

First Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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The Honourable Myrna Driedger
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CHIEF, Kevin	Point Douglas	NDP
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	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	NDP
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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 15, 2016

The House met at 1:30 p.m.

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

Please be seated.

**ROUTINE PROCEEDINGS
INTRODUCTION OF BILLS**

**Bill 9—The Election Financing Amendment Act
(Repeal of Annual Allowance)**

Hon. Heather Stefanson (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Families (Mr. Fielding), that Bill 9, The Election Financing Amendment Act (Repeal of Annual Allowance); Loi modifiant la Loi sur le financement des élections (suppression de l'allocation annuelle), be now read a first time.

Motion presented.

Mrs. Stefanson: Madam Speaker, I'm pleased to introduce to the Legislative Assembly the first reading of Bill 9, The Election Financing Amendment Act. In keeping with our campaign commitment to eliminate public subsidies for political parties, this bill removes the annual allowance for registered political parties from The Election Financing Act.

Thank you very much.

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

**Bill 10—The Balanced Budget, Fiscal Management
and Taxpayer Accountability Repeal and
Consequential Amendments Act**

Hon. Cameron Friesen (Minister of Finance): Madam Speaker, I move, seconded by the Minister of Infrastructure (Mr. Pedersen), that Bill 10, The Balanced Budget, Fiscal Management and

Taxpayer Accountability Repeal and Consequential Amendments Act, be now read a first time.

Motion presented.

Mr. Friesen: Madam Speaker, I am pleased to introduce to the Legislative Assembly for the first reading Bill 10, The Balanced Budget, Fiscal Management and Taxpayer Accountability Repeal and Consequential Amendments Act. The bill repeals The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. In addition, consequential amendments are made to The Financial Administration Act.

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

**Bill 11—The Budget Implementation and
Tax Statutes Amendment Act, 2016**

Hon. Cameron Friesen (Minister of Finance): Madam Speaker, I move, seconded by the Minister of Infrastructure, that Bill 11, The Budget Implementation and Tax Statutes Amendment Act, be read a first time.

Madam Speaker: It has been moved by the honourable Minister of Finance, seconded by the honourable Minister of Infrastructure, that Bill 11, The Budget Implementation and Tax Statutes Amendment Act, 2016, be now read a first time.

Mr. Friesen: Madam Speaker, I am pleased to introduce to the Legislative Assembly for the first reading, Bill 11, The Budget Implementation and Tax Statutes Amendment Act, 2016. This bill implements measures in the 2016 Manitoba budget and makes various other amendments to tax legislation. The budget measures implemented by this legislation include indexing the basic personal tax exemption and extending the Small Business Venture Capital Tax Credit, among many others.

Thank you.

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

**Bill 8—The Protecting Children
(Information Sharing) Act**

Hon. Scott Fielding (Minister of Families): I'd like to move, seconded by the Minister of Justice,

that Bill 8, The Protecting Children (Information Sharing) Act, now be read a first time.

Madam Speaker: Order. Order.

Motion presented.

Mr. Fielding: I'm pleased to introduce to the Legislative Assembly for the first reading, Bill 8, The Protecting Children Act. The bill authorizes organizations and others who provide services to at-risk and vulnerable children to collect, use and disclose personal information or personal health information about them. The authority is in addition to the already found in The Freedom of Information and Protection of Privacy Act and The Personal Health Information Act.

Thank you.

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

Bill 7—The Labour Relations Amendment Act

Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade): I move, seconded by the Minister of Justice (Mrs. Stefanson), that Bill 7, The Labour Relations Amendment Act, be now read a first time.

Motion presented.

Mr. Cullen: I'm pleased to introduce to the Legislative Assembly for the first reading, Bill 7, The Labour Relations Amendment Act. This bill amends The Labour Relations Act to make a vote by secret ballot mandatory before a union can be certified as the bargaining agent for a group of employees.

Thank you very much, Madam Speaker.

Madam Speaker: Is it the pleasure of the—
[*interjection*]

Order. Order. Order. Order in the gallery, please.

* (13:40)

I would ask for the members that are sitting in the public gallery that there is no public participation. Those are the rules of the Legislature and we would ask for your co-operation. Otherwise, if there is a breach of that we are going to have to remove members from the public gallery. So I would urge your co-operation so that the House can finish conducting its business.

So I certainly appreciate your co-operation in that. Thank you.

Order, please.

And, just to be clear, I would ask, in case I missed asking it, is it the pleasure of the House to adopt the motion. Agreed? [*Agreed*]

Committee reports?

TABLING OF REPORTS

Hon. Ron Schuler (Minister of Crown Services): Madam Speaker, I am pleased to table the Manitoba Centennial Centre Corporation, Fourth Quarter Report, 2015-2016.

Madam Speaker: I am pleased to table, in accordance with the provisions of section 28(1) of The Auditor General Act, the report of the Auditor on the follow-up of previously issued recommendations dated May 2016.

The honourable Minister of Health, Seniors and Active Living—and I would just indicate that the required ninety minutes notice prior to routine proceedings was provided in accordance with rule 26(2). Would the honourable Minister for Health, Seniors and Active Living please proceed.

MINISTERIAL STATEMENTS

World Elder Abuse Awareness Day

Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living): Thank you, Madam Speaker, and good afternoon to you.

Older adults in Manitoba are valued members of our society who serve as leaders, mentors, volunteers and are important active members of this province. Today we wear purple ribbons to signify elder abuse awareness day. On this day we call upon all Manitobans to recognize that abuse of older adults is an ever-increasing issue in our society that crosses all social-economic boundaries. While most abuse of older adults is hidden, ageism is a major cause of abuse of older Manitobans.

Madam Speaker, the United Nations reports that almost 6 per cent of older adults have experienced some form of mistreatment. Older Manitobans deserve to be treated with respect and dignity. Preventing abuse of adults will improve peace of mind and security for older adults in Manitoba, and will allow them to continue to live independently as possible while continuing to contribute to the life and vibrancy of our great province.

Manitobans' new government is committed to protecting seniors, and will continue to support the

empowerment of older persons as an effective tool in preventing elder abuse. I encourage all Manitobans to reflect thoughtfully and continue to work with older adults to address this serious issue.

Thank you, Madam Speaker.

Mr. Matt Wiebe (Concordia): Madam Speaker, today we join with Manitobans across the province as we wear purple ribbons to bring attention to World Elder Abuse Awareness Day and recognize the issue of mistreatment towards seniors and the need for appropriate protections.

It can be a difficult conversation, but it's one that's being had more and more. An awareness day marks the senior community's efforts to engage, encourage prevention and build supports.

One in five Canadians say they know a senior who may be experiencing abuse, with financial abuse being the most commonly reported type.

Elders are a respected and valued part of our society in all cultures. In the indigenous community, for example, elders are a symbol of wisdom and experience and are frequently called upon to provide counsel to younger community members. Yet domestic abuse still happens, and it's the—its most powerful when it is a secret.

We need to empower seniors and their families to spot the signs of abuse and, most of all, to know what resources are available to—

Madam Speaker: The member's time has expired.

Some Honourable Members: Leave.

Madam Speaker: Is there leave of the House to allow the member to conclude his statement? *[Agreed]*

Mr. Wiebe: Thank you.

I will conclude simply by saying on world elder abuse day, I encourage all Manitobans to start this important intergenerational dialogue with each other and raise awareness. All Manitobans have a right to live safely and securely, and it is these difficult conversations that will make the most difference.

Thank you, Madam Speaker.

Ms. Cindy Lamoureux (Burrows): Madam Speaker, I ask for leave to speak in response to the ministerial statement.

Madam Speaker: Does the member have leave? *[Agreed]*

Ms. Lamoureux: Today we wear purple signifying world elder abuse day. This is an issue of health care and human rights. World elder abuse day was launched 10 years ago by the International Network for the Prevention of Elder Abuse and the World Health Organization of the United Nations. The main objective of this organization is awareness. It is to provide a strong understanding of the abuse, neglect and exploitation that as an elderly person may experience.

A few forms of elder abuse include deliberate mistreatment, physical, mental, emotional and financial harm. According to the National Center on Elder Abuse, 96 per cent of this abuse is not being reported. This is why awareness for this issue is so critical, and how do we do this? We voice our thoughts and speak out against the ageism and outstanding statistics and realities. We wear purple in solidarity and we educate those around us.

This is why friends, family and care workers should genuinely be asking seniors how they are doing. If you know an elderly abuse—if you know of elderly abuse occurring, report it—

Madam Speaker: The member's time has expired.

MEMBERS' STATEMENTS

Kirkfield Park Community Events

Hon. Scott Fielding (Minister of Families): It gives me great pleasure to rise and talk about the great community leaders and volunteers that are in my constituency of Kirkfield Park.

The constituency of Kirkfield Park is really gearing up for a very busy summer season in our area throughout the community. This past week the St. James 55+ plus centre held their annual general meeting, which I was able to attend, with some great ideas and people that are involved in it. And I can tell you that there's many upcoming events that are important to the community, including the intergenerational block party on June–July 20th at Deer Lodge Community Club.

Meanwhile, at some of the community clubs we have, at Westwood community club as well as—rather, Kirkfield KW community club and also Woodhaven Community Club, there is a great program that's going on throughout the summer.

Of course, we're preparing also for the celebration in 2016 of all the graduations, which I

know members have schools in all of their areas, including in my area would be Woodhaven and Sturgeon Heights Collegiate, which are extremely important in-academic places in our community.

To help welcome the warm weather, there is a number of MLAs from our area, including the member from Assiniboia as well as the member from St. James, where we are hosting a community barbecue with one of our great city councillors, Councillor Scott Gillingham, working together for the community barbecue to have a celebration of folks that are able to come out. It's happening at the Grant's Old Mill on June 29th from 5 to 7 p.m.

We're looking to have as many people from the community as we can. A strong community is truly a reflection of hard-working volunteers and community leaders in our community, and I'm very pleased on behalf of our government to thank all these neighbourhood organizations and community groups and volunteers that make everything possible in Kirkfield Park.

Thank you, Madam Speaker.

* (13:50)

National Public Service Week

Mr. James Allum (Fort Garry-Riverview): From June 12th to June 18th this year, we celebrate National Public Service Week.

Public servants play a key role in our society, in our economy, in keeping us safe and in protecting our environment. Tens of thousands of employees in Manitoba are making a difference for us every day.

Having worked as a public servant with the City of Winnipeg for 15 years, I understand the challenges public servants face, the professionalism they demonstrate and the value of their work.

Public servants are all around us. They are the teachers in our classrooms, the paramedics helping us get through a crisis, the police keeping us safe, the nurses, doctors, and other health-care workers keeping us healthy when we're sick.

In addition to the front lines, there are those who help government operate based on evidence. These include scientists, economists and policy analysts, to name only a few.

Thank you, as well, to the unions who work hard for our public servants, including the Manitoba Government and General Employees Union, the

Canadian Union of Public Employees and the Public Servants Alliance of Canada.

I would especially like to thank those that help us in the Legislature every day, including the clerks and their colleagues, the cleaning staff, maintenance staff, tour guides and security. I ask all members to take a minute this week to show them your gratitude.

To all the public servants across this province at all levels of government, thank you for making Manitoba a better place to live.

Faith Groups in Manitoba

Mr. Andrew Micklefield (Rossmere): Madam Speaker, in light of the recent tragic events in Orlando and the tremendous challenges faced by Fort McMurray and even the unrest we've witnessed in our own gallery this afternoon, I rise today to pay tribute to the work of the many faith groups that enrich our city.

This past weekend I was honoured to visit a Sikh temple on McLeod Avenue in my constituency of Rossmere where I'm always welcomed warmly as I reconnect with people from India, a country I have visited twice. Notably, the Sikh community in our area recently raised \$5,000 for those affected by the Fort McMurray fires, an endeavour reflecting their commitment to improving the lives of those who suffer.

Churches also do great things in our community. Jubilee Church, located on Springfield just west of Raleigh, hosts a community garden, community kitchen, emergency food pantry, girls art club, family drop-in bike repair and other projects to help people. Nine churches in our area are opening their doors this summer under an art of neighbouring initiative.

On June 3rd and 4th, churches from across Winnipeg were joined by cadets, police, fire and by-law officers to clean up a 100-block area downtown. Salvation Army food trucks offered snacks and warm drinks in the rain as crews picked up garbage and mowed the weed-wacked yards and boulevards. One team built a storage room and shelving at the Indian and Metis Friendship Centre and another freshened up their parking lot with new gravel. Another family had a new back landing and stairs built to replace the one that was about to fall off. Residents of Manitoba Housing received three new park benches; another team repainted a badly rusted gate entrance to the same complex.

Groups like these are examples of the kind of partnerships we can all applaud. I invite this House to join me in congratulating these leaders who bless our province by improving the well-being of our citizens and benefit the lives of those they serve.

Doctors Fighting Ebola in West Africa

Ms. Flor Marcelino (Leader of the Official Opposition): A team of brave scientists and doctors recently returned from fighting Ebola in West Africa. Three of those doctors, Dr. Heidi Wood, Dr. Paul Sandstrom and Dr. Jim Strong work at the National Microbiology Lab on Arlington Street, located in the Logan constituency.

During an outbreak, one of the first calls the World Health Organization makes is to the Winnipeg lab. Besides their incredible skills, our local doctors are able to deploy a unique, locally designed mobile lab that helps doctors make a fast diagnosis in the middle of an outbreak.

While they were in Sierra Leone, our doctors connected with Doctors Without Borders. The extra help and the advanced technology they brought quadrupled the centre's ability to diagnose patients.

Our local scientists are at the forefront of the fight against deadly diseases. They have developed an Ebola vaccine that's shown 100 per cent efficacy in initial trials. They also helped create a drug to treat Ebola. Both were crucial in controlling the West African outbreak. Today, the number of Ebola cases is almost zero.

These doctors worked long hours with no days off. They worked in tents in 35° weather with only the most basic comforts, cold showers and not a lot of food. Yet, they've all said they would do it again in a heartbeat.

Madam Speaker, they are true heroes. Thank you Dr. Heidi Wood, Dr. Paul Sandstrom and Dr. Jim Strong for the remarkable work you've done saving countless lives.

Scholarships and Bursaries

Mr. Andrew Smith (Southdale): I rise today to discuss the power of improvement and teamwork. Manitoba's new government has committed itself to increase funding for scholarships and bursaries available to Manitobans seeking higher education.

Therefore, this month, I start by establishing a scholarship with J.H. Bruns high school, in my constituency, to be awarded to the graduate who is

the most improved athlete over the past four years at the school. This falls directly in line with our government's—our new government's goal; to make Manitoba the most improved province in the country. What a better way to start than to begin with the youth in our community, the future of our province. This path to making Manitoba the most improved province in all of Canada will inspire our young people to make Manitoba their home.

I have also entered in—recently entered into a joint scholarship with another member from our team. Again, this scholarship, spanning two constituencies, fosters a youth who has made vast improvements over their four years of schooling, this time favouring the most improved student with regards to academic achievement.

Education is the path forward, Madam Speaker, to personal success and growth for all young Manitobans. Investing in education benefits not only the present-day student, but is also an investment in our province's collective future. This joint venture not only covers improvement, but also exemplifies the teamwork of Manitoba's new government. This government believes in the values of integrity, caring, inclusion, common sense and teamwork. These are the values upon which our great province has been built and upon which we will govern.

Thank you.

ORAL QUESTIONS

Bipole III Transmission Line Route Pimachiowin Aki UNESCO Designation

Ms. Flor Marcelino (Leader of the Official Opposition): Pimachiowin Aki, the land that gives life, is a 33,400 square kilometre cultural landscape of Anishinabe people. Since 2002, the Anishinabe First Nations of Bloodvein River, Little Grand Rapids, Pauingassi, Pikangikum and Poplar River and the governments of Manitoba and Ontario and with the support of the Government of Canada have worked to have this area declared a UNESCO World Heritage Site. It is both a natural and cultural heritage site. It would be the first of its kind in Canada.

Does the Premier recognize the importance of this designation, and has he consulted with the five First Nations communities?

Hon. Brian Pallister (Premier): I appreciate the question from the member.

And I know that the previous administration invested considerable taxpayer resources in the preparation process, though I'm not sure of the efficacy of their consultative process. That remains a question that First Nations people are raising with me and other of my colleagues.

That being said, the bid has gone through the process. I understand that it is reaching an adjudicative point, and we'll be looking with interest at the rulings that will be forthcoming, I understand, in the not-too-distant future.

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

*(14:00)

Ms. Marcelino: Manitobans were surprised when the Premier announced he was asking his politically appointed Hydro board to review the Bipole III project—instead of the PUB—looking at putting it through the Pimachiowin Aki area. Manitoba Hydro has spent \$1.8 billion of its budget on the Bipole III hydro line project. The right-of-way for the lines and towers has been cleared and much of the land assembly is complete.

I understand the Premier is opposed to Bipole III on the west side, but does he feel it is realistic to cancel it and put the line through the protected area?

Mr. Pallister: Well, I understand that the members have, for a long time, supported their political position that the bipole transmission line should be stretched around the west half of the province to the tune of about 500 additional kilometres at a \$1-billion-plus additional ratepayers' cost.

But that being said, the member uses the word surprised; I think most Manitobans who follow these issues were tremendously surprised, and, I would add, disappointed, that the previous administration did not allow the Public Utilities Board, as a protector of Manitobans' best interests and of ratepayers' best interests, to have a look at their partisan proposal, the one that they had been pushing for years.

And we're tremendously disappointed in the secrecy that they engaged in in avoiding public scrutiny and full examination of the proposal. We ran on a commitment to have it looked at and we'll have it looked at because, unlike the previous administration, we keep our word to Manitobans.

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

Ms. Marcelino: In May, the advisory bodies of the World Heritage Committee recommended that the UNESCO World Heritage Site designation be approved. Now, only weeks before the final decision, the government has sent a letter, potentially reversing the commitment that led the UNESCO advisory committee to state that, quote: The past threat from the potential development of a big hydro power corridor has been averted. End quote.

Will the Premier recognize the fact that it is not realistic to cancel Bipole III?

Mr. Pallister: Well, Madam Speaker, I think what is clear is that this government has taken steps to put the facts on the record. As far as the potential for a bipole line on the east side is concerned, that potential remains. And I think it was important to correct the misinformation that was put out there by the previous administration. Otherwise, we might have been granted a UNESCO heritage site under false pretenses and that wouldn't have been good.

Elder and noted and respected Aboriginal leader, Elijah Harper, who passed away approximately three years ago, was a person who believed that the east-side line was inevitable. He actually worked actively with communities on the east side to encourage its construction, and his statement was, and I'll quote it for Hansard, Madam Speaker: Whether it's in my lifetime or not, there'll be a line going down the east side.

And so I think it's important to put the facts on the record so that the people considering the UNESCO site have those facts and not falsehoods as was put there previously.

Bipole III Transmission Line West-Side Line Route

Mr. Rob Altemeyer (Wolseley): Can the minister for Crowns please inform the House if he has ordered a halt to the construction of the Bipole III transmission line on the west side of Lake Winnipeg?

Hon. Ron Schuler (Minister of Crown Services): I'd like to thank the member for the question.

One of the things we learned over the last 17 years is that political interference in Crown corporations gets you the kinds of mistakes that cost Manitoba ratepayers and Manitoba taxpayers not just millions of dollars, but billions of dollars.

What we will do is we will listen to the professionals in the Crown corporations; we will ask

the boards to come forward with recommendations and we will consider those.

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

Changes to Land-Use Act

Mr. Altemeyer: Can the Premier (Mr. Pallister) inform the House if there are any legislative changes planned for this session that would in any way impact the building of a transmission line down the east side of Lake Winnipeg? Specifically, are there any changes planned for the east-side traditional land-use planning and special protected areas act, which our government passed in 2009?

Today is the deadline for new legislation. There's nothing on the Order Paper. Can he confirm there's no such legislation coming forward?

Mr. Schuler: I'd like to address the question that was put forward by the honourable member.

Over the last 17 years, we have seen political operatives from the NDP working in the Crown corporations, making decisions that should have been made by the professionals in the Crown corporations. They should have been made to the board of directors. And those recommendations should be coming to government.

Madam Speaker, we are going to allow the corporations—the professionals in the Crown corporations to address issues that are of concern to the corporation, bring those as recommendations to the boards. And we will wait for those recommendations to come forward.

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

Mr. Altemeyer: Well, Madam Speaker, I'm actually relieved at the inadequacy of those answers because, quite clearly, what we have here is political gamesmanship going on, and there's no actual threat to the UNESCO World Heritage Site bid. If there was, the government would not still be building on the west side of Lake Winnipeg.

If they wanted to ram the bipole down the east side, they would have to change legislation; they're not doing that. They would have to engage in section 35 consultations with First Nations; as our interim leader identified, those aren't taking place, either.

Will the Premier please admit this is all just a shadow game designed to cover up an idiotic

promise he made during the election about rerouting Bipole III?

Mr. Schuler: I'd like to thank the member for that question.

And one of the biggest threats to our Crown corporations, in particular Manitoba Hydro, is NDP political interference. That's what got us a \$1.2-billion hydro line, now in the realm of \$4 billion, that ratepayers are going to have to pay for on a go-forward basis. In fact, it won't just be the ratepayers; it will also be the taxpayers of Manitoba.

The greatest threat to our Crown corporations is political interference, the likes of which we saw under the last 17 years of the NDP.

Bipole III Transmission Line Construction and Costs

Mr. Ted Marcelino (Tyndall Park): According to press reports, the Minister of Crown Services said that he did not know how far along the Bipole III is and how much has been invested in it. Yet he has become the spokesperson of the government on the review of Bipole and the UNESCO site.

Has the minister done his homework, and can he now indicate how much has been constructed and how much has been spent on Bipole III?

Hon. Ron Schuler (Minister of Crown Services): I'd like to thank my critic for the question. And his question goes exactly to what we're trying to go against, and that is political interference.

We got in as a government and we made it very clear to the Crowns that we would trust and respect the professionals in each one of the corporations. We would ask them to come forward with advice and recommendations to the boards. The boards would then come to government with a recommendation.

We are not going to take his advice and go back to the kind of political interference that he is recommending today with his question.

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

The honourable member for Tyndall Park, on a supplementary question.

Mr. Marcelino: I take that answer as ignorance of the member—

Madam Speaker: Order, order.

I would just like to caution the member to use and choose his words carefully in here. We don't need to see inflammatory language that is going to take the debate off track. I would like to see respect for the questions and for the answers and proper decorum followed in the House.

So I would just urge the member, caution with his choice of words.

Mr. Marcelino: I will withdraw that word, Madam Speaker. I'll just say that he does not know.

*(14:10)

Madam Speaker, the land has been assembled and the corridor has been cleared. And upwards of \$1.8 billion has been spent.

Does the minister not feel it is unrealistic to cancel Bipole III when so much of the work—

Madam Speaker: The member's time has expired.

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

And one of the things that we have talked about over the last seven weeks is that we respect our Crown corporations. We respect the professionals in those Crown corporations. And we will respect the kind of advice that comes forward.

We would like our boards—and we have great faith and confidence in the boards, something that members opposite didn't have in the boards that they appointed. We have confidence in our board chairs and our boards to come forward with recommendations based on the kinds of advice that should be coming out of the Crown corporations, and we will look at those recommendations.

Madam Speaker: The honourable member for Tyndall Park, on a final supplementary.

Mr. Marcelino: The minister did not know how far along Bipole III was. But he still ordered a review of it by his hand-picked board. He has now created uncertainty about the UNESCO nomination, which was in the works for about 10 years.

Will the minister admit that he did not do his homework and that this makes no sense when he is trying to review a project that is well under construction?

Mr. Schuler: I thank the member for the question because we can put some facts on the record.

And, Madam Speaker, what makes no sense is not listening to the professionals at the Crown

corporations. And that's exactly what we're going to do is we are not going to second-guess. We are not going to politically interfere or run around and try to figure out what should or shouldn't be going on. We are going to get the professionals of the Crown corporations.

And we are under the impression and the belief that we have some of the best professionals in their fields in those Crown corporations. They will give advice to the boards, and the boards will come forward with recommendations.

For the member, for his reading, I'd like to table the mandate letter that I received from the Premier. It would be good reading, and he could brush up on what—

Madam Speaker: The member's time has expired.

Union Certification Labour Legislation Changes

Mr. Tom Lindsey (Flin Flon): Today, the Premier announced his intention to change the fair and balanced labour legislation in this province.

Can—the Minister of Growth, Enterprise and Trade (Mr. Cullen) assured us in Estimates that he's had broad discussions with labour and business and that he lives by the maximum, if it ain't broke, don't fix it.

Can the minister provide any evidence to the House of why he feels the proposed changes to union certification are necessary?

