

Third Session – Forty-Second Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Andrew Micklefield
Constituency of Rossmere

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Tuesday, April 20, 2021

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Andrew Micklefield
(Rossmere)**

**VICE-CHAIRPERSON – Mr. Andrew Smith
(Lagimodière)**

ATTENDANCE – 6 QUORUM – 4

Members of the Committee present:

Hon. Messrs. Fielding, Wharton

Messrs. Micklefield, Sandhu, Smith, Wasyliv

Substitutions:

Mr. Maloway for Mr. Sandhu at 7:26 p.m.

APPEARING:

Mr. Dougald Lamont, MLA for St. Boniface

PUBLIC PRESENTERS:

Bill 15 – The Manitoba Public Insurance Corporation Amendment Act (Claim Dispute Tribunal)

Mr. Dean Scaletta, private citizen

Mr. Robert Dawson, Manitoba Used Car Dealers Association

Bill 48 – The Fiscal Responsibility and Taxpayer Protection Amendment Act

Ms. Molly McCracken, Canadian Centre for Policy Alternatives

Shawna Finnegan, private citizen

WRITTEN SUBMISSIONS:

Bill 48 – The Fiscal Responsibility and Taxpayer Protection Amendment Act

Mr. Kevin Rebeck, Manitoba Federation of Labour

MATTERS UNDER CONSIDERATION:

Bill 15 – The Manitoba Public Insurance Corporation Amendment Act (Claim Dispute Tribunal)

Bill 22 – The Credit Unions and Caisses Populaires Amendment Act

Bill 30 – The Consumer Protection Amendment Act

Bill 48 – The Fiscal Responsibility and Taxpayer Protection Amendment Act

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Clerk Assistant (Mr. Tim Abbott): Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Welcome back, everybody.

Our first item of business is the election of a Chairperson.

Are there any nominations?

Mr. Andrew Smith (Lagimodière): I nominate Andrew Micklefield.

Clerk Assistant: Mr. Micklefield having been nominated, are there any other nominations?

Hearing none, Mr. Micklefield, please take the Chair.

Mr. Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Hon. Scott Fielding (Minister of Finance): I'll—I'd like to nominate the member from La Verendrye—Lagimodière.

Mr. Chairperson: The member—Mr. Smith, has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Smith is elected Vice-Chairperson.

Is there leave of the committee to remove the written submission provided during the April 12th, 2021, Social and Economic Development Committee

meeting from Ms. Connie Smendziuk and all references to the submission from the web versions of the Hansard scripts? *[Agreed]*

This meeting has been called to consider the following bills: Bill 15, The Manitoba Public Insurance Corporation Amendment Act (Claim Dispute Tribunal); Bill 22, The Credit Unions and Caisses Populaires Amendment Act; Bill 30, The Consumer Protection Amendment Act; and Bill 48, The Fiscal Responsibility and Taxpayer Protection Amendment Act.

I would like to inform all in attendance for the provisions in our rules regarding the hour of adjournment: a standing committee meeting to consider a bill must not sit past midnight to hear public presentations or to consider clause by clause of a bill, except by unanimous consent of the committee.

We have received a written submission to Bill 48 from the following: Kevin Rebeck, Manitoba Federation of Labour. This has been distributed to all committee members.

Does the committee agree to have this document appear in the Hansard transcript of this meeting? *[Agreed]*

Prior to—just a point of clarity. It has been brought to my attention, I accidentally referenced in the earlier leave request the Hansard scripts, I should have said Hansard transcripts. Leave was granted and I don't believe this adjustment is anything substantial. I will proceed unless someone calls to my attention otherwise.

We'll move on then as per previously arranged. Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in a committee.

In accordance with our rules, a time limit of 10 minutes has been allotted for presentations with another five minutes allowed for questions from committee members. If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters list.

The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorder to turn the mics on and off.

Also, if any presenter has any written materials for distribution to the committee, please send the file by email to the moderator, who will distribute it to all committee members.

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

**Bill 15—The Manitoba Public Insurance Corporation Amendment Act
(Claim Dispute Tribunal)**

Mr. Chairperson: I will now call on Dean Scaletta. I hope I'm saying the name correctly. Please forgive me if that is not the case. I do ask the moderator to invite Dean to the meeting.

And Dean, if you could unmute yourself and turn on your video, we'd be very grateful. Dean?

Mr. Dean Scaletta (Private Citizen): Yes, I'm assuming I can be seen and heard by the committee?

Mr. Chairperson: Yes, you can, Dean. We're all watching you, and I hope I did not mispronounce your surname too awfully. Forgive me if that was the case.

But you have the floor. Please go ahead.

Mr. Scaletta: I've been called worse. But my name is Dean Scaletta and I'm here to speak in support of this bill.

I worked in the MPI legal department for more than 30 years, the last 10 or so as a director overseeing the litigation in which MPI was involved, often as a named defendant in the types of matters that are intended to be handled by the proposed claim dispute tribunal. I cannot tell you how many times a new matter, usually a small claims court action, came across my desk, and after reviewing it I thought to myself, there has to be a better way.

The claims resolution mechanism, which this bill creates, will, I believe, be that better way. I'm confident that, with the broad parameters set by the bill, a regulation can be crafted which will enable the covered claims to be resolved fairly and efficiently. Both of these elements—fairness and efficiency—are critical. Fairness includes both the independence of the decision-makers, which is built into the system, and equity as between the insurer, MPI, and the insured.

Claimant has a right to receive the full amount to which they are entitled by law—no less and no more. And MPI, on behalf of its ratepayers, should not ever be compelled to pay more than a claim is reasonably, objectively and legally worth. The vast majority of

what I will call tin-and-glass claims—that is, physical damage to insured motor vehicles—are resolved within a month or two and to the complete satisfaction of the customer. Far too many of the others remain open for a year or more and involve far more acrimony than one would expect from what is essentially a property damage claim. These situations are stressful for the customer and stressful for MPI staff.

The one amendment I would recommend involves section 4 of the bill, section 67.3 of the MPIC act. The problem here is with the last three provisions. These provisions carve out a limited right to commence a court proceeding with respect to liability assessments made by MPI. I understand these provisions were added by the regulatory affairs committee because some members felt uncomfortable about taking away a claimant's right to their day in court.

This is a bad idea for two reasons. First, one's, quote, day in court is not all it's cracked up to be and it often goes badly for the claimant. More on this point in a moment. And second, there's a compelling precedent for replacing court-based course-court actions with an administrative dispute resolution process. I am referring, of course, to part 2 of the MPIC act that came into force on March 1st, 1994. Commonly referred to as the personal injury protection plan, or simply no-fault, it represented a seismic shift in how people injured in motor vehicle accidents involving Manitoba drivers and vehicles were compensated for their injuries and their consequential financial losses.

Sections seventy-two and -three were the game changers. Section 72 expressly removed the right to sue for, quote, remedies arising out of bodily injuries, close quote, and Section 73 took the issue of fault out of the compensation equation entirely.

Almost 30 years later, Manitoba remains the only common law province with the pure no-fault system of bodily injury compensation. Having worked under both systems, tort and no-fault, I can honestly say that each has its strong points and its shortcomings, but one thing is certain: Manitobans have been largely insulated from the double-digit annual increases in insurance rates in jurisdictions which continue to operate under a sole tort system of bodily injury compensation.

* (18:10)

But while it may appear laudable and even altruistic to stand—resolutely stand up for its citizens' right for their, quote, day in court, life goes on and

people continue to be compensated even after that right has been legislatively removed.

Let me give you one all-too-common example of what a day in court looks like for some people. It is one of those types of cases which would be captured by subsection 67.3(1)(a) of the bill, single-vehicle accident. The Highway Traffic Act creates an expectation that a driver will maintain proper control of their vehicle at all times. There are a myriad of situations in which control may be lost, resulting in a single-vehicle accident. The driver in those cases has the burden of rebutting what is essentially a statutory presumption of fault.

While the bar is high, the driver in those situations is very likely to be held 100 per cent at fault. MPI can and does recognize such extenuating circumstances: a wild or domestic animal unexpectedly appearing on the roadway, forcing the driver to take emergency evasive action; a sudden change in weather that reduces visibility to zero in a matter of seconds; a dramatic downpour, an intense hail storm, an abrupt whiteout. Any one of these circumstances might lead MPI to excuse the driver for an ensuing collision. And even today, in the case of a legitimate difference of opinion regarding liability for a single-vehicle accident where MPI has assessed the driver fully at fault, there are few options open to someone wishing to contest that assessment.

The Rates Appeal Board can soften the financial impact of an at-fault accident, but it has no jurisdiction to alter the underlying liability finding. The Licence Suspension Appeal Board can grant limited driving privileges if the incident turns out to be the tipping point that leads to a licence suspension but, again, it has no jurisdiction to change the liability finding. And while many people continue to try it every year, the small-claims court has no jurisdiction to issue a declaratory judgment—a declaration is an equitable remedy that only a judge can make.

Typically, an unhappy claimant will attend a court office to initiate a small claim. Somebody there will tell them erroneously that they need to sue MPI for their deductible. Such an action is doomed to fail before the ink on the paper has even dried. There are several reasons for this.

First, and contrary to popular belief, deductible is neither a penalty nor a fine. It is by definition the portion of your loss which is not covered by your insurance policy. The obligation of your insurer, whether home or auto, private or public, starts with your deductible plus \$1. You are essentially self-

insured for the rest. This concept is embodied in subsection 51(1) of the Automobile Insurance Coverage Regulation. In any event, unless you're unemployed, retired or work nights, you have already taken at least half a day off work to file your claim and serve a copy on MPI. The hearing date assigned by the court will likely be several months away. In the meantime, you will receive a copy of a court filing made by MPI which cites subsection 51(1) and advises you that MPI has no obligation to reimburse your deductible.

