

**Second Session – Forty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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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
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
CURRY, Nic	Kildonan	PC
DRIEDGER, Myrna, Hon.	Charleswood	PC
EICHLER, Ralph, Hon.	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FIELDING, Scott, Hon.	Kirkfield Park	PC
FLETCHER, Steven, Hon.	Assiniboia	PC
FONTAINE, Nahanni	St. Johns	NDP
FRIESEN, Cameron, Hon.	Morden-Winkler	PC
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GRAYDON, Clifford	Emerson	PC
GUILLEMARD, Sarah	Fort Richmond	PC
HELWER, Reg	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
JOHNSON, Derek	Interlake	PC
JOHNSTON, Scott	St. James	PC
KINEW, Wab	Fort Rouge	NDP
KLASSEN, Judy	Kewatinook	Lib.
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan	Selkirk	PC
LAMOUREUX, Cindy	Burrows	Lib.
LATHLIN, Amanda	The Pas	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MARTIN, Shannon	Morris	PC
MAYER, Colleen	St. Vital	PC
MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew, Hon.	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
NESBITT, Greg	Riding Mountain	PC
PALLISTER, Brian, Hon.	Fort Whyte	PC
PEDERSEN, Blaine, Hon.	Midland	PC
PIWNIUK, Doyle	Arthur-Virden	PC
REYES, Jon	St. Norbert	PC
SARAN, Mohinder	The Maples	Ind.
SCHULER, Ron, Hon.	St. Paul	PC
SELINGER, Greg	St. Boniface	NDP
SMITH, Andrew	Southdale	PC
SMOOK, Dennis	La Verendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
SWAN, Andrew	Minto	NDP
TEITSMA, James	Radisson	PC
WHARTON, Jeff	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian, Hon.	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC
<i>Vacant</i>	Point Douglas	

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Tuesday, May 16, 2017**

*The House met at 1:30 p.m.*

**Madam Speaker:** Please be seated.

**ROUTINE PROCEEDINGS  
INTRODUCTION OF BILLS**

**Bill 34—The Medical Assistance  
in Dying (Protection for  
Health Professionals and Others) Act**

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Good Afternoon, Madam Speaker. I move, seconded by the honourable Government House Leader (Mr. Micklefield), that Bill 34, The Medical Assistance in Dying (Protection for Health Professionals and Others) Act, be now read for a first time.

*Motion presented.*

**Mr. Goertzen:** The Supreme Court of Canada ruled in 2015, in the case of Carter v. Canada, that physicians can assist in the consensual death of another individual. Subsequently, the Parliament of Canada brought forward legislation on the parameters of medical-assisted death.

This legislation being introduced this afternoon will ensure that medical professionals who do not want to participate in a medically assisted death cannot be compelled to participate and that no disciplinary or employment repercussions can occur as a result of their refusal to participate. The legislation will protect the rights of those who do not wish to participate in a medically assisted death for a conscience, faith or other reasons.

Thank you very much, Madam Speaker.

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

Committee reports? Tabling of reports? Ministerial statements?

**MEMBERS' STATEMENTS**

**Harry Bell**

**Mrs. Colleen Mayer (St. Vital):** It was once said that good teachers know how to bring out the best in students. As role models and mentors, they guide our

children through academic and social learning, but teachers are also so much more.

Madam Speaker, it is with pleasure that I stand before you today to recognize Mr. Harry Bell for his significant contributions in the field of education.

For over 30 years, Harry has worked with our youth, supporting them in their development not only as students but as global citizens. As the co-ordinator of the instructional support in the Louis Riel School Division, with a background as a classroom teacher in early, middle and senior years, an art specialist and a physical education specialist, Harry has—has impacted the lives of so many. With each student he works with, the connection between community and education is built.

In November of 2016, the importance of connection was demonstrated through the Blanket of Remembrance, a sea of 12,000 handmade poppies cascading down the wall of the Louis Riel School Division office, woven together by students from all over the school division. This blanket was created so students can see a tangible representation of all those who gave up their lives for our freedom. It is inclusive and creative initiatives like this that will inspire our students to be active participants in how they learn and ultimately grow into our—into future leaders and good citizens. Harry was an integral part in this concept, creation and execution of this initiative, and without him, it would not have been such a success.

I wish to thank Harry for his years of dedication and contribution to our youth and community and for helping students to learn that by connecting with each other, whether through our schools, clubs, sport teams or making new friends, they are strengthening their—themselves and our communities.

On behalf of myself and the residents of St. Vital, I congratulate Harry on his successes and look forward to seeing how he will continue to inspire us all.

Thank you, Madam Speaker.

**Madam Speaker:** The honourable member for St. Vital.

**Mrs. Mayer:** Madam Speaker, I request leave of this House to table the following names to be included

in the official Hansard transcription of today's proceedings.

**Madam Speaker:** Does the member have leave to include the names in Hansard? *[Agreed]*

*Harry Bell, recipient; Barbara Bell; Assistant Superintendent Irene Nordheim*

### **International Day Against Homophobia, Transphobia and Biphobia**

**Ms. Amanda Lathlin (The Pas):** Tomorrow is International Day Against Homophobia, Transphobia and Biphobia, a day to recognize the advancements made against hatred of non-cisgender people, to mourn the loss of LGBTTTQ lives and to focus on the work that's yet to be done.

Dr. Alex Wilson is a collaborator in this movement. A proud member of the Opaskwayak Cree Nation, Dr. Wilson is a professor with the Department of Educational Foundations. She's also the academic director of the Aboriginal Education Research Centre at the University of Saskatchewan. In 2007, Dr. Wilson was the first First Nations woman in Canada to receive a doctorate from Harvard University.

Dr. Wilson's work is foundational in building knowledge about the two-spirit identity, body sovereignty, serving as a guide for LGBTTTQ indigenous people. Her research has highlighted the urgency to address suicide rates in LGBTTTQ and two-spirit people in First Nations in Manitoba and beyond.

This year, International Day Against Homophobia, Transphobia and Biphobia is about encouraging citizens to understand sexual diversity. It's about expanding the circle of inclusion for LGBTTTQ people and is about putting an end to discrimination based on sexual orientation and gender identity. That's why Dr. Wilson has dedicated her life and that's why I've invited her here today.

Tomorrow, let's remember people like Dr. Wilson who are fighting for the rights for LGBTTTQ people. Let's remember the people whose lives have been and are being lost or violated. Let's join the fight as allies to make the world a better place for LGBTTTQ people.

Madam Speaker, I ask all members of the House to join me in thanking Dr. Alex Wilson for all her hard work, perseverance and dedication to LGBTTTQ people and First Nations people.

**Mr. Blair Yakimoski (Transcona):** Thank you, Madam Speaker. On February 28—*[interjection]*

**Madam Speaker:** Oh, pardon me.

The honourable member for The Pas.

**Ms. Lathlin:** I request leave to include names into Hansard.

**Madam Speaker:** The member has asked for leave to include the names in Hansard. *[Agreed]*

*Jamie Bowcott, Barbara Bruce, Sarah Gazan, Terri Hill, Terry Price.*

### **Hereditary Angioedema**

**Mr. Blair Yakimoski (Transcona):** On February 28th, I was honoured to present a proclamation on behalf of the Minister of Health declaring Rare Disease Day. I was honoured to attend because I have a rare disease. I have a potentially life-threatening rare disease. I have hereditary angioedema.

Hereditary angioedema, or HAE, is a rare genetic disorder which affects approximately one in 50,000 people worldwide and about 700 here in Canada, and is caused by a non-functioning protein called C1 esterase inhibitor, which results in spontaneous recurring swelling in different areas of the body. These attacks can range from being uncomfortable with your hand or foot swelling, to disfiguring when you get facial swelling. Attacks of the intestinal tract, which are the ones I experience most often, can result in extreme abdominal pain, vomiting and complete debilitation. At its most severe, swelling can occur in the throat which, without medical treatment, can end tragically.

Today is HAE day, and I am rising today to help create awareness for this health concern, which my family simply refers to as our sickness. For entire life I thought I was—only my family and some of my cousins, but over the past few years, with new advocacy groups and organizations, I realize I have a connection with people who have experienced this reviled illness. It continues to affect my life.

At 5 a.m. on April 20th of this year, I awoke to the uncomfortable sensation of choking. My throat was swelling, but thanks to new medications developed over the past few years by companies like Shire and CSL Behring, the feeling of panic was pushed aside as I woke my wife Amy, who was able begin my treatment, and within moments the swelling was beginning to subside.

By raising awareness of HAE among the general public and the medical community, we hope to create an environment in which there is better care, earlier and more accurate diagnosis and knowledge that HAE patients can lead a healthy, normal life.

Thank you to HAE Canada, Dr. Richard Warrington and Dr. Chrystyna Kalicinsky for their care and advocacy for us in Manitoba and beyond in managing this disease.

Thank you, Madam Speaker.

**Madam Speaker:** The honourable member for Transcona.

**Mr. Yakimoski:** Madam Speaker, I ask leave to record in Hansard those attending today who struggle, along with myself, with hereditary angioedema.

\* (13:40)

**Madam Speaker:** Is there leave to include those names in Hansard? *[Agreed]*

*Jacquie Badiou, Cori Gnutel, Adel Yakimoski.*

#### **Gordon Goldsborough**

**Hon. Blaine Pedersen (Minister of Infrastructure):** This past month, I read a very interesting book called *Abandoned Manitoba: From Residential Schools to Bank Vaults to Grain Elevators* by Mr. Gordon Goldsborough.

Mr. Goldsborough is an aquatic ecologist from the University of Manitoba and a former director of the Delta Marsh Field Station. He is well known in Manitoba Historical Society circles and has written two other books prior to *Abandoned Manitoba*.

The book features 36 sites across rural Manitoba and also includes sites in Brandon and Winnipeg. From Port Nelson in the northeast to Copley Anglican Church in the southwest, from Fort Daer near Emerson to the community of Sclater near Swan River, the book travels the province, offering up a rich history of development across our province.

Of course, of special interest to me are seven sites located in Midland constituency—namely, Graysville, La Rivière, Treherne, Culross, Swan Lake and Pilot Mound. Also, the field house—a fieldstone house featured on the back page is located in a field south of La Rivière.

Mr. Goldsborough reveals a history of Manitoba settlement, telling a story of our early communities

and a story of the people who helped shape the great province of Manitoba.

The book speaks to the riches of Manitoba, not in a material sense, but of the personalities and the sense of community in the early settlements, from our First Nations to the influx of European settlers.

I encourage all Manitobans to take the time to learn about our vibrant history in the pages of *Abandoned Manitoba*.

Congratulations to Gordon Goldsborough on a terrific compilation of Manitoba community history.

#### **Legislative Mace Learning Project**

**Ms. Cindy Lamoureux (Burrows):** Madam Speaker, I would like to share an idea with the House.

Yesterday, we all witnessed something very special. What we saw, and what is now part of history, is the first mace that was used here in Manitoba.

When our current mace is on the table, we all know our Chamber is active and alive with debates and votes.

Madam Speaker, our first mace predates this Chamber by decades. The mace symbolizes the Legislature and the authority of the Province.

There is a lot more historical significance that I would love to discuss in detail, but for the sake of time, allow me to pitch an idea.

Madam Speaker, I believe that we should, with all-party support, create a new opportunity for students to learn about our democratic process. Rather than storing away our first mace, let's use it as a living artifact. Let's use it to educate and excite students about politics.

Imagine if our honourable Sergeant-at-Arms was allowed to take requests from MLAs to visit schools with the mace, and together, with both the Sergeant-at-Arms and the MLA who represents the riding in which the school is situated, be able to visit, talk with and educate students.

Madam Speaker, I've always been a bit of a political nerd myself, and, frankly, when I reflect on my own grade-school experience, whether that be social studies and geography classes, I would have been so receptive to a visit by my local MLA and Sergeant-at-Arms as—along with the symbolic mace.

Our 133-year-old mace can be a powerful learning experience about democracy here in our province. Let's use it.

Thank you.

### Introduction of Guests

**Madam Speaker:** Prior to oral questions, we have some guests in the gallery that I would like to introduce to you.

Seated in the public gallery from Morning Glory School we have 54 grade 7-to-12 students under the direction of Robert Wall, and this group is located in the constituency of the honourable Minister of Health, Seniors and Active Living (Mr. Goertzen).

Also in the—also seated in the public gallery we have with us today friends and family of Dr. Alex Wilson, as well as representatives from the Manitoba Teachers' Society, who are the guests of the honourable member for The Pas (Ms. Lathlin).

And also in the public gallery we have the president of HAE Canada, Jaquie Badiou; Richard Badiou; Adel Yakimoski; Cori Gnutel; and the Manitoba chair of Rare Disease Foundation, Debbie Dutka; and Heather Foster; and these are the guests of the member from Transcona.

On behalf of all members here, we welcome all of you to the Manitoba Legislature.

### ORAL QUESTIONS

#### New Minimum Wage Legislation Government Affordability Plan

**Ms. Flor Marcelino (Leader of the Official Opposition):** The Premier gives thousands of dollars away to wealthy Manitobans in tax cuts, then leaves scraps for low-income earners.

His meagre minimum wage announcement yesterday is half the size of previous increases, and it freezes the purchasing power of low-income earners. In the midst of a by-election in one of the least affluent areas of the province, the Premier wades in with three nickels for the people of Point Douglas. This after he proposes jacking up their rates for hydro and car insurance.

If the Premier really wanted to help the people of Point Douglas, he would commit to a plan for affordability. Will he do so?

**Hon. Brian Pallister (Premier):** Well, Madam Speaker, improving the situation for Manitobans financially is a top priority for this government,

and, unfortunately, the previous administration demonstrated a desire to erode the financial security of Manitobans when they raised taxes by record levels and increased the burden on Manitoba families and took money off the kitchen table and spent it willy-nilly on projects of questionable repute and priority.

So, Madam Speaker, our commitment is, of course, to restore that financial security, to fix the finances of our province after a decade of debt.

**Madam Speaker:** The honourable interim Leader of the Official Opposition, on a supplementary question.

**Ms. Marcelino:** The Premier said last year that he doesn't think the minimum wage helps address poverty. In this House, he said previous steady increases were arbitrary, and he suggested they were an offence to the rights of women. Yet suddenly, in the midst of a by-election, the Premier pulls out three nickels for the people of Point Douglas. He freezes the purchasing power of low-income earners while hiking the cost of tuition, hydro, MPI.

Here's a proposal: deliver a plan to increase the minimum wage well above the cost of living to lift thousands of Manitobans up. Will the Premier do so?

**Mr. Pallister:** Well, we saw the previous government's plan, Madam Speaker: put a loonie in somebody's right-hand pocket; take a loonie out of their left-hand pocket in higher fees and taxes, raise the costs of having a haircut, raise the costs on home insurance, increase the fees for buying beer or having benefits at work, raise the charges for owning a car.

Madam Speaker, these were—this was the game plan of the previous administration, and it resulted in reductions in Manitobans' ability to find their own security and to support their own families in achieving their goals.

We have a plan, Madam Speaker. We've embarked upon a plan, which will help to repair the services of our province after a decade of decay, will help to rebuild our economy after a decade of decline, will take thousands of Manitobans off the tax rolls in low-income situations and allow them to find their way and to find progress in this province moving upward on the road to recovery.

**Madam Speaker:** The honourable interim Leader of the Official Opposition, on a final supplementary.

**Ms. Marcelino:** Madam Speaker, the bill put forward yesterday allows the Premier and his

Cabinet to order a freeze in the minimum wage at any time even when the cost of goods and services are going up.

We're really seeing the wrong-headed approach of the Pallister government. They change legislation to lock in a 20 per cent raise, but they legislate themselves the ability to freeze minimum wage earners even when the cost of living is increasing.

How does the Premier think that that is fair to working Manitobans?

**Mr. Pallister:** Well, the previous administration went to the doors of our province and knocked, and they looked people right in the eye and they said, we promise—if you vote for us, we promise that we won't raise your taxes, Madam Speaker. And then right after, they gave themselves a million-dollar raise in salaries.

\* (13:50)

Right after that, they give themselves a million-dollar vote tax subsidy of their political party because they were too lazy to go out and work like working Manitobans must.

Madam Speaker, that's the real record of the previous administration. We are going to stand up for Manitobans and help their purchasing power increase, not decrease. We've just presented our second budget, and there are no major tax hikes in this budget, but those were happening year after year with the previous administration, and we know the impact it had on Manitobans, and so do Manitobans. That's why they're excited to be on a road to recovery with us.

#### **Northern Manitoba Communities Need for Economic Plan**

**Mr. Tom Lindsey (Flin Flon):** Vale announced today that it will be suspending its operations at the Birchtree Mine on October 1st. This closure will mean there will be, or there could be, up to 200 good jobs lost in that community. This government has offered no actual plan for attracting good jobs to northern Manitoba. They say they're the government of results. The results we're seeing today: 200 less jobs in Thompson.

Will this minister inform this House when he will table a plan for the North?

**Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade):** And I do appreciate the question from the member. Certainly we feel sympathy for the

workers and the families that will be affected by the layoffs in Thompson relative to the Vale closure in Birchtree. We certainly appreciate the challenges in the mining sector. Clearly, we're caught in a situation with—suffering from low—historically low—market prices. Nickel prices have dropped \$2,000 per ton this year alone. Obviously, tough challenges have to be made by the business community.

**Madam Speaker:** The honourable member for Flin Flon, on a supplementary question.

**Mr. Lindsey:** Communities across the North are suffering. There's the prospect of hundreds of job losses in Flin Flon with the anticipated closure of Hudbay's 777 Mine and plant. Dozens of workers lost their jobs in Churchill and the Bay Line when the Port of Churchill and the Bay Line were reduced operations. This is affecting northern Manitoba communities.

What concrete plan does this government have to replace hundreds—hundreds—of good jobs that are leaving northern Manitoba?

**Mr. Cullen:** Well, Madam Speaker, let's talk about what the NDP plan was. The NDP plan was to raise taxes on Manitobans, take away jobs from Manitobans, offer red tape to Manitoba businesses and Manitobans. That's what they did.

We're on a course to have discussions with Manitobans about the future of northern Manitoba, and we're excited about those discussions and northern Manitobans are too. We recognize there are challenges there. Manitobans recognize there are challenges there, but we are on the road to recovery. We're going to create jobs in Manitoba. We do have the lowest unemployment in Canada in Manitoba, but there's more room for improvement, Madam Speaker.

**Madam Speaker:** The honourable member for Flin Flon, on a final supplementary.

**Mr. Lindsey:** The government's plan is to waste tens of thousands of dollars—well, in fact, up to \$100,000—paid to consultants, and I'll table this FIPPA request. Instead of actually making investments in northern Manitoba communities, they've wasted money on these consultants who haven't as yet delivered one job to northern Manitoba.

Will this government stop wasting its time and money and commit to providing real jobs for our northern communities now?

**Mr. Cullen:** Well, Madam Speaker, I find it curious that the NDP are opposed to consultation with northern Manitobans.

Madam Speaker, let's reflect back on the approach the previous government took with Tolko. They were interested in short-term—*[interjection]*

**Madam Speaker:** Order.

**Mr. Cullen:** —political bailouts with Tolko. We were interested in having a dialogue with the community, with the workers there, with the business that came as a proponent. We worked with First Nations as well and, Madam Speaker, at the end of the day, there was no bailouts of taxpayers' money. It was a constructive dialogue. Everyone came to the table. Positive results and positive jobs for northern Manitoba.

#### **Premier's Staff Communications Government Email and Cell Use**

**Mr. Andrew Swan (Minto):** Madam Speaker, we have a Premier who has great difficulty keeping his story straight. First he says he doesn't use email for government business. Then he says he uses a variety of email accounts for government business. He claims to be in touch—available, as he puts it—with senior staff every day he's down in Costa Rica, but records disclose zero calls and zero emails between the Premier and his senior staff. But the Premier can clear this up today.

I ask the Premier: Does he conduct government business on a personal cellphone or by personal email in his name or in anyone else's?

**Hon. Brian Pallister (Premier):** Madam Speaker, I very much value, and this government values, protecting the security of Manitobans' information and the privacy of it. This is particularly important, as we've heard in recent news reports of attempts by some to—for nefarious purposes—to access information that is not theirs or to disrupt the flow of information within governments and in private companies as well, and this is, of course, counterproductive to the betterment of society and the protection of the rights of the people.

That being said, we're also very open to looking at ideas to make the system that we took on from the previous government, and which we've adopted, better. And so we're doing consultation, which the members apparently today are opposed to, but we are doing consultation with those who have expertise in this field to find better ways, and are open to finding

better ways to better protect the information while at the same time recognizing our obligations to be open and transparent in the conduct of government business.

**Madam Speaker:** The honourable member for Minto, on a supplementary question.

**Mr. Swan:** Madam Speaker, again, this Premier initially indicated he didn't use government email for government business. Last week, in Estimates, he said he uses a variety of email accounts for his affairs as Premier.

Last week, we learned the Premier of Saskatchewan also used private email accounts, but Premier Wall has since said, and I quote: I have no problem being more disciplined and focused about using the one account.

Can this Premier show he's at least as disciplined and at least as focused as Premier Wall and commit today to only using one government email account for government business?

**Mr. Pallister:** Madam Speaker, I'll commit to developing the best possible system for protecting the privacy of information that goes through our hands—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —Again, we've adopted practices that the previous government utilized, maintained them, but we propose to enhance them.

I don't mind the member doing the cloak-and-dagger thing. He did the dagger thing on his own leader, but the fact remains that he's put on the record, numerous times, false accusations concerning my affairs. Last week, he told the media and he said in this House that I had a new numbered company in Costa Rica. *[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** Madam Speaker, I don't have a new company. I don't have a numbered company—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —and I don't have a new, numbered company in Costa Rica.

So, he's made false accusations, which he knows to be false, which can be proven to be false and which he himself has attested to the fact that he knew were false, and in this place he should not talk about



integrity when he fails to demonstrate it in his own conduct. *[interjection]*

**Madam Speaker:** Order.

The honourable member for Minto, on a final supplementary.

**Mr. Swan:** Every time this Premier evades these questions, he shows Manitobans that he is the opposite of open and transparent, and the Premier needs to be open and transparent with Manitobans about his activities as Premier, whether he's in Costa Rica or in Manitoba. He needs to be open and transparent with Manitobans regarding his use or his avoidance of government resources while conducting the people's business and he must act in a way that's consistent with Manitoba's freedom of information laws.

Will this Premier stop ducking, will he stop running and commit to this House that he will no longer use personal email and personal phones to conduct the business of the people of Manitoba?

**Mr. Pallister:** Madam Speaker, I have a 40-year record of having great diligence in respect of protecting the information of the people who've entrusted information to me. I'm proud of that record; we'll do everything we can to enhance that record in this government.

But, Madam Speaker, again, the member should, in fact, retract his statements or clarify because he has made the accusation in this place and outside of this Chamber, to members of the media, that I have a new, previously undeclared company, which I do not—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —that it is a numbered company, his clear implication that I'm trying to hide something. It is not a numbered company, though has a number in its name. The name of the company, Madam Speaker, is Pallister Investments 22 and it is located in Manitoba. It is not located elsewhere.

\* (14:00)

Now, the member knows this to be true. He repeats false accusations here in the Chamber and outside, and why? Why? Knowing that, why would any Manitoban—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —take what he says seriously? Why?

### Customary Care Legislation Request to Reinroduce

**Ms. Nahanni Fontaine (St. Johns):** We are nearing the end of another session under this government, and we've still yet to see any progress being made on reducing the number of children in care. This government campaigned on promises to improve the CFS system and has failed to bring any new initiatives to fulfill this promise.

One initiative is our NDP government's customary care bill. This bill would use traditional indigenous values of collaboration and community to create a program helping families to come back together and stay together. It's received support from indigenous leadership and it's a pilot project in Sagkeeng.

Will the minister keep his promise to reduce the number of children in care and revive our customary care bill?

**Hon. Scott Fielding (Minister of Families):** We know one thing for the fact: that the amount of children in care increased by over 87 per cent under the previous administration since 2002 alone.

Our government has taken strong stance immediately with protecting children. We introduced The Protecting Children Act. We introduced more openness and transparency in terms of the advocate for children and youth, and we'll introducing a reform package for the child-welfare system in the coming months.

**Madam Speaker:** The honourable member for St. Johns, on a supplementary question.

**Ms. Fontaine:** A fundamental part of the customary care is about preserving children's cultural identity and heritage, facilitating intergenerational connections and recognizing the role of community in raising our children. The bill would allow parents to work with community elders, leadership and extended families to find living arrangements that fit the child's needs.

Indigenous communities like Sagkeeng First Nation, who have seen so many of their children apprehended, want a new approach that empowers families and children. We believe that the customary care is the best option to achieve this.

Will the minister consult with indigenous leadership, CFS families and advocates to bring customary care back to the table?

**Mr. Fielding:** Again, we have taken strong steps in our first months of office—in our first year of office in terms of protecting children, making enhancements, investments in terms of child protection, in terms of the child-welfare systems. You're going to hear more from us in terms of a comprehensive reform package.

We know the system needs improvement. We know that we are left with over 8,700—or, rather, I'm sorry—over 10,000 children in care, which is an unacceptable number. And that's why we're talking strong 'strep's' to—strong steps to address the system.

**Madam Speaker:** The honourable member for St. Johns, on a final supplementary.

#### **Support for Children in Care Age of Eligibility Extension**

**Ms. Nahanni Fontaine (St. Johns):** Despite these supposed strong steps, this government recently talked out our resolution to extend the age that youth are in care for eligible supports from 21 to 25.