Hon. Brian Pallister (Premier): Well, given the conduct of our guests earlier, the member has his evidence as to why it's necessary, because intimidation—[*interjection*] because shouting and intimidation have no place in the certification process, because union members, men and women who work hard in this province—

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Pallister: —deserve the protection of a secret ballot and because a secret ballot is something we will offer them as protection against fear, against intimidation, against bullying, against rowdiness, against the kinds of techniques that are all too often utilized in the process of union certification votes.

Manitoba men and women, working men and women, deserve the protection of a secret ballot, and

they will have it with this government and this legislation.

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

Mr. Lindsey: Madam Speaker, our provincial threshold to achieve automatic certification is already the highest in the country at 65 per cent. Workers have already made their intention clear. Even Darren Praznik, the minister of Labour in the Filmon government, said in 1992: I accept from the Labour Management Review Committee the argument made by labour that representation of the will of the majority at the bargaining unit to certify is clear.

Why is that not good enough for this minister?

Mr. Pallister: During the NDP leadership process, members in support of the previous premier tried to eliminate the secret ballot as part of the discussions of the NDP executive council meeting, and that led to a complaint to anti-harassment officers, which the NDP used to try to ensure that meetings are conducted fairly.

Council members went to the anti-harassment officers because they said they felt that they were intimidated, that they couldn't vote the way they wanted to vote because they couldn't vote by secret ballot. That led to another vote by NDP members on the executive council of that party opposite where the right to a secret ballot was affirmed.

If a secret ballot is important for NDP members, it's important for all Manitobans.

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

Mr. Lindsey: Will the Premier simply admit to the House that this government simply intends to make it harder to organize and to advance workers' rights merely at the expense of advancing their own interests by becoming members of a union?

Is this government just trying to inflame labour at the—their expense so that their right-wing buddies can profit at workers' expense?

Mr. Pallister: I'm proud to be the son of a devoted unionist. I'm proud to be a former labour representative myself. I'm proud to stand here on behalf of a government that supports union members' rights. I'll continue to do that.

Here's a quote—[interjection] The member speaks about tired ideology but not practical facts.

Members of unions in this province deserve protections afforded to the vast majority of union members across our country. Here's a quote they might like to consider, quote: A secret ballot and the principle of one vote per person are the hallmarks of any fair democratic voting process. That was the honourable Rosann Wowchuk, former NDP Cabinet minister.

And here's another quote: Members make their own decisions, and the secret ballot is the best protection of that; the member for St. Boniface (Mr. Selinger). I agree.

Budget Spending Programs and Services

Ms. Amanda Lathlin (The Pas): Madam Speaker, the members opposite have told us they found \$122 million in cuts and they put out a party release bragging that they have already cut \$108 million in wasteful government spending, including \$35 million in prevention funds.

I ask the Minister of Finance: Why does he think supports to prevent crime, promote healthy living, address poverty are wasteful government spending?

Hon. Cameron Friesen (Minister of Finance): Madam Speaker, I thank the member for the question because it gives me an opportunity again to outline how important it is for government to get this right. The challenge facing this government and, indeed, facing all Manitobans, is considerable. Our predecessors indicated that they were on target to reach a \$422-million deficit but then they revised their figures, and now we know them truly to be \$1 billion.

* (14:20)

This is a tremendous challenge. That is why we have taken steps immediately in Budget 2016 to reduce that deficit. We are on that track. We have shown real progress. But I assure the member we will show more progress as time goes on.

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

Ms. Lathlin: Madam Speaker, these funds were to support at-risk Manitobans, particularly northern indigenous families, by giving them access to healthy foods and physical activity, diminishing poverty, strengthening health literacy and supporting development.

I ask the Minister of Finance again: Why does he think these supports are wasteful government spending?

Mr. Friesen: I thank the member for the question because it gives me an opportunity to speak again about the fact that Manitobans chose a government at this time to provide real leadership.

If the member wants to speak about funds, I would refer her to Manitoba's Fiscal Stabilization Account, a fund that her party raided year after year after year, reducing its balance every single year, not in order to actually address the issues the fund was designed for but in order to mask the overspending of their government. And, indeed, their government's record was one of overspending its planned budget each and every year.

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

Ms. Lathlin: Madam Speaker, they are cutting a \$30-million program announced in January and an additional \$5 million in unspecified support for crime prevention.

Will this minister come clean and explain what the additional \$5 million in cuts are and why he thinks it's wasteful government spending?

Mr. Friesen: Madam Speaker, the member doesn't have her facts correct. The fund that she talks about had no form. It had no system. It had no mechanism. It was an amount held outside of programming.

So I don't know if it was just about being optimistic or what, but it sounds a lot like the same initiative they undertook when they said they were going to find \$215 million in savings. That also was an idea that had no form or substance or mechanism to make it happen.

It was not real. The savings that we will achieve for all Manitobans are very real.

Bipole III Line First Nations Consultations

Ms. Judy Klassen (Kewatinook): Madam Speaker, the Deputy Minister of Crown Services wrote to Parks Canada to say that a review will be taking place that could threaten the future of the UNESCO World Heritage Site designation by now considering rerouting the Bipole III transmission line down the east side.

I know that the deputy minister has met with one leader this morning, but the words of one leader

should not be construed as consensus among all the communities on the east side.

Had the Premier (Mr. Pallister) consulted with the communities on the east side of Lake Winnipeg before sending this letter?

Hon. Ron Schuler (Minister of Crown Services): Madam Speaker, I'd like to thank the member for the question.

And we want to be very clear to this House that the first thing we did when we became government is we took the politicization out of the Crown corporations. And what we have done is ask that the professionals, that those who run the Crown corporations that have all the information at their fingertips, brief the boards and that the boards come forward with recommendations to government.

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

Ms. Klassen: Madam Speaker, I received a call from a First Nation band office in my riding yesterday. Their concern was that the receptionist had received a phone call. An unidentified caller had asked whether or not the band supported east-side Bipole III. I later received several distraught calls from other band members having received the same phone call.

The reason this is so unsettling is that this because—this is because how our previous governments have chosen to consult with us in the past.

My question to the Premier is: What is your process when engaging with consultation of our First Nation community members? And how are those voices being heard?

Mr. Schuler: Madam Speaker, I'd like to thank the member for the question.

Upon becoming government, we made it very clear to our Crown corporations that we were not going to politically interfere in the Crown corporations like we saw over the last 17 years where political operatives from this building interfered in the Crown corporations, and we are going to continue with that process.

We have great respect for the Crown corporations and for the professionals within those corporations. We believe that we have hired some of the best people that you can find to give advice in those Crown corporations, and we wait for their advice. We wait for the recommendations from the boards.

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

Ms. Klassen: So in other words, the process is still the same: Phone calls to random people that answer the phones in First Nations is going to be their idea of consultations.

Madam Speaker, I have heard multiple times from this government that they are going to consult with my people. It is important that there be ongoing dialogues with communications—with the communities along the east side. My definition of consultation, and this comes from people in my riding, is having face-to-face meetings and—with meaningful and recorded dialogues. The letters sent without communication to the communities affected regarding the location of Bipole III is a prime example of failing to be transparent and accountable to my people—

Madam Speaker: The member's time has expired.

Mr. Schuler: I'd like to thank the member for the question because in the past seven weeks, we have consulted more with the Crown corporations and asked them more—for advice more than ever was done in the last 17 years under this NDP.

This is a government that is far more open and transparent than anything we saw in the last 17 years. We will continue to consult. We're going to continue to respect the individuals who work within the Crown corporations, the professionals, and we're going to ask them to advise the boards and come forward with recommendations.

Crown Corporations Framework Letters

Mr. Blair Yakimoski (Transcona): Madam Speaker, under our previous administration, we saw our Crown corporations become more and more politicized.

Our new government is committed to reducing red tape, providing quality service and delivering value for money for all Manitobans in government services.

Could the very busy and hard-working Minister of Crown Services please inform the House on what steps the government is taking to eliminate political interference from Manitoba's Crown corporations?

Hon. Ron Schuler (Minister of Crown Services): I would really like to thank the member for Transcona for that great question, one of the better ones today.

And, Madam Speaker, we have been the most open and transparent government in the last 17 years. We have done more consultation in seven weeks than we have seen in 17 years.

Madam Speaker, we are on the path to be the most improved province in Manitoba and, equally, we are going to have the most improved corporations—Crown corporations in Manitoba. Thus, I would like to table for the House the Crown corporation framework letters that were tabled—that were sent to the Crown corporations, and we'd like to table those for the House today.

Thank you, Madam Speaker.

Education and Training Government Funding Concerns

Mr. Mohinder Saran (The Maples): Madam Speaker, the Conservatives have released a list of \$108 million in cuts, including \$9 million to education and training.

Will this minister finally come clean on the \$9 million that his party describes as wasteful spending?

Hon. Ian Wishart (Minister of Education and Training): I thank the member for the question. It gives me an opportunity to put on the record that we have, in fact, increased spending for the K-to-12 section by 2 and a half per cent, we've increased funding for post-secondary by 2 and a half per cent and for colleges by 2 per cent.

We have certainly increased funding all across the education system in Manitoba, and our goal is better results with the education system.

* (14:30)

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

Mr. Saran: We are searching for confirmation that \$208,000 to support an engineer's qualifications and \$450,000 for Assiniboine Community College's licensed professional nurse, LPN, program is on the chopping block, supports for immigrants who were educated in a different country.

Does the Conservatives' \$9 million in cuts to education and training include these certifications for engineers and nurses?

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

We, on this side of the House, value not only education, but we also value the new immigrants that

come to this country, and we have put in place the fairness branch of immigration to deal with qualifications that—for those that come to this country to get them back into the workplace as quickly as possible.

And, in fact, I was at a meeting with the Fairness Commissioner just the other day to review some of this to try and take some of the non-workable parts out of the system because there had certainly been some problems with the system, and we are trying to make that system work much more efficiently so that Manitobans—new immigrants to Manitoba get back in the workplace as quickly as possible.

Madam Speaker: The member for The Maples, on a final supplementary.

Mr. Saran: The list of cuts released by the Conservatives including—includes \$9 million for, quote, reducing requested increases to schools and universities, reduced increases to various grant lines and changes in the implementation timing of various programs. End quote.

Students and all Manitobans deserve to know exactly what is on the chopping block.

Can the minister provide a full breakdown of the \$9 million in cuts to education and training that their party include on a list of wasteful spending?

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

I'm very clear on the first part of the question that we are, in fact, increasing funding for both the K to 12 and the post-secondary—and includes the colleges here in Manitoba—trying to improve the outcome for students in Manitoba and make education more available for more students here in Manitoba, leading to the most improved province in terms of an outcome.

Seniors' School Tax Rebate Retroactive Claims Clarification

Mr. Matt Wiebe (Concordia): Madam Speaker, will Manitoba seniors who did not apply for the seniors' education tax credit in previous years be eligible to claim this rebate retroactively?

Hon. Brian Pallister (Premier): I appreciate the question from the member because it allows me to put on the record that I misspoke yesterday in committee of Estimates when he asked me that exact question. And I want to clarify for all members of the House, and especially for the member, and I regret that I did that.

The advice was that there was retroactive—from my officials was that seniors are able to apply for retroactive claims. But that is not back from this year, that is going forward. So in other words, if they missed getting their rebate this year, they could still get it next year and back to this year and so on. The reason is, of course, because Revenue Canada, now, will officiate over the process going forward, but didn't in the past. And so, again, my clarification, and I thank the member for giving me the opportunity to clarify the record on that.

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

Mr. Wiebe: I appreciate the clarification, you know, because my phone has been ringing off the hook from seniors who are feeling deceived. They are feeling confused; they are feeling angry; and they feel deceived because this—in this campaign—sorry—in the campaign the Premier went on CJOB and said he wasn't even going to cut the seniors' tax rebate and, of course, we know now that he broke that promise.

Then, when seniors were told that it wouldn't be retroactive and, then, as we heard yesterday, the Premier said it was, and at the very least, though, I can tell you, Madam Speaker, seniors in this province felt certain that those cheques that were in the mail that were owed to them for the first half of 2016 would be coming to them, and now they are angry.

Can this minister explain to—

Madam Speaker: The member's time has expired.

Hon. Cameron Friesen (Minister of Finance): Once again, the members have their facts wrong.

It's a puzzling question considering that the Seniors' School Tax Rebate under the NDP had no clause for retroactivity. There was no ability for a senior to claim previous years. As a matter of fact, because it had no retroactivity, 10,000 seniors were shut out of the process and not able to get that rebate.

Under the CRA administration we are ensuring that every senior on a go-forward basis will have that opportunity to make sure that it is fair and open to all seniors. We're proud to maintain this credit for Manitobans and the benefit of those who truly need it.

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

Mr. Wiebe: Not only is this minister not coming clean with seniors in this province, they're not coming—they're also misleading Manitobans about their budget cuts. They're making cuts on the backs of seniors going forward, but as this Premier also confirmed yesterday in Estimates, they're also trying to retroactively change a budget that was passed in this House. The House voted on a budget in 2015 that included the full amount of the seniors' tax rebate, and now in an effort to find cuts at all costs, they are trying to rewrite history to fit their narrative.

Will this Minister of Seniors stand up to the Premier, commit to stopping the clawback of the seniors' tax rebate?

Mr. Friesen: You know, the member feigns indignation, but it was his own leader, the interim Leader of the Opposition, who said on budget day about the seniors' tax credit changes, keeping it at \$470, maintaining it, applying the income test, she said, we agree with that. Those who can afford—those who can afford—to sustain themselves should do so, and those who cannot in society should help until those are lifted up.

Madam Speaker, the members of the opposition need to get their story straight. Are they for it? Are they against it?

We stand in favour of a Seniors' School Tax Rebate that supports those Manitobans who most need the affordability.

Premier's Enterprise Team Diversity of Members

Mr. Kevin Chief (Point Douglas): If we want Manitoba's economy to do well, we need to let women and girls know there's no job they can't get. We can't just tell them that; we need to be able to show them that.

The Premier has said, and I quote, this government is the most diverse, perhaps in the history of this country. There might be a few folks that disagree with that, but that's what they believe. That's what they believe, but its Treasury Board seems to have the least amount of diversity of any Treasury Board in the entire country because it's only made up of men.

I ask the Premier: Will his definition of diversity continue with his enterprise team and not include any women?

Hon. Brian Pallister (Premier): Madam Speaker, fourth female Speaker in the history of the province

of Manitoba—let me think now—and the second Attorney General female in the history of Manitoba.

And other members of our Executive Council, of course, who are female but not appointed because they were female, appointed because they were competent, professional, capable, caring, giving, qualified human beings. Manitobans—Manitoba is the most inclusive and diverse province in perhaps one of the most diverse and inclusive countries in the world. We are all proud of that. We should all be proud of that, and great Manitobans elected the people to this Legislative Assembly and they elected 40 members of this caucus from the most diverse range geographically, from ethnicity and origin, from occupational background and skill set of any caucus—

Madam Speaker: The member's time has expired.

* (14:40)

The time for oral questions has expired.

PETITIONS

Bell's Purchase of MTS

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

The background of the petition is as follows:

Manitoba telephone system is currently a fourth cellular carrier used by Manitobans among the—along with the big national three carriers: Telus, Rogers and Bell.

In Toronto, with only the big three national companies controlling the market, the average 5 gigabyte unlimited monthly cellular package is \$117, as compared to Winnipeg where MTS charges \$66 for the same package.

Losing MTS will mean less competition, and will result in higher costs for all cellphone packages in the province.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to do all that is possible to prevent the Bell takeover of MTS and preserve a more competitive cellphone market so that cellular bills for Manitobans do not increase unnecessarily.

And this petition, Madam Speaker, is signed by many Manitobans.

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

Minimum Wage—Annual Increase

Mr. Kevin Chief (Point Douglas): I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

(1) Thousands of Manitobans are reliant on minimum wage jobs.

(2) Raising the minimum wage is one of the most effective means of raising employed Manitobans above the poverty line.

(3) Increasing the minimum wage on a consistent, incremental basis puts more money in the pockets of hard-working Manitobans.

(4) Mandating the increase in regular intervals allows business and families to plan and budget accordingly.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to commit to raising the minimum wage on a consistent annual basis so that all hard-working Manitobans can provide for their family.

Thank you.

Madam Speaker: Grievances?

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Kelvin Goertzen (Government House Leader): Madam Speaker, prior to calling government business, I wonder if you would please canvass the House to see if there's leave to set aside private members' business on the morning of June 16th, and for the House to resolve into Committee of Supply from 10 a.m. until 12 p.m. for tomorrow, June 16th only.

Madam Speaker: Is there leave to set aside private members' business on the morning of June 16th, and for the House to resolve into Committee of Supply from 10 a.m. to 12 p.m. for tomorrow, June 16th only? *[Agreed]*

Mr. Goertzen: Madam Speaker, I thank the House.

Further, would you canvass the House to see if there is leave to set aside the Estimates of Executive Council from 11 a.m. to 12 p.m. tomorrow, June 16th, to be replaced with the Department of Indigenous and Municipal Relations, with the change being in effect for tomorrow from 11 a.m. to 12 p.m. only?

Madam Speaker: Is there leave to set aside the Estimates of Executive Council from 11 a.m. to 12 p.m. tomorrow, June 16th, to be replaced with the Department of Indigenous and Municipal Relations, with the change to be in effect for tomorrow from 11 a.m. to 12 p.m. only? *[Agreed]*

I would just also like to draw, for the attention of the House, a letter that I received, and it reads: This letter is to advise that the House leaders are in agreement that the House will sit this Friday, June 17th, 2016, from 10 a.m. to 12:30 p.m. to consider departmental Estimates in the Committee of Supply in accordance with subrule 4(5).

And this has been provided to me by both the official House leaders.

* * *

Mr. Goertzen: Madam Speaker, I thank the House for their co-operation.

Would you please resolve into Committee of Supply?

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

Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

EXECUTIVE COUNCIL

* (15:10)

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

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

The floor is now open for questions.

Ms. Flor Marcelino (Leader of the Official Opposition): Mr. Chair, I would like to ask the Premier (Mr. Pallister) through you, does he consider

seniors whose combined family income is in the 40 to 60 thousand bracket wealthy?

Hon. Brian Pallister (Premier): I don't really have a view on the definition of the word wealthy. I guess wealth is determined in different ways by different people. I've met tremendous people—people I believe who consider themselves tremendously wealthy at low levels of income, and people who consider themselves to be poor at higher levels of income. It depends on many things. I think state of mind might be one, but perhaps also spending habits and lifestyle decisions. How much people are used to spending influences how much they have left after they spend.

So I can give as an example my grandparents, to the member, who were people who came through the Great Depression, lived frugally, raised my dad and five other children and who experienced things not unique to them. Many Manitobans experienced these things—hauling water from a well and a good distance away, milking cows by hand, something I have some experience in. If the member would like instruction on that, I'm equipped to help with that.

I guess my point being that, for them, retirement meant moving off the farm into a small home in Portage la Prairie and managing, for the rest of their lives, with less than \$100,000 at their disposal. By many standards they'd be called poor, but they never, ever referred to themselves as poor, and I, quite frankly, never thought of them as being anything but wealthy people. They lived in a nice neighbourhood, secure in their home, with great friends and a good family and they had those things and they were tremendously—they felt tremendously blessed to have those things.

So I've also, in my past career, worked with people who made six figures a year who were getting further in debt with every passing month. So I've seen people live—have incomes that you would think they'd be wealthy, but they were actually pushing bankruptcy, and I've seen people who had very low incomes live beautifully, and what I or someone else observing from the outside might say modestly, but beautifully. So I think it really depends on the people.

Ms. Marcelino: Mr. Chair, through you I'd like to inform the Premier I've spoken to a few seniors from my constituents and they were in the 40 to 60 thousand combined family income, and in the past they have received over \$400 tax—seniors' tax rebate, but now, if I remember it right, it's in the \$270 range only. And they told me they're not wealthy.

I personally believe seniors who are wealthy, if their income is in the \$170,000 bracket, should not receive a tax credit, and it's unfortunate my comment of wealthy seniors not being—not receiving duly tax credit was being taken out of context, but, anyway, I'd like to let the Premier know, through you, that these seniors have told me they're not wealthy.

Can the Premier consider their situation and reverse the clawback on seniors from the \$40,000 to \$60,000 family income range?

Mr. Pallister: Okay, well, thank—I thank my colleague for the question.

I just want to be clear, because she did say initially that she believed in—that what—*[interjection]*—that what—yes—and that's what we're doing. So she's not changing her position, I don't think.

So what we're doing is by maintaining the benefit and maintaining it with an income test is, I think, an improvement in a number of ways. I think it's an improvement, in particular, for the seniors who have those lower incomes because they will now be eligible for it as long as they file a tax return; they don't have to apply. So I think that's a good thing—and I have had comment and maybe the member has, too—that that's nice. I mean, that saves the paperwork and saves the hassle and saves the doubt, and sometimes people forget and sometimes people are just learning English and—you know, so I think in that way it's a good thing. I understand in the past, there were many as—information I have of the previous system, as many as 10,000 seniors who could have got the benefit weren't getting it. This will make sure that if they're eligible under these criteria they do, and I think it's a better system because of that.

Despite my earlier comments about referencing my grandparents, I do recognize that when people are having to live on a lower income, they have additional challenges, for sure. And so I think what this does is make sure that those folks—and, you know, the member references the income test at \$40,000. I mean, every one of these income tests, and there are many mechanisms that use these, you could say, well, why that level? Right? You know, it's kind of a—you got to pick a level. It's like the income tax system itself, right? You know, why the bracket goes up at that number, why the basic personal exemption starts at this number?

The key point, I think, to understand is we've made a decision that the system should be changed so that everyone gets the credit who deserves it under the \$40,000 mark, plus, everyone has their tax brackets now no longer frozen, but indexed to inflation. This doesn't sound like much, but, you know, it depends on inflation, I suppose, how much it is. But it, over time, it adds up, right? And this will allow people to not have to pay more taxes as their income—and many seniors do live on a pretty, you know, fixed income, certainly, apart from the small pension, government pension, that my grandmother got when she was widowed. She just had her bit of savings that she had left when my grandfather died, and that was all. That was it. So there was no getting a raise every year; at 90 years of age she had to manage her money as best she could.

Unfortunately, with the previous system with no indexation, what would happen is that a person's tax would rise because of the lack of adjusting the brackets to inflation. So, for example, in my grandmother's case, she was definitely in the lower—lowest bracket, but the basic personal exemption would've probably affected her, at least in her early years of retirement. I don't know the—historically what the level was back in the '70s, you know, so I'm not going to address that. But I would say that the principle is a good one of allowing the brackets to be indexed to inflation. I think what it does is it makes sure that we don't, with our tax system, start to unnecessarily cut into the incomes of people in our province.

* (15:20)

Ms. Marcelino: I appreciate the Premier's (Mr. Pallister) narrative.

It's always difficult to face seniors when they're complaining. I've spoken to some seniors already in that 40 to 60 thousand bracket, and they told me, we're not rich. Of course, that's relative. And they were saying, we could use that extra money that got clawed back to us. After all, the Premier, Mr. Chair, promised during the election that he won't touch the seniors' tax credit. But I still believe the wealthy seniors have to contribute to society, and I'm sure they're willing to do that. But those seniors are saying they're not wealthy, they're in the 40 to 60 thousand bracket and, after all, the Premier said on CJOB he won't claw back seniors' tax rebate.

Will the Premier consider that these are not wealthy seniors, and they deserve their original tax rebate—original amount of their tax rebate?

Mr. Pallister: Well, just to be clear, this is about—our budget is about, and it's important to understand this, about maintaining the current system and not keeping the commitment that the previous administration made.

And we can't be held accountable for the previous administration's commitments in this respect. I would encourage the member to tell her constituents that the promises of her government in respect of, I think, almost quintupling the seniors' tax credit were desperate ones that were made with a sincere desire to gain political support, but not made with any sincerity or any intention of keeping those promises.

They were just like the promises that were made to the same seniors to not raise their taxes in the earlier election. They weren't promises made to be kept; they were promises made to be broken.

Ms. Marcelino: I will certainly tell those seniors—they're very thoughtful, active seniors in the community—that they won't get their original amount of tax rebate because they're considered wealthy at the 40 to 60 thousand dollar family income range.

I'd like to ask the Premier, Mr. Chair: would he—it's been close to two weeks now after the budget has passed and there was no mention of minimum wage. And we found out that in the budget the Premier received a substantial salary increase. Yet there was no—not even a penny in it to be added to this year's minimum wage.

Can the Premier consider including a minimum wage increase this year for thousands of low-income wage earners?

Mr. Pallister: Well, I would encourage the member to be, at all times—and I would hope she would be—fully truthful in her remarks to seniors in her riding and elsewhere.

