we want to. And so they brought a change that would have seen the rebate flowing to seniors more than quadruple.

Now, the department officials—after we were elected, and when we brought a budget—department officials, of course, are taxed with the responsibility of figuring this out in terms of how to demonstrate it in the books.

So, for the purposes of the budget year, then, officials simply would have budgeted three months in the fiscal year—three months, one quarter—at the higher rate and, then, due to the changes that we brought to renew the credit at \$470 and apply the income test, they would budget the following three quarters of the annual year for core government at the \$470 level.

Now, I would remind the member, because he refers to BITSA and somehow suggests that this can't be done. If he's suggesting that, and I know he was elected in the year I was, then he's not reflecting on

the fact that this is a standard practice of government that, when his government broke their word to all Manitobans and brought a PST increase in 2013—now that item, I believe it was Bill 20, and that piece of legislation was debated in the spring, and that piece of legislation was not passed in the spring session of 2013.

And I know that the member will remember, it was a hot summer and we sat here in the Legislative Chamber debating that item, debating that into the fall, finally recessing—it could have been in September—coming right back into session. The bill passed, my guess, would be in late November or early December, and received royal assent. But the member will remember as well that the increase on the PST to 8 per cent from 7 was effective as of July 1st of that year.

I remember that because that was the period in which I was moving to that critic responsibility, and we had to understand how the government had raised PST at 7 per cent for six—or, for three months of the fiscal year, but for nine months of the fiscal year had a different rate. It's no different than the conversation that we are having at this point in time.

But for the member to suggest somehow that it can't be done does not reflect just the accounting practices as government. Of course, it can be done, in the same way as government can bring changes to fuel tax. And it can bring a change and say—because his government brought that. I believe it was in 2012 when his government raised the fuel tax by 2.5 cents per litre, and then they issued an effective date. They did not wait for the BITSA bill to pass; it was just an effective date.

And I believe what happens is, basically, we take the view that there is a reasonable assurance that this bill will pass, and so we can do that. Government can do that with PST, which they did. They can do it with fuel tax, which they did. And, in this case, this is an accounting construction which our department has followed in the same way as it always would have been followed.

**Mr. Allum:** Well, you know, having sat in Executive Council, I thought the Premier (Mr. Pallister) was the king of non sequiturs, but the Finance Minister is challenging for that particular title.

I do remember the spring of 2013, and the summer. In fact, Bill 18 was before the House at that time. And, while in opposition the Finance Minister directly opposed Bill 18 because he was opposed to

gay-straight alliances in schools, and he remains in that position as far as I can tell.

But what we're asking still is a simple question. What part of the \$44.5 million, identified on C1 of budget papers, specifically is from 2015-2016? If he could just answer that simple question.

\* (10:50)

**Mr. Friesen:** I'm trying to understand how the member made a foray into Bill 18. I could again remind him that we're in the discussion of the Finance Estimates, but I did demonstrate to him and indicate yesterday that any time he puts false information on the record my first obligation is, of course, to correct the information that he has put in the record. So I don't feel I can leave that unchallenged.

The Bill 18 that we considered in the Legislature in 2015, I believe it was—no, '14, yes, in 2014, was a bill that we attempted—as an opposition party after a very, very robust outreach strategy and public consultations; we attempted to strengthen that legislation. We did so with a number of different reasoned amendments based on a comparison of this model with practice in other jurisdictions, other Canadian provinces, US states, looking at European models, talking with stakeholder groups, talking to faith-based groups, talking to community activists and, of course, attending night after night of committee hearings where Manitobans weighed in on the issue.

So the member understands that the measures they brought did very little—I don't think they did anything—to report on the instances of bullying in schools. There was no measurement framework put forward. The member will understand that the piece of legislation they brought forward had no escalating series of consequences to offenders or perpetrators. The member will understand that the measures they brought forward did not compel school officials to convey instances of bullying to the home. The member will understand that the legislation that they brought forward, in many respects, did not make the bar. As a matter of fact, what we said is that all children were worthy of our best efforts to extinguish bullying, but there were so many different groups of children that this bill refused to address. When we looked at the evidence, what we clearly saw is that students in school, and I have two students still in school, are often bullied on the—in—on the basis of body characteristics, things like differentiating

characteristics like accent or ethnicity, academic performance, many other things.