This is an issue that has been called on by our youth themselves, and there is substantial evidence that it improves outcomes for children in care. The funding allows youth to find housing, access education, get started in their careers and raise their own families.

Will the minister reconsider his position on 25not21 and commit to raising the age of eligibility for children in Manitoba?

**Hon. Scott Fielding (Minister of Families):** We don't need a resolution; we need a solution to the problem. That's—

**Some Honourable Members:** Oh, oh.

**Mr. Fielding:** And that's what this—

**Some Honourable Members:** Oh, oh.

**Mr. Fielding:** And that's what this government will offer. We know the past administration failed to bring the customary care legislation—was a part of it. They had a chance to prioritize it, took—chance and did not.

Our government also made the Building Futures program a highlight. There was unstable funding that was a part of us; our government ensured that the stable funding was there. There's also a number of programs, including the RaY program that's there, as well as programs for Ma Mawi, offered in terms

of long-term supports for people above the age of 21, to 25.

#### **K-to-12 Funding Amalgamation of School Divisions**

**Mr. Wab Kinew (Fort Rouge):** Yesterday, in Estimates, the Minister of Education said he will commission a report to study K-to-12 education funding in Manitoba. According to the minister, this report will look at amalgamating school divisions, local taxation authority and education property tax credits.

Now, this could mean big changes to the way schools are funded and how education is delivered in the province.

With respect to amalgamating school divisions, can the minister tell the House today whether he's looking to amalgamate school divisions inside the city of Winnipeg, outside the Perimeter, or both?

**Hon. Ian Wishart (Minister of Education and Training):** I thank the member for the question.

I seem to detect a bit of a theme today: first it is fear monger and then it is not to consult.

Our government is very committed to consulting with Manitobans and we're pleased to go forward and listen to what Manitoba have to say on the issue of education.

We want to get better results for Manitoba students, not poorer results like they did.

**Madam Speaker:** The honourable member for Fort Rouge, on a supplementary question.

#### **School Division Funding Changes to Taxation Authority**

**Mr. Wab Kinew (Fort Rouge):** Changes to local taxation authority for school divisions might represent the biggest changes of all. For example, the Winnipeg School Division generates about 37 per cent of its revenue from property taxes. If they no longer have the ability to generate revenue through property taxes, their budget could be reduced by more than a third. That would have a huge impact not just on extracurricular services delivered in school, but on the core educational mandate of the school division.

So if the government does remove local taxation—local school taxation authority, can the minister commit that the Province would step up

funding for school divisions in the K-to-12 system each year to make up for any revenue losses?

**Hon. Ian Wishart (Minister of Education and Training):** And yet again, we see the opposition speculating and fear mongering amongst Manitobans. We're prepared to discuss what they would never talk about with Manitobans. They would never talk about the long—their long-term commit to education in Manitoba or how it would be funded. Manitobans want a chance to be heard on that.

They were very good at raising taxes, but not good at listening.

**Madam Speaker:** The honourable member for Fort Rouge, on a final supplementary.

**Mr. Kinew:** Let's briefly review this government's record on raising taxes. Their cuts to operating funding into the K-to-12 system forced—*[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** —education property taxes to be increased, and then they rolled back the Seniors' School Tax Rebate, thereby increasing the overall tax burden on seniors in our province.

Now, with this minister's review that he's currently targeting there may be more changes in store for seniors, homeowners and renters who currently receive the tax credits, maybe \$700 a year for each homeowner or renter. For some people that \$700 makes a big difference towards rent, towards child care, toward other expenses.

What steps will the minister take to guarantee—*[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** —that education property taxes will remain affordable for Manitobans?

**Mr. Wishart:** I can tell you this government is committed to listening to Manitobans on the issue of taxation, especially education taxation. We're committed to getting better results for Manitobans for the tax dollars that they are spending and better results for the students, unlike the previous government. *[interjection]*

**Madam Speaker:** Order.

### **Buhler Eye Care Centre Request to Maintain Location**

**Hon. Jon Gerrard (River Heights):** Madam Speaker, last Wednesday I asked the Minister of Health three times whether closing the well-functioning, low-wait-times and on-budget Misericordia Urgent Care Centre was his final decision. Three times the Minister of Health carefully avoided saying that he had made a final decision to close the Misericordia Urgent Care Centre.

In the context of the Minister of Health appearing to be reconsidering his decision to close the Misericordia Urgent Care Centre, I ask today: Can the Minister of Health confirm that whatever happens he will maintain the Buhler Eye Care Centre at the Misericordia Health Centre as a centre of excellence for eye and vision care in Manitoba and western Canada?

\* (14:10)

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Madam Speaker, what I indicated last week, and what I'll say again for the member, is that the changes in the health-care system are necessary to provide better care for all Winnipeggers and, in fact, all Manitobans. That is why Dr. Peachey indicated clearly that there needed to be changes.

The Peachey Report, which was commissioned by the NDP, clearly said that Winnipeg has too many emergency rooms for the population, that we needed to ensure that the emergency rooms we had, similar to other cities, were operating at their full capacity so people could get better care, more timely, in the right place.

**Madam Speaker:** The honourable member for River Heights, on a supplementary question.

**Mr. Gerrard:** Madam Speaker, the Misericordia Urgent Care Centre sees more than 4,000 people a year who come with a vision or eye condition which needs attention. Misericordia is particularly suited to address such issues because the urgent-care centre can rapidly refer individuals to the Buhler Eye Care Centre when needed. The combination of both has achieved a centre of excellence in eye and vision care for Manitoba.

What are the minister's plans to maintain this centre of excellence at the Misericordia Health Centre for people with vision and eye-care issues?

**Mr. Goertzen:** Madam Speaker, when the member talks about urgent-care centres and Misericordia he fails to mention that people are coming to Misericordia from all over the city. In fact, it's fairly evenly distributed that people who are visiting the urgent-care centre at Misericordia are from all over the city.

By having two new additional urgent-care centres, large urgent-care centres, more robust urgent-care centres, the ability to handle more people at those urgent-care centres, we will have better service for those who need urgent care as opposed to emergency care, Madam Speaker.

**Madam Speaker:** The honourable member for River Heights, on a final supplementary.

**Mr. Gerrard:** Madam Speaker, in many discussions I've had about the minister's proposed health-care changes, a comment from an expert in emergency care stands out: that the closing of the Misericordia Urgent Care Centre is the most misconceived of all the changes.

Keeping the Misericordia Urgent Care Centre open will continue excellent service to those in our inner city, in River Heights and for those seeking excellent eye care from around the province. It will also continue to help achieve shorter wait times.

Will the minister announce today his decision to keep the Misericordia Urgent Care Centre open and build upon this centre of excellence in eye care already present at Misericordia Health Centre?

**Mr. Goertzen:** And, certainly, one of the emergency-care doctors who commented on the reforms to the health-care system was Dr. Chochinov, who was the president of the Canadian Association of Emergency Physicians, not for Manitoba but for all of Canada, and he indicated that the plan, the Peachey plan as commissioned by the NDP and supported by the NDP government, Madam Speaker, was to improve care throughout the system, that there are too many emergency rooms as compared to other cities that are larger than the city of Winnipeg—Vancouver, Calgary, Ottawa, for example. And by ensuring that we have emergency rooms that are operating effectively and efficiently, those three emergency rooms will better service all of Winnipeg and ensure that they get the right care, at the right time, at the right place, Madam Speaker.

**Madam Speaker:** The honourable—

**An Honourable Member:** Madam Speaker, on a point of order.

**Madam Speaker:** Oh, I would just point out to the—*[interjection]* Order, please. I would point out that rule—that points of order are not allowed during question period.

#### **Dauphin Area Schools Facility Maintenance Projects**

**Mr. Brad Michaleski (Dauphin):** I'm pleased to rise today to speak about the important school infrastructure projects funded in my constituency of Dauphin. Mackenzie Middle School, Ste. Rose School, Dauphin Regional Comprehensive Secondary school and Lt. Col. Barker V.C. School have been waiting a long time for critical repairs. These are necessary safety-related infrastructure upgrades that address roofing, mechanical systems, accessibility and structural issues.

Can the Minister of Education and Training please tell the House about the importance of these types of repairs to schools?

**Hon. Ian Wishart (Minister of Education and Training):** I thank the member for Dauphin for the question.

And these projects that he has referenced have been waiting for completion for as far back as 2009 and there are many more projects that have been waiting even longer.

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order.

**Mr. Wishart:** The NDP failed to deliver to Manitoba public schools critical maintenance. These projects ensure the safety and integrity of facilities for students, educators and administrators. Our public schools need to be properly maintained in order to provide students with the best possible learning environment.

Our government has committed \$44 million on 72 critical-needs projects in public schools across the province, including roof replacements in 17 schools and 16 projects for accessibility. Madam—

**Madam Speaker:** The member's time has expired.

#### **Flood Protection Outlets Construction Timeline**

**Ms. Amanda Lathlin (The Pas):** In 2014, the Premier travelled to Costa Rica while much of

Manitoba was under water—and he told people he was at a wedding in Alberta.

That same year, he said that a Conservative government would build outlets for Lake St. Martin and Lake Manitoba in three years. The most recent Speech from the Throne made no mention of a timeline with respect to these critical projects.

Can the Minister for Infrastructure tell the House how long he expects it will take to build these outlets?

**Hon. Brian Pallister (Premier):** Well, I want the member, who I have great time for, Madam Speaker, to understand that my wife and I went to Costa Rica in the first week of July and there was a flash flood in Virden. I was here all spring and I travelled to every flood site. So I want her to know that, first of all.

Secondly, on the issue of First Nations communities that have suffered significantly in our province from water problems and have been forced to leave their communities, we are diligently pursuing solutions that were not found under the previous administration.

**Madam Speaker:** The honourable member for The Pas, on a supplementary question.

**Ms. Lathlin:** In March 2016, right before the election, the Premier said that a Conservative government would complete construction of a new drainage channel and an expanded Lake St. Martin outlet within three to five years of being elected. The most recent budget speech also failed to mention a timeline for these critical projects.

Can the Minister for Infrastructure tell me if he's broken ground for these outlets yet?

**Mr. Pallister:** Well, as opposed to the previous administration and their rampant, numerous use of promises and overpromising while underdelivering, we will perhaps be accused, Madam Speaker, quite rightly, of underpromising and overdelivering—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order.

The honourable member for The Pas, on a final supplementary.

**Ms. Lathlin:** The Premier has said that his government would finish the outlet channels during his first term in office. It's estimated that this will be the largest construction project undertaken in the

province since the expansion of the floodway a decade ago.

Can the Infrastructure Minister commit to the people of Lake St. Martin today that he's going to fulfill the Premier's mandate and complete the outlet channels before this term in office ends?

**Hon. Blaine Pedersen (Minister of Infrastructure):** Well, Madam Speaker, the difference is the previous government held coffee parties. That was their idea of building a channel. We're in section 35 consultations right now. We've got engineering and design work going on for the channel.

This channel will be built by this government, and, unlike the previous government, who had no intention ever of building that channel, this government will get it done.

### Water Bomber Services Privatization Inquiry

**Mr. Jim Maloway (Elmwood):** Madam Speaker, I have a question for the Premier.

Madam Speaker, between 2015 and 2016, Manitoba air services' water bombers carried out 4,874 water bombing drops, and the CBC obtained a document issued by this government that sought to determine the marketplace interest and capability to provide services currently provided by the air services branch.

\* (14:20)

Can the Premier please explain to the House why he wants to privatize such a clearly essential service?

**Hon. Blaine Pedersen (Minister of Infrastructure):** Madam Speaker, I understand. Change is difficult—and it's especially difficult for the NDP.

But what this government is about is getting value for the taxpayers of Manitoba. We put out an expression of interest to see if there is value at looking at alternatives. That does not commit us to alternatives. We are simply seeking what is the best value for Manitoba taxpayers.

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** I would just caution all members that the level of heckling is escalating. It is happening on both sides of the House. I would urge that all members please show courtesy to each other

and respect for each other as we are asking questions and having answers given. So I would urge all members to comply with our rules and to respect each other's comments that are being made in the Chamber without the level of heckling that is starting to escalate.

The honourable member for Elmwood, on a supplementary question.

**Mr. Maloway:** Thank you, Madam Speaker, and I couldn't agree more.

Madam Speaker, water bombers fight fires. They protect wildlife, forests, infrastructure and, of course, the lives and property of Manitobans. The value for money is clear.

Can the Premier explain why he is placing the bottom line before the health and safety of Manitobans?

**Mr. Pedersen:** Well, Madam Speaker, again, I realize that change is difficult, and perhaps the NDP will come to see some change in the next number of months, but we'll wait to see on that.

We are taking a results-based approach to this. We're simply putting out an expression of interest. If there is interest there, we'll examine it. We're always interested. The bottom line is the health and safety of Manitobans and value for taxpayers.

**Madam Speaker:** The honourable member for Elmwood, on a final supplementary.

**Mr. Maloway:** My question, also to the Premier, is that last year the air services branch had a full-time-equivalent staff of 43 pilots, 133 mechanics and engineers, and 15 support staff. These are front-line workers who fight fires and deliver emergency services to people in remote communities. Furthermore, there's been no consultation with the workers regarding the possible privatization of air services.

The Premier promised that he was going to consult front-line workers and keep public services.

I'd like to ask the Premier to explain why no consultations were done?

**Hon. Brian Pallister (Premier):** Well, speaking of consultations not being done, there was a previous administration that at the last minute just prior to the, I believe, 2011 election, managed to issue an untendered \$100-million contract to a sole provider out of province, Madam Speaker. That was for a shiny little red helicopter and there was a photo

opportunity, I believe, within a few hours of the election writ being dropped.

This is the disrespect for value for money that was on evidence for so many years by the previous administration—absolutely un-Manitoban, Madam Speaker: no shopping; no attempt to get value for money as the Auditor General reported and, Madam Speaker, not a single—[*interjection*]

**Madam Speaker:** Order.

**Mr. Pallister:** —opportunity for a Manitoba provider to even bid on that service and create jobs right here in Manitoba.

### Canada Summer Games Preparation Update

**Mr. Blair Yakimoski (Transcona):** Madam Speaker, this summer I very much look forward to experiencing the 50th Canada Summer Games that our province has the pleasure of hosting. I'm particularly looking forward to watching the opening and closing ceremonies, which my daughter Laryssa, who happens to be turning 20 today, is performing in the opening and closing ceremonies, as well as she's volunteering at the games.

Could the Minister of Sport, Culture and Heritage please tell the House, and my 20-year-old daughter Laryssa, about any new updates regarding those games?

**Hon. Rochelle Squires (Minister of Sport, Culture and Heritage):** I'd like to thank my colleague for that wonderful question, and I am pleased to give an update to this House about the Canada Summer Games, which will be the hottest summer in a half a century right here in Winnipeg, in Manitoba, this summer.

I know that hundreds of Manitobans are looking forward to getting together for the celebration of youth, culture and sport, to cheer on Team Manitoba as they're competing in their own home province and welcoming visitors from across the nation as they come to compete and take in the cultural and sporting exhibits in the province during the Canada Games.

We're also very pleased that last Friday we announced the torch bearers, and over 200 Manitobans will be able to carry the torch for Manitoba and be part of this proud celebration.

Thank you, Madam Speaker.

**Madam Speaker:** The time for oral questions has expired.

**Ms. Cindy Lamoureux (Burrows):** Madam Speaker, on a point of order.

#### Point of Order

**Madam Speaker:** The honourable member for Burrows, on a point of order.

**Ms. Lamoureux:** Madam Speaker, during my colleague from River Heights' three questions, the member from Emerson and the member from Brandon East–Brandon West, sorry–decided to have full conversations throughout the entire question and supplementary questions where I, sitting right in front of my colleague from River Heights, was unable to hear his questions.

I would like an apology.

**Hon. Andrew Micklefield (Government House Leader):** It's common practice in this House for members to have occasional conversations, perhaps to consult with each other on important matters. Ear pieces are provided for that very purpose. I'd encourage the member to use them.

There's no point of order. No rule is cited because no rule was broken.

**Madam Speaker:** The honourable member for St. Johns, on the same point of order.

**Ms. Nahanni Fontaine (St. Johns):** Just in support of my colleague in respect of her point of order, I do have to say that there is so much heckling from members opposite. All–every single question–

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order.

**Ms. Fontaine:** –including when the honourable member from River Heights was speaking, none of us on this side could actually hear him, and there's been multiple times where we're all quiet on this side and that side is just yammering on, yammering on, showing absolute disrespect for people.

**Madam Speaker:** I would indicate that we do have a problem with heckling that is occurring in this Chamber, and I would urge that if members do wish to have conversations that they do take place in the loges. But I have had to stand a number of times, and I know that we've just had, you know, some rulings brought down about the importance of showing respect for each other in this Chamber, and I would indicate it's happening on both sides of the House. It

is not just on one side of the House. And the heckling does tend to sometimes rise as question period is moving on.

So, I think it's really important for all of us that we do try a little bit harder to be more respectful, to show more civility in this House, because this is where democracy and this is where legislation is put forward, and we should be able to show the best of ourselves to the world. All of that is on television. It is all broadcast, so people do watch this and people do ask the questions.

So, while that may not be a specific point of order, it certainly is an issue that is of concern to me, to this Chair, and I think it should be a concern to all of us and that all of us should be trying a little bit harder to show the respect for all members in this Chamber.

Thank you.

## PETITIONS

### Taxi Industry Regulation

**Mr. Ted Marcelino (Tyndall Park):** I wish to present the following petition to the Legislative Assembly.

And the background to this petition is as follows:

(1) The taxi industry in Winnipeg provides an important service to all Manitobans.

\* (14:30)

(2) The taxi industry is regulated to ensure there are both the provision of taxi service and a fair and affordable fare structure.

(3) Regulations have been put in place that has made Winnipeg a leader in protecting the safety of taxi drivers through the installation of shields and cameras.

(4) The regulated taxi system also has significant measures in place–*[interjection]*

**Madam Speaker:** Order.

**Mr. Marcelino:** –to protect passengers, including a stringent complaint system.

(5) The provincial government has moved to bring in legislation through Bill 30 that will transfer jurisdiction to the City of Winnipeg in order to bring in so-called ride-sharing services like Uber.

(6) There were no consultations with the taxi industry prior to the introduction of this bill.

(7) The introduction of this bill jeopardizes safety, taxi service and also puts consumers at risk, as well as the livelihood of hundreds of Manitobans, many of whom have invested their life savings into the industry.

(8) The proposed legislation also puts the regulated framework at risk and could lead to issues such as what has been seen in other jurisdictions, including differential pricing, not providing service to some areas of the city and significant risks in terms of taxi driver and passenger safety.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to withdraw its plans to deregulate the taxi industry, including withdrawing Bill 30.

This petition was signed by many Manitobans.

Thank you.

**Madam Speaker:** In accordance with our rule 133(6), when petitions are read they are deemed to be received by the House.

**Mr. Jim Maloway (Elmwood):** I wish to present the following petition to the Legislative Assembly.

The background to the petition is as follows:

(1) The taxi industry in Winnipeg provides an important service to all Manitobans.

(2) The taxi industry is regulated to ensure that there are both the provision of taxi service and a fair and affordable fare structure.

(3) Regulations have been put in place that have made Winnipeg a leader in protecting the safety of taxi drivers through the installation of shields and cameras.

(4) The regulated taxi system also has significant measures in place to protect passengers, including a stringent complaint system.

(5) The provincial government has moved to bring in legislation through Bill 30 that will transfer jurisdiction to the City of Winnipeg in order to bring in so-called ride-sharing services like Uber.

(6) There were no consultations with the taxi industry prior to the introduction of this bill.

(7) The introduction of this bill jeopardizes safety, taxi service and also puts consumers at risk, as well as the livelihood of hundreds of Manitobans, many of whom have invested their life savings into the industry.

(8) The proposed legislation also puts the regulated framework at risk and could lead to issues such as what has been seen in other jurisdictions, including differential pricing, not providing service to some areas of the city and significant risk in terms of taxi driver and passenger safety.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to withdraw its plans to deregulate the taxi industry, including withdrawing Bill 30.

And this petition is signed by many Manitobans.

**Ms. Flor Marcelino (Leader of the Official Opposition):** I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition are as follows:

(1) The taxi industry in Winnipeg provides an important service to all Manitobans.

(2) The taxi industry is regulated to ensure that there are both the provision of taxi service and a fair and affordable fare structure.

(3) Regulations have been put in place that have made Winnipeg a leader in protecting the safety of taxi drivers through the installation of shields and cameras.

(4) The regulated taxi system also has significant measures in place to protect passengers, including a stringent complaint system.

(5) The provincial government has moved to bring in legislation through Bill 30 that will transfer jurisdiction to the City of Winnipeg in order to bring in so-called ride-sharing services like Uber.

(6) There were no consultations with the taxi industry prior to the introduction of this bill.

(7) The introduction of this bill jeopardizes safety, taxi service and also puts consumers at risk, as well as the livelihood of hundreds of Manitobans, many of whom have invested their life savings into the industry.

(8) The proposed legislation also puts the regulated framework at risk and could lead to issues



such as what has been seen in other jurisdictions, including differential pricing, not providing service to some areas of the city and significant risks in terms of taxi service and passenger safety.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to withdraw its plans to deregulate the taxi industry, including withdrawing Bill 30.

This petition is signed by many, many Manitobans.

Thank you.

**Madam Speaker:** Grievances?

### ORDERS OF THE DAY

*(Continued)*

### GOVERNMENT BUSINESS

#### House Business

**Hon. Andrew Micklefield (Government House Leader):** Pursuant to rule 33(7), I am announcing that the private member's resolution to be considered on the next Tuesday of private members' business will be one put forward by the honourable member for Southdale (Mr. Smith). The title of this resolution is Declaration of the Indo-Manitoban Heritage Week.

**Madam Speaker:** It has been announced by the honourable Government House Leader that the Private Members' Resolution to be considered on the next Tuesday of private members' business will be one put forward by the honourable member for Southdale. The title of the resolution is Declaration of Indo-Manitoban Heritage Week.

**Mr. Micklefield:** If you canvass the House, I believe you will find agreement for us to sit on Friday of this week from 10 a.m. to 12:30 p.m. for consideration of bills.

**Madam Speaker:** Is there leave of the House for the House to sit on Friday morning from 10 to 12:30? *[Agreed]*

\* \* \*

**Mr. Micklefield:** This afternoon, we would like to continue with Estimates.

**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

\* (14:50)

**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 the Department of Executive Council.

The floor is now open for questions.

**Ms. Flor Marcelino (Leader of the Official Opposition):** I'd like to ask the Premier through you, the government has mandated a 15 per cent reduction in management staff across core government.

Can the Premier indicate how that percentage was determined?

**Hon. Brian Pallister (Premier):** I will, but as is my custom with members of the opposition, I had undertaken to provide information to the member and I want to make that available to her now.

She had asked about the organizational structure of my office, the Executive Council, and so the chart that I have here outlines in detail all positions, including the role of each member and the name and then the job classification, which is more technical than I will—I'm capable of getting into with the member, but also outlines the job—that's the job classification description of each person, as well.

I think, yes, I'll just—I guess I just would table that so that the member has a copy of it.

And then on her question, if we could just go to that, then—yes, I would say that there is a pretty clear understanding among those who study government structures that not all, but most, over time tend to grow—in fact, especially so at the top of the government structure. And so knowing that when we came into government we had an urgent situation with respect to the structural deficit that was there, and the previous government talked about this and was aware of it as well, because it was referenced in virtually every budget speech. They also, the previous government, undertook to—said they would undertake to address it and to get spending to a sustainable level. I think I could refer to a couple of

budget speeches that were made by previous Finance ministers in respect of that stated commitment. Nonetheless, in making that commitment, they didn't achieve that goal. Not to suggest it is an easy task, but it is an important one, to get spending to sustainable levels. And so, naturally, recognizing and having asked for a mandate to address the issue of the financial situation of our government, we wanted to take action to address it, knowing full well that it would be a difficult undertaking, you know, not an easy thing to do, and wanting to make sure that we protected the services that are provided—and this is not to denigrate managers in any way, shape or form, just to make sure that I'm clear on this—recognizing that for people outside of government structures, they would place greater value on the services they receive at the front line from front-line service providers.

That being said, those changes would not come about easily, and certainly we knew that going in, but did have a pretty good understanding through research, and combined with some fundamental common sense, recognize that it (a) was not sustainable to maintain the government at the level of payroll that it was at, at the level of expenditure it was at, (b) knowing that the front line was integral to maintaining service improvements going forward and (c) recognizing that steps had to be taken fairly urgently, because we had—and I'll share with the members when I'm given additional information the comments of some of the credit rating agencies in respect of the fiscal situation in our province, and its urgency. These were priority issues that needed to be addressed if we were going to make sure that we not only made efforts to restore our past credit rating, but avoid a reduction, a further reduction, in our credit ratings, and more money, millions of dollars, having to be paid in additional interest charges.

\*(15:00)

**Ms. Marcelino:** Wanting to ask the Premier, that 15 per cent decision to reduce management staff across core government, was that a recommendation from the KPMG fiscal performance review?

**Mr. Pallister:** Thanks to the member for the question.

I—we're endeavouring to get more detail information, but I said I would undertake to explain the urgency of the situation and I want to address that first because it is. It was a really urgent situation.