And what she has said she will tell people is not true. It is not an accurate representation of the facts. What she said, after our budget was tabled, was—and I would quote this, now—we agree with the PC plan to introduce income testing of seniors' education tax credit. Those who can afford—I think, of progressive taxation—those who can afford to sustain themselves should do, and those who cannot in society should help until these folks are lifted up.

Now, those were her comments. Unless she would like to change them or say that in some way they were misquoted, I would say that she and

I agree. And I would say that she should not misrepresent what we are doing in any way, should not depart from that fundamental belief or principle because it is a good one. It's a progressive one. It makes sense. It will support those seniors who need help most. And, of course, others will pay some tax, as is the system that we have—a progressive income tax, and a progressive tax system does that.

But, you know, again I would encourage the member to be accurate in communicating these things. There are a great many seniors in our province who understand and have communicated, I do not doubt to her, as they have certainly to other members, their urgent desire to see us make progress in addressing issues like health care.

Clearly, what the previous administration did in its last days was make a promise to take 40 or 50 million dollars away from health care, and they promised to do that to try to generate whatever popular support they could. And I recognize it was a political announcement, just as was prior to the '11 election, the previous government's firm and solemn vow made at the doors of residences across the city and around the province not to raise taxes. They said they had a five-year plan not to raise taxes. These were commitments that were made in anticipation of a vote being cast—by the way, a vote that would be cast in a secret ballot format; I think I should mention that—and so these commitments were made before the '11 election.

Many Manitobans felt deeply disappointed by the departure from these commitments, included in that group a significant number of seniors who saw their taxes on their home insurance go up, on their dividends, on their wine and beer, on their cars, on their cottage, on various other things, including, of course, but not limited to, the PST hike so that seniors saw their incomes, the very seniors that the member now is talking about communicating to were communicated to prior to that election by her and others that they should expect no tax hikes—no tax hikes—that's what they were promised. They got lots of tax hikes, a record amount of tax hikes actually.

Now the member is trying to imply somehow that this measure would create hardship on those same seniors who had a real hardship and had to endure that hardship over the last number of years. And so, you know, I think to be fair, the member should acknowledge that and acknowledge that it was, in fact, conscious decisions of the administration in which she was a part to raise the tax

burden on Manitoba seniors considerably and in real ways over a number of years, and then to go into the election promising that they'd somewhat address that injustice; that was their promise.

Our promise is to make sure that our tax system is fair and reasonable and balanced, and we are committed to doing our very best to help Manitoba seniors enjoy a better quality of life. In particular, of course, we're concerned about lower-income seniors and that's why this structure is as it is.

Ms. Marcelino: I stand by my belief that wealthy seniors should not receive the seniors' tax rebate, and that 40 to 60 thousand dollar household income of seniors is not considered wealthy. I agree with my constituents, and my constituents also reminded me that the Premier (Mr. Pallister) himself on CJOB promised during the election that he will keep the seniors' tax credit. So, if the Premier is harping that in the past our government said there'll be no tax increases—unfortunately, a tax increase came up—but the Premier too promised that the seniors' tax rebate won't be—they—he won't take out the seniors' tax credit. The Premier right now is not living up to that promise.

But, anyway, my question is: The Premier received an increase, and what we're asking is for the Premier to consider—it might just be an oversight that there was no increase to minimum wage this year—we'd like the Premier to consider and correct that oversight and come up with a decent minimum wage increase for hourly wage earners.

Mr. Pallister: I believe we've cultivated this field before, and I don't mind doing it again because it allows me to remind the member that measures like increasing the basic personal exemption, which is currently at a level that is the lowest west of New Brunswick in Canada, are long overdue that they impact on low-income Manitobans significantly. This early taxation strategy the previous administration utilized impacts on low-income Manitobans because, of course, at the current minimum wage, we put one into the lowest tax bracket on well over half one's income.

* (15:30)

So raising the basic personal exemption is a measure to assist, and it moves in the right direction. And we'll—remember, it will continue because our policy is to continue to index that to inflation. So depending on, of course, on what the rate of inflation is, that number of dollars that Manitobans don't have

to pay tax on, which would put several thousand Manitobans just in this year off the tax rolls, assuming that they're making the same amount this as last—would be a very, very positive thing for Manitobans.

In addition, I think, as well, for all Manitobans, that further commitment to index tax brackets to the rate of inflation, and what is often referred to as bracket creep, is also a very progressive step to make sure that Manitobans don't have their pockets picked by spend-and-tax governments like the previous one.

Ms. Marcelino: Mr. Chair, I'll look for that computation.

With the indexing that just transpired with this budget, those minimum wage earners will realize some \$16 a year out of that indexing, and at the certain income level they get—and not—and they are not doing the—minimum wage earners—they get \$470 or so a year. So that indexing is not useful to these minimum wage earners. That's why we're asking the Premier, though you, Mr. Chair, to consider raising the minimum wage this year.

After all, he got some 40 per cent hike in his pay.

Mr. Pallister: Well, two points. First of all, the member misrepresents the actual salary issue because, quite simply, the balanced budget law—or what remained of it after the previous administration basically circumvented every major clause in it and removed the penalties to themselves—what remained was one fundamental principle: that the next government wasn't going to be punished for what the previous government did.

So, quite frankly, we're abiding by that legislation, or the spirit of it, whereas the previous administration did not. In fact, under the previous administration's 2008 introduction of the balanced budget law and its—and their reversal of many of its principles, they introduced a concept called an economic recovery period, which they subsequently extended longer and longer into advance, which excluded them from any consequences in terms of salary reduction.

The previous bill had salary reductions that were imperatives that would have to be absorbed by Cabinet ministers of 10 per cent in the first year running a deficit, 20 in the second, 30 in the third and 40 in the fourth. Now, the members did not impose those penalties on themselves. Rather, they chose not to, and, so they refused to and amended the

legislation to avoid being accountable for that act. And, now, they're trying to allege recrimination against us for abiding by it. It's interesting, sort of a juxtaposition of phrase.

I think the reality here is that the previous administration demonstrated its fundamental lack of fiscal management year after year after year, it's incredible ability to spend far more than it committed to, its ability to avoid making the necessary, difficult decisions that one would have to make in their own home or business to get their spending under control despite repeated claims to the contrary in its own budget documents, saying they would save money as recently as the fiscal update document that was put out in March in which they claimed they would save about 1.75 per cent of spending in a miracle savings effort they were going to undertake in about six weeks before the end of the fiscal year. All of this was a fantasy, of course. Claiming over \$200 million of savings would be derived from this incredibly new and changed approach to fiscal management. None of this happened and now, as a consequence, Manitobans made a decision on this and many other bases for change in government.

The new government is committed with a smaller Cabinet structure to save \$4 million just in that respect, to abide by the fundamental principles that the balanced budget law embodied of prudent fiscal management, to address the issue of a massive deficit, a record deficit projected to be in the area of \$1 billion and to make positive steps to try to get in the direction that the previous government claimed it was heading in, but headed in the opposite direction at the same time towards a balanced approach.

This is the more sustainable approach. This is the approach that we'll endeavour to take, and we've taken some measures in this budget to move in that direction and we'll continue to make every effort to continue to move Manitoba onto a more sustainable fiscal path.

Ms. Marcelino: We have no beef with the Premier (Mr. Pallister) getting close to 40 per cent increase. By the way, I remember in the previous government the ministers did receive a pay cut because the budget was not balanced.

But, anyway, the situation now is the Premier is receiving close to 40 per cent pay cut—I mean, pay increase. What we are just asking the Premier to consider, it might just be an oversight, is increase this year's minimum wage.

Mr. Pallister: I would just have to remind the member, and this I'm surprised that she is not aware of this, but I will remind her that the salaries for all members of our Legislative Assembly and for Cabinet are determined in law. They are determined in legislation. If she's suggesting that the legislation—that we should introduce legislation to change, that's an interesting changed position because the only real changes that the government made previous were to limit their own salary reductions as a consequence of amending the balanced budget law. They protected themselves against salary reductions and now they are suggesting that we should legislate changes to a law which requires that the—an independent commissioner set the pay and perquisites of members of the Legislature.

If she's suggesting that we should go back to the days of members of the Legislature setting their own pay, and that's the position of the New Democratic Party in opposition, then she should put that on the record. If she is not suggesting that, then she must agree that we should be abiding by the recommendations of the independent commissioner. That is precisely what we are doing, and we are, in so doing, showing respect for the principle that members of the Legislature and the Legislative Assembly generally should not be setting their own pay and benefits. If she wishes to advocate for a change in that position I encourage her to do that now.

Ms. Marcelino: Mr. Chair, that was never a question or a situation that we will not concur with the independent commissioner. We believe in the work of the independent commissioner and we believe that what they set as pay is appropriate.

I'm just saying, Mr. Chair, the Premier (Mr. Pallister) got 40 per cent—close to 40 per cent increase and we're just asking for 50 cents increase to the minimum wage, or even a little less than 50 cents increase to the minimum wage.

Can the Premier consider that? It will be a very big help for minimum wage earners, women who are working, young people who are trying to work the minimum wage job and then study. That would be a very big help for them.

So, again, I ask the Premier: Will he consider increasing minimum wage this year?

Mr. Pallister: Well, again, the member has contradicted herself in her preamble. The reality of the compensation for the current government is that it was recommended by an independent

commissioner. The independent commissioner recommended both the basic pay for MLAs and the additional compensation for Cabinet ministers.

* (15:40)

Our government is following the recommendations of the independent commissioner.

This is a measure which we agreed to, the former premier would know, but I believe it was an all-party agreement at the time. It was thought to be in the best interests of all legislators to not have us put in a position where we were voting on our own pay and on our own benefits.

And so members are quite within their rights—the member is quite within her rights to object or disagree that—to the amount recommended by the independent commissioner. I would say that's a right every member has, to their own opinion.

But the question isn't the right to one's own opinion here, the question is whether you believe that process was fair or not. We think it's fair. We think it's reasonable and defensible.

And, when the member and others try to make the case that the current government got a pay raise, they are not accurate and not being fair or just in their observations because, quite frankly, we are—what they are saying, therefore, is that they think that the pay and benefits should be set by somebody other than an independent commissioner. I guess they are thinking it should be arbitrarily set by members of the Legislature and we go back to the old system.

Well, we can get the numbers I think members might be interested to know how many legislatures actually use an independent authority instead of having the members vote on their own pay and perks. But I think it's fair to say, having experience on both sides of that as an elected person, I think it's better—I think, a better system to let an independent authority have those powers than for us to go back to our ridings and try to defend that we voted on our own salary increase or pension or these types of things.

I mean, I think it's—I think it—having that independent authority there, who has access, cross-provincial data, you know, comparatives, this is how a lot of the—frankly, this is how a lot of my friends in the union movement arrive at the cases they make when it comes to negotiating on benefits, salaries, pensions, these types of things. They

research the position, they go into a negotiation informed and they do their best to strike a fair deal.

The unfortunate part of the old system was that we were both judge and jury in the Legislature. We were put in the position of being the researchers, the people who looked at all the data, and then we got to decide on our own stuff, on our own compensation.

And I don't know if the member is thinking this through fully, because I believe that if she thought it through fully, she would realize that it is an error in judgment to advocate that we go back to a time when arbitrary decisions of politicians were the ones that were determining the pay and the benefits of elected officials.

I speak with a little bit of experience from the old system and—what I call the old system. I would say the majority, we can get the data on this, but I believe the majority of legislative assemblies do use a system very similar to what we have here. And I think to depart from it on the basis of I don't know what motivation—some, perhaps some desire to score some political points, I don't know—but to depart from it might jeopardize that very system. I don't think—I don't believe it's supportable.

Mr. Wab Kinew (Fort Rouge): Mr. Chair, question directed to you for the First Minister.

Is it true that each individual minister of the Crown is earning more money than each—this year than each individual minister of the Crown was earning last year?

Mr. Pallister: Yes.

Mr. Kinew: I appreciate the First Minister's candour.

So, you know, I would just like to follow up on some of the commentary made by my colleague from Logan.

So I believe what she's making reference to is not to question the independence—the independent authority in their role or to question the fairness of that but rather just to highlight the fact that there is an increased amount being paid to each individual minister of the Crown this year and to contrast that with the lack of an increase to the minimum wage in the province this year.

And so, when we look at those two factual statements, we see that there is a discrepancy there, and so, I believe, that's where the line of questioning originates from.

So, with that in mind, can the First Minister, directed to you, Mr. Chair, for greater clarity, can the First Minister tell us: What was the impetus for the decision not to raise the minimum wage this year? I assume there was—that this was an intentional choice; it didn't—you know, it wasn't just an omission to not raise it. I assume there was an intentional choice. So what was the rationale, what was the impetus behind that decision?

Mr. Pallister: I'll get to that.

I want to go back for a sec, though, if I could, because I answered the question—directly and honestly—the member posed, but I should explain for his benefit the background reality. The previous provisions of the balanced budget law were such that Cabinet ministers were personally accountable. And this was, you know, a law which the previous administration supported for some time—and I should emphasize, departed from, when they removed the provisions requiring discounted salary for Cabinet ministers upon tabling a deficit budget, coincidental to tabling a deficit budget.

The previous provisions require penalty, and this was done with the intention of giving the members of the Executive Council, the ones who have the spending authority, a personal stake in how they managed the affairs that they were entrusted to manage. The first year under the provisions—and I'll generalize, but I'm sure I'll be corrected by members opposite if I miss the principle points of this—the first year would be a 10 per cent reduction in Cabinet salary, the second, another 10 if another deficit budget was tabled, and that would be 20 per cent.

The members decided that they would cap the damage at 20 per cent, proceeded to run deficits again and again and again, but capped the Cabinet discount on their salary at 20, so, of course, did not absorb the consequences of the original intention of the legislation to the tune of 30 per cent of Cabinet compensation or 40 per cent or, ultimately, 50 per cent in the fifth year.

And so, when the member asks me, is it higher this year, yes, because this new Cabinet is not responsible for the decisions the previous Cabinet made. They're only responsible for cleaning up on the basis of the decisions that the previous Cabinet made. That's why the difference in the compensation. The original compensation itself is established by an independent commissioner. So to arbitrarily revoke or to participate in a lower Cabinet compensation, this administration would be saying they were

responsible for the decisions that were made by the previous administration, and that fundamentally departs from the principles that are inherent in the actual act and in common sense, quite frankly. And so, that wouldn't be right.

On the issues of supporting Manitobans who are in a situation where they are in a lower income earning category, the member asked about considerations and there are many, as there are in any public policy decision. And I've emphasized in the past, and I'll repeat again today, that creating a societal impetus towards higher incomes by growing the economy, I think, would be the first order of business for all of us. I expect that members opposite would agree that the best social program is a job. I've heard the previous premier say that, and I think he's quite accurate in that observation. For most who are physically or intellectually capable of assuming work responsibilities, that's true. They want work. People want to be able to sustain themselves; they want to be able to sustain their families. And so creating work for people is a key condition of growing a healthier society and upward mobility within the workplace in terms of getting skills which are marketable skills that allow people to earn more money would be the secondary goal.

* (15:50)

The starting wage, which is what the minimum wage issue addresses, is only one aspect of many. Some put raising minimum wage in the category—and I believe some in the previous administration did this—as a poverty-alleviation strategy. I don't believe that that would be, by any stretch, the only way to address the needs of low-income people. I think for many low-income people, individuals and families who are on social assistance, they just really would like to have a job.

And so, I think, in talking about addressing poverty and the needs of low-income families, there are many issues at play, many issues to be considered. And I think in many parts of our province—and I would say with particular emphasis on the North—job creation, opportunities for work, for skill development, all take precedence in my mind and I think in the minds of the people that I've consulted with in many northern communities and around the province.

Mr. Kinew: I thank the First Minister for his comments.

I guess, returning to the first part of his answer, talking about the ministerial salaries: What I might suggest to the First Minister is that that increase in, you know, salary, declining that might have been thought of as a symbolic gesture. You know, we've heard a lot of talk about belt tightening; we've talked—a lot of talk about focusing on bending the cost curve back towards zero. At the same time, I recall a lot during the recent campaign made of repealing the annual allowance for political parties. I note that, you know, Bill 9, which would accomplish this goal, was tabled in the Chamber today.

But I would also remind the First Minister that it seems to me that the Progressive Conservative Party declined the amount that they were entitled to as an annual allowance, though they could have, rightfully, claimed it up to now, the reason being that it was a symbolic gesture to show their, I guess, ideological feeling on the matter.

So I would ask the First Minister: Why not undertake a similar symbolic gesture to show solidarity with minimum wage earners, who will not be seeing an increase this year, and to show, I guess, a commitment to the broader goal of belt tightening that many Manitobans are now, you know, expecting from this new government?

Mr. Pallister: Okay, the member's attempting to mix apples and oranges, to coin a phrase.

The vote tax was not established by an independent arbiter, an independent commissioner, who made an independent recommendation on an independent amount of money that would be independently established to be paid on a per-vote basis. Rather, it was a political initiative of the previous administration which gave them a big bonus for not working.

So it was actually one we declined on the basis of principle, just as we believe in the principle of independent commissioner recommendations being accepted for the compensation of MLAs and Cabinet ministers as well as their benefits. So these two things—I appreciate the fact that he's trying to create a template for reasoning, so I'm trying to explain to him reasonably why those two things are not the same. The vote tax introduced as a subsidy by the previous administration when they no longer were raising as much money as their political opponents was designed, purely and simply, as a subsidy for not working at fundraising.

That is entirely different from the concept of—and the reason for declining it was, of course, that our political organization did not feel that it was a priority to take money from Manitoba taxpayers to subsidize political parties. Rather, we felt there were higher priorities. People needed things in a variety of areas: health care, better education, jobs and roads with fewer potholes. But they—I—we didn't feel it was a high priority for us to take that money, and if we took it on principle, we didn't feel that it helped make—if we took the money we didn't feel that it made a very credible case that we had the right to then say that others shouldn't.

Now, the member alludes to why not, therefore, using a false premise. But why not, therefore, take an arbitrary pay cut because that would also make a point.

Well, the fact of the matter is, if he wanted to make a principled point, he should have, two or three years ago, argued that the NDP Cabinet ministers should be taking a 30 per cent pay cut for their third consecutive year of deficit, or a 40 per cent pay cut for their fourth, a 50 per cent for their fifth. That would be positioning him to be making a principled argument now.

He, however, did not do that and, so, in arguing that we should somehow, out of some nobility that he's contrived, make a pay cut to ministers as a consequence of the failure of previous ministers of another political persuasion is far from logical and not supportable.

Mr. Kinew: Well, I appreciate that the First Minister's having fun with the answer, so allow me to have a bit of fun myself, Mr. Chair.

You know, since it is, with all likelihood, that I will be embarking on my new political career with the fact being that the environment for political parties be that there would be no annual allowance, I'm completely comfortable with that reality. And I would assure the First Minister that, if he has any concerns about my commitment to working hard—both in my professional capacity as a legislator or, you know, in any sort of private fund-raising capacity that I may be asked to do—that I can assuage those concerns and, you know, he can be fully confident that I'm here to work hard for the benefit of Manitobans, here to work hard for the people of Fort Rouge and, you know, the question with me will never be one of work ethic. So I just put those remarks on the record.

It seems to me that the apples and oranges analogy extends even further, that when we talk about a minimum wage as a poverty remediation strategy, the reason being that, you know, a 50-cent increase in the level of the minimum wage each year winds up putting hundreds of dollars into the pockets of people working full time on minimum wage, whereas the poverty remediation strategy of increasing the basic personal exemption that we've heard the Premier espouse would, likely, have an impact of \$10 to \$16 per year, depending on the person's level of income.

So, to me, the more astounding apples to oranges comparison is one which tries to equate these two different interventions on poverty reduction which are, in fact, in order of magnitude, different in their impact on the nominal dollars put in people's pockets each and every year.

I'd further put on the record, you know, I appreciate the fact that, perhaps, I didn't speak up a few years back, you know, and maybe it's because now, being an MLA myself, I am much more intimately equated with the—acquainted, rather, with the, you know, the—the nuances and subtleties of legislators' salaries. But I would point out to the First Minister that, you know, I was part of an executive team that did forgo pay raises at a publicly funded university, and the thinking was that it was an important symbolic gesture, for the most part, though it does have a real impact. I don't mean to discount the impact of forgoing any sort of pay raise, but it is an important gesture to show that, on a personal level, you are committed to the principles of fiscal responsibility.

And so I do have personal experience, you know, undertaking a step like that, and I recall, on the first day of Estimates, the First Minister talking about leading by example. And so I would ask whether this was not an opportunity to lead by example, by forgoing that additional amount in salary for both the First Minister and for the individual ministers of the Crown.

Mr. Pallister: So the member talks about symbolic gestures. I'd like to talk about real gestures and real efforts to improve the circumstances of Manitobans for a second. I think there is no doubt that the previous administration engaged in a process of picking the pockets of Manitobans on a regular basis, jacked up their taxes—jacked up their taxes on their home insurance and their benefits at work, the PST on a thousand items, jacked up their taxes on their

cottages, jacked up their taxes on their beer and their wine, jacked up their taxes on their cars, and all of this on the heels of promising they wouldn't.

*(16:00)

So the member talks about making a symbolic commitment to Manitobans. We're making a real commitment to Manitobans.

The previous administration ran on a real commitment. But they said it was real; it turned out to be phony. It wasn't real. It wasn't real at all. And the impact on Manitobans was real. Manitobans experienced a very real impact.

So he talks about symbolic commitments, but I think real results are what Manitobans are asking for. They want better job opportunities, a stronger economy. They want better access to health care. And they would like, ultimately, to have fairer taxes that give them value for money. These are the things we're committed to providing.

And so, you know, speaking about symbolic gestures is fine. I think it's good. I've made some of those in my life. I think at the right time and the right way those are very important. But I think what's far more important is actually delivering on the things you say you'll do. I think that's how integrity's best defined, doing what you say you'll do. And I think all of us face the challenge of trying to make sure that that's what we deliver on.

And I recognize that the member was not running in the 2011 election, and I do not doubt his commitment to work hard for his constituents at all. I think he's already demonstrated, through his work here, I think, that he is very dedicated to doing a good job.

But I think also it is fair to say that when it comes to fundraising for his political party, he'll have to do a good job, just like everybody else has to, because there's not going to be a subsidy anymore for political parties when this bill passes. And it will, I believe, pass with the support of a lot of the members of the House.

Mr. Kinew: Can the First Minister tell us how much money would potentially have been saved had the ministers of the Crown and the First Minister maintained their salaries at the level they were at last year?

I have a back-of-the-envelope calculation, but I don't want to misstate things or put things on the record that are inaccurate.

Mr. Pallister: I'm going to just see if I've got that here. Let me see. Well, I don't, but I have NDP tax increases since 1999, so I could just read these into the record.

In Budget 2000, there was a tobacco tax increase that was fairly significant. And in Budget 2001, it was increased again. And then the PST exemption on non-farm chemicals was eliminated. Now that would be—so the tobacco tax, the two tax increases on the tobacco tax, I should mention, in 2000 and 2001, totalled \$42,000. The PST exemption on the non-farm chemicals, when that was eliminated, was a \$29-million tax.

Then they went back in 2002, '03, '04, as well as '09, '10, '11, on the tobacco thing because, well, we all know—in '12 too—I should mention '13 and '15, because we all know that smoking's bad for you, so we have the situation now where the tobacco tax is the highest in Canada, here in Manitoba. And you might have comparative numbers there, but I believe we're talking now, or the advice we get is that if you raise it you probably lower revenues because it's so high that it's pushing smokes underground, so people are buying cigarettes other ways, through the black market. And that's what's going on across Manitoba. And that's your tobacco tax story.

Of course, you know, that's what they call a sin tax, so it's pretty easy for a government to raise those. And the previous government did, on a regular basis.

Then, in 2002, they figured more revenue was in order to spend more money, so they took the PST and they put it onto mechanical contracts and electrical contracts—yes, same thing, yes, that's okay; I've got it—and you've got that PST generating \$84 million. So that was a little bit of additional tax that was put on Manitobans way back when.

And then, in 2004, the PST—you'll remember this—oh, he's gone, that older member from Emerson's gone, but he would remember this: the PST was put on professional services, like your legal fees and things like that if somebody who wanted to get a will done or draw up an agreement with a partner or a pre-nup or some such thing, they had to pay the PST on that.

That was \$129-million tax hike there, and then you had the diesel fuel tax was increased in 2004 and that was \$144-million increase, and you're seeing the trend here, and then you had the land transfer tax that was a top rate increase that raised another

\$145 million. And each of these, as the member would know, he has constituents who are affected by probably a lot of these, not all, but probably a lot of these tax hikes.