When your date comes up, you will again take time off work to attend court and you will find your matter on lengthy court docket typically listing about 30 cases of various kinds. If you have been fortunate enough to find a parking spot and you have further lucked out because there are enough hearing officers available that day to deal with all of the dockets, you will find that someone from MPI—usually an articling student or a junior lawyer—is there to advise the court that the matter is being contested. Something you will already know from the court filing in the cover letter that it came with.

The hearing officer will adjourn the matter to a fixed date in time—again, several months away—when the matter will be heard on its merits. Again, you will need to take time off work and again you will be fortunate if an unanticipated staff shortage has not necessitated a further adjournment. You will make your argument, MPI will respond and you will lose because you have sued MPI for a sum it never had any obligation to pay you and for a remedy which the small-claims court never had any jurisdiction to grant you.

You will leave justifiably angry and frustrated, to say nothing of a tad poorer because in addition to your own filing fee, lost wages and parking costs, you will also owe MPI about \$150 for court costs, your driving record will still show an at-fault accident from which a number of financial and other consequences may flow, and your dispute with MPI—regardless of how meritorious you believe it to be—will remain unresolved. Was it worth it to have your day in court? Most people who have been through the experience would answer with a resounding no.

To sum up, this bill is a positive step towards ensuring that MPI claimants have access to an independent, fair and expeditious dispute resolution mechanism. [*inaudible*] long as the adjudicators are properly qualified and the statutory timelines are closely adhered to, MPI ratepayers can expect to

receive prompt, evidence-based and legally sound decisions with respect to their claims.

Not everybody will be happy with their result, but what they will have is closure and the ability to move on with their lives. The certainty and finality of even a bad result is so much better than the ongoing uncertainty of a stressful situation which has no end in sight. Claim dispute tribunal will give people that certainty and that finality. But please, don't give them the false hope of a Hollywood end to their, quote, day in court. Not happening now, and it won't happen under this bill.

Thank you for your attention. I understand the clerk has hard copies of a slightly longer version of this presentation, which she has agreed to distribute. Again, thank you for your attention.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions for the presenter?

Hon. Jeff Wharton (Minister of Crown Services): Thank you so much, Mr. Scaletta, for your presentation tonight, and it's quite evident that your many years of service at MPI have served you well in your knowledge of this particular bill today in front of us—of course, Manitoba Public Insurance Corporation's claim dispute tribunal act.

So, I really appreciate your—the items you've put on the record, sir. Certainly, we're quite excited to move this forward as well, as you indicated very well in your presentation, that this will provide Manitobans with an alternative to small claims court and, in turn, also free up our small claims court for other items as well.

So, certainly, it is an added value for not only ratepayers but all Manitobans. So, I really appreciate your time tonight, and thank you.

Mr. Chairperson: Dean, if you wish to reply, you're certainly welcome to do so.

Mr. Scaletta: I think I mentioned this to the clerk this afternoon, and I guess I can say this, that these—the concept was my brainchild. It was probably the last major thing that I did prior to my retirement in January of 2019. In fact, I think I had two meetings with Legislative Council in the two weeks before I retired.

So, I—as I said at the outset, there has to be a better way to deal with these claims that doesn't leave people bruised and angry. So, that's why I spent the time that I did developing the concept. We had a very,

very engaged committee within MPI that batted it around and came up with a lot of the ideas that I was delighted to see incorporated into the bill.

As I said, the one aspect of it that I really wish you would reconsider is the—enabling that court option. It just—it's—no good can come of it.

Mr. Chairperson: Thank you, Mr. Scaletta.

Are there any other questions?

Mr. Mintu Sandhu (The Maples): Thank you very much this evening for your presentation.

I have a—one question. I don't know, I think—I just want to know your thoughts on this. People have approached me on written submissions, they have issues with written submissions, and also on one man—one person deciding the claim. Do you have any thoughts on this? [*interjection*]

Mr. Chairperson: Mr. Scaletta. Sorry, I just need to recognize you for the purpose of the recording.

Mr. Scaletta, go ahead.

Mr. Scaletta: Well, that's what happens now. If you do happen to get a decision from the small claims court, it's a single individual.

* (18:20)

If you go in front of a Queen's Bench judge, which is one of your alternatives—it's an expensive one, but you can do it—you'll appear in front of a single judge. So it's—the Automobile Injury Compensation Appeal Commission typically sits three people, although they do have the ability to sit one and they often do.

So having a single individual determine the result of a dispute is not at all unusual.

Mr. Chairperson: Are there—

Mr. Dougald Lamont (St. Boniface): I just wanted to say thank you very much, to Mr. Scaletta. Clearly, I want to thank you for your diligence and your passion. Clearly, this is something that's very important to you.

And, yes, I—you know, there are lots of people who have had a tough time in various kinds of ways with MPI, and I really have to commend that you're working well past your retirement in order to see this through. So thank you very much for that.

Mr. Chairperson: Does Mr. Scaletta have a response? It's not required, but you have the opportunity if you wish to.

Mr. Scaletta: No, thank you.

Mr. Chairperson: Are there any further questions? Seeing none, thank you, Mr. Scaletta. We appreciate your presentation.

I now would like to call on Robert Dawson from the Manitoba Used Car Dealers Association.

I'm just going to wait until I can see you, Mr. Dawson, on the screen. If you could turn on your video, that would help us. There we go. Thank you.

Mr. Dawson, please proceed with your presentation. And out of courtesy, I should probably let you know that I will briefly vacate the Chair probably during your presentation. I will not grow a beard in the next 10 minutes; the Vice-Chair will probably be here when you're finished.

But anyway, with that minor detail out of the way, please, Mr. Dawson, do proceed with your presentation.

Mr. Robert Dawson (Manitoba Used Car Dealers Association): Thank you, Mr. Chairman, I've never had anyone so courteously explain why they're walking out while I'm talking.

My name, as you've mentioned, is Robert Dawson. I'm not actually from the Manitoba Used Car Dealers Association, I'm the lawyer for the Manitoba Used Car Dealers Association. MUCDA, as it's also known, represents member dealers in Manitoba and in terms of the Manitoba used vehicle market.

But I'm not here and neither is MUCDA here to lobby this committee to advance the interests of used car dealers. Instead, Bill 15 raises concerns that affect all Manitobans, and it's on their behalf that MUCDA has asked me to speak here tonight.

And I say with—somewhat pains me that I have to follow my learned friend, Mr. Scaletta, who has been an esteemed member of the legal profession literally as long, I think, as I've been practising. But I regret to say that my client, MUCDA, does disagree with him, because I think there's two catchphrases here that are involved when it comes to Bill 15: the first is, if it ain't broken, don't fix it; and second, if you're going to fix it anyway, well then, people like MUCDA are going to have to show up and say some things.

MUCDA is, you should know, uniquely qualified to talk constructively and knowledgeably about Bill 15. MUCDA members are drawn from across the entire province. MUCDA members employ thousands of Manitobans, and MUCDA members are in regular

contact with tens of thousands of Manitobans. MUCDA members know about cars, know what people driving cars are concerned about and they're—also know about the Manitobans who drive them and what their interests are.

As you already know, Bill 15 sets up a new administrative tribunal, a decision-making body called the claim dispute tribunal. And this proposed tribunal will settle specific kinds of disputes between MPI and the Manitobans whom MPI insures. But I'm going to suggest to you there's already a system to deal with these kinds of disputes and, much to my chagrin, I must disagree with Mr. Scaletta; that system is pretty good.

So what's wrong with Bill 15? The problems are significant, but they aren't always obvious. Let me give you some examples in the time that I have.

First, Bill 15 gets rid of the current arbitration system that has served Manitobans so well when they've disputed MPI's evaluation of a writeoff. The arbitration system ensures that decision-makers will be knowledgeable [*inaudible*] car industry, otherwise they wouldn't be appointed as arbitrators. They also ensure that both MPI and the insured vehicle owner are satisfied that the selected arbitrator who is fair and will appropriately consider their interests and positions.

Bill 15, instead, slashes the arbitration system and substitutes a government-appointed tribunal member. Bill 15, as a second point, also sets up a tribunal that in certain cases entirely replaces the courts.

In the previous presentation, Mr. Scaletta wanted a system that was fair, that was efficient. That's called the court system. He says that it's complicated. He says that there are bad cases. But that's just because MPI hasn't taken the trouble to advertise, to explain to people what the appropriate approach is.

When it comes time—to disputes about whether or not a vehicle needs to be repaired, what needs [*inaudible*] done to that vehicle or the quality of the repairs or how to value a writeoff, the new system would rip it out of the court system and assign it away from Manitoba judges who, clearly, obviously, have fair and independent abilities to decide those issues as they've been doing for decades. Bill 15 very oddly creates its almost own little walled [*inaudible*] quasi-judicial dispositions, and there's just no need for that.

The third problem: Bill 15 rules out in-person hearings. And I think that was the point that the

committee member, Mr. Sandhu, was trying to get at when he raised it. And Mr. Scaletta didn't answer that, by the way. Mr. Scaletta entirely focused upon one person deciding. He skipped over Mr. Sandhu's very important point, and that is that every dispute before this new tribunal will be settled only on the basis of written submissions.

Well, MPI, of course, can rely upon its bank of lawyers and in the legal department that Mr. Scaletta used to work at in order to craft its decisions. But ordinary Manitobans who don't have a legal department at their disposal, who don't have legal training—well, they're going to float helplessly like, I like to say sometimes, fish in a barrel just waiting to be shot off. Bill 15 at the very least should give Manitobans the option to present their case in person, not just in writing.