We had seen credit rating downgrades not once, but twice. Two separate agencies reduced Manitoba's credit rating in the previous—well, over the previous two years, and there were major reasons for that. I have some information, comparative information I could share, but I'd also ask James to give me the actual credit rating, and maybe that's what he's going to get. I expect he's—for the member. I—my friend is going to try to get us more specific information, but I'll just explain that the large budget deficits were a major issue for credit rating agencies and they saw, consistently, the level of deficit which was projected being exceeded by the actual deficit. So this serves to undermine the trust that you want to have with a lender.

It—when you're working with a banker and you make commitments and you fail to achieve them and your performance goes south and is not as good as you projected, it creates greater fear among the lending person at a lending institution. So it's true of credit rating agencies. So over the years it was virtually every year that the previous administration ran deficits that were higher than they had projected. Those large deficits build up debt, and so this net debt has to be serviced.

So, when you have the combination of large deficits combined with higher debt year after year because each year's deficit adds to the accumulated debt, you end up with a larger interest bill. And families know what an interest bill is on a mortgage or on a car loan, and they know that when a government runs massive deficits year after year and adds to the debt, that this makes it more difficult to—well, in government's case, not more difficult to borrow money, because it would have to be a pretty radical situation before a government could not borrow money, but they would have to pay more to borrow it.

So combine that fiscal shortfall with Hydro's growing debt burden and you see that those were both factors. And the member knows about the borrowing that went on with Hydro and that continues to accelerate because of the Americanization strategies the previous government employed. So you have those two things combining among other things to result in credit rating downgrades. And I'd like to get—*[interjection]* Yes, there's not enough here. I'm looking for the actual credit-rating-downgrade document from the lending agencies so I can help answer the member's question a little more adequately.

But the Standard & Poor's is a very respected bond rating agency, and they had commented that Hydro's portion of the debt is no longer self-supporting. That, of course, means that it's not just the provincial accumulated debt that becomes a factor of concern, but the combination of that and the Hydro debt added to it, and this magnifies that concern.

Moody's is another bond rating agency, of course, and in 2015 their downgrade reflected the deterioration in Manitoba's fiscal position that was leading to an increased debt burden as well. And they said in their report in 2015—I'll quote from it more—in a more—a fuller manner in a minute. But it reflected the deterioration of the fiscal position of Manitoba under the previous administration that was leading to an increased debt burden. Also, in 2015, Moody's lowered their expectation of the government's commitment to achieve balance, which the previous government had said it would do in 2018-19, which is next year.

**Ms. Marcelino:** Just reiterating the question to the Premier, was that 15 per cent reduction a recommendation by KPMG or someone else, or a Cabinet decision?

**Mr. Pallister:** Well, the direction was given by Cabinet, yes, and the necessity for it was made evident by a number of factors. The key, I suppose, that the member should consider would be the deteriorating fiscal condition of the province itself as was clear and evident from the credit rating downgrades of two separate credit rating agencies, first Standard & Poor's, and then Moody's.

Now, the member for Fort Garry-Riverview (Mr. Allum) had commented that this was part of some kind of neo-liberal plot and conspiracy earlier, but I don't think those comments should be taken at all seriously. Even if he was right, the fact is we still have to pay interest and we have to pay a higher amount of interest because these credit rating agencies gave us lower ratings.

What Standard & Poor's also did, though, was they went further and they said that our credit rating could be lowered further and gave us a warning on that. They said that if—and their language was, if forecast free cash and liquid assets were not sufficient to cover at least 40 per cent of the upcoming debt service requirements.

We have been, as a government, working to rebuild the trust that was shaken in the relationship

with these credit rating agencies by a failure over a number of years—consecutive years—to achieve fiscal targets. The—for example, in the budget speech of the previous administration in 2012, the Minister of Finance said this in his budget speech: Governments around the world continue to confront the need to contain spending while providing important services. In lean times, families and businesses find ways to ensure they have money for the things they need. Our government is also doing its part to reduce spending while ensuring the needs of Manitobans are met.

And then he goes on to say he's going to get it under control, commits to reducing spending by 3.9 per cent and says that 10 departments have had their budgets reduced or frozen.

Of course, this isn't what really happened, but this is what the budget speech said would happen and because it didn't happen credit rating agencies looked with some disquiet and reduced conviction at the commitments made by the government after that, and of course, the new government, has had to start rebuilding that relationship.

The member—the Minister of Finance at that time was the member for Dauphin and talked about also interestingly negotiating a pause in wage increases with many parts of our public sector; something the previous administration had attempted to do. He also says we have managed spending in the health-care system by increasing efficiencies and legislating a cap on administrative costs for regional health authorities.

Now, the member asks me about administrative costs in health authorities and I answer her by saying what the previous government failed to do in respect of finding administrative savings we are definitely committed to working with our administrators in the health-care system to achieving.

**Ms. Marcelino:** I would like to ask the Premier if that 15 per cent reduction is already in effect or, if not, when will it be implemented?

\* (15:10)

**Mr. Pallister:** I would share with the member that it's an ongoing project. Some progress has been made. I'll endeavour to get her a better update. Like, I don't have it with me, but I can give her better information, as I've been doing throughout.

But I would say the intention here, and it starts with a recognition that the top of government has

grown significantly over the last number of years. We accept that, and I would hope the members would understand that that is the reality. So senior management position numbers have increased really significantly, much higher in percentage than have front-line positions, so the management contingent has grown tremendously.

I mentioned earlier to the member, we endeavoured to reduce that expense at the top by starting with reducing the size of Cabinet, amalgamating a number of different services that used to be handled by different divided portfolios into synergized portfolios. And we also endeavoured to reduce the size of the top of government in terms of the political positions and reduced the payroll there, as a result by—of approximately 56 per cent, so—or to—I'm sorry, to 56 per cent of the former level. So, from about an \$8 million payroll under the previous NDP administration to about 4.3 or four—I don't have the numbers right here—but not quite half but a little more than half presently of what it once was.

So this demonstrates our sincerity, I think, in endeavouring to find the solutions to spending—excessive spending at the top of the organization, and so, carrying that through into the civil service is a very important aspect of what we're trying to do. Not exclusively though, I would mention to the member, not exclusively in core government, but also in what we call sometimes the MUSH sector that, you know, the outside funded agencies of government, as well, and also the Crown corporations, as well, where the similar thing has happened.

So there's a lot of—been a lot of staff increase at the upper levels of each government department and Crown over the last number of years. Payroll obligations have grown considerably, yet, by virtually any measure, the performance or better delivery at the front line has not necessarily been enhanced at all. The—backing up for a second though, this warning about a credit rating downgrade, I've talked with Finance officials about this and it's very hard to put an exact dollar figure on how much a credit rating downgrade can cost, but one thing is certain: it does cost a lot. When you have debt obligations into the \$30-million-plus level—billion-dollar level—you're talking about a little interest rate increase having a major impact.

And so Dean Benarroch had speculated at the Asper School of Business \$20 million—\$25 million I think in one article. It was in one of the local papers.

Hard to say exactly, as I said earlier. But the fact is, it isn't good news when you have a lower credit rating. And so the warning was something that should give us a strong indication we need to take action and to take action fairly quickly, not to delay. This is an important aspect of what we committed to do in the election campaign.

The actual amounts of borrowing can vary, but there's a lot of renewed borrowing each year. There are infrastructure commitments that must be kept. Additional funds have to be found for new projects. Standard & Poor's gave us a downgrade in the summer of 2016, so that was a change in their assessment of Manitoba Hydro's portion of the debt within the overall debt portfolio. And due to the high leverage at Manitoba Hydro, as I said earlier, Standard & Poor's no longer considers the Hydro portion as self-supporting, so that adds to the risks to the overall portfolio, and hence the downgrade that they give us.

**Ms. Marcelino:** Not expecting the Premier (Mr. Pallister) to provide the answer to this question right now but would like to request the Premier to provide us with the figure for the present size of the civil service and how many positions are classified as management, not today, but another time, just like this one that was provided us later.

And also would like to request the Premier to provide us with the figure on how many positions in the civil service are presently vacant and please have this broken up by department.

**Mr. Pallister:** Okay, I'm happy to undertake that. I appreciate the member's questions as always, and I would ask her patience, though, as this is a major undertaking she's asking us to do. I would also say that she could refer, in terms of her previous question about management and the streamlining impacts or what she—the topic she raised about management reductions—every one of the departments tables supplementary information documents. Inside each of those documents is a specific reference—in the staffing and salary summaries of each department is a specific reference to the management streamlining initiative. So, in each one of the reports, there is—that is publicly outlined. So, for example, in Manitoba Finance, in this year's expenditure Estimates, it actually reports in the notes, management streamlining initiative reduction of six FTEs. So that information is available to the member. I recognize, though, she's asking me a

broader question about the total number of positions throughout government. Just for clarity, is she asking for that as of the present or is she—

**An Honourable Member:** Present. Like target.

**Mr. Chairperson:** The honourable interim Leader of the Official Opposition.

**Ms. Marcelino:** Yes, please, your present complement.

**Mr. Pallister:** Yes, I appreciate the member's inquiry, and I will endeavour to get that information for her.

I would also just outline the borrowing issue a little more in a little more detail because I think it is really important to understand, and it is difficult sometimes, certainly for someone who comes from where the member and I come from, both of us from pretty modest origins, to think in terms of billions. A billion is such a large number, it's almost impossible to comprehend how big that is, but this—the—this year's borrowing requirements are—for just this fiscal year, 2017-18, are approximately the same as they were last year at a level of \$6.7 billion.

Now, to put that in an understandable way, it's hard to do, as I said. I think most people have difficulty understanding what that means, but let's put it this way: every single month in the coming year, the government will be borrowing approximately \$550 million of the borrowing in the—the new borrowing in the coming year because some of this is borrowing to pay as terms renew on previous borrowing, and some of it is new borrowing.

Of the new borrowing, there's \$4.6 billion this year. Three billion of that is for Manitoba Hydro, and that new borrowing is related to the Keeyask Generating Station and the Bipole III transmission line. So this is why I think management at Manitoba Hydro is very concerned about their debt accumulation, their debt ratios. Debt-to-equity ratios matter, of course, when they're trying to do other projects, which require borrowing. For example, they have a lot of different maintenance obligations. I don't have the detail here, but I could get that for the member to go through it together because it is massive as well. Lot of different maintenance that Hydro has to undertake.

\* (15:20)

They will need to borrow additional money, and they're very concerned about their debt-to-equity

ratio. They're—the numbers are shocking and so this is, I suppose in part, at least—and a big part, probably, of why they are proposing to go to the Public Utilities Board and ask for a very, very significant rate increase because they feel that they need to shore up their finances with a bipole-Keeyask levy of some kind to cause their revenues to grow so that they can avoid kind of adding to the debt problems of their organization, and through them, adding to the debt challenges facing the Province.

Capital markets—their accessibility continued to change. It's a dynamic area, and Manitoba, along with other provincial counterparts, has to deal with that environment. It's a dynamic one, and I thank and appreciate the work of the people in the Finance department who are given the very important responsibilities of dealing with these challenges. There are times during the year when investors choose to remain somewhat on the sidelines. They aren't that interested in potential debt offerings by provinces, and so over the past several years our summary debt-servicing costs have increased.

I would give as an example, in '15-16—2015-16 fiscal year, our debt-servicing costs were \$855 million. This past year, they rose considerably so that now our debt-service costs are \$938 million. So borrowing requirements for the coming year in this budget indicate that borrowing's going to be somewhat similar to last year. Debt-service costs are expected in this coming year, though, to rise from \$938 million last year to \$991 million in the coming year.

So here again, you're talking about a \$53-million increase in expense that doesn't fill a pothole, doesn't provide services to Manitobans, but simply goes to pay higher interest on previously accumulated debt.

**Ms. Marcelino:** I believe the conversation on borrowing will be dealt with more extensively in the—is being dealt with more extensively in the other room, but for now, I'd like to ask the Premier (Mr. Pallister): it's a Cabinet decision to mandate 15 per cent reduction in management costs to civil service. Does the Premier also—mandated the Crown corporations to adopt a similar 15 per cent reduction in management staffing?

**Mr. Pallister:** The member's correct in that assumption. The numbers at the management level have grown. They, under the previous administration, grew significantly throughout—not just core government, but also in the Crown

corporations as well. The significant growth occurred in virtually every area of the so-called MUSH sector: regional health authorities, major Crown corporations, post-secondary educational institutions, and so on.

This creeping growth at the upper end of the bureaucracy meant, very evidently, that the costs for providing services rose significantly. As we know, of course, payroll cost is significant part of the cost of running any business in the private sector. The same is true in government. So in terms of the expenditures for senior management, those rose significantly as well.

These staff changes, I should note, under the previous administration and generally are managed within these organizations. So for example, Winnipeg RHA—give that one as an example—would make its own decisions on its management complement. Short of any mandate from the government, and there was no mandate from the previous administration to control the growth in management positions in the RHA, which I'll—again, I'll cite as an example—that meant that the organization would make its own decisions. As it chose to make its own decisions, what happened was that it grew. Its management grew. There's an abundance of research in the business and in the, like, in the private and in the public sector on this trend. In the private sector, the tendency is diminished somewhat by the need for private sector entities to be competitive on service and price on—because of the competitive nature of the businesses that they have. In the public sector, this competitive influence is not there, to the same degree, at least. One could argue that we need to be competitive on our taxes with other provinces, for example. There are general competitiveness issues that we must be cognizant of. I mean, that's true, but—and, in fact, the Employers Council report, which was released last January, I believe, said that we were, of 23 different categories from the provinces Quebec to the west coast—we were, in Manitoba, sadly, last or second last in 18 of 23 comparatives. So one could argue that our competitiveness vis-à-vis other provinces isn't very good, present time. And that is an argument one could make.

But the controls over the growth, excess growth and management costs, are not the same in the public sector as they would be if we were to be in the private sector.

In the private sector, if a business is overmanaged and pays too much for management, then its goods go up in price and someone having the choice will buy goods from someone else that's better positioned on price. If the organization is overmanaged and this doesn't result in improvements in service delivery, as a consequence, the customer will naturally go to another competitor because they can get better service.

And, in the public sector, being a monopoly-driven organizational structure, no such choice exists. So MPI, for example, has a monopoly on most aspects of its business, and so it raises its management costs; raises cost to the customer; it doesn't bear the same immediate consequences in terms of those decisions as would be the case in the private sector; same thing with WRHA structure. So we don't really have those kinds of choices for the most part. And some people are exercising their choices by going to, you know, the United States for tests because they don't like the delays, but you get my point, I think, Mr. Chair, that the pressures to not grow management in the public sector aren't as great as they are in the private—I guess that's a fair thesis to advance.

So staff complements grew over time. They're managed—they had been managed inside each of these organizations. We made a decision that we would trim the number of management positions. The actual exercise is under way. It's at various levels of progress, to reference the member's question specifically, so it's not a uniform exercise in each area of government and Crowns, but it is progressing and it will continue to progress.

**Ms. Marcelino:** Would like to request the Premier (Mr. Pallister)—and, again, this is not for today's response, but another to be undertaken in the next few days, hopefully—can the Premier please provide us a list of all political staff employed by core government departments who are presently seconded from other organizations or agencies? And can the Premier please indicate the departments in which they work, the organizations from which they are seconded and their respective salaries?

\* (15:30)

**Mr. Pallister:** Yes, I know that the previous administration had—what is it, 20, 25 seconded staff when they retired from government. And I'll get the detailed list for the member and provide her with that at the earliest opportunity on the number that we've

used, but it gives me the opportunity to repeat that we've reduced the size of our political staff by almost half from what it was under the NDP just before the election.

I would also—because I think it is important to understand—the member had referenced that we could get into more detail on the financial issues with the Finance Minister. But I think it is important to understand this—the finances that drive these decisions, that she's raising quite rightly, about management numbers—and it is important to understand the cause of the reason. You know, the inspiration for the changes, and the inspiration is to get our finances fixed.

Net debt is really important to understand. It is not an imaginary thing; it's a real thing. It has to be serviced. And the net debt of the Province has been going up significantly over the last number of years. In 2011 and '12, for example, the net debt of the Province—this was \$25.7 billion. In the next year, despite really significant tax increases, the broadening of the PST, for example, to apply to benefits that one would apply for at work, the—I'm sorry; I referenced a billion dollars. It's not; it's percentage, so as a percentage of GDP, so when I said 25.7, I stand corrected. It would be—net debt would be 25.7 per cent of provincial gross domestic product. It's not a—it's a percentage, not a dollar amount.

So—but, for example, that number grew to 26.5 per cent net debt as a percentage of GDP in the next year in spite of the most significant tax increases in a good many years, arguably since Duff Roblin introduced the PST in the 1960s. So about a 40-year gap, and then this massive tax increase which was accompanied by a growth in debt—net debt as a percentage of GDP, that's a major concern.

This also—one must remember, Mr. Chair—at a time when interest rates were at historic low levels. So, the actual debt going up at a time when interest rates were at historic lows, with a combination of high tax increases. So again: high tax increases in the same year, record low interest rates for debt-servicing costs, and still the net debt rose. In 2013-14, of course, we saw the cause of the historic rebellion in the previous administration, the increase—the decision to increase the PST from 7 to 8 per cent. So on, again, an even more significant tax bite taken out of Manitobans' pockets in that fiscal year, with again, record low interest rates—a decline in interest rates, in fact, in that year.

And so what you should have seen, of course, with record new revenues, back-to-back years of—in the area of half a billion dollars, record low interest rates, the lowest in human history to that point in time. So lower debt-servicing costs, a combination of low interest rates and record new revenues in higher taxes, you would expect that our debt as a percentage of GDP would go down. It did not go down; it went up. And so, again, we see an increase to 27.8 per cent.

And I'll continue to explain and clarify the importance and urgency of this situation as we move forward today.

**Mr. Andrew Swan (Minto):** Now the Premier (Mr. Pallister) said in Estimates last week that he uses a variety of email accounts for government business. Can the Premier confirm that one of those email accounts is his government-issued email account?

**Mr. Pallister:** The member for Minto (Mr. Swan) owes me an apology. He said last week in Estimates that Pallister Investments—and I'm quoting now from Hansard—Pallister Investments showed up November 24, 2016, for the first time on Pallister's annual statement of assets and interest and I'd like to give him the opportunity to clarify why he would say that.

**Mr. Swan:** Well, I understand the Premier not wanting to talk about his email use, but I'll tell the Premier the reason why I asked the question is because that company wasn't disclosed in the Premier's conflict of interest required form that he filed with the Clerk's office in November 2015, so I was trying to find out why that was the case. And if the Premier wants to answer the question why he didn't disclose that corporation, he can put it on the record now. That would be great.

**Mr. Pallister:** Well, here's what the member said in Estimates on June 20th of last year, not a year ago. He asked me a question. I quote from it now. He said, why then did the Premier disclose his shares in Pallister Investments 22 the next year in a declaration signed on November 20th, 2013. End quote.

Now, the member has put it out there that I failed to disclose something which he has asked me about disclosing last year on June 20th, yet last week he puts on the record and allows to remain on the record an accusation that I declared this company, which has been in existence since—for many years—

that I put it on the record for the first time on November 24th, 2016. I repeat, he asked me in June of last year why did I disclose this company, Pallister Investments 22 the next year in a declaration signed on November 20th, 2013.

So the—all I'm asking the member to do is clarify. If he asked me a question about a company last June, alluded in his preamble to a declaration I signed, which is true—I signed a declaration on November 20th, 2013, and I believe he knows that, that declared the existence of this company, going over and above the requirements of the conflict of interest commissioner in declaring it, why would he then say last week that I declared this company's existence for the first time?

**Mr. Swan:** Well, if the Premier (Mr. Pallister) wants, we can adjourn Estimates right now, and we can walk over to the Clerk's office, and we can have a look at the Premier's conflict of interest declaration form which requires him to list all corporations of which he owns a certain percentage of shares or is an officer director, and we'll have a look at the form from November 2015, and we will see that the Premier does not disclose this corporation. If the Premier wants, we can go do that, but I'd like him just to put on the record so we can put this behind us, why he didn't disclose the corporation, which he is now is putting on the record, he says has been in existence for many years and which he told the House just the other day contains 40 years of wealth. Why didn't the Premier disclose that in November 2015?

**Mr. Pallister:** We went down this road. The member went down this road last June. I'd invite anyone interested to simply consult Hansard for the detailed discussions. It was on June 20th, 2016. He attempted at that time to make accusation that there was something—some impropriety here or some undertaking that was in some way not forthright. I explained in answer to all his questions, and there are—there's detailed explanations of my answers to all his questions. I answered all his questions fully.

I told him as—and I'll tell him again that I was advised by the ethics commissioner I didn't need to declare these because the capital stock was not worth \$500 per holding, which is the threshold for reporting. It's his same threshold; it's all members' same threshold of reporting. And so I reported it on the basis of disclosure without it being a requirement, and then I reported it again on becoming Premier just to refresh and make sure—the

same reason that I put my property in Costa Rica and my assets in Costa Rica on my disclosure form. I went over and above the requirements.

\* (15:40)

But my question for the member is again: Why would he say that I was disclosing this information for the first time, when he himself knows that I disclosed it years ago and that he alluded to that in June of last year? Why would he attempt to create the false impression that I was in some way being untoward when he himself knows that I exceeded the requirements of the ethics adviser in so recording this years ago and continue to?

**Mr. Swan:** Well, now we have a fascinating situation where the Premier is now saying that a company which he told the House just the other day represented 40 years of wealth, he's now trying to tell us that company isn't worth \$500. That is the most ridiculous explanation I have ever heard.

We have a Premier who did not disclose his corporation November 2015. I presumed—based on the Premier's signed declaration that the company did not exist, I presume that if a new company suddenly appears in 2016, it must be a company that's been newly created, or newly revived. I'm not sure why the Premier would spend money on lawyers and accountants to shut down a company but then open it up again. But like other Manitobans, I've relied on the Premier's declaration.

Again, the Premier can't explain why he wouldn't have disclosed that company in November 2015, the last declaration before the last election. He's never given any satisfactory explanation as to why he didn't disclose his corporations in Costa Rica until he got caught. I would actually be fine if the Premier was to say all right, I was careless in November 2015, that's why I didn't disclose it. I think I could believe that, but the story the Premier is telling that his 40 years of wealthy don't add up to \$500 strikes me as incredible, Mr. Chair.

**Mr. Pallister:** Well, Madam—Mr. Chair, again the member will do anything for a headline. And what he's doing, is now—he knows the rules. I know he does, because he's—we've had that discussion. He knows that the declaration thresholds are what they are, he's now misrepresented them. He's put on the record something that is totally untrue in respect of the criteria in an effort to get in the paper again.



But what he's done, is he's failed in his process of trying to create an issue to explain why it would be that he would falsely allege just a few days ago that a company which has been declared for some time—beyond the requirements of the ethics commissioner, which he was fully aware of, which he was so aware of in fact that he referenced it in a preamble just 11 months ago—could now be asserted by him as not existing. How could he assert a week ago that such a company was new when he knew that I had declared it in 2013 in my conflict documents—and he said that in an actual preamble to question not a year ago.

He goes out in the hall, he tells unsuspecting members of the media that it's a new numbered company from Costa Rica when it is not new, it is not Costa Rica-based, and it has a number in the title but the title of the company, Mr. Chair, is Pallister Investments 22. That hardly comprises a numbered company, that's just a number in the title of the company.

Now, again, the member now misrepresents the criteria which are in writing, and any member of the media can read the criteria, and we have fully discussed this a year ago. The member is suggesting that the advice that I took from the ethics commissioner is somehow flawed. And the fact remains that I followed the advice of the ethics commissioner except in the respect of declaring items which I did not have to declare, including, but not limited to, property I own in another country and a holding company which I created, which has share value, initial share-per-share value which is below the threshold for requirement for declaring.

So I am telling the member, and he needs to understand—though he will continue to play the duck I'm sure—that I have gone over and above the requirements for disclosure, that I have disclosed my assets fully, that the company he is referring to has no business whatsoever, as I told him last Thursday—no business with the government of Manitoba—and that I have followed the advice of the ethics commissioner throughout, and that I will continue to.

**Mr. Swan:** Well, unfortunately, it seems to be the danger of actually following the words and the declarations of this Premier (Pallister) that seem to get us in this problem. That's fine. The Premier's given his explanation as to why he didn't disclose his shares in Pallister Investments 22 Ltd. in November 2015. He's now told us that that's because

his 40 years of wealth is not worth \$500. Manitobans will get to make their own decision on that.

I realize there's other times when relying on the Premier's words has caused a lot of problems in this Legislature, so I'll get back to the first question which I asked. But before I do that, I'll ask one other question based on the Premier's answer.

Is the Premier saying that the value of the shares of each of his companies we know about in Costa Rica, that neither of them are worth more than \$500?

**Mr. Pallister:** I'll get a copy of the actual declaration for him. I'm waiting for it to come in, so I can read it into the record again, as we did last year for the member's little theatrical presentation, and, of course, I, at no time, put on the record my life savings were less than \$500. The actual declaration doesn't read like that. The member knows that, but he's doing—putting on a little show.

He talks about credibility, but remember, Mr. Chair, he used these same lines of attack on his previous leader as well.

Again, he put on record, let's talk about Pallister Investments 22. He put that on last year, yet he goes out in the hall last week and claims that it's—Pallister Investments is a brand new company. He put on record in Estimates last year, and I quote: Why, then, did the Premier disclose his shares in Pallister Investments 22 in the declaration signed November 20th, 2013?