The member will understand that I represent an area with a very, very large percentage of newcomers to our communities, where the MNP program has been instrumental in helping us attract a new flight of workers to our community. We said in debate it was very important for us to get this right. What did the NDP do? They didn't consider a single amendment which would have strengthened that bill. They didn't consider a single amendment which would have brought protections to all Manitoba students. They took an ideological approach. They were entrenched; they were not open. It's not an 'apprench'—an approach that we will bring on any matter. It's certainly not the approach we took, now making the way back to the Seniors' School Tax Rebate, where we've taken a principled approach; approach that reflects and acknowledges the importance of a progressive tax system.

The real question for this member is whether he stands on the statements he's made today, and if he does, he stands in direct contradiction with statements made by his leader. And I want to read into the record the precise language, the exact word-for-word quotation that the interim Leader of the Opposition made on March the 31st, shortly after the delivery of the budget speech, where she said, and I quote: We agree that introduction of income testing of seniors' education tax credit. Those who can afford—I think of progressive taxation, those who can afford to 'sensain' themselves should do, and those who cannot, in society, should help until these folks are lifted up. End quote. That is a compelling indication of support for the measures we have brought.

On the member's question, the difference between \$44.5 million and the 37 that he sees on that page, C1, is reflective of the fact that the 44.5 is reflecting five quarters, whereas \$37 million will be on a go-forward basis.

**Mr. Allum:** Well, that was quite a diatribe by the Minister of Finance (Mr. Friesen), there. I've studied a lot of history in my life, Mr. Chair, I've spent a lot of years doing it. I've never heard revisionist history quite like that, that I've heard before, and I'm ashamed to hear the Finance Minister, someone who I respect a great deal, put that kind of nonsense on the record.

In particular, the Premier's (Mr. Pallister) on record on CJOB as saying he would not touch the

seniors' tax rebate, and the first thing the Finance Minister decided to do was to raise taxes on seniors by \$44 million, and that's discouraging and one of the many, many misdirections practised by this government.

But I asked him a very simple question, which is to say: What part of the \$44.5 million, identified in—on C1 is specifically from 2015-2016? Wasn't this money that was owed to seniors as a result of it being—having been passed into law by BITSAs? So we're—what we're trying to get at here, Mr. Chair, is whether the Finance Minister, in raising taxes on seniors in his budget, is, in fact, in violation of a law already existing in Manitoba.

\* (11:00)

**Mr. Friesen:** This is a tortured argument that the member is trying to make, and we're endeavouring, on this side, to understand how he would believe that the changes that have occurred, in terms of applying the income test to the Seniors' School Tax Rebate, would be in any way, shape or form different from the changes his government has brought when they first introduced the school tax rebate or when, two years later—I'm approximating—they adjusted upward the Seniors' School Tax Rebate, because, in each of those instances, Finance officials in my department would have performed the exact same work according to the same generally accepted accounting practices.

Government is collecting money in areas of tax rebates and tax credits—well, I guess, you know, expending in tax credits and, you know, providing money back to Manitobans in the rebates. And, when a change comes, that change must be incorporated. And that means real mechanisms to be able to incorporate the change.

So, when the member asks the question about the \$44.5 million, and he says, what part of that money was from 2016?—it would be about one fifth—one fifth—because that one-time adjustment would reflect not four quarters of fiscal activity but five quarters of fiscal activity. And, again, referring to the fact that there is a difference between a government's fiscal year and a taxation year. Taxation years being January 1 to December 31st. Government year of operation being April 1st to March 31st. There is not alignment. So, any time we change, it must be reflected.

So, in respect of the number he's asking for, approximately one fifth. Now, does that carry

forward? No. It is a one-time adjustment on the book, and that is why, on the same page he references, it shows the second column, Full Year. So the member can know that, on a, kind of, a go-forward basis, and, of course, there is some—there's calculation done on this, so there might be a little refinement, but it would be about a \$37-million amount on a go-forward basis.

But I want to come back to my point to him that would be this: he seems to be trying to imply that, somehow, the change would not be reflective of generally accepted accounting practices; nothing could be more true. As a matter of fact, if he were to call up the Auditor General of Manitoba today, the auditor would tell him that he would insist on this. How else would you accommodate the change in the book?

So this is a lively argument he's trying to make, but there's no animation that can take place here around this argument because, simply, government did the same thing. When they brought a tax rebate for seniors at \$235 per person, they changed it before too long to \$470 per person. And that change on the book would've had to happen in much the same way: The adjustment would have to have reflected the same concerns and it would have been done in the same manner. So I hope that that helps the member in his journey towards understanding page C1 of the Estimates.

**Mr. Allum:** Well, it strikes me, Mr. Chair, that Finance Minister's going overtime to muddy the waters on a pretty simple question here.