So, when he talks about symbolic efforts, I like to think that most Manitobans live in the real world. I hope they do. In the real world, real tax increases like these impact on real people. And those real people had to pay higher taxes on a regular basis under the previous administration.

Now, this is not the previous premier's doing. Although he was the Finance minister, I'm not going to blame him for it, but it was a collective effort on the part of a Cabinet that at that time was claiming they were balancing the books. And of course one of the ways they were doing it was to jack up the taxes on a number of fronts so that people would pay more out there in the real world they live in. And as they paid more, the government could claim at that point that it was balancing its books and therefore there was no symbolic effort required on the part of the government. The real situation was that they were eroding the incomes of Manitobans and claiming that they were balancing the books.

The major reason, of course, that this was happening was the record interest rate reductions and record transfer payment increases from other levels of government. So revenues were flowing in willy-nilly it was a wonderful time to be in government, and the premier enjoyed great popularity because of the, in part magnanimous nature of his friendly personality and also, of course, because of the generosity of taxpayers across the country who supported Manitoba with massive increases in transfers, with equalization, support for health care and the like.

Interest rates were dropping so the costs of managing the debt were going down meaning we had double-digit interest rates in the '90s, and really significant interest rate—

Mr. Chairperson: The honourable First Minister's time has expired.

Mr. Kinew: Yes, I—you know, my heart felt sympathy for the First Minister I appreciate he was engaging in one of his favourite pastimes there and only to be cut short by the clock is always a bit disappointing.

So I, you know, return to my question just about the amount of hypothetical savings—just, you know, clarity for my own benefit. I didn't hear an answer

there. I'm not sure whether the First Minister's staff were able to confirm this. You know, back-of-the-envelope calculation it seems to me there's about \$176,000 that could've been saved there. Again, I would say in the previous question I did acknowledge that forgoing that would be a symbolic gesture, but it would also be a real gesture. I use the term both real and symbolic.

It seems to me that \$176,000 in savings would be a real savings. Does the First Minister agree that \$176,000 in savings would've had a real impact on the provincial deficit?

Mr. Pallister: I'm sorry, I was just—I was trying to find out an answer to the first question and I missed that. I apologize.

An Honourable Member: So that's why I'm happy to restate, Mr. Chair.

Mr. Chairperson: The honourable member for Fort Rouge.

Mr. Kinew: Again, just, you know, I think it's in the ballpark of some \$176,000 that perpetually could've been saved, and I'm open to correction if I've, you know, miscalculated. So it seems to me that that could've been a real savings realized.

Does the First Minister agree that \$176 would've been a real—\$176,000, rather, would've been a real savings that could have impacted the provincial finances?

* (16:10)

Mr. Pallister: Well, I'm—I got to use a parent analogy here and I don't—I'm not—well, just because it's important. I know the—I know that the member for St. Boniface (Mr. Selinger) has two boys, I've got two daughters. And one of the things we try to do, I think, most of us as parents is have the consequences be felt by the person who caused the thing to happen, right.

So one of the things they say the parent was [*inaudible*] don't punish the whole, you know, your five kids for something that the one did wrong. So here we are. You know, the member's suggesting that \$176,000-savings could be derived by a magnanimous effort on the part of our government to reduce Cabinet compensation, when, in fact, the real consequences were supposed to be felt by the previous Cabinet that caused the deficit to grow with each passing year. That was where the consequences were to be felt. So the magnanimity of the effort should have been to honour the spirit of the previous balanced budget law which would have required an

additional 10 per cent reduction with each passing deficit year after year, but that was not done.

So one is asking for the new government to essentially pay for the sins of the previous government, and this would not be, I think, effectively sending the message that—the message of accountability one would want to send. The message of personal accountability should be that if one is right—right—yes. Yes, fair enough, well, a real gesture is the actual restructuring of the Cabinet to reduce the size of the Cabinet and staff to levels that were—that I'm told are lower than they've been for a number of years to achieve actual savings in the area of \$4 million. That, actually, would be a magnanimous effort on the part of the government that would be real.

But my point isn't that the member—I—you know, it would be—for example, the member wasn't in the previous Cabinet, and out of sympathy for Manitobans, someone, I wouldn't, but someone might propose to him that his salary's higher than a lot of Manitobans so he should take a pay cut of an arbitrary number, just pick a number, right? Ten per cent, 20 per cent, but the member should do that, because that would be a symbolic effort that would show his sympathy for low-income Manitobans.

Now, if the member wishes to proceed along this line, it is—truly, it is a matter of principle, I suppose, to some people, but to me it's a practicality. He didn't cause what he's now—you know, he didn't cause the problem; he wasn't here. And to say the member for Fort Rouge should have to voluntarily give up, you know, part of his pay because, well, you know, that would be a nice effort. That doesn't carry much weight with me. I don't know; maybe some Manitobans would buy it. I suppose it might be out of class envy or something that the member is making a salary higher than someone else so they would resent that, but I don't think that carries much weight either. I would say that would be wrong, and I would also say it would be, by departing from the fundamental principle that the commissioner, an independent commissioner, should set the wages of our members, I think he would be quite right to say no. I am—I think the member might—well, he might dispute this, but I expect he could have earned considerably more money in another line of work. So to suggest he should take a pay cut because, well, you know, it's a symbolic effort, it doesn't carry any weight. I don't think—it isn't a real strong argument and, in fact, it goes counter to the fundamental

principle that we have an independent commissioner that sets these things. So let's agree either that the member is asking to depart from that model or that he respects that model and supports it, because it's only one of those two things, quite frankly.

Mr. Kinew: I think that's a false dichotomy. I think there's a range for a variety of in—views on the matter. And, you know, again, you know, it is a stark contrast for most Manitobans, one that's easily understood when there is a 40 per cent, roughly, increase year over year salary paid to people of one position, and then there is a zero per cent increase, you know, for those on minimum wage.

So, again, you know, most of the conversation of the past little while was focused on that contrast and, I guess, you know, there being room for differing views on the matter, you know, that's fine. There are often—there is often room for, you know, respectful disagreement in forums such as this one.

I'd like to ask a bit about Manitoba Hydro. I was, you know, reassured to read in the mandate letter the clarity with which the First Minister directed, I believe it was the Minister of Crown Services (Mr. Schuler), to ensure that Manitoba Hydro remains a publicly owned Crown corporation

But, you know, for greater clarity, I would ask the First Minister whether that directive includes all subsidiary business units of Manitoba Hydro.

Is it his intention to keep all aspects of Manitoba Hydro, including subsidiaries, including, you know, business units operating under Manitoba Hydro also in the public domain during his time as Premier?

Mr. Pallister: I appreciate the member's questioning. I don't have a lot of extra material to give him on this. It is our intention that Manitoba Hydro remain owned by Manitobans.

But, beyond that, if I could, respectfully, I'd suggest that when we get to the Estimates with the minister in charge of Manitoba Hydro, that might be more fruitful.

I can, if he likes, bring some additional materials tomorrow when we have our discussion. But really, beyond that, I don't have a lot to add.

I understand that I should—and in fact the minister formally responsible for Manitoba Hydro sitting next to the member would verify that Manitoba Hydro, at times, does decide to outsource labour from various places for a variety of projects; does decide to shop, not, perhaps, as well as some of

us might like, but, nonetheless, does decide to utilize a variety of private companies in a provision of a variety of services not exclusively within Manitoba but elsewhere as well.

And so there is a—it's not an easy topic to address in the way I think the member might want me to because it isn't a black-and-white situation. Manitoba Hydro uses a variety of means to purchase its goods and services, some of which are outside of the labour supply controlled by Manitoba Hydro.

So, for example, you know, there's an extensive program, and we can dig up the example for the member, and I don't mind at all doing that, for pole replacement and repair programs, which was outsourced—it wasn't done in house by IBEW members, you know, to—by Hydro because it was deemed, I guess, by the corporation at that time that they were either—there was enough to do for the existing labour supply—so, I mean, I'm not sure their rationale in the decision, but I do know that Manitoba Hydro has at various times used a variety of private sector—so-called private sector supports. So it's not sort of an all-or-nothing, public-private discussion.

Mr. Kinew: Mr. Chair, perhaps in discussion with the First Minister you could advise me as to whether it would be appropriate for this to be taken as a matter under advisement?

Again, you know, my question had to do with—you know, I respect the fact that there is, you know, the Minister for Crown Services (Mr. Schuler), but my question had to do with the First Minister's intention during his time as Premier and whether he intends to keep all aspects of Manitoba Hydro public.

So, you know, would it be appropriate, Mr. Chair, for him to take a look at the various business units within Manitoba Hydro and then come back, you know, within that 45-day period, and let us know whether he does, in fact, commit to keeping all of those specific business units public?

And, for greater clarity, because I don't wish to create undue work for, you know, his staff and himself, I'm not asking about subcontractors and other vendors such as, you know, such as the ones that he may be referring to, like that.

For greater specificity, I'm referring to operating units such as Manitoba Hydro Telecom, which is under the purview of Manitoba Hydro—it's part of the corporation itself—and whether he would commit in that instance, specifically, to keeping Manitoba

Hydro Telecom public, and then, similarly, across other operating units within Manitoba Hydro to keep those elements of the Crown corporation in public hands.

* (16:20)

Mr. Pallister: I appreciate the member's clarification. His—so not referring to purchasing of goods, services, subcontract uses or anything like that, because, of course, Manitoba Hydro operates, as do many companies, public companies, with—in co-operation and in partnership with private-sector firms, all right?

I don't think it needs to be undertaken. I think it's clear that our commitment in respect of Manitoba Hydro and the other Crowns is to allow them to be managed as their boards see fit, to endeavour not to interfere in the operations of those Crown corporations and to let their boards, on the advice—expert advice contained within their operational structures, to make decisions.

So it would be a contradiction for me to give the member assurances of the type he's asking because, in so doing, I would be saying these are politically motivated decisions and that I would be giving him guarantees which contradict the very guarantee that I have endeavoured to give him and other Manitobans in terms of the stronger operational futures of these Crown corporations without political influence.

Mr. Kinew: Just making a quick note there; I apologize for a small delay there.

Just to put briefly on the record, the reason why I bring up Manitoba Hydro Telecom in particular is because this is a part of Manitoba Hydro proper that, you know, perhaps not aware, you know, the average person on the street is not aware of Manitoba Hydro Telecom, but it is an important part of the public utility. In fact, I was made aware of it because there is, apparently, a broadband backbone, which Manitoba Hydro controls and, you know, has developed across the province to many of the areas that they service. It is because we know of the ever-gradating—ever-increasing demand for broadband access everywhere, including in rural, including in northern, including in First Nations communities. It is potentially something very valuable within the public corporation, Manitoba Hydro.

So therefore, you know, the question that I asked is motivated by that. You know, there could potentially be a situation where this aspect of the Crown does have considerable market value because

it does represent broadband connectivity across the province. Potentially there is a demand for that from private corporations or in the private sector writ large.

So, you know, I'm simply looking for a re-assurance from the First Minister on this specific example that Manitoba Hydro Telecom will remain in public hands under his, you know, mandate—first mandate.

Mr. Pallister: Well, I think I've addressed the topic the member raised fully. I have explained, I think, very clearly that our intention would be to have less political influence, not more on our Crowns and to allow our Crowns to operate with expert advice and counsel which they have available to them, in the manner that they see fit.

So I'm—I would not wish to contradict previously stated commitments in response to his question, and so I will undertake only to remind him that there was far too much political manipulation and influence rendered in respect of decisions made by Crowns over the last number of years with disastrous consequences to Manitoba ratepayers, and so I don't wish to continue that approach and will not.

So I hope the member would understand that our commitment is very real to Manitobans, that ratepayers' best interests, we believe, are best served by letting the experts in these fields have the opportunity to do the work that we entrust them with without the overt heavy hand of partnership on their shoulder.

Mr. Kinew: Mr. Chair, if I understand the First Minister's comments correctly, he is saying, because he has made a public declaration that he and his government would not interfere with the Crown corporations, that he can therefore not comment on whether the privatization of an aspect of Manitoba Hydro might occur under his watch.

Is that—am I understanding the First Minister's logic correctly?

Mr. Pallister: The logic that I have attempted to impart to the member is this: that there have been numerous examples of significant and wasteful decisions being imposed on utilities, public—so-called public utilities, which demonstrated that, in previous times, there was a desire to utilize these Crown agencies in a manner that was arguably outside the best interests of their ratepayers and supporters, not just the taxpayers of Manitoba.

It's not my wish to repeat that—those mistakes of the past; it's my wish to learn from them. And so I'm learning from them. I would know that the member may wish to fear monger as a consequence of the—his distrust of the operational leadership of the present 'crown' corporations, but I personally don't share his distrust. I have faith in the quality of the people that are on these boards and—or soon will be, and we'll definitely endeavour to support them in their challenging and difficult decisions. So that would be our intentions.

I think this goes to the larger issue of, in some respects at least, of ethical decision making. And would share with the member that there's an opportunity for him to learn a great deal by reviewing the Auditor General's report—was released this afternoon—on Manitoba's framework for an ethical environment, in which he'll find a number of excellent illustrative points to, I think, strengthen his understanding and all our understandings of how governments can operate better.

I'll just read one piece of this, on page 319. I know the member will get this report if he hasn't already. I think it's going to be available later today. But it says: importance of tone at the top, recognize—the main responsibility for setting an ethical tone within any workplace rests with senior management ultimately, regardless of the policies put in place, the ethical standards, and tone that is demonstrated at senior levels of the organizations reflected throughout the entire organization.

This constitutes tone at the top, and its impact on the overall ethical climate within the workplace cannot be overstated. The attitudes, choices and actions of seniors leaders play a primary role in the creation of an organization's ethical culture and climate. And goes on to say that tone at the top is the primary catalyst for enterprise-wide ethics. Leaders should take ultimate responsibility for the state of ethics within their organization, and it is also up to those executives to embed ethics into their management culture on a daily basis.

I think there's an element of ethics in respect of what we're talking about because, I mean, to try to influence in a partisan way the operations of a Hydro or a Liquor & Lotteries or MPI is an unethical demonstration, I think, at the top of the organization, which then has—puts at risk the ethical conduct of others within that organization as well. So this is an Auditor General's report I encourage the member to have a look at. It's the result of, in part, repeated

attempts by many within our civil service to encourage a stronger ethical climate and well worth reading.

Mr. Kinew: I always—I would hope to, as much as possible, you know, take advantage of the opportunities to advance my understanding of ethics and how to conduct oneself with the integrity in the public sphere. So I welcome any and all opportunities to do so, including, you know, reading the report.

* (16:30)

But, again, you know, I just want to return to the crux of the logical proposition that was advanced by the First Minister earlier in which he seemed to be saying that he would not commit to keeping Manitoba Hydro telecom public in this forum, because that would, in some way, contradict his commitment to not have partisan political interference in the Crown corporations.

So I would just like, for greater clarity, to ask directly, if that is the case, how can the First Minister expect to keep his promise to keep Manitoba Hydro public if he believes that intervening on a path to privatization would be political interference?

Mr. Pallister: Well, because that undertaking of Manitoba Hydro's public ownership is a mandated aspect of what we ran on. It is clear that we would uphold that, and that is clear to any member of the board of Manitoba Hydro as well.

What I'm referencing, and the member has referenced in his earlier preambles, is subunits or substructures within the organization itself. It's quite possible. For example, the previous administration privatized, if I'm not mistaken, the land registry, took the land registry away from the public service, sold it to Teranet, totally exercised themselves of the opportunity to divest it. Rightly or wrongly, that was a decision the previous administration made in respect of that aspect of the public service.

This type of decision demonstrates, I think, that governments of various political stripes make difficult decisions sometimes, and they—those decisions may result in a variety of outcomes they're accountable for. What I'm pointing out to the member is my commitment to trust and respect the people at Manitoba Hydro, not to try to do—force them to put, for example, a massive hydro line down the west half of the province when their own expert advice says that it shouldn't go there. That's costing more than hundreds of millions of dollars, according

to the latest estimates, beyond what is necessary for hydro to be transported across this province. That was a politically driven decision clearly made not with the best interests of Manitoba ratepayers as its principle criterial consideration.

And so what you've got is a commitment from me that we're not going to do that, not exclusively, that we're not going to build the west bipole line. I don't know how far along it is. We had the exchanges in question period today about that, and I think those are fair—very fair questions asked about that. We're trusting the people at Manitoba Hydro, in consultation with their experts, to find out the facts and to make recommendation as to how they see us proceeding.

I do know that there were political considerations brought to bear by the previous administration in respect of not allowing the Public Utilities Board to even look at the issue of the bipole proposal. I know that Manitoba ratepayers are paying higher rates right now because of these decisions. I know that their rates have gone up, in particular in areas of—where there aren't alternative access—isn't alternative access to energy supplies. Hydro costs in the North, for example, are imposing significant and onerous additional burdens, in particular on lower income families who have to pay, now, higher prices for their hydro than would have been necessary had this line not proceeded.

The Public Utilities Board has imposed additional rate increases on Manitobans solely and purposefully as a consequence of the bipole line decision by the previous administration. So these are the types of decisions that have real impacts on real people, and they are negative consequences.

Had the expert advice been followed at Manitoba Hydro years ago, that line would not have been constructed 500 miles through beautiful terrain across some of the world's most productive farmland unnecessarily.

Now it seems that the opposition's position is, well, we did it, so you have to do it too. But I'm going to trust the people at Manitoba Hydro to have a look at the real numbers, see if it's possible and makes sense to reverse the decision. We'll find that out by trusting those people to do that work, not by telling them to proceed, because that—to avoid a debate or to do simply what the previous administration said they wanted to do for political purposes, because that would be wrong.

I think it's important to understand that there are consequences for these types of decisions, and Manitobans understand it as they pay their hydro bills.

Mr. Kinew: So is the First Minister leaving open the possibility that some subunits of Manitoba Hydro may be privatized under his watch?

Mr. Pallister: I am eliminating the possibility that massive undertakings will be politically motivated by our Crown corporations as a consequence of us inflicting our will on them. We believe that independent operations of these Crown corporations is an integral part of providing better services to Manitobans that protects Manitobans' best interests in the short-, mid- and long-term, and we'll stand for that. And I think that there are numerous examples where, you know, ethical breaches, not exclusively in respect of Crown corporations, have caused Manitobans to pay the price for those ethical breaches.

This is again why I encourage the member to read this report from the Auditor General in respect to tone at the top. I mean it doesn't set a proper tone at the top, for example, to go out and walk around and knock on doors and promise everybody that you're not going to raise their taxes and then raise their taxes by more than every other province in the country. And that's exactly what the previous group did, and so that tone is not a proper tone to set. I don't think that it sets the right ethical tone for others within a government structure or for that matter elsewhere.

I think also another example might be, and this is one I doubt that the Auditor General will refer to because it's too recent, but the previous administration making commitments to Manitobans that it would run budget deficits in the area of \$400 million and a year later finding out it's \$1 billion, that's not just an ethical breach that's a serious, serious breach of trust frankly that Manitobans didn't deserve to endure. And it will be our responsibility to try to restore that trust.

The examples of untendered contracts are many, if the member has not had the chance I encourage him to read the Ombudsman's investigative report into that sordid tale where repeatedly contracts were signed with a friend and supporter of the previous administration, negotiated and then never shopped untendered, repeatedly nondisclosed, not put on—as is required by law on the website—on the computer

bank in the Legislative Library designed to house untendered contracts for six or more years.

I mean these—this is \$9 million of contracts with an attempt to put another \$5 million out there and buy these all from a friend. This—I'm told this is one of the reasons that the previous administration experienced a bit of a meltdown and a leadership crisis, not to mention a historic rebellion among Cabinet ministers.

So you have all these ethical circumstances, some of them, I think, serve very well to illustrate the concerns we have about partisan influence unnecessarily being brought to bear on Crown corporations. These are the types of things that we have to get away from, and we will as an administration do our best to preserve the respectful relationship we need to have with those who will govern in the best interests of Manitobans and must by their mandate at Manitoba Hydro, Liquor & Lotteries, MPI, you name it, to respectfully work with them but to offer no undue partisan influence in respect of their operations. Because we've seen what that does; we've seen the trust that is broken as a consequence of that; we've seen the cost consequences of that as well.

Mr. Tom Lindsey (Flin Flon): I'm relatively new I guess to this political business, and listening to the answers that aren't answers that go around and around the farm and never really get to the point of the question I guess leave me somewhat at a loss.

The question I believe that was asked was relatively simple to answer. It concerns me greatly that the Premier (Mr. Pallister) didn't answer it or answered it in such a way nobody will ever know what the answer was.

So I guess I ask for a simple answer to a simple question, hopefully. And the simple question is: Does this government intend to allow parts of Manitoba Hydro to be privatized?

* (16:40)

Mr. Pallister: I have previously congratulated the member on his election. I have acknowledged the value of his work ethic, and I respect his right to offer in this preamble some less than legitimate comments. But I do want to emphasize to him that if he was to read Hansard tomorrow, he might find that I have answered the question he's asked several times. And I would encourage him to do that and read it with comprehension.

I have said that we will respect the mandate of the operators and managers of Manitoba Hydro on numerous occasions. I continue to commit to that. And so I have answered his question, because if I was to sit here in front of him and say, I'm absolutely, me, the Premier of Manitoba, going to rule against any changes managerially within Manitoba Hydro's operation, any decisions that they would make—similar to the decisions made by the previous administration to use private sources for land registry. If I was to make that pronouncement, I would be disrespecting the very people I have told the member and others in this committee, sincerely, that I respect and who I will trust to make those decisions at Manitoba Hydro.

What he has failed to comprehend is the accuracy and the veracity of my comments. I encourage him to read Hansard tomorrow and he may realize that I previously answered his question in full.

Mr. Lindsey: Certainly, it was not my intention to upset the Premier (Mr. Pallister), but I've listened to the answers, the answers that he's given while I've been sitting here this afternoon, and they weren't an answer to the question specifically. It appears to me that trying to suggest that he's not going to or the government isn't going to come to the decision to sell off a part of Hydro, they'll leave that up to the board that they just appointed to come to that decision, is kind of playing games with the answer and the outcome.

And Manitobans, quite frankly, deserve better than that, that if the intent is to suggest that he's taking a hands-off approach and just going to allow the board to come to the conclusion to sell off parts of Manitoba Hydro, then, I believe, he's being somewhat disingenuous by saying that it's not the government's decision; it's the board's. And could he just clarify, once again, his thoughts on that. And perhaps I'm not articulating it as clearly as I should, but I get back to my first question, I guess: Will the Premier ensure that parts of Manitoba Hydro are not privatized, that Manitoba Hydro will remain as a whole?

Mr. Pallister: The member's quite right in his observation. He is not articulating a new question. He is rearticulating an old one. He used a descriptive pejorative in his preamble, disingenuous, and there is no way that I'm being anything but forthright with the member.

I will attempt, again, to clarify for him that what he has just asked is exactly what the previous administration did. They farmed out parts of Manitoba Hydro work; they gave work to other companies outside of Manitoba Hydro's employ on numerous occasions; that's the question he's asked again. IBEW, the major labour supplier of Hydro, expressed concern on numerous occasions about the previous administration's privatizing of parts of Manitoba Hydro. They said that, in no small way, was this the result of overt political interference in the operations of Manitoba Hydro. I am committing to the member, yet again, that this is not our intention. Our intention is to let Manitoba Hydro run the way the experts at Manitoba Hydro want to do it.

Now, the IBEW, you can take this up with them, but their concern was that the NDP administration was attempting to influence those decisions at Manitoba Hydro. Now, I cannot speak to the veracity of that. We have asked those questions previously of the previous administration. There was no acknowledgement that such was the case. But this is the concern of the major labour union that works with Manitoba Hydro.

I'm committing to the member that that's not the approach we're going to take. And it is a departure from the alleged approach that the major labour provider to Manitobans for Manitoba Hydro accused the previous administration of. I would hope the member would be encouraged by that. I would hope the member would support that because that approach is one which will make sure that the working people at Manitoba Hydro know who is making the decisions, can, in their labour negotiations, in every respect, make those people accountable for the decisions, as opposed to the subterfuge that is alleged by IBEW, was alleged was happening with respect to political influence of Manitoba Hydro in their decisions in past years.

So, again, I'm, you know, I'm encouraging the member to realize that I am answering his question—unless there's another question he wants to ask—very clearly, very concisely, in a very straightforward manner, and I invite him to retract the accusations of anything disingenuous on my part because I am absolutely giving clarity to the question he's raising.

Mr. Lindsey: I guess that's the answer we're going to get, and it still doesn't leave me feeling confident, but so be it for now. I'm certainly aware of concerns that IBEW had, and I guess that's a good place to leave this conversation and jump into the next one about labour relations in the province.