I've been disclosing this company. I have disclosed it again. It is disclosed. The member claims it is a new company. It is not a new company. The member claims it is a numbered company. It is not a numbered company. The member claims it is a Costa Rican company. It is not a Costa Rican company. The member makes this series of false allegations, as he did against the member for St. Boniface (Mr. Selinger) when he was his leader, as well, without regard or respect for the facts whatsoever.

Now, the conflict of interest commissioners that I've taken advice from are people who the member should show some respect for. They are people who are retained by—were retained by his government and have continued to be retained by the new government to give advice to members. I am following the advice of members. I have gone beyond the advice of the current commissioner, Jeffrey Schnoor, who said I did not need to declare this again, but I'm declaring it and I'm declaring the

property in Costa Rica beyond the requirements of the disclosure act, of the actual conflict of interest act in the interests of transparency.

I am now being subjected to false criticisms, false charges by the member for Minto (Mr. Swan) based on a willingness to disclose more than I am required to. The member speaks about wanting transparency on the one hand, and on the other hand attempts to subject me to criticism and false ridicule as a consequence of disclosing assets which are not required under the act to be disclosed. I am being more than transparent, more than forthcoming, and the member goes out in the hall and misrepresents the facts as he knows them to exist, and as is proven by his own testimony one year ago in June of last year at this very committee. Disgusting behaviour.

**Mr. Swan:** Well, I'm sorry the Premier's (Mr. Pallister) failure to make declarations is so upsetting to him. Perhaps we'll make it easier. Could the Premier then table the opinion from the Conflict of Interest Commissioner advising that he didn't have to disclose that corporation or the Costa Rica corporations? I think that would clear things up this afternoon very quickly.

**Mr. Pallister:** It is déjà-vu all over again. Look, this is the same attempt to mine a little issue that he made last year—exactly the same questions; exactly the same answers, I guess, Madam Speaker.

Mister—Member for Minto, I'll repeat the question. It goes on here: I'm wondering why he disclosed his shares in Pallister Insurance Agency and Pallister Investments 22 Ltd. on November 20th, 2013, okay. It's right here; it's in the transcript. The member should read it, June 20th of last year. Now, he goes out in the hall and claims it's a new company previously undeclared. Why did he disclose his shares?

Well, I did. I did disclose my shares. I disclosed them.

All right, then. I'll just try and understand, says the member for Minto. The declaration form, et cetera, et cetera, et cetera, and he goes on here. And then he says—get this: Now he also—I'll find it here. I said that I—what I've just told the member. What's causing confusion for the member is that I actually added information beyond what is required, and this is causing the member some confusion. He goes on to say, well, why didn't you get an opinion in writing? Well, who in the Legislative Assembly ever

got an opinion in writing? If the member can find me one, maybe table it.

\* (15:50)

I talk to the ethics commissioner. I listen. I get their advice, and then I declare more than I'm required to. What the member's asking me to do is table advice, and the ethics commissioner is saying I don't have to table information, which I then subsequently tabled. What's the fruitfulness of that? These are assets which have nothing to do with the issues at hand. The member has raised no questions whatsoever about any issue that matters to Manitobans. He attempts to mine this vein of trivia; doesn't want to talk about health care; doesn't want to talk about the fiscal situation of the Province; isn't interested in talking about any aspects of infrastructure renewal, social services; wants to talk about my numbered company. It isn't even a numbered company. It's my company, which I established. I have said so. I have declared it. It is a holding company.

The member's a former lawyer; he knows what a holding company is. It's there to hold assets, which I earned and worked for over decades. That's what it's there to do. It does no business with the Province of Manitoba, and the Conflict of Interest Commissioner has told me there's no need to declare, yet the member attempts to mine the issue repeatedly, with the same lines of questioning that he used last year.

**Mr. Swan:** Let me return to the first question I asked this afternoon. The Premier said in Estimates last week he uses a variety of email accounts for government business. Can the Premier confirm that one of those email accounts is his government-issued email account?

**Mr. Pallister:** June 20th of 2016. Before we go on, I would like the member to apologize because I'll read him another quote: I'm asking the question, he said on June 20th, 2016, because I had tabled copies of the Premier's declarations in the House from 2012, '13 and '14 about a month ago.

So not only did he know, not only did he know that I'd previously declared these companies, but he actually referenced it in Estimates discussion, and then he read the documents where I declared the companies, and then he tabled the documents in the House, but then last week he goes out and tells members of the media that it's a new company. That's fascinating, really fascinating, boldfaced, Mr. Chair.

So the member says new company, but he tables documents last year and references in his preambles to the questions to me last year that this company existed in 2013, and he knows that because he read my statement of assets and interests. Clearly, he must've read it before he tabled it, Mr. Chair.

So I expect he would know that it would be right for him to—not to clarify anymore, not to digress, not to attempt to go on to another topic, but to apologize for that conduct because he's attacked my integrity, impugned it, and he's made statements to the media. Here's one. Here's an editorial in a noted daily paper, which talks about my lack of forthrightness, as reported, based on his comments.

Here's another one, with another column saying I've got a firm that's cloaked, a cloaked firm. Says, hidden firm declared in public documents. Imagine that. How could that be a cloaked firm? It's a Pallister Investments declared in my documents firm. How is that cloaked? How is that anything but being forthright? Unbelievable. And the member wants to digress and talk about cellphones now. Well, we need to talk about this because this is the second year in a row that this member's gone on about a holding company that I've declared, which does no business with the Province of Manitoba whatsoever, and attempted to impugn my integrity. And no one—no one—likes that when that happens, and the member needs to understand that. I mean, the member for St. Boniface (Mr. Selinger) didn't like it either. Maybe he was deserving of the criticism of the member, I don't know. I don't presume to judge, but one thing I know is there's a bit of a trend here. This member has a bit of trouble with demonstrating respect for people and demonstrating respect for the facts when he makes accusations. And he needs to apologize.

**Mr. Swan:** I believe the Premier (Mr. Pallister) is going to answer the question I've asked twice now.

**Mr. Pallister:** What was the question?

**Mr. Chairperson:** Could the member for Minto (Mr. Swan) repeat the question?

**Mr. Swan:** Yes, I will, Mr. Chairperson.

The Premier said in Estimates last week that he uses a variety of email accounts for government business. Can the Premier confirm that one of those email accounts is his government-issued email account?

**Mr. Pallister:** So, on the declaration form, statement of assets and interests, which I should point out for

the member is exactly the same form that he himself completes, and so I'd encourage him to read it and I'd encourage him to take a look at the specific page on the form that outlines, under schedule B, see paragraph 12(c) of the act. And, as a lawyer, he might like to read that. If he was to read that, and if he's any kind of lawyer, he'd understand that it says, because I'm sure he can read it: I hereby declare that I and/or the following named dependants hold a beneficial interest share, warrant or option in 5 per cent or more of the following issued capital stock worth over \$500 per holding—means \$500 per share, according to the ethics commissioner, \$500 per share.

And so I declared two companies, neither of them are worth over \$500 per share, but I declared them anyway. I put them in my form so that everyone would know that I was declaring them, because I knew that if I didn't do that, a member, such as the member for Minto, who was up to no good but just purely for mischief, would say I hadn't declared those companies which I don't have to declare, and then I'd be accused of not declaring them. So I declare them, and then he says, I'm—they're new. But they're not new. They were—that form I just quoted from is 2014.

So, again, the member has gone out, he has misled members of the fifth estate, he's embarrassed them in respect of the facts, that he gave them misinformation. He has done this a year ago, he has repeated it again this year, and he continues to do it. And it is appropriate for him to retract his statements and offer an apology. I would encourage him to do that.

**Mr. Swan:** Well, you know, we've asked three times about emails, but the Premier wants to talk about his corporations. That's surprising.

The Premier still hasn't made any explanation, nor has he apologized, for failing to disclose this corporation in 2015, so that anybody looking at that declaration would believe the Premier owned no such corporation. I was going to ask him the other week why this corporation was apparently dissolved and then started up again. Premier told me it was none of my business. So now he's coming back and trying to come up with an explanation that makes no sense.

But I was listening to the Premier's answer, as I always do. And I believe we may have the problem. The Premier is now saying that his Costa Rica companies do not have a value of \$500 per share.

Is—does the Premier (Mr. Pallister) believe that it's the value per share as opposed to the actual value of his holdings that determines whether or not he has to disclose a corporation?

**Mr. Pallister:** I suggest the member talk to the ethics commissioner, and he might be able to have the same answer given to him that was given to me. I suggest he do that. I suggest he read the form. The form is self-explanatory, if he would like to have a look at it. And, if he has any trouble with that, being a lawyer he might not, but if he has any trouble with that, he might like to, then, as I did, consult with the ethics commissioner and get advice on whether or not that is the actual interpretation.

That is the actual interpretation according to the ethics commissioner—the ethics commissioners, actually: Ron Perozzo and Jeffrey Schnoor, who I trusted to give me advice. The member is now questioning that advice.

Jeffrey Schnoor is a Queen's Counsel. He was appointed January 1st of 2016. As I recall, that was by the previous government. The member was no longer in Cabinet at that time, having resigned and started up a rebellion. But he was appointed by the previous administration as the Conflict of Interest Commissioner and as the registrar under The Lobbyists Registration Act. He was, before that, an ethics officer with the government of Nunavut. As the member has put his advice, the advice of Jeffrey Schnoor, into question today, let me outline his background. His previous roles: he was a deputy minister and deputy Attorney General of Manitoba Justice from August of 2008 until August of 2013. Prior to that, he was the assistant deputy minister in the Courts Division in Justice, and I believe that the minister at the time might have been the member for Minto (Mr. Swan). So, if he had some respect for the member then, perhaps he could have some respect for him now, in the context of the advice he gave me. Okay, he was employed there from July 2005 to August of 2008. Prior to that time, he was the executive director of Policy Development and Analysis in Manitoba Justice from 1997 until 2005.

\*(16:00)

Ron Perozzo, prior to him, also a Queen's Counsel appointed on December 23rd, 2009, effective January 1st, 2010, as Conflict of Interest Commissioner and as Manitoba's first registrar under The Lobbyists Registration Act and served until December 31st, 2015.

Mr. Perozzo also gave me the same advice corresponding to the advice of Mr. Schnoor, which I followed.

There's nothing new here. Again, the member attempts to disparage and to create false arguments based on false information and allegations he puts on the record. I resent that. Everybody would resent an attack on their integrity. I in particularly resent it when the member does it two years in a row on the same issue using the same faulty arguments and adds to it by putting false information on the record.

Again, I'd encourage the member, in the interests of his own character, to come clean and apologize for this kind of conduct.

**Mr. Swan:** Well, I'm sorry the Premier's failure to disclose this company in 2015, as he was required to do, has obviously got him so worked up and so agitated that he can't answer questions.

I'm actually going back to something the Premier said in the answer to the previous question in which he said that he didn't have to disclose something because the value was not \$500 per share. And if that's the Premier's assessment of the law, that he could own a thousand shares of a company, but if each share is only worth \$400, he wouldn't have to disclose it, that's fine if he thinks that's the law.

I know Mr. Schnoor very well. I think he is a very good individual. I did work closely with him when he was the deputy minister for the Department of Justice and in the department before that. If the Premier is trying to suggest that that's the advice that Mr. Schnoor gave him, that he could hide a company with an imaginary value of, say, \$400,000 because each share was worth less than \$500, that is very, very difficult to believe.

Let me ask the Premier then how he determined the value of these companies so he could make his declaration.

**Mr. Pallister:** I'm going to repeat for the member again that I sought the advice of the ethics commissioner, took it and exceeded it in respect of the disclosure of this particular company.

If the member has concerns about this specific issue, I would encourage him to do what I did. He can speak to Mr. Schnoor and he could ask him for an interpretation. If he's alleging that somehow the interpretation Mr. Schnoor gave me is erroneous, he could also seek an interpretation from Mr. Schnoor and get it in writing and come back and wave it

around at me and brag to the people of Manitoba that I somehow broke the rules.

If he could do that, he should do that, but until he does that, he needs to apologize for the false accusations he made last week about this company, which he knew existed years ago which was declared beyond the requirements of the act. He needs to come clean and he needs to clear his own name in respect of the false allegations he put on the record last week at this committee.

**Mr. Swan:** Well, we're going to save something for next year's Estimates.

Let me ask now for the fourth time. For the fourth time now, the Premier (Mr. Pallister) said in Estimates last week he uses a variety of email accounts for government business.

Can the Premier confirm that one of those email accounts is his government-issued email account?

**Mr. Pallister:** Rudyard Kipling has a poem that says something about "If you..." If-, it's called. I think it says something about, if you can stand to hear the words you've spoken twisted by knaves to make a trap for fools and so on and so forth. There's a number of good, good pieces of advice in there for people in their public life. One of the things that you'll undertake when you enter public life is the challenge of dealing with false accusations. It's very, very difficult to deal with them, false allegations, false charges, trumped up charges, that type of thing. Very hard—very hard on a person to deal with that type of thing.

Everyone here at this table has entered public life. They put their name out there, and at the end of the day all they'll have left is their integrity or it will be eroded away by false accusations. That'll be it.

And so the member says I'm petulant. He's right, you're damn right I'm petulant. I don't like having my integrity attacked, especially by someone who should know better. And I have said before, and I have affection for this member, but this kind of conduct has no place among members—elected members who share in the responsibility of building the integrity of this pursuit, this occupation.

And the member is attempting to demean me and belittle me based on false charges for exceeding the requirements of the conflict of interest legislation. For seeking the advice and input of professional advisers, for disclosing my assets, I am being attacked by this member again this year, and

falsely. So he says I'm petulant; I'm trying to defend my own integrity, and I shouldn't have to be put in that position by a member who should know better and by a member who knows he put—deliberately kept false information on the record, allowed it to be reported by the media and encouraged it to be continued. And he's doing it again today, and that is something, Mr. Chair, which speaks more—voluminously more about his character than it does about my own.

**Mr. Swan:** All right. Well, I thank the Premier for that, I think, and, indeed, the Premier's quoted from a very famous poem by Rudyard Kipling called If—. In fact, I quoted that—in fact, I read that poem, the first speech that I gave in this Legislature after the last election. After I was finished reading that poem, the member for Assiniboia (Mr. Fletcher) actually came over and said that was interesting, because he had given that speech in the House of Commons in one of his first speeches, and it does contain some useful advice for all of us.

Let me ask for the fifth time: The Premier said in Estimates last week that he uses a variety of email accounts for government business. Can the Premier confirm that one of those email accounts is his government-issued email account?

**Mr. Pallister:** I'll confirm for the member anything he asks once he apologizes for falsely accusing me of trying to hide assets from the people of Manitoba, which I disclosed previously and which he knew when he made the accusation I had disclosed previously. I look forward to that apology, and, when that's forthcoming, I'll welcome any questions he chooses to ask.

**Mr. Swan:** All right, so the Premier is refusing to answer a question from a member of the opposition, questions which came about because of the Premier's own failure to properly disclose the shares of his corporation on his conflict of interest form in 2015. Is the Premier going to refuse to answer that question? And how does he presume we're going to proceed with Estimates this afternoon?

**Mr. Pallister:** We spoke earlier—the intelligent inquiries of the member for Logan about the fiscal situation facing our province, something that matters deeply to Manitobans. And I care deeply about the issues that matter to Manitobans, so I want to share with the members the report of the Advisory Panel on Fiscal Performance. I think it's very important that all members understand the vital contribution that all members understand the vital contribution that this panel makes and also the vital contribution that a

number of members—government members, in particular, made in the research and consultation that led to the preparation of this report. I invited the members of the opposition to participate, but they chose not to. And that was disappointing. Members of the Liberal caucus did participate as panel members and that was valuable, and I was pleased that they decided to share in that exercise.

The panel itself was composed of Janice MacKinnon, the co-chair; David Angus was another co-chair; Michael Sykes; Ardith Sigurdson; and Joanne Sullivan. I'd encourage the members to—I won't read into the record their background or qualifications; members can do that research. But I thank them for their work.

It was incredible effort, there was a lot of input from Manitobans that went into this, and the preparation of this report was vitally important to us and will continue to be important advice as we move forward. It was established as a panel to provide a high level view of the upcoming budget, provide recommendations to the Minister of Finance (Mr. Friesen) that reflect the advice that was provided to us by Manitobans. We had thousands of Manitobans who chose to participate in various ways in the process—

**An Honourable Member:** Point of privilege, Mr. Chair.

\* (16:10)

#### MATTER OF PRIVILEGE

**Mr. Chairperson:** On a point of—the member for Minto.

**Mr. Andrew Swan (Minto):** I raise this point of privilege as a member of the opposition who is entitled to ask questions of ministers who come to a departmental Estimates. In this case, it's the Premier (Mr. Pallister), who has the Estimates of the Executive Council. And this afternoon, I have asked the Premier the same question five times, and the fifth time, he put very clearly on the record that he was not prepared to answer that question or any further question from me unless there was a precondition that he wanted to have.

That is not acceptable. How can I, as a member of the opposition, do my job to ask questions in Executive Council Estimates if the Premier refuses to answer those questions? And you know, we've had other issues where the Premier has chosen to get out his book of stories and go off on a tangent. This is

not the case. This is actually a refusal to answer a question, and he's put it on the record this afternoon. And my privilege as a member of this Legislature is being affected.

My job as a member of the opposition is to come in and ask questions. And I know the Premier is unhappy with the tone of those questions, and we may have a number of disagreements about that. We have some differences on the facts that have been exposed this afternoon. That doesn't prevent me from having the right to ask questions and to get responses. And for the Premier this afternoon to step up and say, I am not going to answer any questions from this member, is frankly a contempt of how this procedure works. It's a contempt of the Legislature, and it shows a Premier who campaigned on openness and transparency again being exact opposite.

So I move, Mr. Chairperson, that the Premier's refusal to answer questions in Committee of Supply be referred to the Legislative Affairs Committee.

#### *Motion presented.*

**Mr. Chairperson:** Does anybody else have any comments to this?

**Mr. Swan:** Mr. Chairperson, I've received some very wise advice on this matter and, indeed, what I would like the motion to be, that the Premier's refusal to answer questions in Committee of Supply be referred to the House, as we're already in a committee of the Legislature.

**Mr. Chairperson:** The member for Minto has brought forward a motion that the Premier's refusal to answer questions in Committee of Supply be referred to the House affairs committee—*[interjection]*—to the House.

The motion is in order. Is—the floor is open for comments on this motion.

**Mr. Cliff Graydon (Emerson):** I don't believe that that is part of the Estimates process at all. And, if the individual can't understand the answers, and then doesn't get them right, and then leads people like the media on a wild goose chase, I would suggest that he withdraw the motion. And in the case that he doesn't want to do that, then let's have a vote on that motion and put this to rest, carry on with the Estimates process.

**Mr. Ted Marcelino (Tyndall Park):** Yes, I want to put my two cents worth. It is—

**An Honourable Member:** I'll give you a nickel.

**Mr. Marcelino:** Okay—three nickels then, like the minimum wage.

My real concern is that this is becoming a little bit deeper than it should be. It is a simple question that was proposed—or propounded by the member from Minto, and for us to be engaged in this type of display, especially from the Premier, it was just a question of relevance as to whether the email that he uses is a government email or not. It's just a yes or a no. I think it's as simple as that.

But then now that we are here, I propose, too, that maybe it should be put to a vote in this committee, then referred to the House. I second the motion of the member from Minto.

**Mr. Wab Kinew (Fort Rouge):** I do think that this is a legitimate point for us to consider. And, you know, being a relatively new member of the Legislative Assembly coming to these processes with relatively fresh eyes, I do think that there are ways in which we can make our democratic institutions function better towards the goals of openness and transparency. One of the big ways that I think that we could advance the cause of carrying out our deliberations as representative—democratically representative, you know, people sent here on behalf of citizens of Manitoba, would be to have the Estimates process become more of a forum and more of a fora for ascertaining substantive and fact-driven answers to the questions that we seek.

And it seems to me that if there is an ability for either the Chair or for the House as a whole to compel ministers and, indeed, the First Minister to respond to substantive questions, then, in my mind that is in the best interest of what the whole point of what we're doing here in Committee of Supply is, which is to get questions in the name of openness and transparency as to how the, you know, financial mechanisms of government are being carried out, but also how the Executive Council functions in this particular committee are being carried out. So, to me, this seems to be an important point and it is one that I would encourage other members to be supportive of.

**Mr. Chairperson:** I believe the member from Minto also had his hand up before the First Minister.

**Mr. Swan:** I just want to respond to what the member for Emerson (Mr. Graydon) had to say in the start of his comments. If I have it right, he said refusing to answer questions is not part of Estimates. Well, I couldn't agree more with the member for

Emerson. Refusing to answer questions is not part of the Estimates process, that is not the way that democracy works in the province of Manitoba where the minister, or in this case the Premier, can cross his arms and say I'm not going to answer questions because I don't like something that the opposition member said. That has never been a part of the way that this Legislature works. And it's frankly a slap in the face to democracy. So I'm glad the member for Emerson put that on the record and clarified that, I expect he'll be voting in support of sending this matter to the House.

**Hon. Brian Pallister (Premier):** The member for Minto (Mr. Swan) has failed to apologize for putting false information on the record which impugned my integrity. I've asked him to do that; I've respectfully asked him to do that a couple of times. So members who subsequently enter this debate speak about the importance of respect, and yet the member fails to demonstrate it. That's a hard thing to deal with for any person to be falsely accused of something by someone who knows that the accusation itself is false. I hope he can agree with that. And we know on the evidence that that's the case with the member from Minto. So that would be the first thing.

\* (16:20)

On the issues of not the way democracy works, the member uses the phrase, not the way democracy works—democracy isn't respected by those who are careless with the truth. And the member for Minto is careless with the truth. He speaks—I have unlimited time, right? [*interjection*] He speaks about—he uses the phrase, a slap in the face for democracy, but there's nothing that hurts democracy more than people who abuse the facts and who enter into an attempt—an overt attempt to impugn the integrity of others by using false information—information which they know to be false, which they put on the record, and repeat, is hardly a service to democracy.

So, when the member raises up the beautiful and hallowed tenets of democracy in his arguments and yet his integrity fails to demonstrate he has an understanding of the importance of them, that is not strengthening his argument; it's weakening it.

The member from Fort Rouge quite rightly speaks about the need for us to—and I agree with him, the need for us to strengthen these processes. I would point out to the member and all members that for several years when I asked questions in Estimates, respectfully, of the premier of the day and asked for additional information, I never received it.

On every occasion in this committee since the outset of the Estimates process, when the member for Logan (Ms. Marcelino) or any other member of the opposition has asked me for information, I have provided it fully and forthrightly. They've asked me for various lists; I've provided them. They've asked me for organizational charts; I've provided them. Every time that I've undertaken to provide information without exception to the members opposite, I have done so.

I agree with the member for Fort Rouge (Mr. Kinew) in his assertion, but, in the detail of the presupposition, disagree. Because when he tells me that I must or when members tell me that I must absolutely ignore the fact that a member has attacked my integrity deliberately, has misrepresented the facts of my situation repeatedly, and that he should simply be able to go on and change topics while we ignore that is to, I think, impugn the integrity of all of us who seek public office.

I've said that before, and I'll say it again. At the end of the day when we're out of this business, we will have our integrity or we will not. And it is in the impugning of the integrity of others that weakens our—the respect for our occupation that some choose to undertake. The integrity of people isn't measured by their professions; it's measured by their conduct. There's integrity in all work. There's not integrity in making false accusations about others.

This member feels that he has the licence to do that, but he does not. He did it last year; he's done it again in a different vein—all in an attempt to draw attention to himself in his role. And it is wrong. It's misconduct.

I'm not talking about pursuing other avenues of redress. I'm simply asking him to apologize for making the false allegations, because he knows that they were false when he made them. He made them and he's repeated them today, and I don't feel that's conduct becoming people of the Legislative Assembly. I don't feel it benefits any of us from any party—not in this walk of life. I think it's wrong.

In respect of his specific questions, he has not pursued a question around health care, the financial structure of our province, the state of children in care, the need for daycare facilities, the need for improved investment in infrastructure, the tremendous need for improved educational outcomes for disadvantaged children in our province—

**Mr. Chairperson:** My apologies to interrupt, but it is speaking at five minutes at a block. So now we—

**An Honourable Member:** I'd like to—continue.

**Mr. Chairperson:** —so we'll have to continue on to the next speaker, which was the honourable interim Leader of the Official Opposition, and then there was Mr. Graydon who had also—so we will follow—

**An Honourable Member:** The member for Emerson.

**Mr. Chairperson:** Member—Mr.—Emerson—yes.

**Ms. Flor Marcelino (Leader of the Official Opposition):** I don't have the authority nor the permission of the member from Minto to make an apology, but I wish to make an apology right now, if the Premier (Mr. Pallister) will accept it, so we could proceed with the business of the Estimates process.

We, in—as opposition members, have a duty, have an obligation to the people of Manitoba to ask the First Minister and the other ministers questions—relevant questions to governing, and in the interest of transparency and interest of finding out how the business of governing is being carried out by the government.

So, I would like to propose that you please accept my apology—that the Premier accept my apology, and let's proceed with the Estimates.

**Mr. Graydon:** I believe that in Estimates, the questions should be relevant to—as the Premier pointed out—issues of the government, and the fact that how he communicates—as long as there's no leaks at all, that's a good thing.

So I would suggest that we continue on with the different roles of the government, and as you heard from the opposition leader, that she apologized for one of her colleagues—for his actions. So, thank you.