It looks like to us that he's taken about \$7 million that was owed to the seniors of Manitoba, and took it right out of their mailboxes in violation of legislation passed in this House in BITSAs. So that's what we're trying to get to. If he doesn't want to admit it, if he wants to try to talk his way around it, fair enough, but I think seniors in Manitoba know exactly what happened here: (1) he raised taxes on seniors to the tune of \$44 million; (2) he took a portion of that money that was already owed to them, that was in the mailbox, and he reached in and he grabbed that cheque right out of it; and then (3) and I think it's fair to say that he continues to talk about the progressive nature of the action that he's taken.

People making \$40,000 a year are not high-income earners, and they're going to suffer quite dramatically from the action taken by the Finance Minister. And even for him to suggest that people making \$63,000, who will no longer be

eligible at all for the rebate, are somehow the wealthy in our communities, is also unfair and untrue and inaccurate.

And so what he's really done is done significant damage to seniors who were not only expecting this rebate and at the full amount, but he is, in fact, trying to suggest to them that they're somehow reflective of the 1 per cent in our society when he knows full well that those making \$40,000, and that's family income, by the way, are hardly—hardly the well-to-do in our communities, and it's worth noting that when we put on the election agenda that—as part of our platform, that we would be raising taxes on those making hundreds of thousands of dollars in our community, he refused to do that. He refused to support that kind of action even though that would have put money back into the pockets of middle-income Manitobans.

So his inconsistency on his tax measures are there for all to see. We'll be pointing it to our constituents; they're already angry enough over his actions and his, frankly, misdirection on the seniors' tax increase, but we'll be letting them know the kind of rationale the Finance Minister's using to explain what was really a significant tax hike on the—on seniors in Manitoba.

\* (11:10)

Now, I want to turn to the matter of affordability, which the Finance Minister talked about in great deal yesterday. And yet, if one looks through the budget, you won't find anything on Manitoba's affordability advantage. If you look back at Budget 2015, titled Steady Growth, Good Jobs, and you were to turn to page C11 and turn over several pages thereafter, you would see a number of statistical data indicating how we had worked as a government to put Manitoba in a position as the most affordable province in Canada, and I want to read directly from that Budget 2015 on C11. And it says: "To show Manitoba's cost competitiveness in more detail, several analyses are provided. The interprovincial comparison of total taxes and basic household costs, net of credits and rebates, compares provinces' living costs and tax levels for representative households . . . including a post-secondary graduate . . . Since 1999, Manitoba's overall provincial rankings for personal costs and taxes have been among the lowest in Canada. For 2015, Manitoba's ranking remains in the top three most affordable provinces to live, work, raise a family and retire."

Mr. Chair, can the Finance Minister tell us why this important section of the budget was removed by him?

**Mr. Friesen:** Thanks for the opportunity to respond to the member's question. And I do have to say, at the outset, because the member has—he's trying to suggest, still, that somehow the changes that are being made in terms of applying the income test to the Seniors' School Tax Rebate to make sure that that rebate will continue to be there for those Manitobans who clearly still continue to need it, is somehow saying that it would be contrary to the law, that somehow it would be contrary to the budget implementation and tax statutes act that his government brought when they were still the government, prior to April the 19th.

That would suggest to me that the member's not understanding the way the Legislature works and how the passage of bills works and how the Finance Department can indicate—and the Finance Minister can indicate an implementation date for the start of Finance measures and tax measures.

So, if he suggests that somehow this bill contravenes BITSA and is therefore not lawful, then he's saying at the same time that his own government broke the law when they passed measures, because there would have been an implementation date on changes that his government made at different times during their mandate. And I've reflected on some of these already, but, of course, one of the largest that Manitobans would remember is that Bill 20, PST hike to 8 per cent after the government said that they would not raise the provincial sales tax.

\* (11:20)

I believe it was former Premier Doer who says, you do not raise the sales tax in Manitoba. It was the fundamental rule under his time as premier, and yet his successors saw fit to tell Manitobans one thing and then do another. But I reflect on that in order to remind the member that bill passed, in the late part of the year, in 2014, although the bill's provisions came into force on July 1st.