Certainly, I guess, today–yesterday–today we've seen that organized labour, that working people in this province, have some concerns with this government's potential agenda towards organized labour and working people, and, certainly, with the introduction of Bill 7 today, I'm left to wonder, with this piece of legislation, what exactly is it that prompted this government to think that this piece of legislation was required? Looking at labour throughout the last quite a number of years in the province of Manitoba, it's been a relatively harmonious relationship not just between labour and government but between labour and employers because the rules, while they certainly didn't go as far as what organized labour wanted, did seem to strike a certain balance in protecting the rights of workers who wanted to organize and employers.

So what was the basis, I guess, for the government deciding to introduce this legislation?

Mr. Pallister: Good question, and I think a fair question.

The member quite rightly raises the issue of fairness and harmony and would need to understand that there was, I would say, an atmosphere within the province of Manitoba in 2001, 2000, that was one of stability, not of rancour, between employers and employees in our province. Yet the previous administration decided that they would revoke the secret-ballot rights of workers at that point in time. I think it would be a fair question for the member to ask of our friends in the labour movement if, at that point in time, they felt that there was a compelling need to shift away from a secret ballot when, in fact, many other provinces' workers enjoy the right of a secret ballot. Was there a compelling need to shift away from a secret ballot at that point in time?

Now, the bill that was enacted by the administration at that point in time had a number of other changes in it. It is not our administration's intent to make changes to those changes, but on this one we have had input from many in the union movement around the province that would like to see a secret ballot. And so this is the consideration in respect of this bill that workers would like to have the opportunity to vote secretly, and so they will be given that opportunity by the bill.

* (16:50)

Mr. Lindsey: I guess I'd just like to clarify with the Premier (Mr. Pallister), through the Chairman, that the existing legislation had the opportunity for secret

ballot votes if the number of cards signed were between 40 and 60—or, 65 per cent—excuse me. Where the right to a secret ballot didn't exist was when that number was exceeded.

And, in essence, at that point, there were safeguards built in to the legislation to ensure that there was no kind of tampering or intimidation that took place. And, at the upper end of the number—the 65 per cent, workers had clearly expressed, through a secret ballot, their right to join a union by signing a union card. Anything less than that required a vote by the employer.

So for the Premier to suggest that there was no opportunity for a secret ballot vote is not correct. So I guess I would ask that, perhaps, maybe, he rethinks that answer, because there was an opportunity for secret ballot vote in the previous legislation.

But along with that was also safeguards that this piece of legislation that was introduced today removes from the process, that the Labour Board did a very good job in the past of ensuring that there was no intimidation prior to people signing cards and stuff. And, for some reason, that piece of the legislation has, also, been removed.

So could the Premier comment on those, please?

Mr. Pallister: Could I just ask the member to clarify—the last part of his question there. He was asking about some piece of the legislation, and I wasn't just clear on what part of the legislation he was referencing.

If he could just, if he could clarify, I appreciate it.

Mr. Lindsey: The previous legislation under section 40(1) said that: Subject to this part, when the board receives an application for certification, and is satisfied that the employees were not subject to intimidation, fraud, coercion or threat, and that their wishes for union representation were expressed freely as required by section 45, the board shall do the following when it receives an application for certification.

That part has now been removed.

Mr. Pallister: So I'd just like the member to elaborate on what was his concern specifically about that part that he just cited. What was his specific concern in respect of that—that's—

Mr. Lindsey: The only concern I have with that part is it's not there anymore. So there is no safeguard to

ensure that intimidation, coercion doesn't take place; whereas, before, there was.

Mr. Pallister: Sorry, Mr. Chair, I want to be sure that I'm giving the member accurate information. I already had a screw-up yesterday and I don't want to do another one. So I want to make sure that I give him the accurate information.

I think, and we'll—I'll have it for him tomorrow, okay, but I'm pretty sure this piece he's citing relates solely to intimidation around the conduct of this—of the ballot itself, but not overall, but I'll double check on that and I will get back to the member as early as I can. I expect I should be able to get that information by tomorrow at some point for him.

Mr. Lindsey: I appreciate that. And I look forward to seeing and hearing the Premier's (Mr. Pallister) clarification on that.

Earlier you had said that you had heard from labour people about their desire to change the certification process and to go to a secret ballot vote only, and I'd be really interested to hear what labour people it was that you'd discussed this with.

Mr. Pallister: I'm sure the member would be interested, but when I have private discussions, they stay private.

Mr. Lindsey: Well, certainly, I've had any number of discussions with labour people, be they the Manitoba Federation of Labour, Kevin Rebeck; I'm not afraid to use his name; Unifor, and I'll get you the name because I can't remember it off the top of my head. They were never consulted about these changes to the labour legislation, so, certainly, their voices were not added to the suggestion that a vote was required. They represent some of the biggest labour organizations in the province, so I'm not sure of where the Premier got his information from, but certainly it wasn't from well-respected labour organizations that I'm aware of.

And I certainly plan to continue to talk to labour people and see if I can figure out how he's come up with this, in the absence of the Premier sharing what labour groups it was that he spoke to, and I would request that he does share that, for clarity's sake. If he doesn't wish to use their individual names, I'm fine with that, but I would certainly like to hear what groups he consulted with from labour to decide to change that piece of labour legislation that, quite frankly, was already the most stringent in Canada.

Mr. Pallister: Well first of all, it's not the most stringent in Canada. Secondly, the member's coming from a position of weakness in respect of offering up his consultation versus mine, because I do believe very strongly in deliberative democracy and consult very, very ambitiously and not exclusively at the tops of organizations either. Thirdly, I would say, if you want a demonstration of a lack of consultation, go no further than door-to-door campaigns with promises not to raise PST and other taxes followed up by impositions of those very taxes. That would be a lack of consultation.

You could go further, in fact, if you wanted to, and you could take a look at the revocation of the right of Manitobans to vote at all on a referendum approach to raising the PST as they were assured under previous legislation, which the government and member of the party of which the member is a member of, decided that they would endorse that legislation, then revoked it, took away the right of Manitobans to even vote at all, whether in a secret ballot or in any other format, and decided to invoke higher taxes as a consequence.

So the member is throwing stones from a glass house. He is making accusations that have no validity whatsoever, and I can tell you, frankly, you know, we could have a vote on it, but I'd prefer, and I think most Manitobans would prefer that it be a secret ballot. I think Manitobans understand that the arguments that are being thrown around about not using secret ballots come from a place not of strength but of fear. They come from a place of argument that is ideologically based and not based in reality.

The people who work in our—in the unions of our province deserve an opportunity to express their views on certification and decertification in a respectful manner, and I think that the best way to demonstrate our respect and trust for individuals in these organizations is to respect their individual democratic rights and freedoms. And one of those is the right to have a vote in secret, not with somebody standing over one shoulder, not with someone attempting to intimidate in any way, shape or form from the employer side or the employee side. And I think that that is the fundamental precept of how we do a better job of protecting workers' rights in this province.

So, again, I encourage the member to recognize that—for example, he references Kevin Rebeck. Kevin Rebeck defended the right for secret ballot in the NDP leadership race. So I don't think Mr. Rebeck

is strongly opposed to the rights of NDP members to have a secret ballot. In fact, I believe that he's argued for it and in favour of it. And I think there's a compelling case to be made that it is at least as important for the people of Manitoba.

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

JUSTICE

* (15:00)

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

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

The floor is now open for questions.

Mr. Andrew Swan (Minto): When we broke the other day, we were talking about family law in Manitoba, and I'd just like to ask the minister if there's any other measures currently planned, other than the investments of federal money that she laid out, to try and get better results for families going through separations and divorces?

Hon. Heather Stefanson (Minister of Justice and Attorney General): I want to thank the member for that question.

And, certainly, we're exploring different ways of improving access to justice, various initiatives that, you know, to help families and help those also in the areas of self-represented litigants as well.

So we're exploring ways. We're consulting with various groups and organizations in the community and to help explore different areas in the way of access—to improve access to justice.

Mr. Swan: As the minister knows, there is a comprehensive family law bill dealing with modernizing custody access and support as well as a host of other matters that died on the Order Paper when the election was called.

Although I don't expect the minister to give me details, is it a priority to reintroduce similar legislation in this session?

Mrs. Stefanson: We're looking at ways to—I'm familiar with the bill that was introduced, I think at the end of the last session, by the minister. But we're looking at ways to improve access to justice and

improve things in the area of family law. As it stands right now, we're just in the sort of consultation process, and I'm in the process of getting briefings on this as well.

Mr. Swan: Just to clarify, I mean, that the bill was actually on the Order Paper for some nine months. It passed second reading and went through committee, and there were very few amendments that returned to the House.

So, again, I ask: Is it a priority to try to bring in, not an identical bill, if the minister has other ideas in certain areas, but is it a priority to reintroduce a similar comprehensive update of custody and access and support in Manitoba?

Mrs. Stefanson: I thank the member for the question.

And, again, I, just having been on the job for eight weeks now, it's something that, certainly, we're—I'm looking forward to getting further briefings on it at this stage.

Mr. Swan: In particular, the new bill did include a better framework for trying to resolve disputes when one parent intends to leave Manitoba with children, which is an area of great difficulty for the people involved, for children and even for lawyers and judges dealing with the cases. The provisions in the bill called for by family lawyers in Manitoba was based not only on those lawyers' experience but the word of academics and social scientists.

Will this minister commit to meet early with not just the Manitoba Bar Association but the Family Law subsection to become aware of how these provisions came to be and, I'm sure, to have their encouragement to move ahead quickly?

Mrs. Stefanson: I thank the member for the question. It's an important one and certainly an important area of the law.

And we're in the process of looking at setting up meetings for consultation in this area, so that's where it stands as of right now.

Mr. Swan: I'd like to ask about the status of a few outstanding cases. Just over four years ago, Manitoba launched a lawsuit against various tobacco companies. Can the minister provide an update on the current status of this case in Manitoba and also whether the minister is aware of further steps being taken on the similar lawsuits that have been filed in different Canadian provinces?

Mrs. Stefanson: All 10 provinces have proclaimed their legislation and have filed their lawsuits. At this stage it is still in litigation, so it would be inappropriate for me to comment further on this.

Mr. Swan: I appreciate the member doesn't want to give away information. I mean, I—in looking at the court file, there haven't been any steps taken. I appreciate there's a lot of gathering of evidence, of documents.

The question really is: Is the minister aware of matters moving ahead more quickly in any of the Canadian provinces than where we sit in Manitoba?

*(15:10)

Mrs. Stefanson: We can't speak to other provinces at this stage, but, certainly, we are in the process of examining the documentation and we expect to be in the examination for discovery phase sometime in 2017.

Mr. Swan: I thank the minister for that.

I understand there's an outstanding claim for wrongful conviction by Kyle Unger. Can the minister provide an update on the current status of this case?

Mrs. Stefanson: This case is before the courts right now so it would be inappropriate for me to comment on that.

Mr. Swan: Is the minister aware of any other actual cases that have been filed for wrongful conviction in—that are still active in Manitoba at this time?

Mrs. Stefanson: None that we're aware of.

Mr. Swan: I thank the minister.

I'm sure the minister is aware of the application respecting Deveryn Ross. I'd like the minister to confirm that there is no date yet for the hearing of the reference before the Manitoba Court of Appeal and there have, as yet, been no materials filed on behalf of the people of Manitoba in this reference.

Mrs. Stefanson: I gather, counsel from Ontario has been retained to represent the province, and to our knowledge no date has been set as of yet.

Mr. Swan: Can the member advise whether any position has been taken on what response or if there'll be any response on behalf of the people of Manitoba?

Mrs. Stefanson: I think it would be inappropriate to answer that question at this stage.

Mr. Swan: I disagree. I don't want to know what specific position has been taken. I just want to know whether it's been determined whether there will be any response made on behalf of the people of Manitoba in this application which will be heard at some point by the Manitoba Court of Appeal. And I don't think it's a problem for the minister to at least give that advice without getting into any details of what that position may be.

Mrs. Stefanson: Yes, the independent counsel from Ontario will be determining that.

Mr. Swan: So, as of today, the minister either can't or won't tell me whether any position has been taken on whether there will be a response to this application and what that response will be.

Mrs. Stefanson: At this time, no response has been taken, and, again, it's with the independent counsel from Ontario.

Mr. Swan: Well, as the member knows—the minister knows, I do have a concern, not because of the specific details of the case, but this is an individual who has been hired by Executive Council while there is a very serious reference, which is before the Manitoba Court of Appeal. I don't presume to suggest what will or won't happen. I would point out the previous Justice critic spent a lot of time in 2014 asking for this case, so much so that any objective person would wonder why there were so many questions being asked about this case, and perhaps now maybe we have an idea.

I can't find out what advice, if any, the minister gave the Premier (Mr. Pallister). I do know, from the people in this department, that if the minister had asked the question, the department would have said it would not be a wise idea for the Premier to hire this person while this serious matter is before the Court of Appeal.

So I have real concerns about this, and I want the minister to know that if the application's successful, there may be legal action against the Province, and if the minister disagrees with that fact, I'd like her to put it on the record.

Mrs. Stefanson: Yes, I mean, I thank the member for the question. I think it's inappropriate to discuss matters that are before the court. And I think it's also inappropriate to discuss another member of staff.

Mr. Swan: We may disagree on that; I think it is appropriate to ask staff when there is a serious matter that's before the court. The minister may not like the

question, but all governments are called upon to manage conflicts. Generally, governments should do what they can not to create them. And I certainly do have concerns about the Premier's (Mr. Pallister) decision. Again, I'm not going to ask the minister, because I won't get an answer of whether she had any notice of this, whether she gave advice. Again, if she had received advice from her department, I know what it would have been.

Let me just ask: Are there any other applications by any other Manitoban under section 696.1 of the Criminal Code that are now outstanding?

Mrs. Stefanson: There is one outstanding case under section 696 of the code.

Mr. Swan: And is that the case that we've just been discussing or is there another one?

Mrs. Stefanson: That's another one.

Mr. Swan: I thank the minister for that.

We know, just today, another fatality inquiry report or inquest report was completed with respect to Stony Mountain, so I'm not going to get into details of that.

I would like to know: With respect to fatality inquiries, how many inquests have been called but have not yet started? How many are either ongoing or complete and we're still waiting the inquest report?

Mrs. Stefanson: We'll endeavour to get that—to undertake to get that information for the member.

Mr. Swan: I thank the minister.

Are there any plans to change the fatality inquiry process in Manitoba?

* (15:20)

Mrs. Stefanson: It's something that is currently being reviewed, to see how we might be able to make some improvements.

Mr. Swan: I appreciate that and I welcome a discussion and a review of the fatality inquiry process. There are some who say there should be, if not a full fatality inquiry, there should be an independent inquiry whenever a death happens in the workplace, and I wonder if this is something the minister would consider.

Mrs. Stefanson: That issue hasn't specifically been raised, but we can certainly consider it as part of the review process.

Mr. Swan: I thank the minister for that response.

That Civil Legal Services, of course, provides advice to government departments on consultations under section 35 of the Constitution; does the minister plan any changes to the way that these consultations proceed or any different direction in the way that these things occur in Manitoba?

Mrs. Stefanson: The department—our department does not lead that process for section 35, but we do provide advice to the committee.

Mr. Swan: All right, so I'll assume from that response the minister is not planning to make any changes from Justice's perspective.

We've heard frustrations with the pace of Treaty Land Entitlement. It is complex because it's not just the provincial government; it's also working with the federal government. Is there any intention to change the way in which the Province handles these requests and are there any new resources in the Justice Estimates in this fiscal year to accomplish this?

Mrs. Stefanson: No.

Mr. Swan: I thank the minister for that.

The minister, I'm sure, is aware of the Winnipeg Drug Treatment Court, which is a problem-solving court which operates here in Winnipeg to try to get better outcomes for those who may commit crimes because of their addiction issues.

I'm wondering if the minister can give me a—provide a report on the outcomes over the past fiscal year: the number of people that were served, the number of people that graduated from the program, the recidivism rate and the enrolment in the program at the end of the last fiscal year.

Mrs. Stefanson: The member may be aware that in April of 2015 the Department of Justice took over the management of the court. And there are currently 11 clients, and further admissions are anticipated.

Recent evaluation continues to find recidivism in the Winnipeg drug treatment centre—or court, sorry—graduates and participants is lower than in those sentenced offenders who have been monitored by regular corrections systems. Also, even those that don't graduate the program have reduced re-involvement with the criminal justice system.

Mr. Swan: I thank the minister for that. And she won't be surprised to know that I'm a big supporter of problem-solving courts like the Winnipeg Drug Treatment Court.

Is there anything in the Estimates to support an expansion of these kinds of courts, either by serving more people in Winnipeg or by trying to expand a similar court elsewhere in the province?

Mrs. Stefanson: The—because it's just been transferred fairly recently, we're just in the process of reviewing everything and considering our next steps.

Mr. Swan: I thank the minister.

Can the minister provide a similar update on the Winnipeg Mental Health Court? Again, the outcomes in the past fiscal year, the number of people that were served by the court, the number of people who graduated, their recidivism rate if available and the current number of people who are enrolled in that court?

Mrs. Stefanson: We're just in the process of doing that evaluation for the Winnipeg Mental Health Court right now. But we do know that there have been 31 people who graduated from that since its inception.

Mr. Swan: With that answer, I take it there isn't anything in the Estimates to support an expansion of this court, either to serve more individuals in Winnipeg or to try this elsewhere in the province in this fiscal year?

Mrs. Stefanson: Again, we're just going through an evaluation stage right now, so we'll go through that process.

Mr. Swan: I thank the minister.

The minister will soon discover, if she hasn't already, one of the big challenges in moving people more swiftly through the system is getting people to a bail application. And the minister may be aware that sometimes inmates now are required to spend not just one weekend but up to two weekends awaiting their initial bail application.

Does this minister intend to make any changes to the system or make any new investments in the system to try and speed up the process or is she relying on current processes that have been provided?

* (15:30)

Mrs. Stefanson: One of the areas that we've explored some changes to try and create some efficiencies within the system is in the area of youth bail applications. We have started to consolidate all the charges so that we bring them forward at the same time. And the bail application will now take

place on the same day as charged. That's sort of the next step that we're working towards as well. And, certainly, we're continuing discussions with the—between the department and the judiciary to try and find ways to create more efficiencies within the system.

Mr. Swan: I thank the minister.

Now, in looking at the Estimates, there's no for an increase in the number of provincial court judges or the use of senior judges, but the minister did put on the record that there's \$41,000 budgeted for a senior JJP program to provide support for some additional courts.

I suppose there's no elegant way to word this: How much of a JJP do we buy for \$41,000 a year? Is that half a year, is that a third of a year? How many extra court sittings do we expect that this investment will give?

Mrs. Stefanson: So the reason for this is that it's actually pro-rated because the implementation does not take place until January 2017, so the—that amount would just be for that one quarter. And the reason for putting off the implementation is that we need to pass legislation first in order to make that happen. So that's why it doesn't start until then.

Mr. Swan: All right, is it the intention for these Estimates that that will allow for the equivalent of one additional judicial justice of the peace, based on the senior JJP program, keeping in mind it will not be implemented until January 1st or some other date?

Mrs. Stefanson: Yes, that's correct.

Mr. Swan: And, the minister, in her comments, said this was to try and reduce the backlog in traffic court. Are there any other efforts that I—that are reflected in these Estimates to try to move those traffic cases along more quickly?

* (15:40)

Mrs. Stefanson: We've sort of started a bit of a pilot project with respect to—and we're using this—we're doing this all within existing resources. But we've changed a little bit about the way we've—the process. And, essentially, what happens now is that there's a Crown review process at the beginning, which means that those who are challenging their tickets come down to 373 Broadway. They meet with a Crown attorney, and the Crown attorney explains the process and what pleading guilty with an explanation means. And we've found by taking—by moving in this process since this began, the number of matters being

sent for trial since this process began has reduced by 50 per cent.

Mr. Swan: I thank the minister, and I hope that will be a—that will continue.

Several years ago, there was a bill passed to modernize the way that municipalities were able to enforce various offences, and the bill allowed municipalities to enforce parking tickets and, if municipalities wished, other bylaw infractions without every case having to go to a court hearing. I recall that there was some delay not because of the department, but because of the City of Winnipeg.

Can the minister update me on the status of that effort and, in particular, when the City of Winnipeg will be ready to begin using the new process so this can truly go live?

Mrs. Stefanson: I thank the member for the question, and we have been in discussions with the City of Winnipeg, and they needed some time to get some staff—staffing—the staffing requirements done. And so we're just in the process of finishing the legal aspects of that, moving towards proclamation.

Mr. Swan: Is it the minister's hope that that can be running, up and running within the fiscal year, and is there anything in Estimates to reflect, hopefully, changes in the amount of court time taken up by these parking and bylaw offences?

Mrs. Stefanson: Yes, we do anticipate that it'll be done within the year, and we do, obviously, hope that it does help with the backlogs.

Mr. Swan: As the minister's aware, photo radar has been controversial. Some people who get tickets are philosophical and change their patterns, others just get angry and want to fight the tickets. Can I just ask: Does the minister anticipate any change in revenue from photo radar from this—in this year's Estimates compared to last year?

Mrs. Stefanson: Yes, at this stage, as the member knows, there's many sort of factors that play in this, and there's, you know, people's driving behaviours, the policing issues and so on, and because of all the different components and factors involved, it's difficult to anticipate completely what exactly the revenues will be but we don't expect there to be a huge change.

Mr. Swan: I thank the minister.

Are there any plans to change the location of various court sittings, whether court centres or circuit

courts, where either the Queen's Bench or the Provincial Court sit in this fiscal year?

Mrs. Stefanson: I don't believe there's any changes being contemplated that we're aware of at this stage.

Mr. Swan: I thank the minister.

Are there currently any communities where Circuit Court is not sitting because of challenges either with the actual facility or within the community?

Mrs. Stefanson: From time to time there have been delays, but for right now it's the status quo.

Mr. Swan: I thank the minister.

Over the past couple of years there's been substantial upgrade of sheriffs' vehicles used to transfer inmates to and from correctional centres in court and other ways. Are there any further upgrades planned for this year or is the work on that front now completed?

Mrs. Stefanson: I don't believe there is any further changes at this stage.

Mr. Swan: I thank the minister for that.

I just want to turn to Consumer Protection, which is an area which is new to the Department of Justice. I appreciate—in the United States, there are actually a number of Attorneys General who have responsibility for consumer protection, so we'll see how this works.

When I look through the Estimates, I see there is no increase in positions anywhere in the division and really no increases in anything other than wage settlements. Does this minister plan to give any different, try any new direction to the Consumer Protection Office and the other offices which are now under her portfolio?

Mrs. Stefanson: I want to thank the member for the question, and, again, we're—because it is new to the department, we're just in the process of reviewing everything at this stage and meeting with various stakeholders and so on. And so I think at this stage, I don't have any—there's no indication at this stage that there's going to be any major changes but, again, we're in this review stage at this time.

Mr. Swan: Does the minister plan to intervene with the CRTC respecting the purchase of MTS by Bell Canada?

Mrs. Stefanson: No.

Mr. Swan: As the minister now responsible for Consumer Protection, does the minister not have concerns about the impact of the reduction in competition and the cost of phone bills if MTS disappears and is purchased by Bell?

* (15:50)

Madam Chairperson: Honour—oh, sorry. Order.

Mrs. Stefanson: I want to thank the member for the question.

I'm sure he is aware that telecommunications regulation falls within the jurisdiction of the federal government. And, certainly, those individuals or companies that want to go forward and if they want more information about the—Bell's proposal to purchase MTS or wish to share their views or perspective about it, can contact the CRTC, the Competition Bureau or the federal Department of Innovation, Science and Economic Development. So there are those mechanisms in place for people within the industry itself or individuals, concerned citizens who want to go forward and get more information or express their views. They're certainly capable of doing that and there is a process in place to do so.

Mr. Swan: Well, I'm a little surprised to hear the minister say that. I mean, the minister was proud to tell us that she did present to Parliament respecting the Air Canada file, which I want to put on the record I certainly support. Airlines are under federal responsibility, but this minister thought it was important enough. I'm not sure why the minister wouldn't think that protecting Manitoba consumers with respect to the sale of MTS wouldn't be equally important.

We've had Bell announce that they're going to make a \$1-billion investment over five years, which is no better than the \$200 million in investment that MTS was pledging to make over each of the next five years. The Premier (Mr. Pallister) was asked about costs going up, and the Premier shrugged and said, you get what you pay for.

I want to ask the minister: As the minister for consumer protection, what exactly are Manitoba consumers paying for when their cell bills go up as a result of this deal?