**Mr. Greg Nesbitt (Riding Mountain):** There seems to be some confusion here. The apology we just heard, we don't know what it's for. There seems to be some confusion at this end. They're saying no apology. Can we have a clarification on the apology and what it is for?

**Mr. Pallister:** I appreciate the comments of all my colleagues, and I'm not—I'm ill-equipped to handle attacks on my integrity. I don't know who's good at it. I suppose maybe people get used to it. I'm not used to it. So, I don't want to do anything but get this exercise underway and to focus on the issues that matter to Manitobans.



When I see us taken down the road of the member for Minto (Mr. Swan) in respect of spending abundant amounts of time talking about the same issue, which he raised last year to no effect other than perhaps a headline grab, I—you know, I wonder at that.

We have evidence that the member knew, when he was making these allegations, that they were false. It's on the records of Hansard for anyone who cares to read them. We have evidence by simply sourcing the conflict of interest document as to that fact. That is all public information, and the member has chosen not to focus on issues which matter to Manitobans, but rather to focus on issues which he hopes will garner some attention. I gather that's his motivation, to garner some attention for himself and his new career as an opposition politician.

But the fact remains that there's absolutely nothing new in here except a demonstration of a willingness of a member of the Legislature to attack another member of the Legislature's integrity.

So I appreciate the offer from the member for Logan (Ms. Marcelino), and I will accept that apology. I thank her for it, and I hope that we can avoid seeing a repeat of these kinds of attacks by members against other members.

\* (16:30)

**Mr. Jim Maloway (Official Opposition House Leader):** Mr. Chair, we have a motion on the floor. I'd like to call a question on that motion because we're just going around in circles. The question's been called.

**Mr. Chairperson:** There's a motion on the floor from the member for Minto (Mr. Swan) that the Premier's (Mr. Pallister) refusal to answer questions in Committee of Supply be returned to the House—*[interjection]*—be referred to the House.

Shall the motion pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

#### Voice Vote

**Mr. Chairperson:** All those in favour, please say aye.

**Some Honourable Members:** Aye.

**Mr. Chairperson:** All those opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Nays have it.

#### Recorded Vote

**Mr. Maloway:** Mr. Chair, I request a recorded vote.

**Mr. Chairperson:** A recorded vote having been requested, I will now report to the Chamber committee. Therefore, this committee is in recess.

*The committee recessed at 4:31 p.m.*

#### EDUCATION AND TRAINING

\* (14:40)

**Madam Chairperson (Colleen Mayer):** Will the Committee of Supply please come to order.

This section of Committee of Supply will now resume considerations of the last item, resolution 16.1 of the Estimates of the Department of Education and Training.

Are there any further questions?

Resolution 16.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,005,000 for Education and Training, Administration and Finance, for the fiscal year ending March 31st, 2018.

#### Resolution agreed to.

This completes the Estimates of the Department of Education and Training.

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

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

*The committee recessed at 2:43 p.m.*

*The committee resumed at 2:50 p.m.*

#### FINANCE

\* (14:50)

**Madam Chairperson (Colleen Mayer):** 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 Finance.

Does the honourable minister have an opening statement?

**Hon. Cameron Friesen (Minister of Finance):** Well, thank you, Madam Chair. I welcome the officials to the back of the room, and I welcome the opportunity to be in the Committee of Supply for Finance. In a moment we will be able to invite staff members to the table and introduce them.

Madam Chair, our government is—has been proud to bring a budget that puts Manitoba back on a path to stability, a budget that arrests the out-of-control spending growth that we have seen under the previous government in the last number of fiscal years. We are proud to bring a budget that sees the ultimate goal as system sustainability in order to make the right investments in front-line services, but do a better job than previously of getting value for money, making sure that we aren't just spending but that we are spending smarter because it is essentially taxpayer dollars that we are spending.

We—when we were first elected last spring, we brought a budget within a matter of weeks and we demonstrated at that time that this government would lead that exercise of fixing the finances and repairing the services and rebuilding the economy by example. And last spring we showed a number of areas immediately in which we sought, and—not just to talk the talk when it came to getting better value, but to walk the walk.

And we reduced the size of Cabinet by one third. We reduced the size of those departments by that one third at the highest level, of course. We undertook a senior management review, we implemented cost-containment controls across the landscape of core government immediately, and we started to make a little progress.

But, obviously, we had some very significant challenges in Budget 2017. We have continued down this path and 2017 Budget shows that we are at this point in time, in the third quarter results, showing that we are arresting that out-of-control expenditure growth, we are reducing the expenditure from budget-to-forecast, but we are doing more as well.

We have implemented a fiscal performance review, we've received that advice back, and we are implementing many of its recommendations already. We have connected a health-system sustainability and innovation review; that information has now been received by government and plans are being formulated to implement those recommendations.

We have undertaken a comprehensive review of tax credits and expenditures. We have a very wide and broad array of tax credits that are increasingly incoherent and do not align well. We know that we need alignment. We know that tax credits are not meant to be direct subsidies to single entities. We need much more analysis there and we will continue to bring that analysis.

We continue with our senior and middle management streamlining exercise after recognizing that those levels of administration have grown four times the rate of the overall civil service in the last number of years. We are bringing red-tape reduction initiatives to government, formulating those in the context of new legislation, a regulatory accountability bill that will be the broadest and most comprehensive exercise arguably ever undertaken by a Canadian province.

We are reviewing those larger opportunities to government where not enough progress was made in terms of government's performance on procurement, how it organizes information technology, how it addresses challenges like telecommunications, how it centralizes control when it comes to various areas of government operation.

At the same time we've been clear, as a government, that we have to make the right investments. We need to make investments in improving front-line services. If the finances were our only challenge, then we would be able to proceed more rapidly, but, of course, we know in Manitoba that our newer government is faced with numerous challenges in the delivery of services. We have education results that have continued to decline in reading, science and mathematics, measured by any number of tests.

We know that in health care we have some of the longest wait times when it comes for ER wait times, when it comes for 'diagnosing' and testing and at some points in the journey from suspicion to diagnosis, to recommendation to a specialist to treatment to recovery.

We know that in social services, we have challenges pertaining to the number of children in care: right now, over 12,000 children in the care of agencies. We know that we have challenges when it comes to daycare wait times: in excess of 14,000 children waiting for spaces. These are all challenges that were insufficiently addressed by the previous administration that now must be addressed.

So we have challenges both on the fiscal stability side and also on systems sustainability side. And it is this balanced approach that this government has taken. We have those who would say that we aren't moving fast enough to achieve our goals and to address these challenges. We have others who say we are moving too quickly to do so. We know and we have confidence, after speaking to Manitobans, that we are taking a balanced approach.

Madam Chair, at this point in time, we know that our net debt is projected to be two—\$24.8 billion in 2017-2018, and that debt has grown by—it's doubled in size in just the space of eight or nine fiscal years. We know that the net debt to GDP has increased to 35.7 per cent, at levels now that even the previous government had said should not be achieved because of the threat it would pose to system stability.

We know that in the last quarter of this year, we've reported that debt-service costs have increased \$61 million in one quarter alone. We know that the previous government raided the Fiscal Stabilization Account, reducing it to its lowest balance in 25 years, with the exception of one year. This is not a sustainable way to maintain an account that is supposed to be there to respond to exceptional financial or other circumstances.

And we know that our borrowing program continues to be robust, both for government investment and also for the investment being made at Manitoba Hydro. For this expenditure year, the budget shows a borrowing program in and around \$6 billion, and those obligations will continue in the near term because of the capital projects at Manitoba Hydro that are nearing completion but not yet there.

Madam Chair, the credit rating agencies continue to warn that the problem in the past has been failure to execute, and credit agencies spoke about a loss of fiscal discipline by our predecessors. They spoke about adjustment fatigue, referencing the numerous targets and then restatements of targets that were not hit in that tortured path back to balance that our predecessors contemplated but never achieved. And we know that we are not yet out of the woods. We do not wish to send more money on a quarterly basis to moneylenders in provinces and states. We want to make the investments in front-line services, and, really, our opponents must answer for that significant increase in debt-service charges because it's a significant challenge on our road to recovery. We continue to be mindful of it.

\* (15:00)

Madam Chair, we have introduced legislation that, in the course of these conversations, we will be pleased to talk about, about how we define the road to recovery and the steps we need to make along the way and the necessary legislation that will help us. We know that in this budget, we will be pleased to speak in these Estimates about the investments we're making in front-line services, the overall increases to areas like Health and Education, Families, while controlling overall expenditure growth. We are undertaking a comprehensive review of our tax credits and retiring those that are ineffective. We need the federal government to be a full partner.

There are many other challenges, but we are on the road to recovery, and we are—and I welcome the discussions that we'll have in this day and the days come.

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

Does the official opposition critic have an opening comment?

**Mr. James Allum (Fort Garry-Riverview):** I think the government knows, and it's on the public record, that we stand in opposition to the austerity agenda that he's imposing upon Manitobans. Throughout the past year, since the election and even before that, for several years the Finance Minister has tried to create a crisis in our communities that simply doesn't exist. Are there challenges? Of course, there are, and every jurisdiction across Canada, across North America and across the world faces these kind of challenges, but you never resolve those challenges on the very backs of the people that—who elected you and who you're here to represent, support and fight for.

We know that the government—despite what it said in the budget—and the Finance Minister has raised taxes. He's raised taxes on students and he's raised taxes on seniors, both ends of the demographic 'spectrum.' He is in the process of frittering away Manitoba's affordability advantage by allowing rates on hydro and car insurance, and perhaps most everything else, to go up. He has repealed the law on Manitoba's affordability advantage, and he did so in the least transparent and accountable fashion.

Jobs are being lost throughout the province in any number of areas, including in Manitoba Hydro. We just heard about job losses today in Thompson, and so we are very concerned about the Finance Minister and the Premier (Mr. Pallister), the Minister of Growth—the Enterprise and Trades. Failure to

produce a jobs plan to ensure Manitobans that they will be gainfully employed for years to come and to offer hope for young people in this province that they have a life here in Manitoba that will be one that the Finance Minister himself enjoys, and we should hope that all of our young people have those same opportunities.

We know that the Finance Minister has already tabled legislation to illegally impose wage restraint on public service workers, over 100,000 public servants, without actually going to the negotiating table, the bargaining table, and having proper collective bargaining sessions, which is required under our Constitution. It disappoints us greatly that he should take a different path.

He has engaged in significant cuts to health capital that compromises the very future of state-of-the-art health services for Manitobans and, despite what he just said about an increase in education funding, we know that, in fact, it doesn't—it's only half of the rate of 'inflation' and, frankly, constitutes a cut. He knows that the federal government has reduced health transfers by 3 per cent; that, he describes as a cut, yet when he cuts education funding, he calls it an increase. So the degree of doublespeak coming from the Finance Minister on questions of investment is an enormous disappointment. We would expect that he would have a more balanced approach, one that puts people before the business interests and profits of this community and of this province.

We know for sure that the Finance Minister gave himself a 20 per cent raise at the same time that he's imposing wage restraints on Manitoba's public servants. So, taken altogether, the Finance Minister in last year's budget and again in this year's budget is imposing an austerity agenda on Manitobans that he didn't campaign on, and now he's not—neither accountable nor transparent about it. We know that he went out and asked KPMG for a fiscal performance review. Premier of this province said that 97 per cent of that report would be made public and, in fact, what we got was a few summary pages, probably written by somebody else that was included in the budget documents. That's a huge undermining of his commitment to accountability and transparency and a great disappointment to Manitobans.

All in all, Madam Chair, we in the NDP are determined to fight on behalf of people in this province, to fight on behalf of those who earn the

least in our province, on behalf of those who are most vulnerable, and on behalf of making sure that every Manitoban—every Manitoban—has a secure and a strong future, and we're disappointed that he is now compromising the very future, not only of the people of this province, but of the province itself.

Thank you.

**Madam Chairperson:** We thank the critic for the— 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 7.1.(a), contained in resolution 7.1.

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.

**Mr. Friesen:** I'd like to introduce the officials with me today. I have with me Mr. Jim Hrichishen, Deputy Minister for Finance; I have Lynn Zapshala-Kelln, who is the Secretary to Treasury Board; I have Giselle Martel here at the table, assistant deputy minister of Fiscal Management and Capital Planning and Treasury Board Secretariat; and I have Inga Rannard, who is our senior financial officer for Manitoba Finance, Comptroller Division.

**Madam Chairperson:** Thank you.

Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

**Mr. Allum:** A global discussion, please, Madam Chair.

**Madam Chairperson:** Is that agreed? *[Agreed]*

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

The floor is now open for questions.

**Mr. Allum:** I would want to also introduce Stephen Spence, who's with us this afternoon working with the official opposition. I certainly want to welcome members of the Finance Department and Treasury Board, have the highest respect and esteem for them. I had the opportunity to work with them over the last few years, and, like the Finance Minister, I know that he relies on them greatly, and I'm very much appreciative that they're here today.

The government indicated the deficit for the—for 2017-2018 budget would be less than the 2016-2017 budget for both core and summary.

Can the minister indicate what the respective budgeted deficits, core and summary, are for 2016-17 and for '17-18?

\* (15:10)

**Mr. Friesen:** We're happy to provide that information. It's coming.

If he looks in his budget, then he'll find this on page 12 and 13 of the budget documents. First of all, on core government, the forecast for core is showing a net loss of \$800 million, and on core, the budget for 2017-2018, showing a modest improvement to \$779 million. The same numbers from page 12 of the budget, 872 net loss on the '16-17 forecast, and summary loss in the budget '17-18 showing as \$840 million.

**Mr. Allum:** I thank the minister for that. Can the minister provide a list of proposed savings or cuts that allow the government to project a reduction in the size of the deficit for this fiscal year?

**Mr. Friesen:** I thank the member for that question, and happy to speak about the reductions that we're making across the landscape of government.

I know the member will understand as well that these are discussions that are not limited, of course, to the Estimates of expenditure for Finance, but these are then seen across the landscape of both core government and the other reporting entities. So clearly, it is this very conversation that's going to happen, minister-by-minister, critic-by-critic, in the context of the Committee of Supply.

But, for the purposes of this discussion, if the member goes to page 15 of the budget documents—and he can see there a section that refers to All Hands on Deck, which would perhaps be a helpful point of departure for this discussion about how government must, and is, making progress in terms of annual expenditure.

The theme that we have given to the approaches that we're taking are that we require everyone to be part of the work that we're doing. In my preliminary remarks this afternoon, I talked about some of the immediate steps that we took just in terms of managing everyday expenditures inside departments. I can remember one of the very first documents that I signed was an expenditure management control instruction to all departments to say right away:

exercise the greatest caution when it comes to discretionary spending, letting of grants, travel, in-office costs, and these were helpful instructions.

We referred to the fact already that the government led by example, whereby our predecessors had 18 ministers. We collapsed that structure to 12, and the departments we integrated to 12 core departments. We undertook both a senior- and upper-level management review outside of a contract of government. I would like the critic to know that that exercise is progressing well. I believe that we actually—we released a press release probably in and around six months ago that talked about setting out two targets to be able to reduce, in real terms, the number of managers at that upper echelon, the first target being somewhere around 56 or 58 and the second target being just slightly different than that. I believe the whole target was 112 positions or thereabouts. My officials will correct me if I am wrong on that. So, obviously, that's part of the initial approach, but beyond that, of course, there are other important decisions that we make.

Obviously, the member knows the process. I know, in our discussions in the past, he has indicated that he has been in the—at Treasury Board not only when he was a minister, but he was there as an MLA previous to taking Cabinet post, so he understands how important those discussions around the table are in those weekly Treasury Board minutes—meetings.

He understands how really a lot of this job early on becomes the individual scrutiny given to spending requests at that table. And that process must be rigorous; it must be fully supported by all its members. We know it's supported well by the department. We know that the Treasury Board secretary—he knows that interface between Treasury Board and the secretariat and departments—we need that to work well, but we need all the members around that table to do that work of—sometimes the secretary of the Treasury Board calls it that—she calls that process the work of grinding. It's that work of challenge; it's the challenge function that's located in that area of government to simply question: Is this the best approach. Is there a different approach? Is there a value that could be sought here in terms of seeking an efficiency? Is there more effectiveness? Is there an economy of scale that can be achieved here?

So, oftentimes at that table, we're having more than one discussion. We can be having a discussion about a single item in front of us and then, as a newer government, we're also looking forward and then

starting a working group or starting an initiative or tasking someone with a side assignment and saying, this needs to be an overall discussion.

It is that work, I believe, that the member is pointing to when he is seeing that year-over-year growth—reduction of expenditure.

**Mr. Allum:** The question was: Can the minister provide a list—table a list—a written list of proposed savings or cuts that allowed the government to project a reduction in the size of the deficit for this fiscal year? Will he table such a list, and can it be as detailed as possible?

\*(15:20)

**Mr. Friesen:** I welcome the question from the member, because it is helpful to be able to talk about what I referenced briefly in my preliminary comments for these—this Committee of Supply, and that was the theme of arresting the out-of-control expenditure growth.

Now the member has heard us say in the House, he's heard me reference in the media, that the—that there was a significant need in our province to control year-over-year expenditure growth, and we've seen in the past the previous government's inability to get control of its expenditures. We note in this budget, and the member will note in the preliminary pages of the documents, even going back to the first pages of the budget and the budget documents, he sees a year-over-year expenditure growth anticipated at 2.1 per cent on core government, the increase year-over-year. Compare that to last year—2.7 per cent growth in expenditure on core.

On summary, he will note that 3.3 per cent summary increase in '16-17 now comparing to the '17-18 budget—3.1 per cent year-over-year growth. And so what this shows is—it shows direction. It shows that this government takes seriously what we told Manitobans and that is that we could not leave unaddressed that program growth, that departmental growth. There needs to be a framework placed around it and there needs to be more work done to ensure that departments hit their targets, that ministers are guiding their departments to hit targets. That is essential work.

And I notice, in answer to his question, if I would take him—for instance, to page 11 of the Estimates of Expenditure—now the minister—the member should first of all understand, of course, that when he asked that question to supply a line-by-line

list of savings, there is such a list and it's called the Estimates of Expenditure. And the Estimates of Expenditure, if he goes page by page, will go by each department—on page 40 Ed. and Training; if he goes, you know, to page 55, he's in the Families area; Finance on page 63; Growth, Enterprise and Trade following thereafter, and so the line-by-line reconciliation of those numbers is provided for, as they are every year.

The story, of course, we believe, is in what those numbers are showing. Now I will let ministers have those discussions in the Committee of Supply with their respective critics, but for the purpose of this conversation, I would like to point him to that 2016-17 adjusted vote and then point to the '17-18 budget, and he'll be able to see that variance year-over-year. I see that variance when it comes to Finance, is noted as a 1.1 per cent expenditure growth when it comes to programs.

I see that Health, Seniors and Active Living, the increase is just under 2 per cent per year. I see that Justice is 2.1 per cent year-over-year change. I see, when it comes to the Legislative Assembly, an 18.6 per cent decrease to expenditures, so that speaks to the point I made earlier about leading by example and being able to get those changes in place for Leg. Assembly.

But I believe this is a way to point to an answer to the member's question, because it shows line by line how this government is working to achieve that better result.

What I would say, finally, on this point, is that he—that member has heard me talk about the \$1.7-billion deficit that the previous government was leaning to, that the last eight years of fiscal imbalance, that year-over-year expenditure growth, compared to year-over-year revenue growth, would lead—if you simply draw a line out from there, that trajectory leads to a \$1.7-billion expenditure or loss, and that member should explain what his government's plan was. It seems to me that that was plan for higher taxes and the same failing services.

**Mr. Allum:** It seems that the Finance Minister doesn't want to take the Estimates process seriously, and we would ask him simply to answer questions in a simple manner in the same way that they're being asked.

We asked if he would table a list of proposed savings or cuts that allowed the government to

project a reduction in the size of the deficit for this fiscal year.

Instead of wasting the committee's time, instead of wasting staff time, instead of wasting time, will he agree to table such a list for the committee?

**Mr. Friesen:** Well, and we were attempting to answer the member's question, but it's a confusing question because if the member wants a line-by-line list that shows the kind of year-over-year change, that list is provided for. It was the budget that we tabled this year. It's also contained in these individual Estimates of Expenditure that are released for every core department. And so this afternoon, concurrently, we have three committees of supply meeting, and the list that he is looking for is contained line by line showing last year and showing this year and showing what that overall change is.

So the member's question is a little bit confusing, because the list he is seeking is in print. He can look at it in the aggregate in the Estimate of Expenditure and Revenue, which is that second copy of the budget with the same colour of cover that accompanies it. But to make that point again about average growth revenue and expenditure, the member is essentially asking, well, how can this government be moving in the right direction, be reducing the deficit year over year, when we could not when they were government. And I will attempt to answer that question for him.

The analysis shows that if calculated from the fiscal years 2008-2009, inclusive of 2015-2016, then the average revenue growth is 2.2 per cent. If the member takes those same years of budget and calculates the average expenditure growth, the expenditure growth is 3.6 per cent. So, revenue growth of 2.2 per cent, expenditure growth of 3.6 per cent, and then if he simply charts or graphs those amounts, they diverge. And where we found ourselves, of course, is when we took office; that was the year in which the former NDP government said that they were intending to reach a deficit of \$422 million. I remember that was a fiscal update, or it was the budget, rather, of 2015.

\* (15:30)

Now, just before the election of 2016, the government provided an update where they show they were not on track for a \$422-million deficit; instead at that time, I think in the third quarter result of that year, they were already showing deterioration in excess of \$600 million in the fiscal year. We were

able to report that actual loss last spring as \$846 million. So the previous government missed their target by 100 per cent, and yet in that first quarter result, in that second quarter report, they still were not communicating to Manitobans that they were on track, or basically that far off track.

So, to sum up on this, if that member looks at those—that revenue growth of 2.2 average over those fiscal years and compares it to the expenditure growth, by the fiscal year 2019-2020 the projected loss in summary budget would be \$1.707 billion. It is that out-of-control expenditure growth that this budget begins to address. It charts a new course and that is why the member should take some comfort in the fact that whereby the 2016-17 budget showed a summary loss of \$911 million, now the '17-18 budget is indicating an \$840-million deficit. It is some progress. More progress needs to be made, that is why this government continues to describe to Manitobans this path that we are on, this road to recovery.

**Mr. Allum:** Let the record show the Finance Minister's complete unwillingness to be transparent and accountable. I see him making big jokes across the table now. We simply asked for a list here of the proposed cuts or savings that he's tabled, and yet he's unwilling, or more likely unable to do so. We know he had difficulty with his own deficit projections in his first budget; he couldn't get it right, he fumbled and bungled his way around it. And so it's disappointing to the people of Manitoba who ask simple questions that can't get a simple answer out of the Finance Minister.

*Mr. Jeff Wharton, Acting Chairperson, in the Chair*

We hope that the Estimates process will be valuable to help to provide additional information, additional context for the people of Manitoba so that we can report back to our constituents about the kind of cuts that the government has engaged in. We asked him for a simple list and yet he's unwilling even to be able to provide that.

With respect to the multi-year projections for the deficit, can the minister provide an overview of the major factors impacting the proposed projected increases in revenue and expenditures?

**Mr. Friesen:** Mr. Acting Chair, the member's referring to page 12 of the Budget 2017 where he sees the summary budget stated both for this budget year, '17-18, and projections looking out '18-19 and '19-20.

I'll take this opportunity to also indicate for the purpose of these discussions that this was the commitment of our government to provide multi-year projections to give an indication, of course, of where we were going and how we were intending to go there.

Last year, this critic made a big deal about the fact that those projections were not in last year's budget. I would remind him, of course, that last year when we took office, I think we had been—I think I had been the Minister of Finance and ministers had been in their places for only a matter of weeks before that first budget was brought. I think that Manitobans and perhaps bond rating agencies and other investors would have been more nervous to see projections, because they would have questioned greatly what those projections would have been based on from a—for a government with so short a lifespan at that point in time. I think they—what Manitobans and others now appreciate, of course, is that this government has kept its word and brought these year-over-year projections.

I'm pointing the member to page 12 in the second column of the budget where it talks about the projections for both summary and core budget. The projections are showing an average of 3 per cent on revenue from '17-18 through to the budget years 2018-19, 2019-20.

We believe that we have taken a prudent view when it comes to revenue generation, calculated, of course, on the basis of what historical averages have been. We know that we don't want to—we want to take the right view of that and not overinflate that number. We understand, as that page actually indicates in the budget, that there are several risks and challenges that remain for our economy.

Of course, we understand that, when it comes to economic growth, certainly Manitoba's diverse economy in these challenging economic times is something that we can point to with some reason for comfort. The fact that we're a diversified economy—the most diverse economy in Canada—we know it's, you know, in terms of agriculture and manufacturing and agriculture and added value, mineral exploration and other, you know, professional services—so many areas of our economy that are equally balanced out, not just in what we produce for GDP but also where we sell to, that percentage of our economy that is derived from sales within this jurisdiction, sales, exports to other Canadian jurisdictions, and, of course, exports to the US and then to other markets

as well, whether that be China, whether it be Mexico and other trading partners.

So, certainly, we know that there are still challenges that exist in this context where the US administration is increasingly talking about protectionist measures. We continue to have our radar up. It is important for us to be in conversation with our trading partners to emphasize the extent to which our economies are integrated. I think about many parts of our economy whereby, were the US to act on some of those initiatives, it would not just be Manitoba businesses and Canadian businesses that would be harmed in the process. It would also be business and industry on the south side of that border because of the degree to which our economies are integrated and in which these supply chains are integrated.