And I know—I remember that because I had constituents who were scratching their heads and endeavouring to understand how it is that they were going to the store and being charged 8 per cent PST instead of seven, even though this bill had not passed in the Legislature. And that took some research, on the part of MLAs, to have to convey to their constituents that this is the way government works,

that whereas a provincial Legislature can determine that there is a reasonable certainty that this measure will pass—and I don't know how levels of plurality would affect that. I don't know if, in a very, very tight electoral contest, that would be questioned more. We don't have the luxury of that context, because, of course, our government has 40 seats in this Legislature, so that's not salient for the purposes of this discussion. But it is an academic question to ask, whether, in closer electoral contests, whether the Legislature and the office of the clerks and Legislative Counsel would take the same view about the reasonable assurance when that principle is applied to the implementation of tax items previous to the actual passing of the enabling legislation, royal assent, and passage into law.

I can tell him that making changes—done by provinces, generally, and by the federal government, this is a common practice; it is a principle.

So I refer to him already to the page he cited. I indicated to him that the difference—the differential is approximately one fifth, and it includes five quarters. But, of course, five quarters won't be the go-forward basis on a—it will go forward on a four-quarter calculation, of course.

But the member raises the bigger issue of principle. And, of course, a government that they, themselves—if they cared, truly, about affordability for the poor, that would not be a government that would raise the retail sales tax, because they would understand that raising the retail sales tax negatively and disproportionately affects low-income earners. Many people recognize this—only those members refuse to acknowledge this.

**Mr. Allum:** By raising taxes to the tune of \$44 million on seniors, the Finance Minister imposed a heavy burden, especially those with modest incomes. And—but we segued out of that to talk about just the affordability section that was, clearly, in Budget 2015. I just read to him exactly where, from page C11, the, again, I'll quote it: "Manitoba's ranking remains in the top three most affordable provinces to live, work, raise a family and retire." And, yet, he's had a—made a direct attack on that affordability by raising taxes on seniors to the tune of \$44 million.

But I asked him, why is that section of the budget, which is so important to put in circumstances of the economy of Manitoba into its proper context, why did it disappear? And my own sense is that he—it disappeared. They don't want this information

to get to Manitobans, because the Finance Minister has a much different narrative, not based on any factual basis, not based on any reasonable analysis provided by experts all across Canada, including the Conference Board of Canada, that we have among the strongest, if not the strongest, economies in the country. And what his goal is, of course, is to engage in measures—to take measures that will undermine the strong financial, fiscal position of this province, so that he can do favours for his friends in the business community.

Is it a case that the reason the Affordability section was left out of this budget, is that the Finance Minister actually intends to scrap the legislation—the legislated commitment to keep—to have Manitoba—for Manitoba to have the lowest bundle of utility rates in Canada?

Is that why this is not included in the budget papers, Mr. Chair, is because, actually, the minister has a secret agenda to scrap that legislated commitment to the lowest bundled utility rates in Canada?

**Mr. Friesen:** The short answer to the member's question is that I would challenge him, saying that this whole budget is about affordability; this whole budget speaks to affordability. This whole budget acknowledges the context that Manitoba is a very, very high-tax context for income earners, and this whole budget works forward from that point and says there has to be a better deal for households. There has to be a better deal for Manitoba seniors. There has to be a better deal for Manitoba young families just starting out, for seniors—for students in university and emerging from their studies, has to be a better deal for Manitoba business owners and workers. That is the point from which this budget goes forward, and it doesn't just go forward in terms of idealism. This budget enacts real measures that will make a difference for those Manitoba families for whom, under the previous government, the answer was always, raise the taxes.

So I take strong exception to the information the member puts on the record. I don't know how he can try to convince himself that high, high taxation burden that comes after years of a government not being able to achieve its own budgetary targets year after year, spending more than its budgeted amounts, I don't know how he can suggest that that would not have an effect on income earners. But allow me to help him to understand.

Just before I do so, though, I would indicate to them—him, because he had had some confusion around the amounts going to seniors. He should understand that a senior is first eligible for the seniors' EPTC, the Education Property Tax Credit. That's where this system starts, and we haven't really even spoken about the alignment that has been created with these measures. We've produced more alignment between the Seniors' School Tax Rebate and the seniors' EPTC. But, basically, starting off with this idea that every senior receives a credit, and then it works back from that credit on the basis of increasing income. So, on a 1 per cent calculation, so that by the time you reach \$40,000, that 1 per cent would equal that \$400, and that credit would be diminished to zero.

Now the member was somehow trying to suggest previously that the deal as it stands now under SSSTR, the Seniors' School Tax Rebate, is somehow unfair. This tax program, the seniors' Education Property Tax Credit, was the program under the NDP government. It was their program. Applying at a \$40,000 household test of income is the exact same calculation used. So he cannot somehow now throw his hands up in feigned indignation and say how unfair. The member must understand what we have chosen to do as a government is to reinforce and to renew that credit at \$470 for those—for seniors and then to apply an income test to make sure it's really there for the ones who need it.