Mrs. Stefanson: Well, the member is assuming at this stage that—is making an assumption. That may or may not be the case. And I think at this stage, you know, that's something—it's a hypothetical situation

that may happen in the future, may or may not happen. Certainly, we know that the billion-dollar investment towards improving the telecommunications infrastructure in the province is very important. I know many of my colleagues who travel in rural and northern Manitoba. I've been on the phone with them often where all of a sudden the phone goes dead and I'm no longer able to speak to them and they have to call back. And so it's been a very serious issue, and I know with some of my colleagues having to deal with some of their constituents as well. It's a challenge.

And so I think Bell has offered a solution to that, that issue, the investment of \$1 billion over five years in Manitoba, and we look forward to that. I look forward—and I know many of my colleagues, and I'm sure members opposite, as well, would like to see that no—that there's better coverage all across this great province of ours. So that's a very important aspect of this. And we support all industry in Manitoba and we need to stand up for our industries in Manitoba.

And the member mentioned the aerospace industry and, of course, that is a very important industry as well, and that's why we have stood up for the industry and we will continue to do so. And it's unfortunate that Bill C-10 is moving forward the way it is. It's not in the best interests of Manitoba, the way it is going forward right now, and I appreciate the members opposite, their support in this, and all party support that we had for our motion in the Chamber the other day. I think it's important on that initiative to stand together on that. So I appreciate the member supporting that—us on that initiative.

Mr. Swan: Well, if the member talks to her colleague in Saskatchewan, she'll find out that the publicly owned telephone company in Saskatchewan actually has much better coverage; in fact, better than most places, despite Saskatchewan having similar demographics and considerable geography.

The minister also knows that when Air Canada was privatized, there were certain protections that were supposed to be in place, which, we are now in agreement are a source of concern with Bill C-10. In that situation, when Air Canada was privatized, there were supposed to be maintenance bases maintained in three centres across Canada, including Winnipeg.

The minister makes my point. Why would the minister not intend to intervene with the CRTC on behalf of Manitoba consumers, which is part of her responsibility, to try to get conditions put on the sale

or to stop the sale altogether to protect Manitoba consumers and their phone bills?

Mrs. Stefanson: Well, I guess, you know, we're going to agree to disagree on this one, I think, because we actually believe that this is going to be a positive—have a positive impact for consumers in Manitoba. You know, it's not—you know, the member mentions a hypothetical situation of a potential rate increase, but he doesn't talk about the potential of greater access to service and services that could be provided as a result of Bell having a wider range of resources and services. And those will be available to Manitobans, those services and products that are available in other places that are not available here right now but will be, I believe, as a result of this process. So I think that's a good thing for consumers in Manitoba.

Mr. Swan: Well, I've listened carefully to the promises we were made, and, again, I don't see how investment of \$1 billion over five years is any better than \$200 million for each of five years. There are a lot of Justice employees who use cellphones through MTS in the course of their work, of course, for safety, to take into account the fact that we have employees in many centres around the province.

Has—do the Justice Estimates make any provision for the increased costs of cellphone use by its employees if this deal goes through and employees no longer have an MTS phone?

Mrs. Stefanson: I think that's a hypothetical question, and so, you know, I'm not going to sit here and answer hypothetical questions. The member is suggesting somehow that he has a crystal ball that he can see into the future of what the rates will be, and, you know, I—we have no indication that that is the case. I think this is going to be a positive thing for consumers in Manitoba, and I think that, you know, with—if we have a wide range of products and services, a wider range of products and services that currently exist at MTS, I think it's a positive thing for consumers in Manitoba. And so that is the position that we would take.

Mr. Swan: Just to clarify the minister's position: These Estimates don't make any provision for increase of costs of cellphone use. So if the costs of phones do go up, it's either going to result in Justice going over its Estimates or it's going to result in something else being cut.

In terms of Consumer Protection, I want to move on to a couple of other areas in the limited time I've

got left. The automobile insurance compensation appeal commission is now under the minister's portfolio. Does AICAC—does it prepare an annual report, and when was the last report completed?

Mrs. Stefanson: Yes, there is an annual report; I just don't have the actual date of it, but I can certainly endeavour to get that information to the member.

Mr. Swan: I thank the minister for that.

As well, the Claimant Adviser Office is now part of the minister's portfolio. This is an office which provides assistance to individuals who have MPI claims who may feel they need assistance, or who aren't satisfied with how they've been treated by MPI.

* (16:00)

For the last fiscal year, does—can the minister provide me with details of how many cases were taken in, how many cases were heard, how many files were closed, the average wait time for cases to proceed to a hearing, and the success ratio for cases taken to a hearing?

Mrs. Stefanson: We can endeavour to get that information to the member.

Mr. Swan: I thank the minister for that.

Now, the claimant advisory office had previously been funded by Manitoba Public Insurance. Is that still the case, or is this now simply paid from the Department of Justice Estimates?

Mrs. Stefanson: It's still paid from MPI.

Mr. Swan: And is there any intention to change that in this fiscal year?

Mrs. Stefanson: No, not—we don't anticipate any changes at this stage.

Mr. Swan: Well, I think we're prepared to close the Estimates and move on to the necessary motions. Accordingly, Mr. Clerk took my cue and is ready to proceed.

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

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$49,302,000 for Justice, Criminal Law, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$47,726,000 for Justice, Civil Law, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

RESOLVED that there be—oh, Resolution 4.1–4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$407,305,000 for Justice, Community Safety, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$61,533,000 for Justice, Courts, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,880,000 for Justice, Consumer Protection, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

Resolution 4.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,886,000 for Justice, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

Resolution 4.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,507,000 for Justice, Capital Assets, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 4.1.(a), the minister's salary, contained in resolution 4.1.

The floor is open for questions.

Mr. Swan: We've spent a good amount of quality time together asking questions about Justice. And it is a portfolio that has challenges, there's no question about that.

What has become very clear, from asking the minister questions, is that great progress has been made over the last number of years at improving the justice system. What I found very interesting is the areas that were the subject of great detail and many, many questions in Estimates no longer seemed to be concerns. And this minister is quite satisfied with the

way that the department is handling these challenges. The minister has been handled—has been handed a lot of tools to continue to build us a better and more effective justice system in Manitoba. She has very good staff that have a lot of ideas. I am hopeful as we go forward that she'll be open to listening to those ideas. I hope she'll be able to get away from the mandate she's been given which really speaks nothing to public safety and crime prevention. I hope she's able to use the expertise within the department to get better results.

She's been handed a Restorative Justice Act which, I think, has the ability to transform the way that we deal with individuals. I don't sense a lot of enthusiasm from the answers the minister has given, but I'm hoping that she will listen to her staff, listen to us and, most importantly, listen to people in the community who have some very strong ideas. Of course, indigenous people in Manitoba have been using restorative justice for a long time. It also fits well with many faith communities and other communities across Manitoba, and I hope there'll be some enthusiasm. I would hope we would hear something about expanding problem-solving courts. I hope that we can gather next time for Estimates and see some fresh ideas and some new ideas.

Over the past 17 years, we heard a lot of criticism, but now that we have a different government, there don't seem to be any new ideas.

Having said that, I appreciate that the minister can only work with the mandate letter that she's been given by her Premier (Mr. Pallister). All I can do is to give the minister my best wishes and hope that she will take the good ideas that are out there, the tools that she's been given. And I wish the Department of Justice all the best in the upcoming year in getting better outcomes.

Madam Chairperson: Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,212,000 for Justice, Administration and Finance, for the fiscal year ending March 31st, 2017.

Resolution agreed to.

This completes the Estimates for the Department of Justice.

The next set of Estimates will be considered by this section for the Committee of Supply for Health, Seniors and Active Living.

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

Committee recessed.

The committee recessed at 4:08 p.m.

The committee resumed at 4:16 p.m.

HEALTH, SENIORS AND ACTIVE LIVING

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

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

Does the honourable minister have an opening statement?

Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living): Thank you, Madam Chair and members of the committee, and good afternoon.

I—first of all, I want to congratulate my critic for the appointment to his role. My view—I—members will know I spent a little bit of time in opposition, and my view had always been that Estimates was a good process and a learning process for critics and for ministers, I think, as well, in terms of their department. And I always thought it was a respectful process, one of the more respectful processes that we have here in the Legislature. And I'm sure that my friend from Concordia will view it and take it as that way as well. He'll know that I've been the minister for all of seven weeks or so, and I think any minister who would say that they have all the answers after seven weeks you'd have reason to be concerned about. I won't have all of the answers, of course, for my friend, but we'll certainly endeavour to get them as best that we can with the capable assistance of the staff that we have within the department.

We'll be running—we're going to try to run a somewhat lean Estimates process with only a couple of departmental staff here, recognizing that we have lots of important work that's happening within the Department of Health. And while I respect this process and want to provide it as fulsomely and as helpfully to the member for Concordia (Mr. Wiebe) as I can, also recognizing that we don't want to take staff away from the department unnecessarily for the important work that they're doing.

But we're going to try, at least, with only a couple of members from the department here, very capable members, of course. And then if there are questions that arise, I think that we have staff that are sort of on alert in their home offices where they can hopefully provide the answers if not immediately, then perhaps by the end of each session of Committee of Supply, depending how long we sit, or the next day in this particular Estimates. So I hope that that'll satisfy the member for Concordia. If it's not working well or other members who have questions, let me know and then we'll try to do something differently. We want to, obviously, do our best to provide you with as much information, as much helpful information as we can.

So I am pleased to present the 2016-17 financial Estimates for the Department of Health, Seniors and Active Living. I want to, again, thank the Premier (Mr. Pallister) for the opportunity to serve in this role.

The proposed 2016-17 budget represents an approximate 5.9 per cent increase over the prior year's budget. That would be a \$335-million increase over a \$5.65-billion budget from the prior year, and it includes some of the following elements.

* (16:20)

Members might know that Manitoba spends approximately 75 per cent of the entire health-care budget on salaries and benefits for the workforce and the front-line service providers who deliver quality services to Manitobans every day. Just—it's worth noting, I've had the opportunity, and I'll probably mention it throughout the Estimates process, to meet many of those front-line service providers and, however you define them—and perhaps that will be part of the discussion—they work tremendously hard, and with dedication, to support those Manitobans who need their services.

They are collectively, I think, a group that all of us as legislators—regardless of which side of the aisle that we sit on—should be proud of and should be supportive of and I think that all of us are.

We will be making substantial investments in services to support chronic kidney disease in Manitoba. Sadly, this is because Manitoba has among the highest incidence and prevalence of kidney disease rates across the country. For example, in 2014, Manitoba's incidence of end-stage renal disease was nearly 11 per cent higher than the rest of Canada, at 214 net new cases per million in

population. The approach that we have in the department includes investments and up-front programming aimed at preventing and avoiding the need for dialysis treatment. In addition, we continue to work to create the capacity for life-saving dialysis services across the province in an effort to deliver care as close to home as is 'feasibly' possible. And I know that there are challenges that exist within that direction.

I also know, Madam Chairperson, that we will continue to make strides in investment and to improve the participation rates of home-based dialysis. It is something that we believe is not only good for the financial responsibility of providing this particular service, but also for the life of those who are dealing with dialysis. The ability to have that treatment in your own home improves, I think, greatly the quality of life of those who are living with the disease.

As part of our commitment to reducing ambulance fees, members will know from the discussion of the budget, that has already begun with a phased-in reduction to ambulance fees that would commence later this fiscal year. This reduction is intended to bring Manitoba in line with the rates of the rest of Canada, knowing that it will take a series of more reductions to do that.

For some of Manitoba's sickest and most needy individuals and families, the reduction in ambulance fees will not only help to reduce their costs at a critical time of need, but hopefully it will also increase their access to health care. I know that I have, as a member—and I'm sure that all members—have heard from constituents or, if they're newly elected, perhaps heard during the election that too many people are often faced with the decision about whether or not they should call for an ambulance when they're in their most difficult time. And trying to make that decision when you are in need of medical care is not something that we think Manitobans should be worried about from a financial perspective. The clearest concern that they should have, and that their loved ones would have, would be whether or not they can get accessible care, and whether or not they should be calling for an ambulance. Not what impact it's going to have if they get the bill a few months later.

Also, we've provided additional support for the Provincial Oncology Drug Program, and that is part of the overall program that includes Home Cancer Drug Program, and we were proud to make an

announcement at CancerCare Manitoba a couple of weeks ago about that additional support. Every member will have loved ones that have been impacted by cancer. I know that there are members in the Assembly, and in past Assemblies in particular who, themselves, had battled cancer. And I don't think that there's anyone who hasn't been touched, personally, by the horrible disease.

It is certainly our view that we want to offer the support that we can, and Manitoba has an excellent program in terms of offering the life-saving drugs—and life-altering drugs for those who are dealing with cancer. Manitoba's Home Cancer Drug Program provides eligible outpatient oral cancer drugs in support of therapies and is listed in the HCD program drug benefit list, to be accessible at no cost to cancer patients. And that continues on with Budget 2016.

We are continuing to look at different investments, of course, recognizing the fiscal challenges that exist in Manitoba. And so none of these decisions are ever made in isolation of that. I think we have a responsibility as legislators, collectively, not individualized by our parties, to ensure that the health-care system remains sustainable not just today but also for tomorrow, for future generations of Manitobans, that the health-care system is there and is there to benefit them when they need it in their time of need as well. And so I think that that is part of the discussion and equation that maybe has been missing a little bit in the last number of years. We know that there are always going to be more requests, and good thing; a good request for projects. And there is money to supply within the health-care system.

And it's not an issue about whether or not something is not valuable. It's a question of how do you best use your resources to ensure that you're getting the largest impact for the number of people that you're able to serve in a community in health care but also remembering that there are going to be generations of Manitobans who also need care and who deserve care and to think about that from a future perspective as well. That sometimes makes for difficult decisions, and I don't shy away from that as a possibility, that there are often tough decisions that need to be made, but they're made with—looking for the benefit and not just for today but also for tomorrow.

So I look forward to the different questions that my critic will have. I think this will be a respectful

process where we'll both learn from it, from the department. And, with that, I'm willing to proceed, in the absence of an opening statement from my friend from Concordia.

Madam Chairperson: We thank the minister for those comments.

Does the official opposition critic have an opening comment?

Mr. Matt Wiebe (Concordia): I do want to put just a few remarks on the record, though I do want to keep my remarks brief so that we have more time for the Estimates process and questions.

I also wanted to take this opportunity to once again congratulate my colleague for his appointment as Minister for Health. We've had a chance to speak off the record, and I know this is a responsibility that he takes very, very seriously. And it's no small undertaking to be the Minister of Health in the province of Manitoba. So I congratulate him on that. I know him to be somebody as well that is here in this place for the right reasons and is somebody that I feel will be able to stand up and defend and promote his department and continue to build on the good work that's been done in the department in the past.

I also wanted to take this opportunity to welcome the staff who I know are joining us and also just thank them for their hard work and amazing commitment to this province. They've devoted their lives to improving health care in this province, and so I wanted to acknowledge their work and thank them for being part of this process as well.

I am new to this role as well in—as the critic for Health in Estimates, so I'm going to try my best to stay as focused as I can in my questioning, but I realized very quickly as I was developing my questionings that I was able to go off on tangents very easily, and I would imagine as we go through the answers, I probably will do that as well. So I will probably be a little bit scattershot here today, but I can appreciate that the minister has limited staff here, and I think that's a great idea, great way to do this. I think if we do have some way of determining which direction we're going, I think that would be a helpful discussion to have. And any way that the minister can give me guidance on that will be appreciated.

So what I am hoping to get to, Madam Speaker—or Madam Chair, is really just to get some clear answers from the minister. And these are answers to questions that, as I've said many times in the House, I'm getting frequently now. I'm getting calls from all

corners of the city and having the opportunity to reach out and talk to individuals on a variety of issues pertaining to health or active living or seniors, and these are questions that I've been getting in my office.

* (16:30)

We know that health is a major driver of the budget in Manitoba. It has its own unique challenges. But, of course, we see those challenges across all jurisdictions, so I do see that there are some unique situations in Manitoba, but not something that is completely unique in this jurisdiction.

This is also a department where, you know, Manitobans get to know their civil servants most acutely, I would say. They get to deal with them—what we call a front-line worker—every single day. Maybe it's a doctor or a nurse. It could be others in the healthcare system. But they get to meet these people in a very real way, in a very important part of their life journey, and this is a time for them to get to know who those people are.

So, you know, when I come to this process, I say these are questions that are important. They're questions that are important, I believe, you know, across the board to all Manitobans. And they see it very clearly, how important these questions are.

So we—so—and, as I ask questions, what I hope to get is not only the outcomes or the processes involved but, actually, the individuals who are delivering the services, who are the ones on the front lines. And we do want to talk a little bit about who those people are and, just, how their role in this system can be protected and valued, which I think is something that folks are looking to hear some answers on.

So I will ask some questions today and, hopefully, focus on people and, hopefully, get some clear assurances for folks. Because that's really what they're asking me for and I believe the minister has the opportunity, in this format, to give those assurances. So I look forward to the opportunity to ask some questions today.

Madam Chairperson: We thank the critic from the official opposition for those remarks.

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

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

Mr. Goertzen: Yes, I—my critic mentioned that—the member from Concordia mentioned that we have limited staff. But he, of course, meant limited in number, and not capacity.

But we have with us, from the department, the chief financial officer, Dan Skwarchuk and, also, our deputy minister, Karen Herd. If you're ever leaving the building at 9 o'clock at night, and you only see one light on, it's more than likely to be my deputy's office. She works long and hard hours on behalf of Manitobans. I've come to appreciate that, and I know she'll probably have some sage advice for me as well, as we go through this process.

Madam Chairperson: Thank you, Honourable Minister.

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

Mr. Wiebe: Well, as I mentioned in my preamble, I will try to stay focused, but it might be difficult, so I imagine a global discussion might be the best way to go.

Mr. Goertzen: Agreed.

Madam Chairperson: It's agreed, then, that 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. Wiebe: I thought a good place to start would be—and, of course, I wouldn't want to break with tradition in this regard—to begin to start understanding the structure within the minister's office. And, to that end, I'd like to ask who are the political staff in the minister's office and the positions and their names.

Mr. Goertzen: There are two political positions within my office currently. My special assistant is Audrey Gordon, and the executive assistant is Matthew LaPage. That's—I believe, if the member looks historically over the past Estimates, that'll be a significant reduction from the political staff that used to be housed in the office of the Minister of Health. It's a fairly lean operation right now and I appreciate the hard work that the both of them put in in dealing

with a significantly reduced staff from what it previously was under the previous administration.

Mr. Wiebe: So, just to be clear, then, does the minister have a, what we maybe was called, at least in the past, a special adviser role, or intake within the office? Maybe he could talk about any communications staff that would be assigned to him or policy staff that would be assigned to directly work with Health.

Mr. Goertzen: None that would be considered political staff. There's no political policy advisers assigned within my office. There's no political intake. There are the two individuals. If the member's suggesting that that's a little lean and that I should have more, I'd be happy for him to bring those suggestions up to others—powers in the building.

Mr. Wiebe: So, with regards to your special assistant and EA, you said executive assistant. What—can you tell me what are the salaries for each of those individuals and what are their backgrounds and qualifications?

Mr. Goertzen: I believe we'll get the salaries for the two individuals sent to us as quickly as possible.

In terms of background, I certainly know that Ms. Gordon has been involved with the health-care system for many, many, years in a number of different areas, both in terms of leadership and in other areas of the Health Department. Most recently, she was involved with the renal program in Manitoba and was involved with leadership on that very important issue. I'm sure we'll have more discussion when it comes to the renal program and dialysis more generally.

Matthew LaPage has been a constituency assistant in the past, and so has worked in constituency offices, and he certainly is helping me in that capacity as well and in other assignments that he has.

Mr. Wiebe: So, then, just to be clear, the—your—the executive assistant doesn't work in the building.

Mr. Goertzen: Yes. I mean, it's somewhat new, obviously. Generally, he's not been in the building at this point. It's hard to know where all of that will settle out, but at this stage that's correct.

Mr. Wiebe: So this does certainly sound like a very lean operation. I will agree with the minister on that, and I know one of the biggest, most important roles of the Minister of Health's office is to take that intake and hear from constituents and Manitobans across

the province who are having issues with health that need, you know, a more thorough look and investigation.

* (16:40)

So, I guess, I'm just wondering—so there is no intake position in the minister's office. Is this something, maybe, that they're looking to still hire? Any other staff that the minister has yet to hire that he plans to hire in the next year?

Mr. Goertzen: Just, you know, in greater certainty, I think we were, sort of, discussing or—I understood the member to be discussing the political staff that worked in the office. So there is no more additional political staff. There are pre-existing civil service staff that existed within that office.

Maybe just give me clarity in terms of if you're looking just purely for political staff or civil service staff?

Mr. Wiebe: Well and, you know, again, maybe I'm not being clear here. You know, I can't remember all the titles of everybody. But I do know that, within the health minister's office, traditionally, there has been—at least, as I've known it, there's been administrative staff. As he said, that's the folks who are there answering the phone every day. But there would be somebody, at least one person in the office assigned to, sort of, take in that case work and understand it in a more complex way and understand what the best way to deal with any issues that people are having.

So I don't know if that would be something that the minister would include under his administrative staff, but somebody who is dealing with those—the case work as it comes in, and figuring out the best way to deal with it.

Mr. Goertzen: No, I appreciate that clarification so that, just, in the fulsomeness of an answer, there are—there were, I understand, from a civil service perspective, seven positions that were assigned to the office of the Minister of Health, Seniors and Active Living.

Remembering that there was two departments combined, so the two legacy departments would have had seven administrative support positions that are civil service. There are three vacancies within those seven civil service positions. There remain four that are filled. They would not be—they would be—one would, sort of, be intaking the mail, one would be logging the mail. There's an individual

responsible for scheduling and correspondence, but they are not, I don't believe, providing advice in terms of the constituency work. They're simply bringing the mail in, logging it, ensuring that it's tracked properly within the government system. And I think I asked the question not long after I was minister: How much mail does the department receive in terms of numbers? And I was advised it's not quite tracked that way, but it's about a foot and a half to two feet a day of mail that the Department of Health receives a day. So they are not people who are unbusy, if that's a word.

They, of course, also—now, that's just mail that's coming in. Not everybody—in fact, we might assume that the majority of people don't correspond that way anymore. There'd also be intaking of telephone calls and, also, intaking of emails. So the seven positions that existed before have been reduced, now, to only four being filled, and—but they are not political, and they're not directing case work, per se.

So the member's correct. It's a lean operation that requires long hours by everybody, and we are trying to do more with less as, I think, it's sometimes said.

Mr. Wiebe: Just briefly, on the—your special assistant. You had mentioned that she was working in Health.

I'm just wondering what the nature of the employment agreement that you have with her is.

Mr. Goertzen: I believe that she's under secondment from the Winnipeg Regional Health Authority. I think it was seen that was, at this stage, the best arrangement.

It wouldn't be unfamiliar to the member opposite, or others within the former government. There was a number of secondments, I know, made from different areas of government into the former NDP government. And this doesn't necessarily carry on a tradition but, at this stage of the game, you'll have seen that it was the most appropriate way to go and, of course, there's significant cost—or, savings that have been achieved by the great reduction not only in staff, I'd say, but, of course, we've also been reduced by a minister in this particular cadre of the department.

Because we, typically—before, we had two. We had the active living minister and the seniors minister who were—who was important in their own right, perhaps sort of a bit less busy than the Health

Minister, former Health ministers might say, but we've reduced those two down to one.

Mr. Wiebe: Well, the minister maybe gives me more credit than I deserve in terms of understanding the nature of the secondments; it wasn't something that I was personally involved in or had knowledge of, but I take his word that there were several of these agreements, as he said, across government.

But maybe he could just explain a little bit more what—how this, how a secondment works. It's—is it sort of like parking a job in one part of government or is it, you know, a different payment structure. I'm just trying to understand, is the person then still an employee of the Winnipeg Regional Health Authority or do they sort of cease their duties there and come and they are, I guess, an employee of the Legislative Assembly?

Mr. Goertzen: No, it's a good question.

I'll use, just for familiarity, the example of the former deputy minister of culture under the NDP, who, by the way, I have great respect for and really have nothing but positive things to say about, but just as by way of example, so the former deputy, under the NDP, for culture, was seconded, I believe, for many years from the WRHA. So the salary for that individual would have been paid from the Winnipeg Regional Health Authority, but the performance reviews and standards would have been, and what vacation that individual would have taken, would have been set here within the Legislature and who they reported to most directly.

So there is, of course, history with previous governments with this, and I'd suspect that with the individual that the member is citing it would have been the same as for that former deputy minister, who, again, I would just put on the record, I have the utmost respect for.