*Madam Chairperson in the Chair*

On expenditure growth, of course, we've made no secret of the fact, of course—coming back to this theme of managing expenditure growth—we've, on that same page 12, taken the view that we must take measures to control expenditures. These expenditures are anticipated to increase on an average by 2 per cent during this same period of time, fiscal years 2017-2018, 2018-2019 and 2019-2020.

\* (15:40)

The secret of how we do that is both those short-term plans, that ability of Treasury Board to manage those submissions that come, the ability of ministers to work with their departments to manage that expenditure growth, and then the mid-and longer-term work that governments must do, whereby they bring forward their plan. And this member will know that when it comes to our government, we've received the advice of Manitobans through the most comprehensive prebudget consultative exercise of its kind. We have thousands—I believe, over 15,000 unique interactions with Manitobans in a variety of modalities, including online submissions, in-person prebudget consultation meetings, letters to ministers, letters to MLAs, letters to the Minister of Finance. We have that portal that government developed for civil servants to be able to add in their expressions of how to change the system, and to do so in a way that did not disclose their identity, so it did not reveal an IP address. We wanted to give civil servants that ability to say: oh, you're looking for change within the system; we believe we can help with that. And we welcome



those submissions. So that overall consultative process was robust. It started in September of last year—continued to December the 1st. It took us to Winnipeg a number of times; it took us to the city of Brandon; it took us to Swan River; we made other stops in Dauphin along the way; we were in Thompson.

We developed that citizen budget tool, and that was welcomed by citizens. I had the opportunity to showcase that tool to students, because we continue to insist on the need for good literacy when it comes to financial matters among Manitobans, and I thought that was a good teaching tool for teachers to use in the classroom and show students that managing expenditures, to the member's point, is all about making choices. It's making choices about what we focus on and understanding there is that give and take. There are many, many things that government could do. We are constrained by the deficit we have; we are constrained by the obligations we have to make good strategic investments in the front line; we are constrained by rising debt-service costs. This is the reality that we face, but we are facing it bravely, as a government, and we're facing it as Manitobans.

**Mr. Allum:** Actually, Madam Speaker—Madam Chair, he's facing the challenges loquaciously. I asked him to describe, in conversational tone, if he would, the major factors impacting projected increases in revenue and expenditures. If he wants to have a good conversation, he would do well to just answer the questions and give sufficient answers, provide people of Manitoba with information that they require.

**Mr. Friesen:** So the member's asked us to—or asked me to, in anecdotal terms, talk about some of the major—the major assumptions in describing that directional change that we're making. Happy to do that. When it comes back to that revenue growth year-after-year, of course, those assumptions of annual growth are made for the purpose of this budget in the same manner as they would have been made in the past, which is to, you know, provide summary revenue growth assumptions on the basis of economic trends, on the basis of challenges in our economy, looking at historical revenue growth and, of course, then also accounting for variances in that revenue growth.

Take 2012, for instance, in which the previous government widened the retail sales tax to include whole new areas of taxation, applying the tax to

home insurance policies group, life policies, haircuts over \$50, personal aesthetic services that individuals could receive—all of those would have created new revenue streams, new generated revenue streams in 2013, when the previous government raised the retail—the PST, the provincial sales tax, they generated in that one year alone—or, I should say, thereafter in every fiscal year, more than 270, 275 million dollars.

The previous year, when they widened the increase, they would have generated for government more than \$180 million of revenue in a single fiscal year, so, of course, that we would account for those things and say it is not the plan of this new government to raise the PST, so there isn't an assumption made for an additional immediate \$300 million of revenue growth. Rather, we take that view that, you know, based on personal income tax, based on corporate income tax, based on retail sales tax, based on the Health and Education tax levy, based on the land transfer tax, other areas where the government has its own source revenues, we contemplate those transfers in the federal government for the Canada Health Transfer, for the social transfer, for equalization payments.

We make those assumptions, of course, now based on the federal government's new compact that they are moving to; less, of course, the member knows, than was previously provided to provinces on an annual basis.

Previous, the federal government would annually increase by 6 per cent the amount of the federal transfer for Health to all provinces. We know what the research said about 5.2 per cent being the minimum amount to, colloquially speaking, keep the lights on. That was an amount that the Conference Board of Canada indicated, an amount that the parliamentary budgetary officer talked about. The Fraser Institute pointed to the same amount, and, indeed, the previous NDP government expressed that that was the amount that they would need to deliver health care.

So, when the member talks about the assumptions we've made on the expenditure side, then it's important to note those areas of pressure in our budget and certainly at—Health is an extraordinarily significant part of the overall budget of the province of Manitoba. It's not just a Manitoba challenge, of course. It's a challenge for all jurisdictions in Canada. We know that even a year ago, the overall increase to health care was

5.2 per cent. We know you only have to look back a couple of fiscal years to see health care year-over-year increases by the NDP that exceeded even 8 per cent in some years. That kind of growth year over year simply isn't sustainable.

\*(15:50)

We know that the Conference Board called health care the Pac-Man that was continue—was going to continue to eat up the whole pie and leave less for everything else. Madam Chairperson, 5.9 per cent is the—was the growth in core health expenditure between '15-16, and '16-17. On a summary basis, 6.7 per cent for that same period simply isn't sustainable, something has to give. What we need is controlled year-over-year spending growth for government departments.

**Mr. Allum:** Well, just for a point of historical context, it was the Harper government that signed an accord with the provinces that said that health increases would increase by 6 per cent over, it seems to me, five or six years, I'll let the minister correct me on that, and then the Harper government proposed that they would be reduced to 3 per cent.

That was taken up by the Liberal—new Liberal government under Justin Trudeau. So that's why in the NDP we call them Tweedledum and Tweedledee, really no difference between the two, they follow along the same play—same plane all the time.

But I want the Finance Minister, because at least he got onto a little bit of detail there where we'll keep prompting him to try to actually engage in a constructive conversation in here. He talked a little bit about the health transfers, but what role does the federal transfers play in the projections going forward? And I'm talking about the full spectrum of federal transfer.

**Mr. Friesen:** I'm referring the member to page D4 in the budget, Fiscal Arrangements for Budget 2017. And the member, of course, is aware of the December meeting of Finance ministers wherein the federal government brought to the table a less-than-adequate-by-any-measurement proposal for year-over-year increases to provinces for that federal expression of funding for health care at the province.

Now, the member knows the background of this—that originally, under the Canada Health Transfer, the federal government was supposed to be a full partner, funding 50 per cent of the cost of health care. But, of course, over time with devolution of responsibilities to the province, with

the principle of subsidiarity observed and giving the province more discretion, and the federal government moving away, traditionally that share of the federal government was closer to 20 per cent.

Now the provinces and the research bear outright now that the Government of Canada is in a better position to support the delivery of health care at provincial level than the provinces themselves are. And I would direct the member to the research that says—even the Conference Board of Canada's most recent report on this.

And yet we find the federal government actually taking a different view, saying: Well, there are a lot of neat things we would like to do on infrastructure. There's a lot of things we would like to do as a federal government to push off our obligations to get back into balance. But we don't really want to spend the money here, so we'll spend it somewhere else.

That is why under the federal government's most recent iteration, the one that other provinces have now signed on to, we actually see the ratio of federal government spending—the province of Manitoba going down and not up. And, in Manitoba, the Minister of Health has even said, threatening to drop below the 20 per cent threshold. We know that when it comes to the 6 per cent year-over-year growth increase that was previous, and now looking at a lesser amount of annual increase, the difference for Manitoba over a 10-year period would be around \$400 million—[interjection]

**Madam Chairperson:** Honourable minister.

**Mr. Friesen:** I just want to make sure we state this correctly, so we don't have to take more time on it.

So, compared to the funding that would be provided under a 5.2 per cent Canada Health Transfer escalator—this was the request made by all the premiers—the federal offer on the table would provide Manitoba with \$18 million immediately less in this fiscal year, which would mean that in over a period of five years, it would be an amount just slightly less than \$200 million—\$185 million.

And so it's a very significant in terms of the—what it would mean for the Province. That's why we have continued at the table with the federal government to advocate for the federal government to be a full partner, to respond to what the research says about capacity, and the federal government to play a fuller role when it comes to delivery of health care. Now none of that negates the need for us to do better. Obviously, it was—if it was just about

spending more, there would not be an issue. When it comes to the province of Manitoba, we need to get better value for the money.

**Mr. Allum:** Well, that was a difficult answer to follow, I think, by any standards simply because the Finance Minister wasn't exactly clear on what he was talking about, and, in the middle of his answer, then changed gears.

We were talking, of course, about the full bundle of federal transfers, not merely the CHT, but the full bundle of federal transfers, what they are and what impact they had on the projections.

\* (16:00)

**Mr. Friesen:** I'm referring the member to page D2 in the budget and budget papers, where he can see the total major federal transfer entitlements to Manitoba and it shows that over a period of time from the fiscal year '09-10 to 2017-2018. The bottom of the page, in the bold, he will see the global amount for total transfers to Manitoba, inclusive of all those categories. Canada Health Transfer, the Social Transfer, equalization, all counting in he will see that increase this year at \$3.677 billion.

He sees the amount for the previous year, but this is also a helpful chart in that it breaks out the individual amount, so for the purposes of the Canada Health Transfer, he will see that \$1.310-billion transfer in the fiscal year 2016-2017, compare that to the \$1.355-billion transfer anticipated and calculated for 2017-2018 year. It is a minimum 3 per cent escalator on the federal CHT transfer, that goes back exactly to that change that he referenced earlier, whereby first Finance Minister Jim Flaherty federally and thereafter, I'm forgetting his predecessor's name, but I will remember it momentarily, but some of my colleagues may remember it as well, and none of them are—Minister Joe Oliver, and then thereafter—and thereafter Minister Morneau took the view that there would be the end to that 6 per cent escalator at this point in time. It is that minimum 3 per cent that Manitoba contemplates as the floor for that increase, and, of course, our officials in the department interface consistently with federal officials in the lead up to a new federal budget so that we understand. There's a lot of back and forth that happens. As a minister who can—who is still relatively new in this role, you see that process up close, you get those briefing notes, you have those briefings with senior staff whose job it is to dialogue with their federal cousins on these issues.

There are—where there are disputes or questions that arise, and there's a process to address those things, that is a very fluid process. In the past, there have been disagreements, even by the previous government when it's come to these amounts, and there's a process by which there is attempts to bring resolution or at least to describe the process and where they land. I can recall some quite significant disputes that the former NDP government had with their federal counterparts when it came to—counterparts when it came to population figures and whereby there was some significant dispute around how many people resided in the province of Manitoba, and that had some significant implications for the Province and for transfers. I would note for the member that we have not had that kind of dispute with the federal government at this time when it comes to population figures.

Nevertheless, the member can also see on that same page, D2, the same amounts year by year for CHT and equalization and other subcategories.

**Mr. Allum:** Well, what I see in looking at page D2 under major—total major federal transfer entitlements to Manitoba from 2009-10 to 2017-2018 is a substantial increase in federal transfers over that time, and in particular over the last two years, compared to the Harper regime, where it basically flatlined transfers to the provincial government.

The minister just noted the statistical disagreement we had with the federal government over the population increase in Manitoba that cost Manitoba millions upon millions of dollars, and when—oddly, when we raised that in the House—he was the Finance critic at the time—he didn't have a word to say about it. In fact, he didn't support us in trying to address that particular oversight or miscount by the Harper government. In fact, he was online with his former federal government speaking from the same script, and so it's disappointing now that it's suddenly now, in government as Finance Minister, he's suddenly seeing the light and he needs to take a different tack in relation to the federal government.

It's so interesting that this is a government that came so late to the table on CPP. The minister went to a press conference. He had the opportunity to sign on to the CPP. He took off from the media event. He came back to check with the Premier (Mr. Pallister), and then, several days later, came up with a whole new plan for it.

He also has been unable to sign the health-care accord with the federal government—simply unable to get along with the federal government—and then, in addition to that, had the hare-brained idea that he should hold the climate-change accord hostage to the signing of the health-care accord. And how many signatures do we have? Well, he's 0 for 2. He has neither a health-care accord or a climate-change accord.

Could the minister, then, say if he—tell us what role do possible reductions in expenditures associated with the government's wage-freeze bill play in his projections?

**Mr. Friesen:** First of all, I'd like to correct some inaccuracies put on the record by the member, going back to page D2.

So the member, I think, attempted to connect somehow the fact that, because he saw very little change on the total federal transfer entitlement to Manitoba in some years, say '11-12 or '12-13, he equated that to a failure by a previous federal government to honour their commitment to the Canada Health Transfer; that's inaccurate.

The—I'm not here to defend the policies of the former federal Finance ministers, but I do know that the federal Finance ministers previously—both Minister Flaherty and Minister Oliver—were clear that they respected the accord in which the federal government and provinces found themselves, and so, year over year, there was that 6 per cent escalator that was observed, and that amount was returned at the end.

And if the member looks at that first line under CHT, he does see, if he pulls out the calculator, that annual increase to the amount returned to the provinces in the CHT, which, of course, is that fundamental tool by which the federal government primarily funds health care in the provinces.

What he's doing is looking four lines hence and seeing that in some years, of course, due to other changes, specifically on equalization, and that is a more dynamic calculation in not—inside a—there's no fixed amount that annually returns to the province, and there—that is a more dynamic process, and so there is a greater variance within that amount.

\*(16:10)

He will also notice that within the next line, which is that total transfer protection line, he will see amounts indicated there in those years, '11-12 and

'12-13. So, while I'm not here to defend the federal ministers in those years, I do see that they did apply some transfer protection because of an agreement with provinces that they should receive no less than the previous years' amount; that they be kept whole. So I would want to bring that clarification to that member.

Now, on his point about the CPP, I do welcome the opportunity to put a few words on the record. I can't remember now; I would imagine that the Estimates for Finance would have occurred last year just prior to the June federal and provincial and territorial Finance ministers meeting in Vancouver.

So we were proud as a Manitoba government to be at that table and to continue to lead the way when it came to CPP. Of course, we knew that the federal government was vigorously defending a need to enhance the Canada Pension Plan based on evidence that show that some segments of our population, those segments were saving inadequately for their own retirement.

So the federal government had landed on an approach that said, over a period of time, we will engage with the provinces and the territories; we will put together a working group; and then, we will provide options. I can still recall the charts and graphs that my deputy minister brought into my office after being the Finance Minister for about two weeks, and he showed me about 10 pages of graphs all provided by the federal finance department, and there were almost limitless options for provinces to consider.

What was significant is that in a period of weeks after that, my deputy minister and I had a conversation about one preferred option. The federal government called, they said we have accelerated our thinking on this matter, it will form the broadest part of our meeting in June, and good luck to all you provinces and territories because what we had contemplated as a multi-meeting approach is now being truncated, and we'd like to land on this and agree to it in four weeks hence. Well, that was the process we found ourselves in.

Manitoba took the view that if CPP was to be made bigger, it had better also be made better, or at least that was the conversation we were inviting our colleagues into. We knew from the Canada Pension Plan triannual work that had been done, that reflexive three-year review of the adequacy of the plan, of the flexibility of the plan, of the degree to which there were encumbrances that needed to be

addressed within the plan in respect of liabilities that there had been good work done.

Some of that work went to the extent to which this plan was flexible. Some of that work went to the extent to which this plan really addressed the needs, because, of course, our approach to retirement has modernized in the time since 1967 when the CPP was first brought in. At that time, of course, this plan was addressed, was designed to address 25 per cent of preretirement income, but now, of course, we've found ourselves in a landscape where yes, we—some people had DB plans, defined-benefit plans; other people had defined contribution plans; many people had plans at their own workplace; and, of course, Manitobans were—or, Canadians were also saving inside RRSPs and other TFSAs and other modern arrangements. So we invited that better conversation about how to make the plan better, not just bigger. And we were proud of the work we did standing up for all Canadians, some of the enhancements that we talked about continue now, and the changes that we advocated for will improve this for all Canadians.

**Mr. Allum:** Well I know the Finance Minister's participation in federal-provincial meeting around the CPP was of some considerable embarrassment to him, and so it's not surprising that he would take an enormous amount of time to describe his role there. There's an old rule of politics: If you're explaining, you're losing. And I would venture to say right now that the Finance Minister's losing through his tortured explanations.

But the question was, what role do possible reductions in expenditures associated with the government's wage freeze bill play in the projections? So how much will the wage freezes save the government, and is it part of the projections in this budget?

**Mr. Friesen:** I just wanted to add to my previous explanation; when it came to Manitoba's advocacy for the CPP, because the member did invite the question, I did want to specifically indicate what we had advocated for at the table with all the provinces. We worked hard to advocate for, for instance, the elimination of the clawback of Guaranteed Income Supplement payments for widowed seniors, CCP survivor benefits. And, I think, the member will appreciate that interaction between the various benefits and how this has been a long-time concern. It is significant for many Canadians, and we asked that these issues be raised as part of this comprehensive conversation.

We also talked about indexation of the CPP death benefit. I know that if you go back to the enhancement of the CPP back in the late 1990s—and I believe at that time, former Finance minister, Eric Stefanson, was at that table advocating for Manitoba. And, I believe, actually, Minister Stefanson, at that time, was one of the architects of that initiative to save CPP, and this member may remember—well, he's shaking his head, but, if he remembers his history, and I think he's a student of history, he should know that Manitoba was at the forefront talking about what it would take to save the CPP—because, at that time, it was a conversation among Canadians saying, this is no longer supportable. Actuaries were saying that the entire fund would be lost, that the levels of investment in it were inadequate to sustain it, that the liability had grown so large as to make it unsupportable. And it was Minister Stefanson—it was the minister at that time, Nova Scotia helped lead that way, Ontario, other Finance ministers.

In specific, I can recall talking to—I won't call them old-timers, because that wouldn't be politically correct, but I talked to some Finance ministers from some time ago who reflected on that process, finance minister of varying political stripes, who talked about coming together, collaboratively, to save the CPP; going back to business and industry; going to wage earners and talking about what it would take to make that fund adequate. And Canadians decided it was worth saving, and we agree. And, at this point in time, this might be the most significant next juncture in the CPP's overall sustainability.

We need to have a comprehensive conversation, as Canadians, about the need to save adequately for their own retirement. We need a better financial literacy in our school classrooms, in our high school classrooms, among young lenders. I know with interest, and this member may have questions on this, that only days ago, Moody's downgraded Manitoba's chartered banks, citing not corporate debt—cited individual household debt. And we have seen an escalation of household debt. We know what the rationale was from the Bank of Canada, some years ago, to continue to push down hard on inflation.

But ancillary to that discussion—I'm no economist, but I sit beside the gentleman who is, and we avail ourselves of the expertise of Mr. Hrichishen but also of the economists who come to Manitoba and who discuss these same things—we know that ancillary to that overall strategy to stop inflation has

been the incurring of additional debt by Manitoba households, by Canadian households.

Now, we could say, well, comparatively speaking, Manitoba households are better off than households in Vancouver, households in Toronto. And we know that in those jurisdictions, household debt, mortgage debt, accounts for a greater percentage of their overall debt.

\* (16:20)

But these things are significant. So, when we've come to the table on CPP enhancement, we've said, let's have the better conversation. We are making assumptions in CPP enhancement that the next generation will want to work to the extent and in the way that their mothers and fathers worked. And I'm hearing from a lot of young people there's a—I'm not judging this conversation, but I'm hearing more balanced approach. I'm hearing life-work balance. I'm reading some research on what it says about Gen X and other generations coming up and saying, we want a different approach. We need to make sure that our strategies now are adequate to address the real challenge that will be all of ours.

Oh, and we also did advocate, as well, of course, for that comprehensive review of CPP survivor and disability benefits. The member calls that an embarrassment, I call that standing up for Manitobans.

**Mr. Allum:** Does the minister get paid by the word?

**Mr. Friesen:** I'm here to answer the questions of the member for Fort Garry-Riverview (Mr. Allum) and any other member of the opposition who comes to this table. I take seriously this process. And when the minister—when the member makes an indictment, I will take the time to answer to his indictment. If he wants to ask questions straight up, he can do so. I'm happy to be a full participant in this process. But when he puts inaccurate information onto the record, it's my responsibility as a member of the caucus, as a minister responsible for this area, to defend my civil servants, to defend our approaches, to defend the government, but also to defend accuracy.

**Mr. Allum:** Well very good, then. For the third time, then, how much will the government's proposed wage freeze bill save, and was it part of the projections going forward?

**Mr. Friesen:** Well, first of all, to be accurate, the member is not accurately depicting the bill, because the bill that he refers to is Bill 28, The

Public Services Sustainability Act. Our government inherited \$1-billion deficit—I should say an almost \$1-billion deficit. We inherited a net debt that had doubled in just the last eight fiscal years, increasing debt service costs, failing services at the front line, and we said that this is an exceptional challenge that must be addressed.

Now the member can describe that as a crisis as—if he wants to. We have always referred to the fiscal situation of this province as a challenge, a challenge that must be addressed, a challenge that went unaddressed by the previous government. And that is why bond rating agencies like Moody's and Standard & Poor's and Dominion Bond Rating Service describe their approach as lacking fiscal discipline. They describe the approach of our predecessors as adjustment fatigue when it came to constantly rejigging the date by which they expected to be in balance. There were some other great anecdotal descriptions they used to describe the lack of progress.

We said progress was necessary. So the bill to which the member refers is a bill—it's a measure, that respects the bargaining process. He will note that it is a process that does not open collective agreements. It is a process that does not roll back wages for public sector employees. It is a process that respects the role of the mediator. It reflects the role of the arbitrator. It reflects the need for dialogue with labour groups. But in this context, it additionally introduces the need for the government to be able to make sustainable the fiscal situation.

And so it proposes a four-year balanced and moderate approach, wherein there would be two years of zero and zero for awards to collective agreements, and then two successive years in which the awards to labour groups could not exceed 0.75 in the third year, and 1 per cent in the fourth year. But the member must understand that it is a process that is rolling over four years, so it is dynamic.

By respecting collective agreements that are in place, it must proscribe a period of time—a rolling period in which this would be the case. For instance, were there a collective agreement that expired on the very first day in which the provisions took effect, then the negotiation between employer and employee group would continue, uninterfered with, and—but as a result of the legislation, were it to be proclaimed, were the Legislature to pass it after third reading, and it would receive proclamation and royal assent, then,

in that case, that zero, zero, 0.75, and 1 per cent provision would land immediately.

However, for another collective agreement that would be in place, let's say for three years and nine months thereafter, this legislation does nothing to interfere with that award that is in place. Those employees would continue to keep—to receive whatever pre-negotiated settlement they would have, but then in that fourth year, this provision would taken place. I say that in order to remind the member that it's difficult to say what the exact dollar value would be in any one given year because there's—this process is still dynamic. Even in the third year, we couldn't say with absolute certainty what the award would be because even then, he—this member will note that there are provisions in this bill that invite labour to 'ditionally—additionally identify areas for efficiency and savings and there to be a sharing of those savings whereby that award would not be constrained at 0.75 in the third year but actually could additionally be awarded.

If I could give him this one example: On a \$1-billion payroll, a 2 per cent settlement would be equivalent of \$20 million. If we could achieve a 2 per cent savings in a year, for an employer that had a \$1-billion savings, the savings to government would be 20 billion—\$20 million.

**Mr. Allum:** So I'm trying to follow all that because that's a tortuous road that the Finance Minister has laid out for us to follow. What I just heard him say is that he doesn't know how much it will save year over year. So I want to ask him again, though: Were these numbers from the wage-freeze bill that he's admittedly doesn't know, were they factored into the projections going forward?

\* (16:30)

**Mr. Friesen:** So the member has asked what percentage of that same year-over-year expenditure growth would then have been factored in as a result of the government's Bill 28, Public Services Sustainability Act. I'm referring the member, again, to the pages of the budget where it shows year-over-year expenditure growth by department. I think that pay will be helpful to illustrate how our government continues to insist that year-over-year expenditure growth must be contained. Year-over-year expenditure growth, like we showed before—you know, a health-care year-over-year growth from '15-16 to '16-17 of 5.9 per cent is simply not sustainable.

I can recall going to the federal ministers' meeting, in December, and hearing the Finance minister for Ontario, the Finance minister for British Columbia, the Finance minister for Alberta, Finance minister for Nova Scotia all report health-care year-over-year expenditures that were at percentages half of what that increase is I just referred to.

Obviously, other jurisdictions have moved more quickly than Manitoba when it comes to being able to get better sustainability within the year-over-year growth of health care. If we don't arrest that growth of significant area of expenditure, we actually jeopardize the exact area of expenditure that we are guarded to protect, safeguard, invest in.

I would take the member, as well, of course, to that comparison to 2016-2017 adjusted vote in comparison to the 2017-18 budget. There, the minister notes that when it comes to Agriculture, that year-over-year expenditure growth is 1.7 per cent. He'll note that in Education and Training, it is a 1.3 per cent expenditure growth. He'll note that in Families, it is a 5.4 per cent expenditure growth. And I know that the Estimates for Families follow the Estimates for Finance, so I know that the minister—I'm anticipating that the Minister of Families (Mr. Fielding) will have a broad-based discussion with his critic for that area about the pressures on programs within that expenditure area and some of the other cost drivers.