\* (11:30)

However, if he wants to talk about affordability, that is a conversation I welcome, because when the NDP widened the retail sales tax in 2012, they significantly increased the tax burden on all Manitobans. I will remind the member that effective—oh, yes, it was effective July the 1st, 2012. The NDP widened the retail sales tax to include spa treatments, non-medical skin and nail services, hair services, insurance premiums under a contract of insurance including property insurance, casualty insurance, group life insurance, trip cancellation insurance, baggage insurance, land titles insurance.

They—and so they passed along all these costs. They made whole new areas of our economy subject to taxation, and in so doing, they immediately cost Manitobans \$100 million. So, if he wants to talk about affordability, that's one item.

When they raised the retail sales tax after saying they wouldn't, they immediately raised—removed

from Manitobans' pockets, hundreds of millions of more dollars. As a matter of fact, the average household in Manitoba pays \$3,600 more than the average family in Saskatchewan, the kind of comparisons in household costs he referred to. I mean, surely he understands that any government that is so ambitious as to bring a budget to all Manitobans in just a matter of weeks is a government that acknowledges that, probably, if this analysis was undertaken two months earlier, it would be categorically unfair to go back to the department and somehow ask them to do in three weeks what it took them six months to prepare before.

Nevertheless, the same household costs comparisons he refers to clearly shows that the rate of taxation in Manitoba is a tremendous burden to all families compared to BC, Alberta, Saskatchewan and Ontario. We need to do more, not less, to work towards affordability and fairness for all Manitobans.

**Mr. Allum:** Well, it's interesting that the Finance Minister twists himself into a pretzel trying to explain something that doesn't exist. He took the whole affordability section of the budget papers out because it compromised the narrative that he wants to present to the people of Manitoba about what the actual status of the Manitoba economy is and how Manitobans themselves fit into that particular equation.

And so, reading from page C12 of the—of Budget 2015: Steady Growth, Good Jobs, it says here Manitoba is the most affordable place to live for an average Manitoba family. It says that the following represents an interprovincial comparison of total taxes and basic household costs, net of credits and rebates, to the national average: an average Manitoba family pays \$5,419 less than the national average of \$33,536.

In fact, Mr. Chair, as a result of our investments over the years, as a result of ensuring that we had strong infrastructure, strong investments in the programs and services that Manitoba families rely on, and most importantly, that people in Manitoba were working, verified by the Conference Board of Canada only a few days ago, that we have among if not the lowest unemployment rate in the country, he knows full well that actually Manitoba is in a very, very good position, and he's arrived as Finance Minister at the very time when Manitoba is leading the country when it comes to unemployment rates, when it comes to job creation and when it comes to projected growth in the years going forward. What

he wants to—what he wants Manitobans to ignore is what his real agenda is for Manitobans going forward, which are savage, Harper-like austerity to the programs and services they rely on so that he can take whatever savings come from that austerity and put them into tax benefits for those who make the most in our society.

And the way that's reflected in the budget, Mr. Chair—it's the legislated responsibility of the Finance Minister to include in the budget a poverty-reduction plan. In *Steady Growth, Good Jobs*, there is an extensive discussion of poverty-reduction strategies, its impact that it's had on low-income Manitobans and the impact that it's had on poverty. And no one would deny that there's more work to do there. There will always be more work to do there.

Nevertheless, it shows the significant progress Manitoba had been making with respect to poverty reduction. This minister not only slashed out—cut out the affordability section of the budget, which really is quite unconscionable, he then proceeds to take a very comprehensive poverty reduction strategy report from Budget 2015 and reduce it to a mere two and a half pages that actually does not constitute a poverty reduction strategy at all.

So I want to ask him now, very plainly and very clearly: Why did he not include a poverty reduction strategy in the budget?

**Mr. Friesen:** The accounting methodologies employed by the NDP are always subject to great questioning because even if I refer to the page that the member cited, and he's looking back at his budget from 2015 for the purpose of this discussion. And there's a line in there that says that the government has taken action to improve affordability.

*Mr. Jon Reyes, Acting Chairperson, in the Chair*

And it indicates these measures that the NDP government has taken since the year 1999 that save the average family some—you know, there's this amount of money that they refer to. But how can a document like that and how can a figure like that be taken with any kind of credibility when included in that section there is no demonstration of the number of taxes that the government has hiked?

There's no indication of the gross amount of money that the government has removed from the pockets of Manitobans. There's no indication of the number of tax measures that they have increased and no indication of the revenue that has accrued to

government as a result of those said changes. The calculation is complete junk.