The fourth problem: Bill 15 sets out a timeline for resolving claim disputes by this new tribunal. But, you know, I've done the math. The deadlines in the bill actually take the same, if not more, time than what happened before a small claims court proceeding. So, Bill 15 substitutes for the current system a protracted and potentially even drawn-out process. This is a problem.

Mr. Vice-Chairperson in the Chair

The fifth point: Bill 15 says that the government-appointed decision-makers will decide the claims dispute, but it saves for those regulations that, of course, haven't been published, aren't even in draft, but yet you're asked to approve this bill. That regulation will set out the qualification of these decision-makers.

We know what the qualifications of judges are, because that's fairly clear. But we have no idea who's actually going to hear it. You might appoint [*inaudible*] me. Sure, I'm a lawyer. I can weigh the evidence. I can make decisions. I know the law. But I know nothing about cars. I know that you put the key in and somehow, magically, it starts, or you put the key in and it doesn't start. You don't want a chump like me deciding these cases. But the regulations, we don't know what the requirements are. You might be stuck with me.

* (18:30)

Sixth point: Bill 15 shifts the onus of the cost of dispute [*inaudible*] Manitoba. And it shifts it away from all of Manitoba onto drivers and vehicles. You'll notice that the bill proposes that the cost of the tribunal will be paid for from the Consolidated Fund. Now,

that sounds good. That's just like the court system. But wait, it also requires MPI to reimburse the Province in that same amount. So, effectively, the cost of operating this mini private court system has suddenly shifted onto the people who are MPI rate makers. It's not a system that all Manitobans will deal with, even though all Manitobans will benefit, presumably.

Now, look, there are, of course, I think—and regrettably so—other problems with Bill 15, but I think I've highlighted the most important for the purposes of my time. In considering Bill 15, you have to ask yourself why is the current system being changed. Some might say it's to make the system better. I'm pointing out to you that there are significant problems that suggest otherwise, because these changes won't promote the rights or the interests of Manitobans whom MPI is the insurer for.

Failing any questions, that concludes my submission.

Mr. Vice-Chairperson: Thank you very much for your presentation, Mr. Dawson.

Do any members of the committee have a question for the presenter?

Mr. Wharton: Thank you, Mr. Dawson, for your presentation tonight. It was very riveting and certainly something that I'm sure the table and the members around this table will take away tonight and—including myself.

And our department, we really appreciate your input on Bill 15. That's why we love the democratic process so much, Mr. Dawson. It gives everyday residents and citizens and even lawyers the opportunity to engage in issues of governance and, obviously, legislation and the production of legislation as we go forward.

So, really appreciate your input, and thank you.

Mr. Vice-Chairperson: Mr. Dawson, do you have a response to the minister's statement?

Mr. Dawson: I'll simply say you're welcome, and no further comment.

Mr. Sandhu: Thank you very much this evening for your presentation.

Again, the same question, and I'll probably just add a couple things in here.

What I also hearing is lowballing by MPI, and there's a few examples are provided to me. A 1972 Porsche car: MPI was valuing it for \$65,000. The—

through the arbitration process, it went to \$145,000, which is \$80,000 difference. And, actually, I got a big list; I can't list all of them.

And, again, written submission, one man making decisions, do you have any thoughts on this? I know you already clarified a few of those, but again, if you have anything else to add or have any amendment you want to see—what kind of amendment there will be—should be in there?

Mr. Dawson: Thank you, Mr. Sandhu, for your question.

Let me deal with the second point first. That is, the question about should one individual make the decision.

There are two problems with that. First, because the regulations yet to be provided will set out the qualifications of that individual, we have no idea who that one individual would be. If that individual has all of the skills necessary, I would suggest to you that that individual would be very much in line with what you'd expect in a courtroom where one judge normally hears the matter.

On the other hand, if we look to the arbitration system, often when there's a complicated arbitration, a panel will be appointed. You'll bring in one person who might have expertise, for example, on valuing this kind of a vintage vehicle that you've mentioned. You might then bring in somebody else who has expertise on the law. You might then have somebody else who brings in public interest considerations. The three of them working together, I'll suggest, make for a better decision.

We don't know what the qualifications of those who will be deciding this case are. It's very difficult, therefore, to rule out one decision maker. But if you wanted to be absolutely safe, the bill could specifically state that there must be at least one individual who obviously has some knowledge with the way in which car repairs, car operations, car maintenance, car valuation, car sales—someone who has a clear, tangential connection to the subject matter—one of those people should always form on the panel. That would be the very starting point that I would make.

Mr. Wharton: Again, Mr. Dawson, appreciate your input on Bill 15.

And again, just to be clear, Bill 15 provides—essentially, it's another tool in the tool kit for Manitoba ratepayers. Simply, it's not their only

option. It provides another option. If a ratepayer chooses to go to small claims court, they have every opportunity to do so.

We, of course, are adding another tool, as I mentioned, and certainly, with over 350 approximately claims—small claims courts every year annually, we certainly feel that if this has—it's a twofold: if it can open up some opportunity for other Manitobans to go through the small claims process in another fashion—not necessarily an automobile accident or a claims dispute—certainly, this gives Manitobans an opportunity and frees up some court space as well.

So we look at it as a positive move for Manitoba ratepayers. And, again, I appreciate your input.

Mr. Vice-Chairperson: We're coming to the end of the question period.

If, Mr. Dawson, you have a response, please go ahead.

Mr. Dawson: I'll talk quickly because I see that Mr. Lamont's hand is up, as well.

With the greatest of respect, Minister, you've misread the bill.

There are two kinds of claims: 67.2 refers to certain claims for which the tribunal is the only shop that's selling justice; 67.3 sets out those claims where someone has an option to go to court or to go to this magical new land called the claim tribunal system.

Mr. Vice-Chairperson: Seeing there's no more time for questions we'll—and thank you very much for the presentation.

Looks like we're at the end of our presentations for Bill 15.

Bill 48—The Fiscal Responsibility and Taxpayer Protection Amendment Act

Mr. Vice-Chairperson: We'll move on to the presenters for Bill 48.

I will now call on Molly McCracken and ask that the moderator invite them into the meeting. Molly, please unmute yourself when you're here. Molly's here. Could you also turn your video on.

Looks like Molly has joined us virtually, here.

Molly go, ahead.

Ms. Molly McCracken (Canadian Centre for Policy Alternatives): Hi, there. Thanks for having me.

Yes, I didn't rename myself, but I'm pleased to be here this evening. I'll just pull up my presentation.

Dear honourable committee members, I am speaking to you on behalf of the Canadian Centre for Policy Alternatives, an independent charitable research institute active in Manitoba since 1997 and nationally since 1980.

The province is sick and this legislation is not the medicine we need right now. We call on the Province to rescind Bill 48. This legislation unduly restricts fiscal policy options, particularly in a once-in-a-lifetime pandemic, in five ways that I will go over in my presentation.

(1) Balancing the budget is an important goal. However, it is one of many and should not be enshrined in legislation to the exclusion of other worthy goals. Balanced budget legislation binds the hands of government, encourages public sector downsizing, foreclosing on new public programs and locks in place spending and tax cuts.

Good government and budgets are about more than balancing the books. Good budgets should equally be about smoothing out the inevitable boom-and-bust cycles of market economies, offsetting the growing gap between the rich and the poor by engaging in some 'redistribution' of income and wealth, caring for the poor and elderly, helping the unemployed, building up a society's infrastructure, providing for people's health and education and protecting the environment. Balanced budget legislation limits a government's ability to properly perform all these functions.

* (18:40)

Just as no household would forgo taking out a mortgage to buy a home, no government should shy away from running responsible deficits when strategic investment will lead to improved physical and social infrastructure that will allow our economy to grow. This is particularly 'important' now, at a time of climate crisis, when we only have nine years left to cut greenhouse gas emissions in half. We will have to transport ourselves, our goods, heat our homes and buildings and grow our food, all without fossil fuels. This requires huge public stimulus, which will result in green jobs and economic development.

The infrastructure deficit in Manitoba is huge. Fire halls, recreation centres, roads and bridges are crumbling. Deterioration costs of unrepaired infrastructure and construction inflation makes the cost of borrowing even lower. The cost of doing

nothing 'insiderably' higher than borrowing costs. Manitoba should be borrowing more, not less so that we do not have a long and slow recovery from COVID.

Back when COVID hit just over a year ago, Manitoba braced for much higher expenses than we have thus far incurred. The Legislature, as you will remember, approved a \$5-billion deficit owing to COVID for 2021-21.

The second reason: shell game of the deficit. This bill resets the baseline deficit with a current \$525 million target to what the Province reports in its 2020-21 Public Accounts, but the Auditor General declared that, according to public sector accounting standards, the Province had eliminated the deficit in their 2018-19 fiscal years. So, one of the central assumptions of this legislation is problematic.

COVID is a once-in-a-hundred-year crisis that warrants an exceptional response. We have room to borrow on—our debt-to-GDP ratio is reasonable and much lower than Ontario and Quebec. The December fiscal update projects or even stated the deficit was \$2 billion and debt servicing costs are less than anticipated due to the bank of 'canadie' guaranteed extremely low interest rates. Despite fear mongering of Manitoba's early debt financing, the fiscal deficit of the government itself, the fiscal update notes that challenges for borrowing have been resolved.

(3) The referendum double standard. This legislation assumes tax cuts are bad—assumes taxes are bad and requires a referendum when taxes are raised. It does not require referendum for a tax cut or a service cut. Pre-pandemic cuts in health care and funding below inflation means that regional health authorities were now desperate for staff to fill roles for contact tracing, vaccination and long-term care. The Province has axed at least 2,500 civil service jobs since 2016 and cut hundreds of management positions across the public sector, resulting in huge loss of employees that would have been available for redeployment, planning capacity and institutional knowledge during the pandemic.