I already referred to Finance. The member can see a Health, Seniors and Active Living year-over-year increase constrained to 1.8 per cent. Infrastructure, which has often been called the department of amortization, because, of course, a large part of that budget goes to the principal and interest payment for projects that we are undertaking as government, there's a 3.4 per cent expenditure growth there. Justice is showing a 2.1 per cent expenditure growth, and then there's other appropriations showing a very marginal expenditure growth, year over year.

At the bottom of the page, all of those amounts added down would show that, compared to the '16-17 adjusted vote, the 2017-2018 budget increases spending by 2.1 per cent. When the member asks the question, what we would say is, well, the process by departments is inclusive of recognizing all the pressures on expenditure increase, price, volume, staffing requirements, new capital expenditures within department, and then factoring into that, as well, you know, that the overall strategies of

government in respect of better procurement, in respect of innovation when it comes to capital projects, when it comes to consolidation of our thinking on IT, when it comes to expenditure growth within salaries and benefits, all of these things, all of these instructions are contemplated.

Departments go away; they receive broad instructions from the Treasury Board; they come back with their proposal. We continue to receive those proposals and pose questions and whittle away until we can arrive at a—an expenditure target for increase that we can accept. And, after that point in time, it is everyone's responsibility to make sure that the steps are taken to ensure that the target that is set out is the target that is achieved.

**Mr. Allum:** You know, a normal human being would say, yes, we projected the savings from the wage-freeze bill to be X amount of millions of dollars and yes, it was factored into the projections; or no, it wasn't.

I defy anybody sitting here, listening here today, to determine whether—

**Madam Chairperson:** Order, please.

A formal vote has been requested in another section of Committee of Supply. I am, therefore, recessing this section of Committee of Supply in order for members to proceed to the Chamber for a formal vote.

*The committee recessed at 4:35 p.m.*

#### HEALTH, SENIORS AND ACTIVE LIVING

\* (14:50)

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

This section of Committee of Supply will now resume consideration of the Estimates for the Department of Health, Seniors and Active Living.

At this time, we invite administrative and opposition staff to enter the Chamber.

Could the minister please introduce his staff in attendance?

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** I would dispense with the formalities of the title and welcome Lori Lamont from the Winnipeg Regional Health Authority; Milton Sussman from the Winnipeg Regional Health

Authority; Karen Herd, deputy minister of Health, and Dan Skwarchuk from Department of Health.

**Mr. Chairperson:** Thank you.

Okay, when—we'll continue with the—as previous agreed, questioning for this department will proceed in a global manner, but considering that the topic—because it's a big department, making sure that the appropriate staff are in attendance from the department.

So, the floor is open for questions.

**Mr. Jim Maloway (Elmwood):** Got a number of questions for the minister today and as the minister knows, currently hospitals have a big, you know, H sign designation on the top of the building and there's some city signage, you know, directing people to the hospitals. I don't know what the formula is for this, but I know when you drive to Concordia, anyway, there's signs pointing—hospital—and so on and I'd like to ask the minister whether Concordia will still have an H after this repurposing. Will it still be listed as a hospital or would it be similar to facilities like the Pan Am Clinic in terms of signage, which I assume the Pan Am Clinic doesn't have the hospital sign.

**Mr. Goertzen:** I think I've said to the member in past sittings of this Estimates and I mean it to be true that I believe that Concordia will have not just a significant role in the health-care system, but, based on our demographics and changing population, I suggest it might even have a greater role in the future than it does now. Being able to specialize in transitional care, being able to specialize in orthopedic surgeries where we know there's tremendous pressure and growing demand, and there will be for the next three decades if demographic trends prove to be correct, I expect that the Concordia Hospital will have a greater role then into the future than it might even now.

Now I recognize a change is still change, and it's not always easy, but my guess is, and I hope that I can come back in some future iteration to see this to be true, that the Concordia Hospital will be a more vital part to the health-care system than it is even now. And I wonder, you know, had things sort of continued on without change as they were happening under the former government, that there might have been the possibility as resources got stressed and there was the inability to provide the care that we'd like at emergency rooms like Concordia, that might not have been the case.



And so far from Concordia playing a diminished role in the health-care system, I'd suggest that it might even play a greater role.

**Mr. Maloway:** Sure. Well, the minister hasn't answered the question at all, not even got close to answering the question. He's been so good in the last couple of sessions we've had here, to the point where he's offered to ask Mr. Sussman to be here to answer these kinds of questions.

So I'm hoping that he sticks with his original promise to me that he would answer the specifics. I want to know whether the Concordia Hospital's sign, the sign on top of the hospital which indicates it's a hospital, is it going to remain after the repurposing next spring?

**Mr. Goertzen:** The member, you know, talks about the value of Concordia, and I thought it was important in the opening question to leave no light—or no misunderstanding about the value of Concordia.

We certainly do believe that it'll remain an important part of the health-care system, but in fact might even be a greater part of the health-care system in the future as it takes on this new but very, very critical role in servicing those who need orthopedic or other care. So clearly there'll be signage at the Concordia Hospital, as there is with other health-care facilities.

So, if the member's suggesting that there would be no signage on Concordia Hospital, that would be incorrect. So, yes, there will certainly be signage at the Concordia Hospital.

**Mr. Maloway:** I don't know why the minister is hiding on this question. He's not answering it. The question is: is that sign, that big H—is that big H that's currently on top of the Concordia Hospital—as the minister, when is the minister going to go up there and yank that sign down, because it's not going to be operating as a full-fledged hospital after he repurposes it next spring?

**Mr. Goertzen:** Well, I mean that's an odd assertion from the member. If he were able to travel to rural Manitoba—that's often defined as beyond the Perimeter—he would know when he got out there—and not to be alarmed though, he might come to places where there aren't houses in immediate eyesight for him. But, as he drove into rural Manitoba—and the GPS might not work as well as it does in parts of Winnipeg—but as he was driving beyond the Perimeter and into the great country of Manitoba, he

would see facilities that don't look exactly like Concordia Hospital, that don't have every service that Concordia Hospital has, and that doesn't have every service that the Health Sciences Centre holds, or that doesn't have every service that St. Boniface Hospital holds, but he would see an H on those facilities; many of them in rural Manitoba, those that haven't been closed by the former government.

And so I'm not sure why he's suggesting that for some reason the H would be removed from Concordia. Yes, it doesn't—won't provide exactly the same services it does now, but it doesn't provide exactly the same services as hospitals in rural Manitoba, nor does it even currently provide exactly the same services as Health Science Centre, or the St. Boniface, but it remains a hospital, and as such it'll continue to have a capital H as part of it.

**Mr. Chairperson:** Before we continue, can you—would the member from Elmwood introduce the staff member that just came in now?

The honourable member for Concordia.

**Mr. Matt Wiebe (Concordia):** This is Emily Coutts, the research co-ordinator for the opposition caucus.

**Mr. Chairperson:** Thank you.

**Mr. Maloway:** I'd like to ask the minister, then, whether he would commit to making certain that that sign stays up there, and he's—I'm gathering that he's suggesting there's going to be a sign up there. I'm asking him to commit now, that after this repurposing is done next spring, that that sign will remain.

**Mr. Goertzen:** Well, maybe the member could be more clear. Like, I mean, not that the members opposite have ever used my words or twisted them in anyway; that's not what members opposite would ever do. They're all honourable members, of course, Mr. Chairperson, but there are times in the course of Estimates and question period and the general legislative debate itself that there are confusion over questions, and sometimes the answers, which are provided in good faith, are not always understood to be that way.

So there are, I'm sure—having visited Concordia before, there are many different signs. There are signs around the parking lot, the facility, there are signs on the outside that relate to different services that are provided on the inside. Could he just be

more specific. Which sign is he concerned that is going to change? I'd be happy to provide that answer.

**Mr. Maloway:** The member—minister knows what I'm talking about. Every recognized hospital has a big H sign on top of it and, of course, that's going to disappear if it's—I'm sure the Pan Am Clinic does surgeries there. I'm sure there's no hospital sign on top of the Pan Am Clinic.

What I want to know is the repurposing that he is doing with Concordia Hospital, will it necessitate the removal of the hospital sign and the hospital designation or won't it? I'm not talking about little signs around the outside of the building. I'm talking about the big H that's on top of the building. Is that coming down?

**Mr. Goertzen:** Well, I think I indicated to the member two questions ago, and the acoustics in here aren't always good, so maybe he didn't hear it or maybe he was dreaming of different signs that he wanted to put up, but I communicated clearly to the member that the H, the capital H that currently exists on Concordia Hospital will remain because it is still a hospital. There will be in-patients who are there. That won't change, and what he's not accepting, I don't think, from me, and I say it in the most truthful and honest way that I can possibly can and as a member we're all accepted to be saying it, that I expect that the Concordia Hospital—capital-H hospital—will play a larger role in the health-care system going forward than it currently does now.

My expectation is that with the focus that it has on transitional care, on orthopedic surgeries, with the demographics going the way they are and the specialization that can happen in that hospital, I believe that Concordia will be seen, far from being diminished, will be seen as different, for sure, than it is now, but I actually think it can be considered a greater part of our health-care system going forward. And I don't—I know the member doesn't want to accept that and he's not going to put that on T-shirts or signs, but I hope that what he is discussing with folks, outside in his constituency and beyond, that that absolutely is our belief and our understanding, that not only will there be a big capital H on there, symbolizing that it remains a hospital, but that what happens underneath the H, which is as important as what's on top of the building, is that it'll be a critical and a vital part of our health-care system going forward.

So I would try—I've answered the question I think three times now. The member can accept it or

not, but the H will remain. But that's—he might see great symbolism in that, and I don't want to diminish the symbolism that exists there, but I'm thinking much beyond the symbolism and thinking about what actually is happening within the building, and I believe that over time, it'll be seen that the work that is happening at Concordia Hospital, as it's being repurposed, will be even a greater part of the health-care system than it is today.

**Mr. Maloway:** Can the minister tell me how many operations a year are performed at Concordia in 2016, and does the minister have a breakdown of the types of operations that are occurring there?

\*(15:00)

**Mr. Goertzen:** My understanding in terms of orthopedic surgeries is that there are 12,000—approximately 12,000 throughout the entire Winnipeg Regional Health Authority. Of that, last year there would have been 3,024 orthopedic surgeries at Concordia.

**Mr. Maloway:** I'd like the minister, then, to give me a breakdown of the other types of operations and the numbers that are performed—were performed there in 2016. He's mentioned 3,000 out of the 12,000 orthopedic procedures were performed at Concordia, but what about the other ones?

**Mr. Goertzen:** It's my understanding that the total number of surgeries performed at Concordia last year was 5,561. So, if my math is correct, and it's been proven to be incorrect a few times during this Estimates process, that would mean that there were 3,024 orthopedic surgeries and 2,537 other surgeries.

**Mr. Maloway:** And the question that I asked the minister was to give me a breakdown of those other types of operations. I mean, I am assuming there's some gall bladders in there and some other things that he will probably be able to tell me—give me the numbers.

**Mr. Goertzen:** Yes, it might take us a little while to get the specific breakdown of surgeries there done, but we'll—we're attempting to get the answer before the end of this Estimates session today. But in the interests of time, because I know the member's time is precious, if he wants to continue with his questions, we'll try to get that answer to him before the day is over.

**Mr. Maloway:** I'd like to know, then, since the minister has been making notes of this, what kind and what numbers of operations will

Concordia be doing after the repurposing. So you've got the initial question, 3,000—around 5,500 total; 3,000 orthopedics; 2,500 or so you're going to tell me about later. Break down—I want to know what is going to happen with this number of procedures after the repurposing. Are we going to still have a total of 5,500? Is there going to be more? Is it going to be less? How many more? How many less, and what is the breakdown going to be as far as orthopedics, and gall bladders, and other things?

**Mr. Goertzen:** Thank the member for the question. There is no proposed changes in terms of the number of slates of surgeries that are expected to be performed at Concordia. It remains a vital part of the health-care system within the Winnipeg Regional Health Authority. We expect it will only grow in terms of its importance over the years. But, to answer the member's question, we're not expecting any change in the number of surgeries after the repurposing.

**Mr. Maloway:** Like to ask how many operating rooms does Concordia have now, and how many will they have after the repurposing?

\*(15:10)

**Mr. Goertzen:** It might also be helpful to the member to know that it's our expectation that at Concordia, there will be additional orthopedic surgeries that'll happen after the repurposing, in keeping with the specialization and the need to ensure that there are specializations throughout the system at various different hospitals. But also that there will be hip surgeries and knee surgeries, there'll be more elective surgeries and we also expect there'll be spine surgeries at Concordia.

**Mr. Maloway:** I'd like to ask the minister: How many docs are there now and how many docs will there be there after the repurposing?

**Mr. Goertzen:** The member asked about the number of operating rooms at Concordia. We're just confirming whether three or four, we believe, but for his assurance, there's not expected to be a change in the number of operating rooms at Concordia. It will maintain the number of operating rooms that it currently has. It maintains the H; it'll maintain the operating rooms. It will continue to be a valuable part of the system, maintain the total number of surgeries that it's doing and I think that all bodes well for Concordia Hospital.

**Mr. Maloway:** Well, and, of course, the minister has already accepted the fact that the intensive care unit,

the ICU, will be gone, and I'm wondering whether—how good an idea that is because, you know, operations do sometimes end in problems and having the ICU there is something the doctors tell me is a very important and integral part of the operation.

Now, I know the minister said the other day, well, you have the Pan Am Clinic and they do hip and knee over there, and that there's, you know, out of 12,000 operations, there's like 42 cases where an ICU is required.

The question is: Isn't it rather dangerous to be, you know, moving the ICU unit out of there, and what is going to happen to the ICU unit? Where is it going to go? Is it going to go intact to St. Boniface or is it going to be split up and sent to, you know, split up among the three remaining hospitals? What's going to happen with this ICU unit? Why can't it stay where it is and operate the way it is right now?

**Mr. Goertzen:** I think I indicated to the member last session that the resources of the ICU would be distributed to the three hospitals that have emergency care.

**Mr. Maloway:** Also, code—the code blue situation appears to be, you know, well covered right now at Concordia. I'm told that there's been a code blue in Concordia in the last, you know, day or two, and so it seems like a regular sort of occurrence over there, so I'd like to know what is the procedure at Concordia right now if a code blue happens in the hospital.

Or—and also looking forward, can the minister tell me what's going to happen if there's a code blue happening—once he gets this all repurposed and there's a code blue, what is going to happen at that point in the hospital if there's a code blue situation?

**Mr. Goertzen:** The member asked on his previous question about the ICU and, you know, whether it was going to remain or be disbursed. We've indicated that those resources would be shared with the remaining three hospitals. But it really is, I think, in health care, not just in this instance, but in all instances, about ensuring that you have the resources in the best places with the best level of care for the situations that you're expecting. And so in every case in health care, you distribute your resources and you make decisions based on expected risk. And so it is true that—as he mentioned—only about 1 per cent of orthopedic surgeries result in an ICU admission in the system, and so the work of the system is to ensure that those who are most likely to have an

event that would require an ICU admission, are having surgeries done at the appropriate place. So it is, in a sense, a triaging system in some ways to ensure that people are—who are at the greatest risk, are getting their surgeries done at the place where that risk is most mitigated, but remembering that the percentage who are receiving an ICU admission, are very, very small.

Now, you know, I know the member could take those comments and he could 'extrapolate' it in certain ways, but the reality is that in health care that's true. And everywhere, in every province in Canada, you can't have every potential service at every potential facility.

I can tell you at the Bethesda hospital in Steinbach, we don't have open-heart surgery that's being done at the Bethesda hospital, not because there aren't people who have heart attacks in the region, but there's a reality of what it can do. It's not a triage hospital. And so the member might rightly ask—but he never asked when he was in opposition—why don't you have all the facilities and all the availability at Bethesda hospital as we have at the Health Sciences Centre? He didn't ask that question because he would have known the answer in opposition as he knows—or in government, as he knows it now in opposition: that you have to take your resources and place them in the best possible place, recognizing that you do your best to identify where there are likely to be problems that need certain levels of care, and you treat people in those places where the greatest likelihood is of them needing that care.

But that is true throughout the system in Manitoba; that is true throughout the system in Saskatchewan; it's true throughout the system in Alberta. Not every facility is exactly the same, and not every street corner has an emergency room. And there's a reason why not every street corner has an emergency room. It would be nice if you had a heart attack to be able to, you know, walk out of your home and fall right into an emergency room because there was one on every corner. But that doesn't make for a better system.

And I think Dr. Peachey has been clear in saying—and he said it again on the weekend in the Free Press—that more doesn't always equal better, that sometimes better is better. And having better emergency rooms, even if there are less, is better for the system than having more emergency rooms that

aren't functioning well because the resources are spread so thinly across the system.

And so I know the member has a job to do as a critic and as an MLA, and that's fair, and I respect that entirely. But he also, I think, has a responsibility as a Manitoban and as member of the Legislature to not ignore the fact that that is a reality within health care, that you need to ensure that the systems that you have are all working well, as opposed to just adding on more and dispersing resources across the system so that they all are not working at optimal levels.

And, if his expectation is that you will have the same service at the Steinbach Bethesda hospital as you will at the Health Sciences Centre, that simply is not realistic, nor is it sustainable. It might be ideal if we lived in that sort of a world where resources were never limited, and human resources were not limited, but it's not a reality of the world or the system that we live in.

**Mr. Maloway:** The minister is removing the ICU, the intensive care unit, from Concordia Hospital, and I'd like to ask the minister: What other current services that are now provided by Concordia Hospital are going to be lost after this repurposing in the spring of 2018?

**Mr. Goertzen:** Committed to respond to the member opposite on his question on the type of surgeries that were in the balance of the total of 5,561 surgeries—the balance of the 2,537, the best we can do for the member is that 742 of those were general surgeries. They were mostly abdominal, I'm told, from officials. And the remainder are procedures such as removal of lumps, endoscopy, and those types of procedures.

\* (15:20)

**Mr. Maloway:** That's great, but you didn't answer the question: is what—in addition to removing the intensive-care unit, somewhere between now and the spring of 2018, what other current services provided by Concordia Hospital will be lost after the repurposing?

**Mr. Goertzen:** I'm still catching up from the member's flurry of questions this afternoon and trying to make sure that we don't leave any question unanswered, Mr. Chairperson. That's the commitment that I always try to live up to; might not do it perfectly, but do my best for the member.

He did ask, previously, about code blues and had indicated that there might not be code-blue coverage at Concordia Hospital. I think I indicated to him, the last time this Estimates session met, I guess on Thursday, that all hospital sites will have code-blue coverage. That will include, of course, Concordia, being a hospital, and the level of emergency care is based on the services and the facility, but there certainly is code-blue coverage at Concordia. So the situation that he referenced earlier about there being a code blue recently, there would be no change in terms of the coverage at Concordia after the repurposing.

**Mr. Maloway:** So now let me ask this question now for the third time: in addition to the intensive-care unit that he says he'll be removing and relocating, I guess to one of the three remaining hospitals, what other services currently provided by Concordia hospital will be lost after the repurposing in the spring of 2018?

**Mr. Goertzen:** I'd provided—or committed to provide the member the answer about how many operating rooms there are at Concordia. I can advise him that Concordia has four operating rooms and that it's the expectation that those four operating rooms will continue following the repurposing.

**Mr. Maloway:** Once again, for the fourth time, the minister indicates that the intensive-care unit will be removed and will be replaced somewhere in the system at one of the other three remaining hospitals. What other current services currently provided by Concordia Hospital will be lost after the repurposing in the spring of 2018?

**Mr. Goertzen:** I'm not trying to frustrate my friend from Elmwood. I'm—in every response, every time I get the mic, I'm answering one of his questions. If that's frustrating for him, I might redirect him to the Estimates of Justice for the past, with the exception of last year, for the previous 13 years where I had the pleasure of being the Justice critic. And he might see precious few answers in those 13 years of answering—or asking questions as the Justice critic.

So I am providing the member the responses. He's asking the questions. It sometimes takes us a few minutes to get the answers. Not all the officials who have the answers are here. We, you know, couldn't fill the gallery with health-care officials. But we are sort of—we're reaching out and getting the answers where we can.

So, in relation to this question, he already knows that the Emergency Department will be moving on from Concordia, and so it's, essentially, the Emergency Department and the acute-care beds that would go along with those Emergency Department. So my understanding from officials is the expectation is there wouldn't be any other changes other than the emergency room and the services that are directly related to that.

**Mr. Maloway:** I just wanted to re-clarify, I guess—clarify further with the minister is, how will the Concordia Hospital be different after the repurposing than it is now? He's given me a partial answer there, but I'd like to include the functions, the diagnostic services and the beds.

He said that some—the Emergency Department's gone, some of the acute-care beds are gone. How many of those beds are going to be gone, and where are they going?

**Mr. Goertzen:** I thank the member for the question. I can advise him, and I think I may have mentioned this in a previous session of the Estimates, that there will be no reduction in the number of beds at Concordia.

**Mr. Maloway:** Well, Mr. Chair, the minister just said in the previous question that there is going to be—he said the emergency department was going to be gone and some acute-care beds would be gone.

The question is: How many beds are going and where are they going?

**Mr. Goertzen:** Well, acute-care patients will be gone. Beds will remain because the beds will be needed for the work that happens at Concordia. So there's no reduction in the number of beds at Concordia.

**Mr. Maloway:** So could the minister tell me, then, how many beds are there at Concordia? I understand it's somewhere between 180 and 200, but this—you have all the experts here, so maybe you could give us the actual figures. And can—that number is going to be static, will remain after this repurposing.

**Mr. Goertzen:** I'm advised that there are 179 medicine and surgery beds at Concordia, and that's not expected to change.

**Mr. Maloway:** I'd like to ask the minister: What's in this plan for Concordia Hospital? Like, what enhancements will the repurposing provide Concordia under this proposed reorganization?

\* (15:30)

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

The enhancements—the entire plan—the entire Peachey plan, as he knows, which was commissioned by the NDP government, hand-picked, in fact, by the NDP, if I haven't mentioned that before—the entire plan of the Peachey report was for enhancements in terms of better patient care, and ultimately, we hope, better patient outcomes. So Concordia being a part of that plan, of course, will also have the expectation that those who are seeking care at Concordia, that they'll have a better patient experience, that they will find the right care for the service that they are being provided, and it really is about specialization, in many ways, to ensure that we are cohorting both patients and staff together to match the needs of each and so to ensure that the patients who are in a certain facility, a certain hospital, have the support of the right staff at that hospital.

And so our expectation, as Concordia transitions and builds upon its strength, and the member will know and appreciate that Concordia has a very good reputation for its orthopedic surgery work and also dealing with the elderly, that these will be enhanced and they'll be strengthened by the specialization that is happening within the facilities, and I would hope, and it certainly, I think—Dr. Peachey's report indicates that by ensuring that the staff are dealing very specifically with certain patients with certain needs that they not only can use their expertise to help and that'll better their work experience, but of course it'll better patient experience as well. And, ultimately, that is really what we are—what we're looking for, so I hope that the member will accept that specialization is an enhancement if it provides better care and the right care at the right place. So that is certainly the enhancement that we're expecting at Concordia.

**Mr. Maloway:** You know, the minister—first of all, Peachey, Dr. Peachey's not the Minister of Health, you are, and it's you and the Premier (Mr. Pallister) of this province who are making this choice. As a matter of fact, evidently, the Peachey report doesn't even suggest that Concordia should be repurposed, all right, the—Peachey says, you know, pick three. So now it's a political issue. The Conservatives decided that they were going to pick Grace over Concordia. I mean, Peachey never said pick Concordia, never said pick Grace, they just said pick, you know, three out of the six. So it became a political issue here. So the

question, you know, really is, or the statement really is: sir, you had a choice, you made the choice. Don't continue to blame this on Peachey.

The fact of the matter is that governments commission all sorts of reports. Some—they follow some parts of the reports, some reports they ignore completely, and this minister has that option. So you have the option, so don't go—you know, going around and hiding behind Dr. Peachey, because at the end of the day the public don't believe that. They know that it's the minister and the minister's boss, there, the Premier, the ones that are making the decisions here. They're very clear about that. So he can try to—you can try to hide behind Dr. Peachey all you want, but at the end of the day, the public's not buying it.

So, with that, Mr. Deputy Chair, I'd like to turn it back to our critic who's got more questions to ask.

**Mr. Wiebe:** I wanted to thank the minister for being accommodating here today and asking for staff to come back, and I see Mr. Sussman is here, so I appreciate that he's made his presence available to us today. I know the last time we were in the Chamber, I think we sort of veered a little bit off the track that we had originally planned to start and continue on, so again, I appreciate the accommodation that the minister's made to have the staff here to hopefully dig into this a little bit.

And what I wanted to do is to just pick up on something the minister had asked—sorry, the minister had answered in a previous day, and it sort of was just—I think it has to do with my level of understanding of exactly how the Health budget works and how it applies to the RHAs.

And, you know, just looking at the chart on page 13—and the minister likes charts, so I'm going to—I'll refer to that. On page 13, it's, you know, 64 per cent of our health budget is to—funding to the health authorities, and when we tried to dig into that number a little bit, we sort of hit a bit of a roadblock, and so I'm just trying to understand.

He had mentioned about the letters to the RHAs, and maybe he could just expand just for my information—explain to me a little bit more about how that works, how that process rolls out and what the timeline would be for that—for those letters to—or for the information, I guess, to get to the RHAs.

**Mr. Goertzen:** It's a respectful question and I'll endeavour to answer it. Yet—but I don't want to leave the member for Elmwood (Mr. Maloway)—

his comments unresponded to, because they're concerning.