\* (11:40)

And, for the purposes of this discussion, here is how you calculate affordability, because I remind the member affordability counts. It is important. You know, maybe he thinks that when he raises the fuel tax, oh, the guy that's making \$75,000 a year, it won't matter anyway. But I assure him, for a family on a limited income, a family making \$30,000 a year, it matters. And the solution under the NDP was to hike taxes every time.

Let me give you some examples for the record. When the government brought the PST hike after having widened the retail sales tax already, they immediately increased to government \$190 million. Where did that money come from? It's a retail sales tax. It came predominantly from working Manitoba families, seniors who are retired, students in school, employers, employees, people in real situations. But in the second year, that was nothing, because, remember, we had the discussion earlier about the fact that that was only a partial year implementation. And this goes back to—the member would suggest that his own government broke the law by implementing the tax measure effective July the 1st. I would want to assure him that his government broke the law, indeed, but they broke the law by bringing a tax hike in respect of legislation that was on the books that required that all Manitobans would have a say on any major tax hike.

However, back to the discussion. In the first full year, when the 8 per cent PST was in place, then the government made \$275 million in additional revenue. Taken over the years in which this PST hike has been in place, we will now, in this year, get to the \$1 billion additional tax. So here is the NDP, shamelessly honking their own horn and talking about relief measures they have brought to average families and not acknowledging that they pulled out of one pocket \$1 billion, and that's only in PST. This is not comprehensive of \$167 million in tobacco tax increases from 8 cents to 29.5 cents per cigarette; it's not inclusive of \$52 million inclusive of fuel tax rate increases. It does not include \$53 million in capital tax increases. And, of course, he'll say, well, rich banks can pay. He will not acknowledge this, for the purpose of our discussions, that it will be assessed against major institutions who will then pass the costs on to consumers, which is done each and every time.



Let me give him one example of how that is done. When his government took the step to take the property tax—sorry, to take the former entity known as the property assessment office, and move that function to Ontario, what we've seen as a result is that the assessment fees go up and up and up and up. And who pays those? Manitobans who are looking for an assessment. It is the most egregious approach, one that is void of principle, that takes credit for tax measures with not—without actually reconciling those measures against the enormous cost to Manitobans through the increases.

Manitobans deserve to have real, affordable conditions in which they can live and raise their families and work, and for too long that has not been the case. If this member wants to talk about affordability, I say to him: Bring it on.

**Mr. Allum:** Welcome to the Chair there.

Just quite remarkable that the Finance Minister of this province would call information in Budget 2015 from—I'm thinking he's referring to the whole budget but, in particular, the section we were talking about on the Manitoba advantage from section C11 to C21—actually, it goes on further than that, several more pages—he would refer to that as complete junk. This is the Finance Minister who just told me yesterday about that we should have, and I agree with him, great respect for public servants and material produced by Department of Finance officials. I would expect that all of this was produced in conjunction with the Department of Finance officials, and he just put on the record that that information was complete junk, and so I think it may be he'll want to apologize for that comment in his next answer.

I was actually, though, and he says, well, let's have a discussion about affordability; let's bring it on. I just read to him from Budget 2015 some of the salient features about affordability in Manitoba, and then I can look at pages C14 and C15, that talk about the Manitoba Affordability Advantage Compared to the National Average.

A two-earner family—this is on page C14—a two-earner family of five at \$75,000, "Tax reductions by the Manitoba government since 1999 will save this family \$3,608 in 2015", that's combined of Income tax savings of \$1,566 and Property tax savings of \$2,042, resulting in \$3,608 in tax savings, Mr. Acting Chair. "When taxes and

basic household costs are added together, this family will save \$8,554 compared to the national average."

So, if you want to have a discussion about affordability—Mr. Acting Chair, if we want to have that kind of conversation with the Finance Minister, he has to tell me why information that's clearly in the budget from 2015 is complete junk. Or, if he wants to rescind that comment and apologize, I would welcome him to do that.

I asked him, though, why he failed to 'include'—include a comprehensive poverty reduction strategy in his budget when it's required by law? Could he please answer that question, Mr. Acting Chair?

**Mr. Friesen:** Right, and, in the interest of setting the record straight, let's be very clear about what was said and what wasn't said.

I would submit to the member, again, that, whenever he makes a statement in isolation and does not acknowledge the context, he's incorrect. So look at the charts that the member refers to, and he's referring to Budget 2015.