Manitoba's revenue as a percentage of GDP dropped since 2006 from just above 25 per cent to 23 per cent, according to research by Jesse Hajer. Tax cuts since 2006 'ag' up to over a billion dollars of revenue less per year. There are no controls on tax cuts, which rob the public purse of needed revenues. And this most recent budget announced further tax cuts, as you know, \$400 million in two years with the

reduction of the education property tax, which will reduce revenue and ability to provide public services.

The Province has a propensity to underspend in budgeted areas so there will be likely more cuts. Much of the money Manitoba has had to spend on COVID is thanks to federal transfers, and some of this federal money remains unspent or unmatched.

(4) Austerity during a time of economic crisis is more damaging than previously thought, according to a Nobel award-winning economist, Paul Krugman and the International Monetary Fund. Cuts to make the provincial books look good in the short term have huge consequences in the economy, as government spending is a huge portion of our economy.

When many businesses are shut and governments cut back, jobs are lost, as there's less money circulating. Mainstream economists 'advise' governments to incur debt at a time of crisis to stimulate the economy. And in the recovery, GDP grows—along with it, government tax revenue, and so debt shrinks. There's a cost to the public purse of not acting or doing enough during a crisis. Poverty, job loss [*inaudible*] bankrupt.

(5) Budget legislation should not protect Manitobans and recent economic—it's my Internet—is unstable—I'll stop my video.

Mr. Vice-Chairperson: Ms. McCracken, could you please—just to interject here, you had a bit of a period where you were breaking up.

Maybe could you repeat the last 10, 15 seconds or so of your presentation? Thank you.

Ms. McCracken: Mainstream economists advise government to incur debt at a time of crisis to stimulate the economy and in the recovery—

Mr. Vice-Chairperson: Ms. McCracken, sorry to interrupt again. Could you turn your video on as well?

Ms. McCracken: Sorry. My Internet's unstable. I'll just move to my final point.

Mr. Vice-Chairperson: Ms. McCracken, please go ahead.

Ms. McCracken: Balanced-budget legislation does not protect Manitobans, and recent economic analysis confirms this approach is not necessary. Stephen Tapp, research director at the Institute for Research on Public Policy, finds several reasons why balanced-budget legislation like this act is no longer relevant. (1) Public debt as a share of the economy is now relatively low by historic and international standards;

(2) long-term interest rates have fallen to a surprising degree, which alters the incentives for spending versus savings debt repayment; (3) the trend of economic growth has slowed due to population aging and weaker productivity, which increases the premium on even marginal improvements in growth; and (4) research since the global recession suggests that fiscal policy can be much more effective at boosting economic growth than what's previously believed.

When monetary policy is impaired, as it essentially is now with legislation like this, so economists like Tapp agree government should focus more on crucial long-term infrastructure investments that boost growth and that could be financed at essentially negative rates.

Thank you for your attention tonight.

Mr. Vice-Chairperson: Thank you very much for your presentation.

Do any members of the committee have a question?

Hon. Scott Fielding (Minister of Finance): Thank you, Molly, for your presentation, I was hoping to see you last week. We—at the committee, but I guess you weren't there.

Just a couple points, and I do want to thank you for your presentation and your thoughtfulness that you put through the presentation. The government has obviously put forth a plan to balance, in an eight-year time period in terms of the budget, you know, pretty reasonable, I think doable approach.

Can you comment on, do you think that there ever is a time when you can balance the budget, and what time frame? If it's not eight years, when would your organization suggest we balance the budget and get back to, you know, a time where we're—our expenditures meet our revenues?

Ms. McCracken: Certainly, thanks for the question. Of course, it is important to balance the budget when it is possible. I would note that there's been cuts in revenues—bringing the PST down, aggressively bringing down the education property tax—which rob the government of revenue needed and actually extend the time, under that assumption, to balance the budget.

And now we are in an unprecedented crisis and the experience from 2008 has shown that, unless the investment is substantial and over several years, it can't end too soon that the recovery will be prolonged.

So that's why we're saying we are against the tax cuts and also we need to look again at the time frame for balancing the budget.

Mr. Fielding: I appreciate that. You know, I do take a bit of exception with your word of robbing. I think you said the Treasury robs—I would suggest that it's actually taxpayer money, and so giving taxpayer money—some back—is important.

You know, I do think your work is thorough, but I do find sometimes it is a bit sloppy. I did notice in your presentation you're suggesting it's a \$400-million tax cut. Although I'd like to take credit for \$400 million, it's around \$250 million.

I did notice, from one of your reports a few weeks back, I know the Premier's (Mr. Pallister) kind of identified that in question period a few times, that you did identify that health expenditures during the pandemic for the province is one of the highest in the country. And I know—maybe I'll ask you an are-you-aware question, but are you aware that we've taken on about \$3.2 billion of expenditures during the pandemic, which is one of the highest in the country.

So, are you aware of that?

Ms. McCracken: Yes, well, the \$400-million figure is the two years of the education property tax, which I think is 190 per year rounded up. So that's where the \$400 million came from. And plus there were others, not just the education property tax in there.

* (18:50)

Yes, I am aware of Manitoba's COVID expenditures. We did a report on that. It is very interesting that Manitoba's PPE expenditures are quite high—about 100 times higher than Saskatchewan's—and it's not clear exactly why Manitoba stands out, for example, with PPE.

Also, if our expenditure *[inaudible]* being COVID—where we're not clear is if those are—

Mr. Vice-Chairperson: Ms. McCracken, I'm sorry. You—had difficulty hearing you. Could you maybe repeat the last few 10, 15 seconds or so of your response?

Ms. McCracken?

Ms. McCracken: I'm aware of the *[inaudible]* I mentioned the PPE—

Mr. Vice-Chairperson: Ms. McCracken, just—maybe one second here. We seem to have a technical difficulty at our end.

Floor Comment: –and also I mentioned that it is not clear if all budget over expense–

Mr. Vice-Chairperson: Ms. McCracken, I think we're having some technical difficulties. I'm not sure if it's at this end or your end, maybe a bit of both, but can we just hold tight here for a second?

Ms. McCracken, can we ask you to repeat the– your answer to that question and does–there leave in the committee to allow Ms. McCracken to go back and start her answer over? *[Agreed]*

Ms. McCracken: I would note the PPE expenditures for Manitoba relative to other provinces are quite high; 100 times higher than Saskatchewan's. So I look forward to more information about that. That is one of the areas where Manitoba stands out, in particular in terms of COVID spending compared to other provinces.

I also note that there's not–it's not clear if all *[inaudible]* profiling is COVID-related is entirely due to COVID, or perhaps due to needing to staff up because there were cuts pre-pandemic. So, those are two nuances to respond to your are-you-aware question of Manitoba's COVID spending, relative to other provinces.

Mr. Mark Wasyliv (Fort Garry): Thank you, Ms. McCracken, for coming here today and presenting.

Mr. Chairperson in the Chair

And I'm wondering if you could comment–you had rightly pointed out that there's a bit of a hypocrisy with a bill like this, where if you are cutting public services or you're cutting taxes, you don't need a referendum but if you are raising taxes, you do.

And, I'm wondering if you could comment–what do you think the impact is on Manitoba's democracy by these bills that arbitrarily put ideological handcuffs on subsequent governments and Cabinet ministers and administration, and is this an actual useful tool of public policy, or is this more just political theatrics?

Mr. Chairperson: Hi. We're coming to the end of the time allotted, so if you wish to give a brief reply, and I did not shave during that question. The Vice-Chair was in the Chair and I was chairing earlier and so– anyway, if you wish to give a brief reply, though, by all means, feel free to do so, Ms. McCracken.

Ms. McCracken: Well, certainly–you know, governments are elected based on their party platforms and

they serve their term and then, in the democracy, we go back to the polls every four years.

And so, under that model, referendums are challenging, because you do actually elect your political representatives to represent Manitobans during that time. So, that is the issue with the referendums. And it is challenging to have a situation where, you know, the balanced budget legislation has wage cuts and such for ministers where, you know, these things can always be gotten around, it seems, from a public perspective.

So it is not entirely clear the purpose of this legislation, that we can see. We do feel it hamstrings government more than it helps it.

Mr. Chairperson: Thank you for your presentation.

I now move to Shawna Finnegan. Shawna, please could you turn on your video, and when I can see you, Shawna, we will proceed with your presentation.

Ms. McCracken, if you're able to turn off your video, thank you. Okay.

Shawna, we can't yet see you. Can we confirm that Shawna is indeed with us this evening? Okay, Shawna will be with us shortly.

Shawna, can you hear me okay?

Floor Comment: Yes, thank you. Apologies, I keep getting booted out of the room, but I assume to be okay now. Definitely some technical difficulties.

Mr. Chairperson: That's okay. So, I just need to read some script for the sake of Hansard.

So I will now call on Shawna Finnegan. We've invited Shawna into the meeting. Please proceed, Shawna.

Shawna Finnegan (Private Citizen): I want to start by expressing my gratitude for all of the staff and workers of the Legislature that facilitate all the various aspects of the administration for these standing committees. I've come to learn a bit more about these in the past two weeks, and I really appreciate the efforts by all the staff.

So, my name is Shawna Finnegan. My pronouns are they and them. I'm presenting to the standing committee as a private citizen of Manitoba.

My parents settled here almost 35 years ago, and I have been a taxpayer in Manitoba for 20 years, since I was 16. I am both concerned and deeply frustrated by Bill 48, which proposed amendments to the current Fiscal Responsibility and Taxpayer Protection Act.