You know, he indicated that—and I know the member opposite is trying as fast as he can to distance himself from the decisions of the previous government, distance himself from the member for St. Boniface (Mr. Selinger). I mean, they did that, obviously, internally, in terms of trying to distance themselves from the previous one—there was distance between you—trying to distance himself from the member for St. Boniface, but to try to distance himself from the report that his own government commissioned and more than that—more than just commissioned but sole-source selected Dr. Peachey specifically for this work, and now he's trying to suggest that the work isn't important.

He also made another suggestion saying, well, you know, Dr. Peachey indicated there should be three ERs, but, you know, he didn't indicate specifically which the third one should be. And he indicated the Grace. And so now he's advocating that the Grace not have an emergency room on the west side of Winnipeg. And maybe he wants to get the T-shirts out and the signs and try that over there. But what he's having a difficult time with is that—and I know he's struggling with this, because maybe all the decisions that were made by the former government were political in nature, and they all had—were done through the political ends.

And, if he would have read the Free Press on the weekend, he would have seen Dr. Peachey confirm in a very articulate but also very firm manner that this government didn't interfere at all with his report. In fact, he was quite strong in saying that he was disappointed in the NDP in suggesting that there was interference. He didn't know where the NDP were coming from when it came to that allegation of interference, and far from it, there was no interference at all. And so this is what probably the member for Elmwood (Mr. Maloway) is having some difficulty with—is because the former government liked to interfere with everything.

But the challenge, of course, that he's really struggling with is he's trying to run away from the fact his former government commissioned the report, hand-selected Dr. Peachey, formed the steering committee, was there for a good portion of their work. In fact, the critic who just asked the question went to the hallway and said there was good work within Peachey, and they were—you know, good work and good efficiencies. And now he's tried to

put it all in full reverse and try to back away from that, and I think the public gets it.

I think the public gets it on a few different levels, and the public clearly understands that this was commissioned by Dr. Peachey, but that's a—by the NDP—but that's a smaller point. I think what they really understand is that change had to happen in the system. We are not getting a lot of folks who are saying, boy, don't change the system. You know, whatever you do, keep everything exactly the way the NDP had it for 17 years.

Now, are there legitimate questions about the changes? Well, of course, there are. The member himself has been asking some legitimate questions for the last hour or so, and they are legitimate questions, and we're trying to provide him those answers. There's nothing wrong with those questions; I'm glad that he's asked them.

But to try to now suggest that he wants to distance himself from this report—that he and his former government had nothing to do with it. Well, they had everything to do with it.

I didn't know Dr. Peachey prior to becoming Health Minister; I'd never heard of him. I didn't know this report was undertaken. Maybe the former government put out a news release; I don't remember—I don't know. I haven't checked. But I didn't know that this analysis was even happening. I'm glad that it did because it had never happened in Manitoba before.

\* (15:40)

But no amount of T-shirts and no amount of signs are going to dispel the fact in the public's understanding that not only did the former government hire Dr. Peachey, they did it for a good reason. They did it for a good reason, and I don't spend a lot of time heaping praise on the former NDP government so, excuse me, while I do it for the next minute or so. But they absolutely did it for the right reason. They did it because, they knew the system wasn't working and all of their attempts had failed.

And now I'm hearing from the member that, despite all the other attempts failing from the NDP, that he was going to ignore this particular report. And not only was he going to ignore this particular report, now he wants to pit community against community and he wants to suggest that the Grace shouldn't have an emergency room, and harkens to the member from Concordia who questioned why

Dauphin was getting an emergency room last week. That is not the kind of politics that should be played with anything, let alone health care, and I have no intention of playing with it.

And the member can produce as many T-shirts as he wants, I'm sure that's good for the economy, but it's not good for—I hope—hopefully he's buying them in Manitoba—but it's not good for the health-care system and we will make the decisions based on evidence not on politics.

**Mr. Wiebe:** So I could spend some time pointing out that the minister just a minute ago says he endeavours to answer a question every time he has an opportunity. I don't exactly know which question he was answering there, but we'll maybe just move on, because I know the time of the staff is so valuable, as the minister has also pointed out many, many times, and I'm sure he's going to want to confer with them and make sure he's got the right answers and we do want to get some information about the budget coming from the RHA.

So, again, I'm just trying to—this is for my own information—I'm trying to understand, like, how does the funding, how does the budget for the RHAs differ from the budget from—for the Department of Health, and specifically these funding letters which the minister referenced in a previous session, you know, what exactly are those, and what is the time frame for those to be issued and communicated to the RHAs?

**Mr. Goertzen:** I thank the member for the question. Currently, in this budget, and on a percentage basis, it's probably similar to previous budgets. Two per cent of the funding is being allocated to the Department of Health, and so quite a small portion of the funding that flows from taxpayers to support health is sent to the department, that would be 2 per cent, and then another 64 per cent is funding for the regional health authorities.

The medical portion, which is 23 per cent, some of that would be—also flow to the regional health authorities. Their funding letters are based on a number of different factors, not the least of which are collective agreements, those things that we are obligated by previous agreements or current agreements to fulfill and to fund for health-care workers within the different regions, and so that's the allocation that he's looking for.

**Mr. Wiebe:** So how are the letters—how are they—I mean—created? How are they generated? Like, who

would write them? How do they actually—how are they communicated to the RHAs? Who receives them at the RHAs and sort of unpacks them? And, again, I'm just—what I'm trying to find out, and I think the minister actually had answered this in a previous question at a previous day, but I—just to keep us moving along here, I wanted to ask what is the time frame for those to be issued to the RHAs?

**Mr. Goertzen:** Having only been in this job for one year—going on 10, it feels—but been here for one year, the last year the funding letters were signed by the deputy ministers—deputy minister, sorry, of Health, and it's my expectation that that'll happen again this year.

**Mr. Wiebe:** And when would he expect those to be issued? I know he mentioned—and again I'm just going by memory, but he had said that this was kind of typical time frame, but can he give me kind of an idea of what the—what would be the target for issuing those?

**Mr. Goertzen:** So my understanding is that, in past years, it's been as late as fall that the funding letters have gone out, depending on whether the BITSA bill, The Budget Implementation and Tax Statutes Act, had passed in the spring session, or, as sometimes has happened, been held over to the fall. And so there's some variance there depending somewhat on the nature of the Legislature in that particular year.

We have indicated, at least through this process—and I think that the regional health authorities are operating on the expectation that the funding would certainly be no less than last year, and so that gives them an assurance, as they are in the early part of this year in terms of their planning, knowing that the budget would not be less than last year.

There are some, you know, challenges at this moment when it comes to the by-election that's happening in Point Douglas and the interaction of the blackout period. There are as many opinions on things like funding letters as there are people that—to ask about the opinions, whether they violate or may violate or could cast a shadow of violation on the elections finances act. The member will know that act is a challenge to interpret, at times—probably there needs to be greater clarity, but, at this moment, there's discussion about whether or not funding letters would, in any way, run afoul of the by-election.



**Mr. Wiebe:** So—but it does sound like the timeline is well within the regular time frame that these would be issued. So I guess what I'm trying to understand now, though, is what is—what would be the real-world impact of those letters? So, again, as the minister said, the RHAs right now are operating on a budget; they have an expectation that their funding is going to be the same as, or greater than, previous year. So they're operating with that assumption.

What exactly would be in the letters that would impact or make any changes in their—the decisions that they make, or the projects that they can go ahead with or do not go ahead with? Like, what are the real-world impacts of those letters finally being issued? Is there anything that's on hold right now? Or—you know, maybe just talk me through it again. I'm just trying to get some information.

\* (15:50)

**Mr. Goertzen:** I mean, there are obviously impacts. In a more perfect world, which I don't think has existed in Health for many years, you know, funding letters would be issued close to the end of the fiscal year as is possible. That's not been the case often under different governments, to some extent, regarding the passage of BITSA and the appropriations. So that's a real part of that. But I think that the regional health authorities and the discussions that happened at the senior leadership group of the regional—RHAs, there's a pretty good understanding that the funding won't be less than last year, but it won't be remarkably higher either. So, I mean, there—I think that they are operating within a fairly narrow band when it comes to funding, and being early enough in the fiscal year, that that's still manageable.

But, clearly, we'd like to have the funding letters out sooner than later, but it's not as though there is an expectation that the—that there's a—either a large cut or massive increase coming. I think there's a clear expectation that the funding will be no less than last year, likely a little bit higher, but that's a fairly narrow band. It's a fairly large dollar figure in Health, but for each individual RHA, on a percentage basis, it's a rarely—fairly narrow window to operate with. So they're not—I don't think they'll be surprised, and I don't think they're under any illusions. So I don't think it's having an operational impact in terms of their decision making because they have a pretty good idea of where that plane's going to land when it comes to funding.

**Mr. Wiebe:** Okay, so, again, just because we have Mr. Sussman here and the RHA—the WRHA folks, so just trying to understand: What exactly is the budget that the WRHA is working with this year? What is the total dollar figure that the WRHA is working with, with the understanding that that's, as the minister said, not set in stone or that, you know, it's—I guess there's still room—wiggle room? But just what is the budget right now that the WRHA is working with?

**Mr. Goertzen:** I'm advised from officials within the region their operating budget last year was \$2.395 billion, and they are planning on it being no less than that and maybe slightly higher. Those numbers will get, you know, more refined as the budget process plays out, but they're obviously operating within that band of funding with the belief it won't be any lower than that. And it might be a percentage point or so higher, but not significantly higher—but higher.

**Mr. Wiebe:** And so of that, I guess, roughly \$2.395 billion from last year going forward for this year, can the minister tell me then, how much is—has the WRHA allocated for long-term-care-facility funding in '17-18?

*Mrs. Sarah Guillemard, Acting Chairperson, in the Chair*

\* (16:00)

**Mr. Goertzen:** We are gathering the information on the region specifically, recognizing it's not a specific part of the Estimates book, but endeavouring to get the answer for the minister—or the member.

But he will know that, provincially, there is \$641 million more than that that is allocated for long-term care throughout the province, which is an increase from last year. That's within our funding to health authorities. And if he wants to continue with other questions, I can provide him with the answer specifically to the Winnipeg Regional Health Authority when that is provided to me.

**Mr. Wiebe:** Well, and, again, Madam Chair, you know, this is helpful for me to understand, just to give me a good idea, the blueprint of how this works and, hopefully, understand it a little bit better.

When I'm sort of, again, just trying to think this through, obviously, last year the WRHA had a budget, was over its budget near the end of the year, and that was some of the savings that the RHA then tried to find and come in line with their own budget,

as I understand it. So this year going forward, when the minister says that the amount of funding that has been provided is in line with last year's budget, again, that doesn't take into account the cost overruns, and I know that the RHA did a lot of work to get their budget—or get their spending in line with their own budget. And part of that, I believe, was the work that was done to transition the emergency rooms to urgent-care centres in—at some hospitals.

And so, I guess, I'm just trying to understand, going forward now with those savings in place, I guess, this—it wasn't a one-time savings, these are ongoing savings, and now the minister is saying that the amount that the RHAs is getting is pretty much in line with last year.

Is it the expectation, then, that the RHAs going forward—WRHA specifically, as we have the officials here, is—would meet their target going forward? And would that be achievable based on the changes that they made last year? Would that be achievable going forward? Is it something that's sustainable?

**Mr. Goertzen:** I want to make sure if I'm not entirely sure if I'm understanding the member's question correctly and that's more my fault than his.

The way I'm understanding it is he's asking about the different saving proposals, better care proposals, better aligning of the system proposals and whether or not those amounted to savings for last year and whether they will continue on for this year. The proposals essentially that we've been receiving to better care for the system which results in efficiency but also then savings is a by-product of that, would only be affected this year, the 2017-2018 budget. Those savings would happen this year and only partially this year because they're not all being implemented at the beginning of this fiscal year.

**Mr. Wiebe:** Okay, I think I understood the minister and, you know, it's partially my—probably not the most clear question that adds to the confusion here.

I guess what I'm trying to understand—well, maybe I'll ask it this way: Did the RHA, by the end of the last fiscal year—the WRHA—I apologize—did they have a deficit, or did they run a deficit by the end of the last fiscal year? Was there money still left in—and, again, I know they tried to bring that in line, but what was actually the cost overruns for last year?

**Mr. Goertzen:** It's a good question from the member opposite. I know there was lots of discussion about this through the last fiscal year. It had been indicated

that there would be about a \$100-million deficit; I think it was reported in one of the local media in December or so of last year, which, I know, caused a lot of alarm, but, you know, both through historical precedents and also work that happened within the Winnipeg Regional Health Authority that that was reduced significantly. I think I indicated at that time it would be my expectation that it would be reduced significantly. In fact, it was.

I'm advised from officials within the Winnipeg Regional Health Authority final numbers aren't in because they're still doing their final calculations on last year's numbers, but they are expecting to have a deficit of between 20 and 30 million dollars—not a small amount of money, obviously, in absolute terms, but as a percentage of the RHA budget, I think there's—was good work in getting the budget close to being in balance, but that's the expectation that far from the reported \$100 million deficit it is expected to be between 20 and 30 million dollars pending the final calculations.

**Mr. Wiebe:** Well, and I think the minister has got this right, that there was kind of this, you know, media buzz about the large deficit and I remember the minister going out before Christmas to say that, you know, let's not get too worked up here. This is, you know, fairly normal in terms of the cycle, and, you know, maybe the deficit was a little bit higher than it had been in previous years but that the RHA does the work that it does and tries to get its budget as close as it can by the end of the year to balance.

\*(16:10)

And so this may be me mixing up the media reports or attaching them to one another, or it might, in fact, be the media who has done this, but what I'm trying to understand here is the savings that the RHA found. And part of that savings was recorded as being part, you know, part of the reorganization, is that—and I think I understood the minister to say that is the projection for next year. That's the budget that we're talking about here, where that savings will be found from the reorganization? There is, in fact, no savings that have been found in the previous year's budget at all? That this is all just going forward, the budget we're looking at right now.

**Mr. Goertzen:** So the—I want to clean this one looming question over so we don't have it hanging over as an unfulfilled request.

The budget last year, when it comes to long-term care for the Winnipeg Regional Health Authority,

was \$387 million. That is including residential charges—so about a third of that was probably be residential charges and two thirds of it would be funding from government. So that would be last year's. The expectation is that it'll be similar—the budget will be similar this year.

In terms of the question on the savings, if he's talking specifically about the clinical redesign, I do want to re-emphasize that the Peachey report—unless the member for St. Boniface (Mr. Selinger) has a different interpretation of this—it wasn't about saving money, it was about making a better system and bettering care. Everything I saw in terms of the terms of reference when it comes to the Peachey report, everything I saw on Dr. Peachey's work in his final report, and every conversation I've had with him since the final report, has all been focused around the bettering of care for individuals, not saving money.

Now there is, I believe, when you realign a system to be more efficient and to provide the right care in the right places, there is a savings that comes with that. And I think this is where some of the debate has been lost, you know, about—questions about how much savings would come from Peachey. It was not driven by savings, but that doesn't mean that there aren't savings from it. That's a happy by-product of better aligning a system and making a system work better, is you do get savings. And so the savings from the clinical changes, the Peachey report, would not have materialized last year or in the 2016-17 budget, because they were not in effect for that year and they will only—we will only see partial savings this year because they won't be fully in effect, of course, for 2017-18.

The member said, though—whether or not there had been no savings found in the previous budget year, I wouldn't want to say that. I mean, I think that the health authority has known our desire as a government to look for efficiencies and savings and I think that they've—they always are working to try to find that now, and so, you know, my thought is that some of the reduction of the—at one point considered—deficit of \$100 million to now between \$20 and \$30 would be because, you know, there was careful consideration of monitoring of expenses and looking for savings and efficiencies where they could be found.

So I believe that they will have found some savings, obviously, last year, but the savings from the clinical redesign from Dr. Peachey's report—which were driven not by savings but by better care—

but to the extent that they provide savings, would be found in this budget year and beyond.

**Mr. Wiebe:** Well, and I certainly agree with the minister on the point he's making about Dr. Peachey's report, because the way that I read it, certainly in many parts of it, in fact, seems to suggest that large investments into the health-care system are needed for some of the transitions that he's recommended.

And, in fact, I think he even points out in sort of his general overview of the report saying that, you know, any kind of enhanced patient care and changes—implementation of the changes that he's recommended will, in fact, require quite a bit of investment. So I certainly appreciate that the minister is pointing that out, but what I had—again, and not to dwell on this too much, but—and it could just be my memory that is incorrect and again connecting the two media reports about the WRHA's budget being so, you know, high, and then it was, you know, gradually coming down. And, again, we know from the previous government that that had happened, I think, fairly often, that the—early in the year, the budget—and I don't know the ins and outs of that, but I don't think we need to dwell on that. I understand the cycle of the budgetary process.

What I'm asking about, though, is that, within the media reports that I saw, there were—you know, it was an \$80-million savings that the WRHA was trying to achieve of that. They said the reorganization would be responsible for around \$50 million of that savings. And so, is that—that's going forward. Maybe the minister can just clear that up. Is—are those numbers the numbers that he's read in the media, and if they are, then are the ones—are those what are actually accurate?

**Mr. Goertzen:** A couple of things: the member talked about Peachey and the investments that Dr. Peachey said had to be made. I mean, the overarching message that we received from Dr. Peachey—and I think that also appears in his report—is that you don't need to spend more, but you need to spend better. And that is the message that he provided us, and I think it's also reflected in his report, which is important that—I think sometimes in Health, the default position—and I understand why, because there are so many pressures in Health, and I understand far more in the last year than I ever would have understood before, and have much greater empathy, I think, than I would have maybe a year and a half ago.

But I think the default position is often that, to achieve anything, you have to spend more and that more always equals better. But, if that were true, then Manitoba would be in a different position. We already spend, on a per-capita basis, almost more than any other province in Canada on Health, and yet people would argue about whether or not the outcomes always reflect that. And so more is not always better, but sometimes better is better and you need to spend better. And so that is what Dr. Peachey, I think, really left us with; the message is that it isn't always about just spending more money.

In terms of, you know, the efficiencies that will be found with Dr. Peachey, I don't remember the different media reports that came out and what numbers were bandied about in the media. I may have read them; if I did, I don't recall what number they were. It's not my expectation that this year there'll be \$50 million of savings from clinical redesign. I don't think it would be anywhere near that. But again, the issue is that it's—the clinical redesign is not really being driven for savings; it is being driven for providing better care for people, to ensure that people aren't waiting as long, that they're getting the service in the right places, that we are in a line with other provinces in terms of service delivery, that, yes, there'll be efficiencies, and, hopefully, those efficiencies will result in financial efficiencies. But that isn't the driving force behind Dr. Peachey's report. I'm assuming it never was, from the previous government.

\* (16:20)

You know, I just don't believe that it was commissioned with the sole idea of saving money. I take the former government at its word, and in the mandate to Dr. Peachey, that it was really about making sure that the system was properly designed in providing the care in the right places and that we were getting the best care possible, because there never had been a clinical review in this way done in the province of Manitoba before. And so I don't think the mandate from the former government was about saving money, but we're not shy about the fact that if you run things more efficiently, the by-product of that, whether it's in business or in health or in anything, is that you're likely to get efficiencies, and so that's good, but I don't believe that the efficiencies are in the ballpark of \$50 million. So, if that was reported for this current fiscal year, then that's not what our expectation is.

**Mr. Wiebe:** Just wanted to switch gears here briefly. We had asked about the long-term-care-facility funding. Wanted to just ask about the capital fund, and, again, this is probably just a function of me not quite understanding how the budget works. But there was an amount for capital spending in personal-care-home capital projects, and I just wanted to know—and again this might be in the book—but if the minister could just pull that out for me. I guess—I'm not sure if it's broken down by regional health authority or not, but if he could—I'm specifically—well, I guess I'm looking for the whole province, but what I'd like to know is by region as well.

**Mr. Goertzen:** Thank the member for the question. It is a confusing part of the budget. I acknowledge that, so it's not just him. If he says he might not always fully grasp all of it, it is not an easy part always to fully understand the way it's presented. It's presented on a province-wide basis, not on a region-by-region basis. So, under the capital funding section, page 129 of the Estimates book, he'll see the principal repayments for capital expenditures that we are required to provide yearly. And—but it's not a province-wide basis. It's not broken down by region.

When the regions, I understand, provide their audited financial statements, it would appear within the region statements, the—their individual capital allocations. On the provincial summary, it's provided as a province as a whole, and there would—the regions would report their individual capital allocations. It is worth reminding—or not reminding the member so much but maybe reminding the House that the capital cap, that it was put in place by the former Treasury Board under the former NDP government, was clear in indicating that the department should live within the capital cap of both principal and interest, and that when I become the—became the Health Minister, it was both my surprise that the cap was in place, but also my surprise that the cap would have been exceeded without any additional promises that have been made actually being fulfilled.

And so that has certainly been a challenge for the—for me as the Health Minister. It's been a challenge for the health-care system. I know there are many individual groups and organizations who've been disappointed to learn that money had not been set aside for projects that they had otherwise felt had been committed to by the government and committed to with funding, that that's been a disappoint for them to learn and have been a disappointment for me

to have to tell them that. But, obviously, I think it's important to be up front and honest with organizations, and the fact the former government didn't put money aside for those projects, while disappointing, is not something that should be shied away from in terms of being up front. And the capital cap that existed before is still something that we, of course, need to manage within.

**Mr. Wiebe:** So, again, I think we're—this is—I mean, maybe we're closer than we were before, but I'm still struggling to understand how exactly this works, because I'm seeing—what I'm seeing here on page 129, as the minister referenced, is capital funding which is, as described in the Estimates book, provides funding to health authorities for principal repayment on approved borrowing equipment purchases and other capital expenditures and interests.

So, again, to try to understand how this spending actually—the requests come through or where this is represented in the budget, the RHAs—the WRHA, again, because we have the officials here, have an idea of the capital spending that they need to do in the year. How exactly is that communicated to the Department of Health? In other words, when—how do those requests go in? And then, I guess, how are they prioritized? And how is it represented here in this budget—or in the Estimates book how that money is actually allocated or how those decisions are made to each of the RHAs?

**Mr. Goertzen:** My understanding is that what's happened, essentially, over the last number of years isn't so much that the regional health authorities had brought forward projects that they believe were priorities within their individual regions, but that government made announcements from the core of government, either through elections or otherwise, or some other processes, which is probably not ideal. I think that the regional health authority system as it was originally designed was to provide local input; obviously, the health-care system would be managed locally in terms of provision of service, but there would also be local input on the need for certain capital projects. Those would come up as a priority item from the Winnipeg—or from the health authorities, not just the Winnipeg Regional Health Authority, it could come up through their planning process.

*Mr. Chairperson in the Chair*

There used to be, I think, more specific priorities that were outlined by the different regional health authorities. But from what I understand, and this is part of the problem, I think, of how we got into this issue with the capital cap, is that over the last number of years, that process has broken down, and what's really happened is that government has just decided on its own which projects to prioritize and bring forward.

\* (16:30)

And that speaks to a large part of the problem that currently exists within the department, in that projects were less prioritized based on individual priorities of regional health authorities and more on the direction of core government.

**Mr. Wiebe:** So, but in the case of a commitment, as the minister said, sometimes they're campaign commitments or otherwise announcements. So, in the case of the personal-care home commitment for 1,200 beds, and I'm not sure if this, I think it was an eight-year commitment, over the course of eight years to build 1,200 beds. Was the money then—would that be represented in last year's budget? Would that be represented in this year's budget? And, you know, this last year I don't think there probably would—there might have been some money spent towards achieving that goal but probably not a full year's worth because that would be, you know, the construction isn't necessarily under way on some of these projects. So would that money, then, roll over year to year, and last year's money would have lapsed, is it still available then for next year? Would it sort of roll over until it's used, or how is that allocated, or how is that represented in the budget?

**Mr. Goertzen:** So my understanding is that the budget for principal and interest repayments would appear in the year that a project would be expected to go live, to essentially begin. So, for example, Tabor Home, it's our expectation that it would begin to operate, the new facility operate this year. And so there would be a budget allocation within this fiscal year for the principal and interest of Tabor Home because it's expected to start this year. Just checking on Holy Family, which is in construction to see if the allocation would be in this year. But it would be if the expectation is that the project would go live this year. So, for those two new personal-care-home constructions, the allocation would be within this year.

### Report

**Mr. Dennis Smook (Chairperson of the section of the Committee of Supply meeting in room 254):**

Mr. Chairperson, in the section of Committee of Supply meeting in room 254, considering the Estimates of the Department of Executive Council, the honourable member for Minto (Mr. Swan) moved the following motion: that the Premier's (Mr. Pallister) refusal to answer questions in Committee of Supply be referred to the House.

Mr. Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested that a counted vote be taken on this matter.

### Recorded Vote

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

\* (17:30)

*All sections in Chamber for recorded vote.*

Order.

In the section of Committee of Supply meeting on room 254, considering the Estimates for

Executive Council, the honourable member for Minto moved that the Premier's refusal to answer questions in Committee of Supply be referred to the House.

This motion was defeated in a voice vote, and, subsequently, two members requested a formal vote on this matter.

The question before the committee, then, is the motion of the honourable member for Minto.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 13, Nays 36.*

**Mr. Chairperson:** The motion is accordingly defeated.

\* \* \*

**Mr. Chairperson:** The hour being past 5 p.m., the committee rise. Call in the Speaker.

### IN SESSION

**Mr. Deputy Speaker (Doyle Pivniuk):** The hour being five—past 5, the House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 16, 2017

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