Now, I take no issue with the data presented in the charts. What I take issue is the conclusions that are drawn by politically elected members like himself. His conclusions are faulty. The government—the opposition, who was the government, they trumpeted their record and said, here is where we saved Manitobans money. And they would not include, for the purposes of that conversation, the places where they cost Manitobans money. This is like gross and net. The member would do very poorly in designing his household budget if he proceed from a point where he would say, all right, every month, I'm going to list all of my revenue, but I'm not so worried about where it's going, so I won't list any kinds of expenses. If he only adds in one category and, then, reports to the other members in his household how he's doing, he would look really good. It would look like he's really meeting his targets. Look at all the revenue that has come into our house this month—great. Have you paid the hydro bill? No, because that's on the other side that I'm not looking at.

I mean, that's a simplistic example, but let me give him a more comprehensive example. I can recall, many times, reading in the budget speeches of the NDP how they had made payments into the fiscal stabilization account consistent with the requirements of the legislation. What the NDP would not indicate is they were also making withdrawals

from the same of account in excess of the required contributions to the account; that would not enter their discussions. How can they talk about making payments in when they're not acknowledging the fact that they're making payments out?

If the member wants to have a real conversation on the basis of facts, I welcome that conversation. Let me give him some facts. Tax increases, since 1999, by the NDP government—now, this relates directly to his question about affordability—he cannot, in this context, talk about the fact that, somehow, he has—it has been net to the good for Manitobans all of the tax increases they have brought. In Budget 2000, they increased the Tobacco Tax. The full year—fiscal impact of that item was \$15 million. In Budget 2001, they increased the Tobacco Tax again.

So now, taken into consideration those two items—or, I should say, that one item—considered over two full-year fiscals, the cumulative additional benefit to government, now, is \$27 million. But it keeps going, because they increased the Tobacco Tax next year by \$45 million. I should be clear: They're increasing the Tobacco Tax, netting government \$45 million in revenue, \$74 million cumulative.

\*(11:50)

But let's not just talk about Tobacco Tax, because the government may take the view that increasing the Tobacco Tax each and every year makes sense. Now, I would suggest to him, with officials from the department in the gallery—in the room today, this is a discussion that I welcomed in the Finance Estimates going back a year and two ago where we talked about what actually happens in terms of the collection of revenue, but what the inadvertent consequence can be when you don't get that right. What you actually can do is drive tobacco interdiction efforts, you're driving underground economy, more and more people saying that is the rate by—which we will just stop paying. At that point, we're going to the black market. And I would challenge the member to take a more nuanced view of these things. But I digress.

If I go to Budget 2004, the capital tax increase is \$11 million. The land transfer tax topped up, \$1 million. In Budget 2006, the personal tax credit age 'eligibility' increased \$1 million. In the next year, tobacco and waste. In Budget 2010, tobacco profits and PST applied to tanning. In Budget 2011, emissions tax on coal, and we discussed it the other

day. You can bring it or you can't bring it, but to bring it without any knowledge to sectors without any kind of consultation, what a surprise to them.

These taxes, if taken together, show a net cost to Manitobans of \$8 billion. That's real tax.

**Mr. Allum:** Well, that was one of the more remarkable expositions I've heard in quite some time. If I'm hearing the Finance Minister saying that he's going to lower tobacco taxes, then he should come clear about that. That's a really remarkable admission that he just made, that one of his goals is to lower tobacco taxes in this province. I find that quite remarkable and, frankly, quite disturbing. And I freely admit I struggle with that particular issue myself all the time, and so I'm no angel when it comes to this, but I am shocked to hear the Finance Minister suggest that he's going to lower tobacco taxes in the future.

But what we were talking about was affordability for Manitobans, and yet on every page that I look at in Budget 2015, a number of charts which the Finance Minister has said he takes no issue with, so he agrees with their veracity and their accuracy, so I'm not drawing any conclusions from them. They're showing a two-earner family of five at \$75,000, a two-earner family of four at \$60,000, a graduate at \$50,000, a senior couple at \$60,000, a single person with a disability at 25, a single parent with one child at \$30,000. In every case, as outlined in this—in all of those charts that I just mentioned, Manitoba ranks first, second or third in affordability, and that affordability includes, just so we're clear, not only the various taxes but basic household costs including mortgage, utilities and transportation costs.

In fact, it's a quite comprehensive overview and analysis of the affordability advantage that Manitobans had under our government, which was carefully crafted over 17 years. And within six weeks of becoming government, the Finance Minister went out and taxed seniors to the tune of \$44 million, throwing them under the bus quite significantly and compromising the very affordability advantage that we'd worked so hard to craft here in Manitoba over any number of years.