My concerns and frustrations do not arise only in relation to the contents of Bill 48. I am deeply concerned about the process by which this bill has passed through first and second readings, together with 18 other bills that had been kept secret from the public for months after they were first tabled.

I have reviewed six of the 19 bills that are currently being considered, and I am convinced that it would be impossible for me, as an engaged taxpayer of Manitoba, to read the full texts of these bills and to understand their implications.

English is my first language, and I have years of experience in reading and writing complex texts. And for me to struggle so greatly with the contents of these six bills—less than one third of the total bills currently being considered—speaks clearly to the intention, for me, of the Pallister government to avoid accountability.

Now, for me to consider the amendments in the current Fiscal Responsibility and Taxpayer Protection Act, I needed to first understand the story behind this act, which I learned passed in the Second Session of the 41st Legislature after The Balanced Budget, Fiscal Management and Taxpayer Accountability Act was repealed in the First Session of the 41st Legislature.

Now, I want to say that, in reading the now-repealed balanced 'budgeck' act, one thing I noticed immediately is that the language and calculations that are used are far more straightforward and comprehensible for someone like me, a private citizen who is simply trying to understand if and how the government is being accountable. While the now-repealed balanced budget act offers a fairly simple formula for salary reductions, The Fiscal Responsibility and Taxpayer Protection Act that was passed in the Second Session of the 41st Legislature is far more complicated, and I am frustrated to see that this new calculation proposed in Bill 48 is even more convoluted and difficult to discern.

* (19:00)

So clause 5(1) of Bill 48 suggests an amended formula that is: reduction equals A times (B minus C) divided by B. In this formula, A is the amount withheld for that year under subsection (2). So I need to understand subsection (2). That is 20 per cent of ministerial salary to be withheld or 40 per cent after consecutive contravenings of deficit, noting that in section 8(7), this does not apply to a person for the year that they become a minister.

So now, I need to understand how much are ministers paid. Well, I've learned that MLA salaries in Manitoba are \$97,753 and that Cabinet ministers have an additional salary of \$53,519, for a total of \$151,272. Now, I want to take a moment here to note that when I looked at the average industrial salary in Manitoba—or, sorry, the average industrial wage in Manitoba, that is \$49,598.12, which is three times less than the salary of a Cabinet minister in Manitoba. I think that's important to note.

Back to the formula. So let's say that 20 per cent of the salary of a minister is withheld. That is \$30,254.40. So that's A. Now B: B is one eighth of the deficit. I'm not sure what is the deficit. I couldn't find that number, but I could find the projected deficit, which I understand is somewhere in the vicinity of \$1,597,000,000. So one eighth would be, I understand, \$199,625,000.

So, C is where things got tricky for me. If I could understand it correctly, it basically is suggesting that if the government does not increase the deficit by more than \$200 million, then the ministers do not need to receive a salary reduction. So, if I understand correctly, the reduction is \$30,000—sorry, \$30,254.40 times \$199,625,000 minus, I guess, \$1,999,625,000 divided by \$199,000—sorry, \$199,625,000, which equals zero. So I'm really confused, and perhaps I misunderstood it, but if I have misunderstood it, I think that part of the blame clearly lies with a government that cannot make a clear commitment to accountability and to the ministers understanding their clear privilege and setting out a clear wage reduction.

So I want to get back to the average industrial wage in Manitoba, which—I think is important to stress again—is \$49,000—sorry, \$49,598.12. I believe it is equally important to reflect upon the tax rate in Manitoba as we consider this bill and the commitments that the Cabinet ministers have made, seemingly, to Manitobans.

Manitoba has the highest income tax rate for the lowest income earners across all of Canada. You have a rate of 10.8 per cent for the first \$33,723 of taxable income. In October of 2020, the latest consumer debt index suggested that 53 per cent of Manitobans are at risk of insolvency and 28 per cent of residents in Manitoba are currently technically insolvent.

So the average industrial worker—which myself is included; this is approximately my average wage—must pay 25 per cent of our salaries to provincial and federal governments. With rising rent costs, we pay approximately 40 per cent of our income to have a

roof over our heads. We pay 40 per cent of our income for food, utilities and transportation. And just with those figures alone, that adds up to more than 105 per cent. Is it any wonder that Manitobans are in debt?

I want to conclude by calling on the Pallister government to repeal 48, and I want to kindly ask all Cabinet ministers to consider the immense privileges that you all possess in holding salaries that are three times the average industrial wage in Manitoba in 2021. Instead of developing complex legislation that suggests that Cabinet ministers are committed to a balanced budget, I suggest that Cabinet ministers take an unequivocal wage cut.

Thank you for your time.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions for the presenter?

Mr. Fielding: Great, Shawna. Thanks for your presentation. Thanks for coming out on a snowy day here in April—unfortunately snowy.

So just to—I do have some questions here for you, just to add some context—to provide some context to your response. You're right, there is a lot of bills before the Legislature, and that's solely the responsibility of the NDP government—or, the NDP opposition that 'filibusted' bills. We had a one-in-a-hundred-year pandemic, so never has there been a time in Manitoba history where you've had numerous bills, including supports for COVID-related items through our budgets, that were 'filibusted'.

So I guess, probably, your best bet would be to talk to some of the members of the NDP.

I would also remind you that the bills were introduced about five weeks sooner than would normally be done under the former NDP government. And, of course, we are here today debating that. It's an opportunity for people like yourself to come out to the public and have your say in these things, which is really important. And so we're glad we're able to do that a lot sooner and provide it to individuals a lot sooner.

Just to answer and put some context in your question: the legislation's pretty straightforward. You know, (1) is to bring the deficit down in an eight-year time frame. We think that's realistic; we think that's doable. We've done it before. In fact, we did it four years ahead of schedule before to save you, as taxpayers, some money.

But the question I really have for you is in regards to the taxes. You had mentioned some of the, you know—and you obviously did some great work in terms of identifying wages and all that sort of stuff, but our government has really taken a focus on making life a little bit more affordable for people like yourself. In fact, the 2020 tax rollback—we are committed to a 50 per cent reduction in education property taxes. Also, things like the basic personal exemption, where 12,500 individuals—low-income individuals aren't paying taxes.

So I guess my question for you specifically is: do you support a lot of the tax measures to make life affordable here in the province of Manitoba?

Mr. Chairperson: Shawna, go ahead if you wish to respond. You're welcome to, not required to.

S. Finnegan: Thank you very much for your time, and thank you, Minister Friesen.

I don't want to take up too much time of the committee, so I want to focus in particular on the question that you've asked me.

First, I want to consider who benefits from, for example, the education property tax reduction. I would say that's not renters and that's not necessarily Manitobans who are at the lowest income.

I also want to note that, in addition to having one of the highest tax rates on the lowest income in Manitoba, Manitoba also has one of the lowest basic personal income tax credits. And unlike the Canadian federal government, I have seen no news about increasing that over time.

So I do support tax credits in Manitoba, but I really urge the Manitoba government—the Pallister government to consider why does Manitoba have the highest income tax rate for the lowest income across Canada. Why?

Thank you.

Mr. Wasyliv: Thank you, Shawna, for your presentation tonight and your important words.

I certainly agree with you that how this bill came about was anything but democratic, and it certainly was a pattern of this government to try to skirt accountability and transparency.

For a lesson for this government, perhaps you can share with them what they should have done and what would have been a more transparent, open and fair way to introduce this legislation.

Mr. Chairperson: Shawna Finnegan, we have about 90 seconds left in this section of our time. You're welcome to respond, not required.

S. Finnegan: I must admit that my understanding of the options available to Manitobans has definitely increased in the past weeks and months as I learn much more about this process. So I understand that the ideal situation would be that these bills be presented at first reading with the full text of the bills. I have to honestly wonder how it is possible to present a bill at first reading without that full text.

* (19:10)

It seems utterly ridiculous to me, and I'm really surprised that Manitoba rules allow it. So, in my opinion, it should be absolutely essential that any bill that is ever presented at first reading must have its full text.

Thank you very much.

Mr. Chairperson: We do have—thank you, Shawna. We do have 25 seconds remaining.

Any final questions or remarks from the committee?

Mr. Dougald Lamont (St. Boniface): I just want to thank you very much.

Not only do we have the highest taxes for the lowest—for the people with the lowest income, we also have fairly low taxes for people at the highest income as well.

But, and you've done fantastic research. I just want to thank you very much. You've made some great arguments.

Mr. Chairperson: Shawna, if you wish to have a very brief response, you are allowed to—not required. We're out of time, but I'll give you, you know, a few seconds if you wish to take them.

S. Finnegan: Just to say thanks very much to MLA for those comments, and I look forward to learning more about the many inequalities in Manitoba.

Mr. Chairperson: Thank you, Shawna, for your presentation.

That concludes the lists of presenters I have before me.

* * *

Mr. Chairperson: In what order does the committee wish to proceed with clause-by-clause consideration of these bills?

An Honourable Member: Numerically as written.

Mr. Chairperson: Numerically as written.

**Bill 15—The Manitoba Public Insurance Corporation Amendment Act
(Claim Dispute Tribunal)**

(Continued)

Mr. Chairperson: We will now proceed with clause by clause of Bill 15.

Does the minister responsible for Bill 15 have an opening statement?

Hon. Jeff Wharton (Minister of Crown Services): I will keep it brief. There's been some great discussion today here at committee regarding Bill 15.

I know in the House, during first and second reading, that the opposition NDP were in support. I fully anticipate that they'll continue to support Bill 15 today. They spoke in, actually, in very favourable terms of Bill 15. So we're certainly, as a government, excited to move forward with this bill.

This legislation, again, will certainly provide another tool in the tool kit for Manitoba ratepayers and Manitoba Public Insurance and certainly provide an independent body in order to have an option other than the court system that currently is available to them. And they will, of course, have that ability as well.