Mr. Wiebe: So just to sort of close off this line of questioning, and I think the minister did sort of touch on this but I wasn't quite clear, when he was talking about his administrative staff, so within the office of the Minister of Health, are there any plans for—to hire any more individuals, let's say, in the next 12 months? I know, you know, things can change, but are there any plans right now to fill vacancies that maybe are empty right now?

Mr. Goertzen: Just as a follow-up, I'll answer the member's question, but he had asked about salaries. I've sort of got—I'm 50 per cent there for the member. Salary for Matthew LaPage is \$55,800. That was,

you know, my executive assistant that he asked me for. And we are awaiting the exact details on the special assistant.

There is a discussion of hiring one clerk who would be involved with, I think the word that my deputy used was triaging, phone calls to ensure that phone calls that are coming in with requests, whether they're medical or just generally health related, are sent to the right place, whether that would be the regional health authority or elsewhere within the department.

* (16:50)

As mentioned before, I guess I didn't ask the question; I asked how much mail we got, and we're told it was a foot and a half to two feet a day. I didn't ask how many phone calls we got, but I imagine we're a pretty good customer of whichever telecommunications company we're subscribed with. And so that individual, that clerk, when they are hired would sort of be the airport—air traffic controller for moving those phone calls into the right place so they get responded to appropriately and hopefully in a timely matter.

Mr. Wiebe: Just wanted some clarification: on page 25, under Executive Support, Salaries & Employee Benefits, could the minister just explain to me, under the Professional/Technical line, I see here five FTEs, and I just wondered if the minister could maybe explain what those individuals—the role that those individuals, what their job titles might be in that role.

Mr. Goertzen: It's a good question, and again like I said, we're learning. All of us are learning as we go on some of these. So, within those five, I'm advised one would be my special assistant, one would be the executive assistant, both of which have been referred earlier in terms of their identity, and we're working on the other salary position. And then the other three are part of the vacancies that I indicated existed within the department. One vacancy rests within the deputy minister's office. She's also practising at this point Lean management. And then two of the vacancies were as described before, from my office.

So only two of those five are currently actual individuals filling the spots.

Mr. Wiebe: And I can see that we're running short on time already for today, but I will—well, maybe I'll just ask this question, and, hopefully, this isn't too big of a question to get in over the next few minutes.

Can the minister just describe a little bit more about the deputy minister's office structure, talk about how many ADMs there currently are, whether it's been an increase or decrease from previous years and whether there are any plans to change the number and structure of the deputy's office?

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

So he'll see on the org chart that's provided within the books that there are six individuals who'd be identified as ADMs, assistant deputy ministers. There have not been any new added since I became the minister or since we formed government, and they are: Mr. Dan Skwarchuk, who joins us, as I mentioned earlier, for the Estimates; Beth Beaupré, who is the Health Workforce Secretariat assistant deputy minister; and then our assistant deputy minister for Regional Policy and Programs is Jean Cox; the Public Health and Primary Health Care assistant deputy minister is Avis Gray; the Provincial Policy and Programs assistant deputy minister is Bernadette Preun; and the assistant deputy minister for Healthy Living and Seniors is Marcia Thomson.

Mr. Wiebe: And I appreciate the—that was a quick answer.

I didn't hear, though, whether there was any plans to change that structure going forward, again increase or decrease the number of ADMs.

Mr. Goertzen: I'm not aware of, at this stage, any changes. There certainly wouldn't be any intention to increase the number of assistant deputy ministers. Of course, I'm somewhat new, obviously, to the role, and so I'm getting to know senior staff within the department not only as individuals. And the member for Minto (Mr. Swan), who is here, would know that, as the part of sort of being a minister, you learn sort of the personal backgrounds a little bit of your senior staff, and you get to appreciate them not just as professional civil servants but as individuals. So I'm involved in that process. But, certainly, we're not planning to add any more to that structure.

Mr. Wiebe: Can the minister tell me how many staff would be in each division or branch of Manitoba Health?

Mr. Goertzen: So, just in the interest of time, I could give the breakdown per division if the member would like. There is on page 15 something of a breakdown if that's sufficient for him. If that's not enough detail, I can try to tease that out a little bit further, but the number of FTEs, which wouldn't necessarily equate to the number of people because

some people, as he knows, shares—share FTEs, often two people sharing one FTE, but I guess the best specific number I could give him at this moment would be 775.35 FTEs, which, obviously, doesn't equate to individuals because we don't have a 0.35 individual working within the department.

Mr. Wiebe: And I appreciate the minister pointing me in the right direction there, and that is helpful in terms of understanding how many staff are in each area.

Maybe I'll—I know time is very short now, but I can maybe ask my last question and give the minister a bit of a heads up of where we're going in the future because, of course, we're just touching the—seeing the very tip of the iceberg here in Manitoba Health. But, you know, I know within each regional health authority, of course, there are a number of staff as well.

So what—I guess what I'd be asking, maybe if the minister can start on that today but certainly get to it tomorrow, are how many staff total in each of the RHAs and, you know, a little bit—of course, we'll have an opportunity again to a little bit more detail on who those individuals are.

Mr. Goertzen: So, yes, my capable staff is going to do their best this evening to get the numbers for the member. Just noting in full disclosure that fee-for-service physicians and others who might be operating in a similar fashion aren't necessarily employees of the government. They, of course, are independent individuals who aren't employees of the department per se.

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

FINANCE

* (15:00)

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

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

At this time, we'll ask the members to introduce their staff in attendance. Introduce staff.

Hon. Cameron Friesen (Minister of Finance): I have with me in the Chamber today Deputy Minister Jim Hrichishen; I have with me the Secretary of the Treasury Board, Lynn Zapshala-Kelln; I have

with me, there's Giselle Martel, who's Financial Management in Capital Planning, also under Treasury Board; and the executive financial manager under Corporate Services, Chester Wojciechowski.

Mr. Chairperson: Thank you.

As previously agreed, questioning in this department will proceed in a global manner.

The floor is now open for questions.

Mr. James Allum (Fort Garry-Riverview): We're delighted to be back in Estimates with the Finance Minister this afternoon.

Just quickly to review where we've been so far; on our first day together we spoke about the moving target of \$122 million in cuts but turns out to be only \$108 million in cuts. It was a moving target throughout. We asked for details around much of those cuts and we have yet to receive them.

And then yesterday we explored with the Finance Minister issues around the strengths of the Manitoba economy that are shared widely by experts in the field, and that are in fact reflected in his own budget papers. There's any number of references in the budget papers in respect to lowest unemployment rate in the country, continued growth in immigration, a superb job creation stats here in Manitoba during our term in government. And the Finance Minister at the end was forced to concede that in fact the state of the Manitoba economy is very strong and that the cuts that he's likely to make, which has already started off with \$108 million, are likely to do significant damage not only to the programs and services that Manitoba people rely on, but more importantly than that, or as importantly, and that are the jobs that Manitobans also rely on.

And we would expect that in the future for—and urge the government to continue to invest in our economy, to create good jobs for Manitoba families in order to ensure that families have a good quality of life here in Manitoba.

Now yesterday we ended off with trying to get an answer on the minimum wage, so I want to ask the Finance Minister quite directly, I don't believe he needs to consult with staff on this because it's a political question, why did he not raise the minimum wage this year?

*(15:10)

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

The first thing I want to do this afternoon is just clarify the record. This question did come up in the Estimates of the Executive Council, and it sounded like there had been some concern that somehow there were—was going to be changes made in respect of retroactivity in the Seniors' School Tax Rebate. I'm referring to page C3 in Budget 2016 under Seniors' School Tax Rebate. And I just want to reaffirm for the member, because the question came up earlier today, I'm looking at the third paragraph in that section where it states the rebate will now be delivered as part of the annual income tax return. Administration of the rebate through the income tax system will permit retroactive claims of up to three years, but no earlier than the 2016 rebate."

It's important to clarify this because we didn't want it to be confusing for Manitobans. The budget was clear that one of the benefits—and, actually, one that we have not even to this point spoken about, is the fact that by having the program administered by CRA, not only does the province gain an almost \$1 million per year savings and not only do we then avail ourselves of the expertise that already exists within the Canada Revenue Agency in respect of processing and receiving and delivering such a program, but we also have an additional advantage, and that is that because of CRA rules, now, on a go-forward basis, seniors will have the ability to go back in claims and—in the same way they can in other areas of their tax return, take advantage of areas that might have been missed.

There are more and more people these days who prepare their own taxes. I know that as a young income earner I was always the one who wanted to prepare my own tax return, and my brother who is a CPA used to tease me and he said there are people who can provide these services, and I told him that as a young income earner it was important that I understood how the system worked. So I did that work. And I know many seniors do this work, and others trust the work to professionals and others to do for them.

But the fact of the matter is in the event something goes wrong they have recourse, and they have recourse through the ability to claim for past years. We have built that into our program.

I would also though put on the record this afternoon that such a program was not available to Manitobans in advance in the way that the—our former NDP government had designed the system, they had not included any ability for seniors to

retroactively claim. As a matter of fact, they said they set hard deadlines and basically took the point of saying too bad, so sad if you missed the deadline. I remember the same approach when it came to the Farmland School Tax Rebate, whereby if in that first year if people did not know about the program and didn't make that deadline, there were no avenues available to individuals who had missed the deadline. This is a benefit to all Manitobans, not just now but on a go-forward basis; so I would point that out to the member.

The member's question now has to do with minimum wage. Now, again, the member always wants to have a conversation on one dimension when he knows that these conversations are multifaceted. There are many moving parts when it comes to talking about affordability for Manitobans. He wants to have a one-dimensional conversation. We are inviting Manitobans to have a comprehensive discussion. This member cannot suggest somehow that an annual knee-jerk reaction to raise the minimum wage is somehow going to solve the real issues pertaining to Manitobans who live in one of the highest taxation zones in all of Canada, certainly the highest taxation rates west of Ontario, some of the highest in Canada as a whole.

Their government raised taxes each and every year. Their government brought in 8 per cent PST in 2013. Their government has brought in a total cumulative annual increase of \$37 billion since they took government in the year 2000. This is an enormous challenge for all Manitobans. That's why it is important to get this conversation right, and that is why our government has taken immediate steps to leave more money in the pockets of hard-working Manitobans, issues like indexing the tax brackets and indexing the basic personal amount.

Mr. Allum: You know I didn't ask the Finance Minister about the seniors tax rebate, we know already that he's raised taxes on seniors by \$44 million this year. We don't need any further clarification on a question that wasn't asked.

The Premier (Mr. Pallister) was already forced to stand in this House today and indicate that he was wrong on the information given in Executive Council today. He clarified that matter for the House at that point.

I didn't ask a question about the seniors tax rebate. I asked a question about the minimum wage, the Minister of Finance (Mr. Friesen) took five minutes or so to fool around looking for a question,

or an answer on a very political question. He does not need to engage with his officials on a very political question which was why did he not raise the minimum wage this year.

I just want an answer on that most simple question, Mr. Chair.

* (15:20)

Mr. Chairperson: While we're waiting, would the opposition critic introduce their staff who have just entered the Chamber.

Mr. Allum: Mr. Chair, I'm pleased to welcome back into the Chamber today the divine Kelsey Hutton.

Mr. Chairperson: Thank you.

Mr. Friesen: You know, the minister is—or the member is asking a question that is about affordability. So when he somehow says that I'm not answering the question, he is incorrect. I do invite this conversation around affordability. And, even if this member will not acknowledge it, we know that Manitobans understand that they have many costs for which they are responsible in their households.

This member also should acknowledge that he asks this question knowing full well that a government that does not index its tax brackets and raises its minimum wage each and every year is a government that takes more and more income every year from an expanding pool of income earners. It is raising up the number of earners above those threshold amounts, and in this province right now the number is—was around \$9,100 at which tax was beginning to be assessed. And that number, of course, will rise now because our government has taken the step of indexing tax brackets.

And the member understands this. He is counting on the fact that Manitobans will not understand this. We do not take Manitobans for fools. They understand that if a government does not index its tax brackets, then inflation has an effect on households. There are many measurements that are used to measure that effect, those adjustments in households, incremental increases to the cost of covering your expenses. The price of milk goes up. The price of butter goes up. We saw evidence just in the last week or two ago that the cost of groceries is going up in Manitoba.

We all know in Manitoba the cost of hydro has gone up considerably. That cost is set to double or triple in the next 10 years, all because of the work of our predecessors in terms of driving a political

agenda within our largest utility, a \$30-billion capital plan that was based on a business case made 15 years ago, and 15 years ago that business case made a lot of sense. And their failure to revisit that business case, their failure to recognize market conditions, their failure to recognize that energy production in the USA, like it or not, had changed dramatically. It's an economically, globally, game changer. But they remained entrenched in their ideology, had the same approach, all these things have produced more costs for Manitobans.

So he asks why we didn't raise the minimum wage. Well, I would say to him that we were elected on April the 19th, we picked our ministers, those ministers were publicly announced, I believe, on May the 2nd, we brought a budget in the province of Manitoba on May the 31st. This is a—the timeline that his government can't point to ever in their record.

As a matter of fact, they spent hundreds of thousands of dollars in the preparation of the previous budget. Hundreds of thousands of dollars and did not bring a budget. When the time came for them to table that budget, we know what they were doing instead of preparing for a budget, they were busy quarreling amongst themselves. That's what that government was doing. And resources and energy and time was going into to try to manage the comprehensive failure of that government to get along with each other. We had rebellions, we had defections, we had new ministers; all of this was the occupation of government before.

But they didn't bring a budget, spent hundreds of thousands of dollars to promote it, and they supposedly talked to people, didn't bring it. We brought a budget in that time.

So my answer to the member is this, we had to make real decisions very quickly about what needed to be done in these initial periods of time. Clearly, in our minds, a province that lags the nation when it comes to indexing tax brackets and adjusting the basic personal exemption, real measures that over time will produce real results for all Manitobans, especially low-income earners, in the very short time afforded to us, that was the priority that we chose first.

It would be absurd for the member to suggest that somehow, therefore, we are not interested in the minimum wage. Nothing could be further from the truth. In the time afforded to us, we took real

measures that will produce real results for real Manitobans.

Mr. Allum: I want to remind the Finance Minister that he has, by my count, 14 staff in the room. We have members in the gallery, and it's costing quite a bit of money here for him to waste the time of not only ourselves, but everybody up in the gallery, the staff members here, because he refuses to put a plain answer on the—a plain answer to a very simple, direct question, and that's quite disappointing and certainly not in the spirit of Estimates.

What I heard him say is that he didn't raise the minimum wage this year. He didn't give those who earned the least in our province a raise this year because he didn't have time. Now we understand that he rushed the budget. We understand that he did no consultation on the budget. We understand that he took orders from political operatives in the Premier's (Mr. Pallister) office on the budget, and that's why it's so minimalist in its content. He hasn't given us a satisfactory answer on why he didn't raise the minimum wage except to say he didn't have time, and we'll be talking more about that to our constituents, that he ran out of time on it.

But the question, then, becomes why is it that he didn't have time to give Manitobans who earn the least a raise this year. How is it that he had time to give every Cabinet minister a significant raise this year?

* (15:30)

Mr. Friesen: Thank you, Mr. Chair, and for the opportunity to respond.

I don't know what has got the critic this afternoon in such a foul mood, but I'm confused; because at points he specifically references the most senior members of our civil service who give their time to be in here during these proceedings, and he challenges me in his questions that I should not consult my staff, and that at other times he challenges me across the floor and asks why I'm not availing myself of the opportunity to consult my staff. Now I don't know what his estimation is of the Department of Finance, but I will give him mine.

I have the opportunity every day to work with some very fine people in my department, people that I've had the chance to know for a few years now because I first got to know them when I was the critic of Finance. And that's always an interesting situation because you've got to approach that

exercise with grace, if you're going to meet these people in the hall later on.

I recognized very early on in my time in this building that Manitoba has an excellent reputation when it comes to the quality of our civil servants. I recognize that across departments. I guess I see it particularly every day because every day I have the opportunity to work with some very gifted people who could be doing other things, but choose to do this and they do it tremendously well, and they do it to the benefit of all the people who live in this province. So when you rub shoulders with those people every day you get to know them.

I can assure this member that I will take every opportunity that I have in this place and every opportunity that I have in this role that I have been given for as much time as I will be trusted with this role, to take their advice, to consider their opinion, to work with them in a collaborative way, in the same way as I will engage with Manitobans outside of this room, work that is well under way I assure the member; reaching out to other jurisdictions, talking to my counterparts in other jurisdictions, speaking to many employees and business owners and job providers, and non-profit groups across this province. We are tremendously blessed in this province and we have tremendous opportunity ahead of us.

So I will not take from the member taunts about when I will and when I will not consult with my staff. He can be assured of the fact that I will and that we will all have good advice in this Chamber and in these proceedings as a result of their excellent work.

I would say about the member's question pertaining to minimum wage that he is aware as well that in this province there is a Labour Management Review Committee and that since 2009, the work of that committee has been to review and make recommendations in respect of minimum wage. Previous practice has been to provide approximately six months' notice of any minimum wage change; that is done in order to provide industry a chance to prepare. We've been very clear in our budget. We've been very clear as an opposition party that we believe in partnerships. We don't believe it's the role of government to run rough shot over employers and employees.

I can recall that one of the first things, the first pieces of legislation that I saw when I was elected was some change to a bituminous coal tax, and the changes were overnight without notification to

groups. Now, you can say what you want to say about the use of coal in our province, I think we would all agree there's way better ways we can provide fuel. But, by providing notice to sectors, it would have allowed employers to change fuel sources, it would have provided time for them to adjust, it would have not resulted in the millions of dollars that had been invested in this area only to find out that government changed its mind overnight.

What I tell this member is when it comes to minimum wage as well as with so many other areas of government function, we have in mind to provide opportunity to sectors. We believe in consultation, we believe in outreach. We will get this right. We will be endeavouring to undertake a study of the Labour Management Review Committee to understand better their function, their role and the timelines in which they proceed. And, on the basis of that, we will make future considerations about the minimum wage in the province of Manitoba.

Mr. Allum: Well, of course, the minister spent the first four minutes of that answer trying to suggest something that's simply not true. I have the highest regard for Finance officials in his department. I said so at the beginning of these proceedings. I stood in this House today and made a members' statement about Public Service Week.

I am a former 15-year public servant myself, and what I objected to as a public servant then and what I object to as an elected official now is grandstanding on the part of another elected official who otherwise ought to know that we're engaged in an Estimates process in which we're asking a sometimes—for a minutiae in which it's perfectly fair to refer to your officials, and sometimes we're asking basic political questions where he doesn't need to refer to his officials because they didn't advise him on political questions, he made those political decisions on his own.

I asked him why he wouldn't give those who raise—made the least in Manitoba a raise this year and yet at the same time he had time to give himself a whopping big raise to the chosen 12, and a whopping big raise to the Premier (Mr. Pallister) at that.

Now, can he tell us why it is that it's not only the 12 in the Cabinet who made significant raises but you've also given significant raises to staff? For example, special assistants under our government made between 55 and 65 thousand dollars per year, but now your staff have all been given raises and most of them make in the mid-70 thousands. The

special assistant for Agriculture makes the most at almost \$83,000 this year.

So how can the Finance Minister justify giving those who earn the least in our province, refusing to give them a raise and at that same time not only give raises to his brothers and sisters in the Cabinet, but also gave significant raises to political staff as well. How does he justify that?

* (15:40)

Mr. Friesen: I welcome the opportunity to talk about the difference in the approaches of our government when it comes to technical officers and within departments of government.

Of course, what the member doesn't want to put on the record this afternoon—so I will for him—is the fact that our government not only contained in language in the budget speech, but contained in the budget itself—and he will notice in the Estimates binders when he reviews the FTEs, he will notice that the number of technical officers, some people refer to these as political positions within ministers' offices, are significantly reduced from when his own government was at the helm. The member understands that whereas his government kept adding and adding political positions to this building, we assessed the situation, found it unsustainable and also found it unpalatable, and made immediate steps to reduce the numbers of people employed within ministers' offices.

In addition to that—and we've spoke about this—we combined appropriations and areas of functions to find more efficiency but also to make it more navigable for people to get to government, for municipal leaders to access funding sources, for people to seek remedies in areas of health or perhaps seniors seeking remedies in health. So, whereas our predecessors divided areas of function and multiplied staff, we've done exactly the opposite.

We have combined what would reasonably be areas of function to produce alignment and efficiencies, and we have reduced the number of political technical staff. And I don't have the numbers in front of me exactly so I will not provide a guesstimate, but I'm initially very, very encouraged by the number of individuals we've been able to reduce. The member doesn't want to put that on the record.

The member also doesn't want to put on the record the fact that, as a result of these initiatives, this government has achieved, initially, a \$4-million

savings to government that will go on saving money for taxpayers. And this should be a good indication of the member of both our intent but our ability to get results when it comes to these things.

Compare and contrast that approach to the approach of our predecessors who ran a leadership contest within their political organization, whose premier stayed in that position to run his own leadership contest and then seconded from the civil service, individuals including Paul McKie and Heather Grant-Jury and their secondments in this place directly aligned with the dates of the NDP leadership contest. Then, after the contest, when one contestant was victorious and the others were defeated, there were firings from this place. Immediately released from employment were numerous technical officers. Not only did they receive whatever was due to them in terms of salary and vacation pay and other reimbursements, but they received a very, very large severance, a severance which this government then chose to hide by keeping the vast majority of those severed amounts outside of the Public Accounts for the year in which they should have been considered, pushing forward that amount so that it would not be seen in a timely manner by Manitobans. Not only does it defy transparency, but I would suggest that it defies any kind of fidelity to good management practice.

So, when the member asks me about incremental salary adjustments to reflect, you know, economic realities, I point him back to the record of his own government when it comes to their treatment of technical officers.

Mr. Allum: The Finance Minister wants to suggest that these are incremental increases. He would not give a wage increase to those who earn the least in our province, breaking a long held tradition in our province to put hundreds of dollars back in the pockets of those who need it most, that actually get spent back in our local communities and actually makes a difference both for those individuals and their families and, in addition to that, has an added impact on local businesses. That's the impact of the minimum wage, Mr. Chair.

The Finance Minister wants to ignore that impact. He wants to look away from the fact that there are significant raises given to members of Cabinet, significant raises given to special assistants, and then, in addition to that, both the government's chief of staff and the government's principal secretary will make somewhere in the ballpark of

\$158,000 this year more—more, Mr. Chair, than the premier of Manitoba made last year.

So I'd ask him to now justify for us how it is that those two individuals get such a whopping salary when he can't find it in his cold heart to give those who earn the least a raise this year.

* (15:50)

Mr. Friesen: I want to refer the member to page 13, in the Estimates for the Department of Finance, under schedule 5, where he will see position summaries by appropriation, and, in section 7.4, looking at the area entitled Priorities and Planning. The member will know, if he's looked at last year's Estimates, that Priorities and Planning continues to be housed inside the Department of Finance.

He will look across the page and see that, when it comes to the Priorities and Planning Committee of Cabinet Secretariat, he will see that the Estimates of Expenditure for 2015-16 included an FTE of full-time employees equivalent of 14.0.

The member will glance to the left, on the same page, and see that the Estimates of Expenditure for 2016-2017 indicates the FTE indicated as 10.0. He will notice that the salary amounts, in respect of these two years, are, for year '15-16, \$1.4 million. He will see that, for the year '16-17, the salary amount under that subsection is \$1.03 million.

The member seems to be claiming that somehow we're spending more, when he, in fact, knows that we are spending less. We are hiring less people. We are hiring fewer technical officers to do the work that his government hired more to do. And I can assure you, Mr. Chair, that, in my time as an opposition critic, I endeavoured to understand the various names given to—the titles given to political staff in some of these areas of function—senior technical officers and technical administrative officers and senior adviser officers. There were any number of titles given to people, but, when I would stop them in the hall and ask them what they technically did, none of them could or wanted to answer easily to me about what their function was.

I can tell you that when I took over for the Department of Finance, there were technical officers housed in the Department of Finance that I cannot rationalize what their function was or why there were located in the Department of Finance. And I won't develop my theories in this context, but I will indicate to the member that we continue to do discovery on how his government went about

the business of installing technical officers inside departments and how his government went about installing technical officers inside the government business enterprises, and how they would locate their staff inside those enterprises to the exasperation of civil servants when it comes to placing senior political people inside our utilities.

But, beyond that, I do want to correct, as well, another assertion the member has made. The member either does not know, he has not studied The Balanced Budget Fiscal Management and Taxpayer Accountability Act, or he is choosing in this context to misrepresent that legislation. So I want to remind him that under The Balanced Budget Fiscal Management and Taxpayer Accountability Act, in section 6(3), there's a section that refers to application after change of government. It indicates that if a "party forming a government after a general election is not the party that formed the government before the election, the salary reduction does not apply to a minister appointed after the election in respect of a negative balance as at the end of (a) the fiscal year in which the election occurred; or (b) the immediately preceding fiscal year."