The facts are here, Mr. Acting Chair. If the—since the Finance Minister doesn't question their accuracy, then he must subscribe to the same view that, in fact, Manitoba is among the leaders in Canada on affordability when you include both taxes and basic household costs. That's the reality. Those are the facts. They just don't fit with a narrative that

he's trying to construct which suggests that Manitobas—Manitobans are in—somehow in a poorer position compared to others in Canada. It's simply not true and he knows that.

Now, having said that, we have people in our community who struggle, and yet—and so, over our period in government, we not only developed a very comprehensive poverty reduction plan, we legislated it—that it had to be included in the budget.

*Mr. Chairperson in the Chair*

And I would submit to you, Mr. Chair—now back in the chair—that the Finance Minister has failed Manitobans. Those—in particular, failed those who make the least and earn the least in our communities, not only because he refuses to raise the minimum wage at the very point that he gives himself a dramatic raise—at the very time he gives his staff huge raises, those who make the least can't even get a nickel out of this individual. But he did not include a poverty reduction plan in the budget.

So I'm asking him again, Mr. Chair, where is the poverty reduction plan in the budget?

**Mr. Chairperson:** Before we continue, I just want to let everyone know that the language that was used in both sides of the House here, today—we just want to make sure that everybody cautions the language that you're using today, in this committee today.

So, just a reminder. Okay, thank you.

**Mr. Friesen:** This is a helpful conversation, I feel, that we're having now. I wouldn't say that it's—yesterday was always helpful but, at this point, I think this conversation we're having is instructive inasmuch as it is delineating the difference of approach.

The contrast is this: the previous government thought that they could spend themselves into prosperity and affluence, but shut out all other partners who could assist in the efforts to build a stronger, more resilient economy to help the Manitobans. We see this in many ways. He talks about affordability, but we know that, even when he cites hydro rates, our hydro rates have gone up by 30 and 40 per cent. But that's nothing compared to the warnings that the PUB has issued, and indicated that, in respect of the comprehensive capital plan articulated by Manitoba Hydro and driven by the former NDP government, that the increases to utility bills in the province could be as much as 100 and 200 per cent by the time this is done.

Consider, of course, the context that, when they started down this path, the NDP said that Manitobans wouldn't pay a cent; that it would be US states purchasing our hydro at good rates that would drive all of the decisions, and that Manitobans would not be on the hook. I believe it was CEO Scott Thomson who sat in committee here, at the Manitoba Legislature, approximately two years ago and made very clear that Manitobans would pay as a result.

He talks about affordability—he can talk the talk but he can't walk the walk. He talks about poverty, but he knows full well that his poverty reduction strategy has not worked. He knows that every year in this province under his government, that the index would show that poverty figures got worse and worse in the province of Manitoba. He knows that Manitoba is No. 1 when it comes to child poverty rates in all of Canada.

He knows, when it comes to affordability—or, when it comes to employment and unemployment that, if he were to include First Nations and indigenous groups on-reserve in his calculations, that it would be a very, very different calculation. So the minister holds outside for the purpose of calculating data, First Nations unemployment rates. We know that in some northern communities, we have huge challenges, where as much as 60 per cent of the population can be unemployed.

These are the terms of reference that the member will be careful to not acknowledge because it does not support the flimsy argument he's trying to put forward that, somehow, they are the arbiters and protectors of all things having to do with affordability. And, indeed, their record says otherwise.

Eight billion dollars of tax hikes in 15 or 16 budgetary years is the best evidence that they had their foot on the neck of Manitobans who need a better deal. We are bringing that with real measures to help them. Indexing the tax brackets, adjusting the basic personal amount and making sure that there is real affordability for real Manitoba families who are working hard to raise their families, to build businesses, to pay their bills, to meet their mortgages—

**Mr. Chairperson:** The time being 12 p.m., I am interrupting the proceedings.

The Committee of Supply will resume sitting after routine proceedings.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Thursday, June 16, 2016**

**CONTENTS**

<b>ORDERS OF THE DAY</b>		<b>Indigenous and Municipal Relations</b>	
<b>GOVERNMENT BUSINESS</b>		Clarke	936
<b>Committee of Supply</b>		Kinew	938
(Concurrent Sections)		<b>Health, Seniors and Active Living</b>	
<b>Executive Council</b>		Goertzen	944
Kinew	927	Wiebe	944
Pallister	927	<b>Finance</b>	
F. Marcelino	931	Friesen	962
		Allum	962

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