So with those short comments, Mr. Chair, I know that some of us in the room had a rather late evening yesterday, and out of respect for my colleagues—and maybe a little bit of respect, selfish respect for myself—I'll close my comments there.

Mr. Chairperson: We thank the minister.

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

Mr. Mintu Sandhu (The Maples): Bill 15 will establish a claim dispute tribunal, which is a cross-adjudicial independent body responsible for resolving conflict between an insured person and MPI through binding decision.

Manitobans have high hopes in our institutions to provide good and reliable service and want to have their concerns met in an efficient and effective manner. Manitobans would—should have the freedom to make appeals without fear of being unable to foot the cost of the appeal process. The claim dispute tribunal may disadvantage Manitobans by denying them the right to appeal decisions made by the CDT.

Manitobans are uncertain that they will not receive the right compensation for their dispute claims. This government has been meddling with MPI since they took office in 2016, just as they have with all our Crown corporations. Complaints to MPI's Fair Practices Office have been—have seen a very large increase in recent years.

We are concerned that, rather than deal with the people fairly, Bill 15 will create a new way of government to manage disputes.

This government needs to treat Manitobans fairly and rebuild the trust that has been lost by the Pallister government's interference in MPI and other Crown corporations. I would like to thank all the presenters for providing their valuable input into Bill 15. I hope that the minister will listen to the suggestions and concern presented and do what is right for all Manitobans.

Thank you.

Mr. Chairperson: We thank the member.

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

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages with the understanding that we will stop at any particular clause or clauses where members may have comments, questions, or amendments to propose.

Is that agreed? [*Agreed*]

Clauses 1 and 2—pass.

Shall clauses 3 and 4 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Sandhu: I have a question.

Mr. Chairperson: Mr. Sandhu has a question.

Mr. Sandhu: I have a question on clause 4.

Mr. Chairperson: Clause 3—pass.

Shall clause 4 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Sandhu: Well, I have a question for the minister.

Why did the minister not include an appeal process for ratepayers?

Mr. Wharton: Certainly, having an independent body and—look at disputes between a Crown corporation and a ratepayer would be the process that Manitobans have been asking for, and the member from Maples knows that. As a matter of fact, he was in the—when we introduced the bill before first reading.

Certainly, he had that question, and we were glad to answer it then and I've just answered it now.

Mr. Sandhu: What other recourse is there for Manitobans after they believe they have been unfairly treated by the claim dispute tribunal?

Mr. Wharton: Well, as the bill mentions—thank you, Mr. Chair. As the bill mentions, certainly, if they choose the claims 'disputal'—claims tribunal route, they—that would be a binding decision by the tribunal and the—of course the decision would be binding.

Mr. Sandhu: Another question: Would the minister consider making amendment?

Mr. Wharton: No.

Mr. Sandhu: What is the cost associated with creating a new tribunal?

Mr. Wharton: Certainly, as we go through this process, continue to consult, we'll work through regulation and, of course, at that point we'll be determining the final outcomes, and I'm sure the member will be anxious to take part in that process.

Mr. Sandhu: Would MPI ratepayer have to pay anything to go through the tribunal process?

Mr. Wharton: Again, during the regulation process, any issues, such as the member from The Maples brought forward today, will be dealt with during that process.

Mr. Sandhu: Any discussions so far on these regulations?

Mr. Wharton: We continue to consult.

Mr. Chairperson: Clause 4—pass; clause 5—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 22—The Credit Unions and Caisses Populaires Amendment Act

Mr. Chairperson: Does the minister responsible for Bill 22 have an opening statement? Minister Fielding—oh.

Hon. Scott Fielding (Minister of Finance): Bill 22 will amend the credit union caisses populaires act to strengthen the regulatory framework for the Credit Union Central of Manitoba, as well as the change—the oversight and governance framework of Manitoba's credit union system. The bill will fill a gap that was created when the federal office of—OSFI essentially withdrew its oversight services, provincial credit union centrals, leaving the provincial government with the sole responsibility.

* (19:20)

The bill creates a framework where the Deposit Guarantee Corporation of Manitoba will be the primary regulator of Manitoba's credit unions and caisses populaires, becoming the primary 'regular' of the Credit Union Central. In turn, the provincial superintendent of financial institutions—the regulator under the legislation—will oversee deposit guarantee to ensure that it fulfills its regulatory role and maintains responsibility for the system itself. The Manitoba government continues to be responsible for the registrar. As a result, the deposit guarantee's new oversight role, the bill makes changes to the board of directors to avoid any real or perceived conflict of interest.

The bill also includes provisions that provide Manitoban regulators with the ability to readily adapt and respond to changing circumstances.

Bill 22 introduces the provisions that permit the Credit Union Central to appoint independent directors—up to one quarter of the board members—to enable greater diversity and help ensure boards have the necessary skills and expertise. Changes were also made to the director's eligibility requirements, including adding a one-year cooling off period.

The bill removes the concept of charter bylaws, which only applies to the central—and means the registrar will—no longer needs to approve the central bylaws.

The bill includes provisions to facilitate remote participation by members, the credit union and caisse populaire meetings and vote electronically at the time. It also gives authority to enact regulations to ensure consumer protection and management of consumer complaints.

Finally, Bill 22 includes a number of house-keeping amendments, such as changes to reflect that, as a result of mergers that took place several years ago—and there is now only one Credit Union Central and one guarantee corporation.

Thank you, Mr. Chairperson.

Mr. Chairperson: We thank the minister.

Does the critic from the official opposition have an opening?

Mr. Mark Wasyliv (Fort Garry): We do.

This bill makes many different changes to the credit union caisses populaires amendment act. These changes will no doubt affect many people, as most Manitobans rely on banking services of some sort.

We believe that financial services should be accessible and affordable to all Manitobans. Credit unions offer a co-operative model of banking and provide many benefits to their users and have so since their inception in 1844.

There are 23 credit unions, 178 combined locations in Manitoba—twice as many as any other financial institution. In many communities, a credit union is the only financial institution servicing residents, small businesses and producers, so it's important to assure that the credit unions can continue serving these communities. We must be careful that these changes to the governance and oversight of credit unions does not negatively impact services for Manitobans so that all Manitobans have an equitable access to financial services.

Thank you.

Mr. Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and title are 'prostitoned' until other—all other clauses have been considered in their proper order.

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

Clauses 1 and 2—pass; clause 3—pass; clauses 4 through 8—pass; clauses 9 through 15—pass; clauses 16 through 19—pass; clause 20—pass; clause 21—pass; clauses 22 through 24—pass; clauses 25 through 28—pass; clauses 29 through 31—pass; clauses 32 through 34—pass; clauses 35 through 37—pass; clause 38—pass; clauses 39 through 42—pass; clause 43—pass; clause 44—pass; clauses 45 through 51—pass; clauses 52 through 56—pass; clauses 57 through 63—pass; clause 64—pass; clauses 65 through 68—pass; clauses 69 through 72—pass; clause 73—pass;

clauses 74 and 75—pass; clauses 76 through 79—pass; clauses 80 through 82—pass; clauses 83 through 85—pass; clause 86—pass; clauses 87 through 89—pass; clauses 90 through 95—pass; clauses 96 through 99—pass; clauses 100 and 101—pass; clauses 102 through 107—pass; clauses 108 through 112—pass; clauses 113 through 116—pass; clauses 117 through 119—pass; clauses 120 through 122—pass; enacting clause—pass; title—pass. Bill be reported.

Committee Substitution

Mr. Chairperson: Order, please.

I would like to inform the committee that under our rule 85(2), the following membership substitution has been made for this committee, effective immediately: Mr. Maloway for Mr. Sandhu.

Bill 30—The Consumer Protection Amendment Act

Mr. Chairperson: We now turn to Bill 30.

Does the bill—does the minister responsible for Bill 30 have an opening statement?

Hon. Scott Fielding (Minister of Finance): I do.

I'm very pleased to present Bill 30 to committee this evening and move forward the proposed legislation that continues to prove our marketplace for consumers and business. Bill 30 builds upon two government commitments: (1) the government's ongoing commitment to reducing administrative burdens and barriers for business, while ensuring consumers continue to be protected in the marketplace.

Bill 30 also fulfills the 2008 Throne Speech commitment to expanded consumer protection against unsolicited high-pressure sales tactics used by some direct sales—'salers'. Bill 30 proposes to amend the Consumer Protection Act by repealing part XXII, Contracts for cellphone services, and cellphone contracts regulation. Manitoba's rule related to contracts for cellphone services are a duplicate of the federal government's wireless code, and repealing Manitoban's legislation will not lessen protections for consumers but will reduce unnecessary red tape and administration costs for cellphone suppliers.

Bill 30 also proposes amendments to part VII, Direct Sellers, of the Consumer Protection Act, to restrict door-to-door sales, direct sellers, and come to consumers' homes and use unsolicited, misleading and high-pressure sales tactics to convince Manitoba consumers to purchase or lease large household

systems and suppliers, such as furnaces, air conditioners, water purifiers.

The amendment also includes some additional measures in—Bill 30 prohibits the unsolicited direct door-to-door sales of furnaces, air conditioners, air water purifiers and other household systems and suppliers, unless the consumer initiates contract with the—contact, sorry, with the sellers and invites them into their home and buy or lease—to buy or lease one of these household systems and supplies; requires contracts to be written in clear and understandable language and disclose key consumer rights, prohibits 'undefined' leases or lease terms within a direct sales contract, to ensure total costs of the agreement is disclosed and requires confirmation that the consumer initiated the in-home sales contract when prescribing products are being bought or leased; provides flexibility to add to the list of prescribed goods and services by regulation, if necessary; and allows businesses to distribute unaddressed marketing materials at a buyer's home without attempting to contract a buyer.