Now, I would submit, for the purposes of this discussion, that he understands this; he's just choosing not to say it. But the member understands, moreover, that a minister's salary is not set by a minister. The member understands this. The member understands that the minister's salary is not set by Treasury Board. The minister understands that a minister's salary is established by regulation made by the Commissioner for MLA Pay, Allowances, and Retirement Benefits, and that is precisely for the reason that then MLAs do not have control. Submissions can be made, but the locus of control is located in the office of the Commissioner for MLA Pay, Allowances, and Retirement Benefits.

And the member should not use these proceedings to put incorrect ideas on the record. Every time he does it, I will use my time here to put factual information on the record.

Mr. Allum: Well, the fact that we're discussing here is that the Finance Minister, his Cabinet colleagues, and the Premier of Manitoba all got a substantial raise this year, even though the Finance Minister tabled a billion-dollar deficit, all of his own making. And we also know that at that same time when he and his colleagues were getting a significant raise, he refused to give those who earn the least in Manitoba—we're talking about 100,000 people or so, Mr. Chair—

refused to give them a raise, though they've earned it. He hasn't, and that's what we're debating here today.

But what I would ask him right now a very simple question: Will he table a list of all the political staff indicating what they do and how much they make? Will he agree to that commitment right now?

* (16:00)

Mr. Friesen: Again, the member is using language that is not accurate and is not supported by the balanced budget act. And today, as a matter of fact, in the Chamber, we brought Bill 10, which is The Balanced Budget, Fiscal Management and Taxpayer Accountability Repeal and Consequential Amendments Act. This is an act that would, in effect, make null and void the previous legislation that was originally implemented in this province to protect taxpayers in a number of ways. It would have required a referendum in any—in the event of any major tax hike, that would be a tax hike pertaining to income tax, a tax hike pertaining to the retail sales tax, a tax hike pertaining to the education and health tax levy.

Now we've—we are bringing legislation to repeal this, and then we are going to be reintroducing new legislation. Now the member might ask, well, why not just amend the existing? And, indeed, it is something that we gave thought to; could we amend the existing legislation? But, of course, we understand that over time the original intent of this legislation has been watered down by our predecessors to a great degree.

As a matter of fact, when it comes to consequences—because, of course, this bill contained consequences that would go to ministers of the Crown that did not meet budgetary targets, who presided over a budget that was not balanced. So I welcome the opportunity to take this chance to speak about amendments that the NDP brought in respect of those consequential elements of the legislation.

When the NDP members did not return a budget in balance, they took the original 10 per cent penalty. When, in the next year, they did not return the budget to balance, they took the 20 per cent penalty and then took immediate steps to cement the penalties for ministers, at those levels, to basically ensure that there wouldn't be—no other consequences falling to ministers of the Crown. They entrenched their salaries at that point, even though the legislation made clear that there should be an

escalating effect on the minister's salary that would result in additional and ongoing reductions.

This is the work the NDP undertook to amend the legislation to make sure that they would not suffer the consequences of their own actions. That's why we're going to bring new legislation, and I would indicate to the member he can contemplate that the new legislation will have two sets of consequences. It will have consequences for a government, our government, in respect of the path we will take to restore fiscal stability to the province on this path towards a balanced budget. There will be meaningful penalties. The public will be aware; it will be open; we will be accountable. If we don't hit our targets, there will be penalties. And then I would suggest that, at the point that balance is achieved, then those consequences would proceed from that point. Now they would have to be adjusted so that there are consequences in place for a government returning to the path of balance and consequences proceeding from that place to make sure that, immediately, it did not occur that a government simply lost its fiscal way again.

In respect of the member's other question pertaining to technical officers, I can provide him with a list of the technical officers that are inside my appropriations, and I will do that right now. He—inside the office of the Finance Minister, we first have Duncan Hamilton, who is a special assistant, SPM, and his start date was 2016. He is the special assistant in my office who helps me in my role as minister. Derrick Klassen is the executive assistant, EXM—started June the 1st. Derrick is that executive assistant who assists me in that role pertaining to my constituency but is housed in the Finance Minister's office. Jonathan Scarth is the principal secretary, SF8; he started 2016, May the 3rd, and of course he is the principal secretary of Executive Council. And, after that, I would be happy to provide him information about who's in Priority and Planning.

Mr. Allum: Well, I distinctly heard the member say he was going to table something, but I don't see anything that was tabled come over my way; he gave it verbally. I'd ask him to table those particular—that information if he would.

As Finance Minister, I remind him he's responsible for the finances of the entire government of Manitoba, and I asked him: Would he provide a list of all political staff hired by his government, and, on that list, would he identify what their position is and how much they make? I'm asking for not a

five-minute exposition on that; I'm asking for a five-second answer that says yes or no. Will he provide such a list?

* (16:10)

Mr. Friesen: Now, again, the member is asking a question knowing full well that we have three concurrent sections of the Committee of Supply happening right now. And the member is well resourced; he has colleagues who can attend the other sections. But I'm referring to the Supplementary Information for Legislative Review 2016-17, so I'm happy to provide for this member information that is contained in these documents, because this booklet is the context of our discussions. And I'm happy to assist him.

But I want to help him, and so that's why I take this opportunity to tell him that he can avail himself of the opportunity to be present at the other Estimates and where he cannot present, because he is in this Chamber. He has colleagues who can sit in those proceedings, who can be recognized by the chairperson and then can request the same detail.

Now I refer him, in my document, to the section, the Sub-Appropriation 07-4a, Priorities and Planning, on page 69, of the document. Priorities and Planning Committee of Cabinet Secretariat and, on that page—and this forms the context for our discussions about these technical officers to which he is referring. So he will see there the change, year over year, from 14 FTEs to 10 FTEs and then, within this, he understands that there are civil servants who work in that office, but there are also these technical officers who work in that office.

So I want to point out to him the four individuals located in Priorities and Planning, the four staff members that would meet the test of technical officers. They are as follows, and I would just invite him to—I mean, in these—in the Committee of Supply, we don't normally table documents because tabling of documents requires multiple copies. If this is a sticking point to the member, I could certainly instruct someone to go out and use a photocopier to produce the correct amount of pages, but, as long as he has a pen present with him—and I see that he has an assistant at the table—I assure him that it's the practice of this proceeding that the member does the work of writing down the name himself.

So I will provide the answer for him in this context. I'm reading the information right into the record, into Hansard. So it will be there for all time,

and we understand that Hansard will be doing their work to verify spellings. If there is any information that he requires in addition to this, if he wants to physically receive a piece of paper, we can copy those out and give him a copy.

They are as follows: the first being Elliot Sims, project manager—oh, sorry, I should have begun with Jonathan Scarth, repeating that one. Jonathan Scarth as the principal secretary, SF8; beginning on May the 3rd, order-in-council 199, from 2016, by the way.

The second being Elliot Sims; project manager is his title. The third being Philip Goodman, senior project manager; and the fourth being Jackie Maxted, who is the Priorities and Planning director.

So compare and contrast that with the much larger list and a much longer list of technical officers who were located in that office prior to the election call on March 13th or thereabouts. So I do—I did want to take that opportunity to read this information into the record as well.

Mr. Allum: This will be my last question, and then I will defer to my friend from River Heights to take forward the questioning for the remainder of the day.

But let it be put on the record, now, that the member said—and, his words, not mine—that he would table. And that has particular meaning in this particular Chamber, and if he doesn't want to follow the rules of what the wording is, then he needs to review, I suppose, how he's going to operate in this Chamber.

Then I asked him for a list of all political staff across the government, and he's refused to provide that. I'm taking it he's refused to provide that information. In addition, in the verbal information given, the reason why we needed it in paper—on paper in the first place is because he refused to concede or articulate how much each of those individuals made.

So you can appreciate, Mr. Chair, that our—it's not frustration; it's actually, quite a big disappointment with this particular Finance Minister who's wasted a colossal—a colossal amount of time—taxpayer time—here today by refusing to give straight answers, by not providing the information that we're asking for and, really, in effect, making the Estimates process not what it's supposed to be. And I want to put that on record.

In addition, I'm inclined to say we should send Hansard to his constituents in Morden-Winkler so that they can see the way in which the Minister of Finance (Mr. Friesen) has answered these questions, because I think they would be equally disappointed by the way in which he's answered the questions.

So I have a final question for him. He's probably not going to be able to provide it today. This is an opportunity where he would consult with his officials, I would agree with that. But can he tell us, now, how many people in the Government of Manitoba have lost their jobs so far, have been laid off or had their contract terminated or not renewed since he became Finance Minister.

Will he agree to provide us with that information? And we can think of examples to help him. How many people lost their job at the East Side Road Authority? How many people in the tax office, where he's claiming big savings, lost their jobs?

So if he would actually listen to a question, that would also be good, Mr. Chair. But will he agree to provide us with a list indicating who has lost their job in the government of Manitoba either because of organizational changes that have been made, contracts not renewed or people who have simply been fired? Will he do that for us today?

* (16:20)

Mr. Friesen: I'm endeavouring to understand exactly where the member is trying to travel in this line of questioning. But I want to disabuse him quickly of any notion that while he looks at the FTEs from '15-16 on page 13 and compares them with '16-17, that in any way, shape or form, that that would suggest some kind of initiative of government to reduce.

So I would imagine he's probably looking at the number total for Manitoba Finance on page 13 under that total appropriation page, looking at the gross number of 1,209.55 under FTEs in the previous year and comparing it to the 1,176.55 for the 2016-17 year.

So I reject wholeheartedly his idea that somehow these were firings because it would show that he doesn't understand how FTEs work. Full-time equivalent positions don't reflect the number of employees; it reflects the number of positions within departments. So, within that FTE total complement, there would be another separate, of course, calculation about the number of employees working there.

But I do want to provide him the detail that I think he would be looking out for, were he to turn to page 77 under essential services, and the member understands that the Minister of Finance also is—has under their authority essential services.

And so in the Supplementary Information for Legislative Review, page 77, under essential services, he will see there the FTE with a note, and that note No. 1 is explained as follows.

There is a reduction in the Department of Finance of 26 full-time equivalents and the related funding; 25 are related to the Red River College divestiture. So it is a net decrease of \$69,000, yes, \$69,000, and it comprises reductions including salaries and employee benefits and other expenditures and also a reduction that was related to the Notre Dame campus at Red River College, but that is not in respect of FTEs; that's only in an operating amount. That's from an owned-building portfolio.

So the member can understand that the rationale for the difference between the FTEs is because 26 positions have been transferred. So he would see the increase of those FTEs under Red River College divestiture. In addition to that, let me also signal to him that he's wrong when it comes to the closing of the SSTR office. There would be one position there. And he's wrong; there was only one full-time equivalent employee, like, year-round employee in that office. The rest were all part-time staff, the term staff, and, of course, when that office was closed, that employee was then relocated back into a general pool within the civil service, and then the way that worked is that individual is then eligible to be redeployed to other areas of function within the civil service. So that's a common recruitment pool for the civil service.

So I assure him that that is the rationale for the change he sees in the FTE on page 77. If he has other questions about that movement of the total complement of those positions to Red River College, I'd be happy to answer them for him.

Oh, and on the other subject, if he is—if he continues to be dismayed that I read the names of the technical officers rather than provide him with a written list, my department officials who are with me at the table today have assured me that they will make haste to provide the member with a typed-out list of all those names and the positions.

Hon. Jon Gerrard (River Heights): My first question, and I don't have a lot of time, so it would

help if the minister could try and keep his answers brief.

He—the minister said he's going to meet his budget targeters for expenditure in this budget. What measures is he going to take to ensure there's no overspending this year?

Mr. Friesen: I thank the member for the question. I was a little bit caught off guard because it's the first time in these proceedings that the question wasn't—the question was briefer. So I'll endeavour to make my answer match.

The first way, of course, that our government is going to be able to meet our budgetary targets is to not build false assumptions into our budgetary process. So the member understands that when it comes to the year under consideration, the previous government made all kinds of promises about savings they would achieve, but they had no mechanism in which to achieve that, and the member will understand from previous explanations I've given that we actually identified a \$215-million savings initiative identified by our predecessors that had no substance or form. There was no strategy to achieve those savings. We consolidated that back into the budgetary deficit, which was the right thing to do; if there was no substance to it, it had to be—it couldn't be subtracted against expenditures. From that point, we worked forward. The member will know because I'm sure he's sat in on some of the Committee of Supply proceedings. We have identified areas in which we've already been able to reduce that deficit. We've referred to some of these in these proceedings, including the \$4-million savings, by combining areas of function within the ministers' offices, reducing the number of technical officers.

* (16:30)

We have, of course, in addition to that, been able to realize a \$44-million additional amount to government by maintaining the Seniors' School Tax Rebate at \$470, but applying an income tax—income test on it at 2 per cent of household income at \$40,000.

But, in addition to that, of course, there's other measures, and I won't go into all of those.

I'll answer briefly and tell the member and then I'll allow him to drive other questions, that, from the outset, the first thing we do to also convey to core government that we're serious about doing these things is the expenditure management memo that we

issued, and that memo is inclusive of both spending controls and staffing controls. And I am, as the Finance Minister, preliminarily optimistic about the way that the memo has been received and about efforts that are under way, throughout departments, to ensure that they are constantly at work to reinforce our efforts to find savings, you know, to minimize auxiliary travel, to drive down hospitality grants and discretionary grants and, of course, to not hire. This exercise pushes more control to ministers, but that is the—exactly the work we want.

Beyond that, I direct the member to the transparency-and-value-for-money review. The request for proposals is currently out, and that RFP will be closing in just a number of weeks. And we look forward to this open and transparent consultative process.

Our main concern, of course, here is that we want to attract partners in the private sector that will assist government in being able to identify opportunities for savings, to look for efficiencies, to minimize waste, to look at areas of function and look for the kinds of advantages and innovations that will drive spending decisions.

The final point, of course, I'd add in all of this, is that we just have to—government has to make every effort to make sure that departments line up; that, at the end of the year, they're looking to meet their own targets; and that is a directive that we have given to departments—they will be responsible to make their budgetary targets and the—and to be inside of their appropriations.

Mr. Gerrard: First of all, I would be—ask the Minister of Finance if he could table that memo that he has sent around, because that would be helpful. I'm not sure that I know where the \$215 million in savings was booked in the previous budget. I know that there was an expected amount of lapse of \$70 million, which is often included as a savings estimate. The March fiscal update had reduced this lapse to \$18 million. In the budget documents that the minister tabled, that estimate was 'reside'—revised to zero dollars. Is it true there were zero lapsed dollars in the 2015-2016?

Mr. Friesen: I thank the member for the question, and I know the member is well versed in these issues. I've seen him at public accounts committee—he sat at the table with me many times—and he is a veteran in this Chamber. So I appreciate the discussion because it's one that I have led in the past myself as the previous critic for Finance.

And, so the idea of a lapse item as a line item in a budget is standard practice in public accounting methodology. And, of course, in the case of Manitoba budgeting processes, normally the lapse—the year-end adjustment lapse is stated at \$70 million at this point of core, or 150 of summary. And, basically, that is a starting point in the budgetary process.

So, as the budgetary year progresses, that number, basically, adjusts down as the year progresses and then, by the first quarter report, the second quarter report, third quarter report—at the termination of a fiscal year, then, that lapse amount would be netted out to zero. And, of course, it's done because—on the basis of the fact that, throughout that budgetary year, there could be a pick-up in revenue, there could be a reduction in expenditure, and so those are the variables, of course. The lapse from core, of course, represents about 0.5 per cent of total budget—of expenditure budget. And, so, as this year's concluded then, basically, the amount is then reported as zero.

And I would add that the member's aware that, in the '16 budget that our government brought, again, the lapse adjustment is stated as 70, but it's reporting the '15-16 year as zero because that budgetary process is now concluding but, of course, the public accounts have not been issued, and there are still final consolidation impacts being understood on that budgetary year.

Mr. Gerrard: In the fiscal update there was a projected deficit in the core budget of less than \$700 million. In the budget documents that the Finance Minister produced on Budget Day, there was a core deficit budget from last year of over \$1 billion. That's a \$300-million difference between the middle of March and between when his budget was put down.

And I'm trying to understand where the \$300 million comes from. Were there extra expenditures which were made in the last few days of the government? Was there labour contracts which had been negotiated but not included in the budget projections? Were there environmental liabilities? Was the situation of the federal transfers, which were decreased, was that because they'd been overestimated, or because there was a delay in the federal transfers being received so that they would be received this year?

Thank you.

* (16:40)

Mr. Friesen: Thank the member for the question. And I confess that we're drowning in paper over here, and the Chamber presents certain logistical challenges in terms of having information at the ready. So I appreciate the member's patience as I prepared that response.

I want to indicate—so we're talking about the '15-16 year and the close out of that year. And, of course, the member understands the context whereby a year previous, the previous government brought a deficit estimate of, I believe, on core government, of \$422 million, or it could have been \$442 million. That number was, of course, revised in the March 8th update and indicated as \$666-million deficit projection on core government. And then, of course, as we took government, we updated that number and reported it accurately at over \$1 billion, I believe at \$1.012 billion.

I want to provide a detail that the member's asking for. There was impact both on the expenditure side and on the revenue side. I want to point him to expenditure increases of \$148 million. The first of those items pertains to a \$66-million increase in expenditure to recognize the impact of funding the regional health authority operating deficits, and I welcome further discussion with him on that item at a later point if he invites it.

I would also indicate a \$29-million increase. That was the effect of the 2011 spring flood disaster financial assistance municipality claims. Those were increases related to the review of eligible claim costs as part of the regular year-end review process.

In addition to that, there was a \$24-million increase for 2014 heavy rains financial assistance municipality claims. There was an \$8-million decrease for underexpenditures in municipal and the City of Brandon emergent-to-permanent flood mitigation programs, and specifically due to delay in ongoing construction projects to mitigate future floodings.

There was a \$17-million increase due to a new actuarial valuation for long-term disability and the continuation of benefits.

I point him to a \$12-million increase for environmental liability costs related to mines. There was a \$6-million increase to expenditure to write down a capital asset to reflect proper valuation and a \$2-million increase for a loan loss provision on loans provided to the Leaf Rapids town properties.

On the revenue side, because the impact was felt there as well, a decrease of \$180 million that can be rationalized as follows: The federal cost-shared 2014 disaster financial assistance—\$143-million decrease. There were delays in federal officials authorizing the orders-in-council for the 2014 heavy rains and the 2014 spring flood events, and those have been—those impacts are seen there.

One moment—thank you; I'll continue. In addition to that, a tax revenue decrease of \$33 million over projections—or against projections. I note here that individual income tax decreased by \$5.2 million based on updated prior-year-adjustment estimates from the federal Department of Finance, and corporate income tax did increase by \$3.5 million based on the same adjustments.

Corporations' taxes decreased by \$6.6 million, mainly due to a decrease in the corporate capital tax from commercial banks.

Fuel taxes decreased by \$7.5 million. That would not be due to the decrease in at-the-pump prices, because that's not the way, of course, that the tax is calculated.

A retail sales tax—a decrease of \$16.4 million due to slower than anticipated economic growth, and a marginal or meagre tax—a tobacco tax increase of \$2 million due to lower impact of substitution to e-cigarettes than projected.

Other revenues decreased \$6 million and the Canada Health Transfer saw \$8.2-million increase.

Mr. Gerrard: Why was it that the Manitoba Builder Bonds, which are normally advertised each year in the Free Press, were not advertised in the Free Press this year?

* (16:50)

Mr. Friesen: I thank the member for that question, and I want to inform the member that the savings bond program will not be offered by the Province this year. I'm happy to provide him with the explanation as to why that is.

The Manitoba savings bond program has experienced a reduction in sales from an average of \$300 million per year in 2004 to \$11.6 million in 2015. I want to inform the member that simply, after analysis, it was deemed that this program was not a cost-efficient way for the Province to raise funds. And the reason for that is that the current interest rate of 1.25 per cent on the outstanding floating rate notes—sorry, that's additional information, that those

are maturing on June the 15th, 2016. There was a decision made, basically, to discontinue this because it was actually a money-losing proposition for the Province of Manitoba. And so what basically resulted over time is that Manitobans were increasingly, we found, going to the marketplace to look for their investments and savings opportunities and that this bond program was not competitive with other vehicles for those—for savings and investment.

But the groups that were interested more and more in our—in these offerings were major companies because, of course, we were offering products and guaranteeing rates, you know, on the basis that it was the Province of Manitoba offering it at interest rates that they could not otherwise receive in the marketplace. So there was a decision made, a rationalization done, and in 2015, there was a restriction on these products that would restrict the amount that any one entity, any one company could take on, restricting that to \$1 million. It was at that time that the subscription rate inside of this program was significantly reduced. In other words, if we were keeping companies from taking advantage of these products, we saw, really, what the uptake was by Manitobans.

Simply said, we were losing money on this. It was costing the province millions of dollars. We didn't feel that it was the role of the government to provide—to induce corporations to get a better deal than they'd get in the marketplace. And, simply said, Manitobans now have so many options in lieu of historically low interest rates where they can go and invest their money.

So I would leave you with that information and invite other questions, if you have it, on this subject.

Mr. Gerrard: I've got, in view of time, three questions for you. One is a continuation of this concern about Builder Bonds. The note that I have on the government website is that if a request for payment is received between—this is redemption of the Builder Bonds—between June the 8th to the 15th, payment will not be credited to the bank account, your bank account, until June the 22nd, which is a week later than the redemption would normally occur because that's when—it would be June 15th.

And I got a call from an investor who was concerned that the money was, you know, not being delivered on time and that somebody was getting the interest for an extra week, and I'd like to know why this was done and whether the—it's the government or

whether it is the CST Trust Company which is keeping that extra dollars.

The second thing has to do with last-minute expenditures. There was some last-minute renovations done at The Forks Market. Did the Province contribute in any way to the dollars going to The Forks Market for those last-minute renovations in—which were—kept happening at the end of last year.

And thirdly, a question about the other appropriations. In the original budget of 2015-2016, it was \$43.4 million. In the fiscal update, it was 20—of 20—of March, it was \$71.387 million. In the budget of 2016-17, that other appropriations from last year is listed as \$115 million. There were, clearly, a big increase in the other appropriations. Does that refer to some of the expenditures, which the minister's already listed, and could the minister provide a written tabulation of where the other appropriations expenditures actually occurred in the last fiscal year, just to complete this? Thank you.

Mr. Friesen: I want to proceed quickly, because I'm conscious of the time.

On the first item, I want the member to understand that we have an agent who administers the program on our behalf. So we'd be happy to look into the issue that's been raised in respect of a delay in processing payment. We'll endeavour to get that information and get it back to you.

On the third item, we think we'll refer to Hansard to see exactly what was asked. But, on the second item, I'll invite the member to quickly just rephrase that and tell us again, on the item pertaining to The Forks Market, could he state that question again for the record?

Mr. Gerrard: Right, there was substantial renovations done at The Forks Market quite recently, at the end of last fiscal year, and my question was just, was there any provincial—from the provincial government, contribution to that, in terms of dollars, toward that renovation.

Mr. Friesen: We will endeavour to get back to the member on that. I'm speculating that that could have been under the Building Manitoba Fund or under the

TIF program, but we will get that information and get back to him when we are next in the Committee of Supply, which, I imagine, will be tomorrow.

Mr. Gerrard: Yes, thank you, and I would appreciate that response. And the other thing that I would ask related to The Forks Market is that there has been, many years, a leaking roof, and this is—you know, there are buckets around The Forks Market, which is, since this is a major tourist attraction, is something that should be looked into and was not attended to by the previous government. So maybe the Finance Minister can look into this and see what can be done.

Mr. Friesen: As I stated, and I thank the member for that additional detail, we will endeavour to look into this, because, of course, we know that The Forks is a National Historic Site. But, of course, the Province has some involvement here and, of course, under Accommodation Services, that area of responsibility falls under the Department of Finance. So I will endeavour to get an answer to the member on this question and provide that the next time that Finance Estimates are heard in the Committee of Supply.

Mr. Gerrard: And there's been concerns raised with me that there's more—

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

Call in the Speaker.

IN SESSION

Madam Speaker: The hour being 5 p.m., the House is now adjourned, and stands adjourned until 10 a.m. tomorrow.

CORRIGENDUM

On June 14, 2016, page 808, first column, fourth paragraph, should have read:

What is being asked of the applicants right now is unreasonable. Perhaps the former government was trying to make the program more competitive, however, in doing so they diminished the administrative portion of the program and they excluded many eligible applicants because of financial constraints.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 15, 2016

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