So, thank you, Mr. Chair.

Mr. Chairperson: We thank the minister.

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

* (19:30)

Mr. Jim Maloway (Elmwood): Regarding Bill 30, certainly, the need for this bill is evident. Since April 2018, there was a resident in Winnipeg, I believe, signed a door-to-door contract with a direct seller called Utilebill. They promised to pay \$37,000 for a furnace, a HEPA filter, water filter and an electronic air cleaner, and all of these products would've cost less than \$10,000. So this is certainly an outrageous abuse of the public, and we asked at that time that the government take action.

It was—this whole issue became the subject of a CBC program. There was—a number of people came forward. There was a resident in my own constituency—actually more than one—who came forward with similar kind of issues here. And certainly it's an issue right across the country, and Ontario as well. Just two nights ago on CBC, there was a case where this very same company—actually there's several of them—were putting liens on people's houses. And clearly, the person that was on subject of the show the other night, the person was in a seniors home and certainly had limited function, and we saw that here in Manitoba, too.

So the question became, how were we going to compensate these people? And the minister was very reluctant to open up about this matter but eventually, over time, he actually did. And he—at our last discussion on this matter, he did say that a half a million dollars had been paid. Doesn't give me any timelines on it, doesn't give me any numbers on the people that were compensated, but the reality is that there's people that have not been compensated out there.

And the way the bonding companies work—and he probably knows this—is that when they do call on the bond, then there's a number of deadlines that start taking into effect. And if you think about this for a moment, if you didn't know there was something available to you and you hadn't made your complaint to the Consumers' Bureau about this matter, it's possible that you would be left out of the process. And that's what I'm trying to ask him about, is that how many people got the money?

The early complainers—complainants, if they filed within a certain period and the bond paid out, now the bond's finished; it's done. So now everybody that comes later gets nothing. And that's what I'm trying to figure out is how long did he wait or did they wait on this issue, and did some people get two or three thousand dollars and some people get \$300 and some people get none? That's really what I've been trying to get out of this.

Now, let's—back to the bill. So, we do like this bill and what the government is trying to do here. What we don't understand: why, in a bill like this, that they would—that he would try to take out the cellphone provisions. You know, I mean, the government of the day, back in 2011, brought in a bill that was very, very clear that it didn't have full responsibility for cellphones. I was a federal member of Parliament at the time and we were dealing with the issue then. It is primarily under federal jurisdiction, but there is a role for the government on the contract side of it, right?

So, the Selinger government at the time introduced this amendment in—I think it was 2011, supported by the Conservative opposition. Matter of fact, right—it's right in Hansard where the Conservative opposition critics actually supported this legislation. So, you know, what's changed? And so, I know that the edict from above here is to do red-tape reduction. I've been hearing all this since the Premier (Mr. Pallister) was elected in a by-election back in—a long time ago, but—'93, I guess it was. And, you know, he talked about red-tape reduction at that time. And after the two to four years that he was here, we didn't

find any red tape that he reduced, but he's certainly trying to make an issue of it now. And that's fine, he can do that.

But my point is that I don't think we should be, you know, just arbitrarily throwing out things that might have some benefit to Manitobans on the basis that you can make a blanket statement that they're covered federally. They may be covered federally today, but maybe tomorrow there'll be a different government, right? And so, for example, I just want to, you know, look at the bill that was passed that you people supported when you were in opposition.

The bill amends The Consumer Protection Act—this is the cellphone bill now, Bill 35—to provide protection for consumers who enter into cellphone contracts. Under the bill, all important information about the contract must be clearly set out in the beginning of the contract, including the length of the contract terms, the minimum monthly costs under the contract, description of the services included in the monthly cost, details and rates for additional use charges, such as additional minutes, details of optional services, details including costs of any one-time fees such as system activation and how the consumer may cancel the contract, and if there's a cancellation fee, how's it going to be calculated? And the consumer will have the right to cancel a contract at any time. The cancellation fee that may be charged—you know, and it goes on and on and on. It's very consumer-friendly stuff, stuff that you guys should be—you know, you supported it once—you should be proud to support. It's not costing you anything; it's just part of a bill, okay?

And so, you know, in terms of that particular aspect of it, and, you know, I—minister may be reasonable here. Maybe he is, maybe he isn't. But, I mean, I would suggest that you deal with them separately. Like, deal with one bill at a time. I dealt with omnibus bills in Ottawa all the time, and all governments do it. I mean, I'm sure they—you can find that the NDP did it at times when we were in government as well, where they throw in a whole bunch of things that don't even belong in a bill. I see that happening here. So, you know, stick with your legislation on the door-to-door sales. Take your win because you're going to pass the bill and get some credit for this, and then leave this cellphone business, you know, alone, because it's pretty unclear that there's any benefit to removing it.

And don't ever think that the cellphone issue is not a popular one among the public out there. You know, everybody's concerned about cellphone bills. You

guys should be paying some attention to that and not do things that are going to cause people to question, well, why you doing this, right, you know, like, what's in it—why you doing it?

Anyway, so many Manitobans rely on cellphones in their day-to-day lives and they deserve affordable cellphone contracts that are upfront, don't contain rates that surprise them when they open the bill. Previous NDP government installed these protections for cellphone contracts in 2011 that have saved Manitobans from hidden costs and unreasonable cancellation fees. These provisions require companies to clearly and prominently display information of the contract to consumers, provide protections for consumers who choose to cancel contracts. The legislation was liked and appreciated by Manitobans and the Consumers' Association of Manitoba. At the time of the debate, and I looked back on the Hansard at the time, the Consumers' Association said they believe that Bill 35 was a positive step towards better protection for consumers signing cellphone contracts and towards a more fair and equitable marketplace in the province. They urged the Assembly to adopt the bill. That was Hansard, June 8th, 2011.

Now, under the Pallister government, cellphone bills for Manitobans, they're getting more expensive and they're—and there's fewer players, although I got to say that CRTC, who's a regulating body, just passed some really good regulations just a few days ago, allowing for more competition in the field and, you know, providing some—well, we'll see what happens, right? People announce things but sometimes it doesn't come true.

Mr. Chairperson: Mr. Maloway, you have one minute.

Mr. Maloway: I'll do what I can here, but we've got a long night in front of us, I'm sure.

So, the changes shouldn't surprise us, you know, given the interest in the government in the past with the cellphones—with the sell-off of MTS and so on. You guys don't have good a track record in this area is what I'm pointing out here. And with Manitobans working from home more than ever, access to affordable cellphone plans is a must and protections for cellphone contracts reintroduced by the previous NDP government—minister for Agriculture and Resource Development stood and spoke in favour of Bill 35, and he said: we look forward to the passage of this bill. This is in Hansard, June 15, 2011.

So why is the government taking away protection for Manitobans that they agreed to when they were in opposition? And so I just wish you would reconsider this—

* (19:40)

Mr. Chairperson: The member's time has expired. We thank the member.

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

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

Clauses 1 and 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clause 7—pass; clauses 8 and 9—pass; clauses 10 and 11—pass; enacting clause—pass; title—pass. Bill be reported.

**Bill 48—The Fiscal Responsibility and
Taxpayer Protection Amendment Act**
(*Continued*)

Mr. Chairperson: We now move on to consideration of Bill 48.

Does the minister responsible for Bill 48 have an opening statement?

Hon. Scott Fielding (Minister of Finance): Thank you, Mr. Chair, and members of the Standing Committee of Social Economic Development. Thank you for the opportunity to speak briefly before we review Bill 48. I would also like to thank the members of the public who came to join us, a few of the presenters here today. In Manitoba, we are proud of our process of having the committee stage open to members of the public and are happy to see and take responses from individuals.

Bill 48 makes important amendments to The Fiscal Responsibility and Taxpayer Protection Act. This bill sets into legislation a careful path for Manitobans to return to balance within an eight-year timeframe. We believe that's very doable and realistic as a government, considering we're coming through the pandemic. Our main focus, of course, right now is protecting Manitobans. But once that is over, we want to get ourselves back into balance.

Our government has been proactive in meeting and exceeding our past deficit reduction targets four years ahead of schedule. With the uncertainty and issues caused by the global pandemic, we believe the bill provides a reasonable path back to balance within, you know, while allowing for greater investments in health care and education and social services, while lowering taxes and conserving the environment.

And we do believe that important investments are needed first, but there needs to be a path to balance. And so that's why we're happy to bring forth this legislation.

Thank you, Mr. Chair.

Mr. Chairperson: We thank the minister.

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

Mr. Mark Wasyliv (Fort Garry): Although it's disappointing, I don't think it's a surprise to anyone that this government's priority is to protect its own salaries while they ask Manitobans to make sacrifices during the pandemic.

Manitobans recognize the sheer hypocrisy of this bill, especially the fact that this act is supposed to deal with fiscal responsibility and taxpayer protection. In a year where this government has told Manitobans that we'll get through this together and that sacrifices need to be made, they're refusing to put in the same level of commitment themselves.

And at the same time that this government is protecting their own salaries, they've laid off thousands of civil servants and forced many more to take unpaid time off. They've laid off 11,359 government employees when the pandemic hit and put—needed their incomes the most. And during the first wave, the Pallister government forced 6,250 government employees to 'pake' five unpaid sick days; if they refused, there would have been layoffs. And then, to add insult to injury, the Premier (Mr. Pallister) said that the Canada–Canadian emergency response benefit was a work disincentive, and shamed those who desperately needed it.

How is it that all other Manitobans have to make sacrifices during this pandemic without support from this government, but then this government turns around and protects their salaries? They're protecting the wages of ministers who have completely failed Manitobans during the pandemic.

The former minister of Health called the deaths of our beloved seniors in care homes unavoidable. The

Education Minister is ramming through a terrible education bill that will dramatically transform how education is run in our province during a time where parents, teachers, students and other education staff are already struggling due to the pandemic. The Minister of Families (Ms. Squires) is cutting funding to many nursery schools during a time when many parents' incomes have been reduced.

We still haven't been given a bill briefing for this bill yet, which is truly unprecedented. And first, this government hid 19 bills from the media, opposition and the public, and now they're continuing with their trend of a complete lack of transparency. Why would they refuse to provide a bill briefing? Perhaps they're ashamed of this bill and the sheer hypocrisy it represents.

I'd like to thank all of the presenters for providing their valuable input on Bill 48. I hope that the minister will finally put the needs of Manitobans above his own and withdraw this ridiculous bill.

Mr. Chairperson: We thank the member.

Does the critic from—no.

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

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

Shall clauses 1 and 2 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Wasyliv: I have a question for the minister.

Mr. Chairperson: Shall clause 1 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Wasyliv: I have a question for the minister.

Why weren't we provided with a side-by-side with this bill, and why was this bill being sort of rammed through without a bill briefing being provided to opposition?

Mr. Fielding: The bill briefing was an oversight; I'll say that on behalf of the government. There was a lot of things that were going on at the same time.

I think that's the only question the member had. Was there some other question?

Mr. Wasyliv: I do. Why an eight-year path to eliminate the deficit? Your own budget documents project much faster. Is there something that is not being, sort of, told to us?

Mr. Fielding: No. We want to protect Manitobans, so we want to make sure that something's doable, something's realistic. If you look at our track record, we, of course, balanced our budget four years earlier than anticipated, than we first made commitments to. So we want to make sure that we're protecting Manitobans first, but yet we have a pathway to balance.

I guess I would ask—answer your question with a question back to you to say: what time frame would the NDP like to balance the budget in?

Mr. Wasyliv: I'm wondering why you're giving away hundreds of millions of dollars to corporate landlords that are sitting on record amounts of cash right now, and why not reduce the deficit or put it to use protecting those hurt by COVID?

Mr. Fielding: Well, I think the member—maybe were speaking to our education property tax, and that's reducing it by 50 per cent over two years, so there's over 658,000 Manitobans that will get a much needed tax break of relief.

Obviously, the NDP don't feel that Manitobans deserve a tax relief at this point, so it's up to them. If they don't want to support that and they don't want to support rent controls, which they've been talking about for a long period of time, maybe it's hypocritical for the member to be talking about one thing in the House, yet voting against the things, but we'll have to see.

Mr. Chairperson: Clause 1—pass; clause 2—pass; clauses 3 through 5—pass.

Shall clauses 6 through 8 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Shall clause 6 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Wasyliv: I have a question.

So, Minister, if the NDP government cleans up the Conservative mess, then Conservative ministers would obviously get their withheld salaries back, and that seems rather self-serving to make us do most of the heavy lifting. You would agree?

Mr. Fielding: Well, you ask Premier McFadyen his opinion on whether you're going to get to the polls or get across the finish line, that's really up to Manitobans.

Kind of presumptuous for you to somehow think that you're going to take power, knowing your past history of tax increases and blowing budgets. That's something that doesn't really sell well beyond the number of seats that you do have. But I guess that's a determination that Manitobans will make over the next coming years.

Mr. Chairperson: A polite reminder to all members to direct comments through the Chair.

Mr. Wasyliv: I had no further questions on that clause.

Mr. Chairperson: Shall clause 6 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Shall clause 7 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Clause 6 is accordingly passed.

Shall clauses 7 and 8 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Shall clause 7 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Shall clause 8 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Clause 7 is accordingly passed.

Shall clause 8 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Wasyliv: Through the Chair, I'm wondering if the current bill allows for disasters to be taken into consideration.

* (19:50)

Why not take COVID into consideration with the provisions of the existing act? So, if you did so, you could carry on with the existing provisions of the act. Just declare COVID cost as a disaster and with your own budget projections, returning to a balance pretty fast, there basically wouldn't be any need to give away hordes of Manitoban dollars to corporate landlords from Toronto.

Mr. Fielding: We don't see it that way.

We—(1) we see that we want to put together an eight-year path to balance the budget. We'll be interested to see if the NDP would support that. I know your past record when you were on school trustee of jacking up taxes by over 40 per cent—that wouldn't be acceptable in our government. Maybe it's acceptable under your government, under the NDP, of blowing budgets and jacking up taxes on people that hurt most, but that's not something that our government wants to do.

We've put together a realistic plan to balance the budget, and we would hope that you would support that to make sure that Manitobans get 'themselves' back into balance.

Mr. Chairperson: And a friendly reminder, please, to direct comments through the Chair.

Mr. Wasyliw: No further questions.

Mr. Chairperson: Clause 8—pass.

Shall the enacting clause pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Mr. Wasyliw?

Mr. Wasyliw: Recorded vote.

Mr. Chairperson: I hear a no.

Voice Vote

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

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Wasyliw: Recorded vote, please.

Mr. Chairperson: A recorded has been requested.

For the information of all members of the committee, recorded votes will take place in a similar way to those in the Chamber.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 2.

Mr. Chairperson: The enacting clause is accordingly passed.

Mr. Chairperson: Title—pass. Bill be reported.

The time being 7:52, what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 7:52 p.m.

WRITTEN SUBMISSIONS

Re: Bill 48

The Manitoba Federation of Labour (MFL) is Manitoba's central labour body, made up of 30 affiliated unions and representing the interests of more than 100,000 unionized workers in our province. The MFL advocates for the interests of working families in the private and public sectors, including the need for strong public services, good jobs, and fairness in the workplace.

We realize that the COVID 19 pandemic has placed extreme pressures on workers, businesses, our economy, and on public finances. The scale of these pressures has likely not been experienced since World War Two.

The pandemic has highlighted how important it is for governments to have fiscal capacity and flexibility to respond to emergencies and to emerging urgent needs of its citizens. Had the Government of Manitoba been operating under the old fiscal straight jacket of needing to balance its budget each and every year—instead of being able to incur deficits when needed, offset by surpluses in better times—a disastrous time for Manitoba families and the economy resulting from COVID 19 would have been a million times worse—surely resulting in substantially more deaths and illness, as well as even more catastrophic job and businesses losses. The MFL continues to favour an approach to budgeting which is balanced in terms of sound stewardship of taxpayers' dollars and meeting the needs of working families.

This pandemic has also reminded many Manitobans of the importance of having strong public services that are there for us when we need them, and of the role government should play in times of severe economic crises. We know that this government initially responded to the economic impacts of the pandemic by resisting to support workers who were losing paycheques and even proposed deep, across-the-board cuts that would have devastated public services and scarred our economy.

We were glad that this government, and this Finance Minister, eventually listened to Manitobans and backed down from their plan to deeply and irrevocably harm public services and workers' incomes at a time when local businesses were counting on as many Manitobans retaining their paycheques as possible.

We also acknowledge that this government eventually did establish some support programs for Manitoban workers and businesses. However, this government's own budget documents show that many of these programs provided far less support than government had budgeted for¹—raising questions about whether these programs were designed appropriately.

This bill is principally concerned with ensuring that the members of this government's cabinet have a legislated path to receive their full salaries as they pursue a path to balance the provincial budget over eight years. While we do not always agree with the decisions of this government, we do recognize that cabinet ministers and all elected officials of all parties provide a vital public service. As representatives of your constituents and as decision makers who impact our province, the work you do is valuable. We believe that politicians deserve to be fairly compensated for the work that they do. To attract quality candidates, it serves our province well to ensure that the challenging work you do is paid for adequately.

It is unfortunate that this government does not believe that this principle should extend to over 120,000 Manitobans who work in providing public services we all count on. This government has spent years imposing wage freezes on over 120,000 working families. These families need to pay the bills and put food on the same kitchen tables that this Premier is so fond of. I urge this minister and this government to put a similar amount of effort into ensuring fair

compensation for the 120,000 public sector workers and the families who count on their wages as you are putting into ensuring that your own salary increases are maintained over the next eight years.

This government's wage-freeze law was deemed unconstitutional and "draconian"² by the Court of Queen's Bench last summer. And yet, this minister and this government have only continued to pursue their obsession to impose wage freezes on hardworking Manitobans, rather than let them bargain fair contracts with their employers.

At this moment, over 2,000 members of IBEW 2034 are on strike as they try to negotiate a fair contract free from interference from this government. It is not too much to ask that the Manitobans who keep the lights on and the power going for Manitoba Hydro get the opportunity to bargain fairly with the profitable Crown corporation that employs them. We have seen these members go above and beyond for this province, including during the record-breaking ice storm of October 2019. It is time for the Premier and his cabinet to get out of the way of these workers and the fair deal they deserve.

Workers have the right to collectively bargain with their employer to negotiate contracts that work for both employees and employers. Manitoba's Court of Queen's Bench affirmed this right less than 12 months ago. And workers deserve to be paid fairly for the work that they do—regardless of whether those workers are the cabinet members and Members of the Legislative Assembly who appear here tonight, or up on a hydro pole restoring power; caring for patients; driving students to school; assisting a fellow Manitoban access a government program that they require; helping young people unlock their potential; or any of the vital and necessary jobs that the workers in our provincial public sector do each and every day.

As duly elected public representatives, I encourage you to make decisions that allow for Manitobans to receive fair compensation for their work, much like you are placing on maintaining your salary increases for your own work here tonight.

Manitoba Federation of Labour

Submitted by Kevin Rebeck

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.manitoba.ca/legislature/hansard/hansard.html>